



PRESS RELEASE

Amsterdam, the Netherlands 21 April 2017, 08.00 CET

Avantium publishes full year results 2016

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 full year results 2016.

Key indicators 2016:

- Consolidated revenues increased 2% to € 10.5 million (FY 2015: € 10.3 million).
- Extra funding of € 20 million in place by Convertible Loan Agreement (CLA) with PMV, FPIM and (certain) existing shareholders.¹
- Accomplished Joint Venture with BASF enables next step towards commercialization YXY technology.
- Acquisition of assets Liquid Light strengthens electrochemistry activities.

Tom van Aken, Chief Executive Officer of Avantium: “The year under review has brought a lot of exciting developments for our company. We have made significant progress in executing our strategy of developing game changing technologies to make 100% renewable plastics and chemicals and commercializing them together with strong partners. As a market leader in the field of advanced catalysis research, Avantium continues to provide services and equipment to companies in the petrochemical industry.

In March, 2016 we announced the intention of a Joint Venture with BASF, named Synvina, which was incorporated in November, 2016. It enables us to enter the next phase of bringing FDCA and PEF to the market and maintain a strong technology leadership. We plan to build the first commercial-scale FDCA plant in Antwerp that will support the launch of PEF bottles and films by leading brands, retailers and industrial companies around the globe. It marks a step change in the commercialization of the YXY technology developed by Avantium and is an important milestone for all brands and consumers that want to start using renewable packaging materials with superior performance.

In December 2016, we acquired the assets of Liquid Light, a developer of technologies to convert CO₂ in chemicals, which provides Avantium a top 5 position

¹ This convertible loan agreement fully converted into ordinary shares at IPO on 15 March 2017.

globally on electrochemical carbon dioxide conversions, with an extensive portfolio of patents and patent applications.

After the successful completion of our IPO in March 2017 on Euronext Amsterdam and Euronext Brussels, we are well positioned to further execute our strategy as a pioneer in renewable and sustainable chemistry and commercialize our inventions into economic production processes that can be deployed in partnership with leading industrial companies worldwide.”

Operational developments

Together with partners around the world, Avantium develops efficient processes and sustainable products made from bio-based materials. We offer a breeding ground for revolutionary renewable chemistry solutions. From invention to commercially viable production processes.

Catalysis

Catalysis is specialized in groundbreaking innovations and technologies for catalytic R&D services and systems. We support companies to reach their targets for sustainability, profitability and growth by providing unique technology and capabilities in catalyst research. We aim for our Catalysis business to grow long-term services contracts, enable experimentation technologies, leverage synergies between Catalysis and Renewable Chemistries and enable technological and organizational learning. The expertise and experience that we have built up through the execution of more than 100 catalytic development projects, as well as the high-tech infrastructure that enables the parallel testing of catalysts and process conditions, provide a unique basis for developing novel catalytic technologies.

Renewable Chemistries

Avantium’s Renewable Chemistries business unit focuses on developing and commercializing innovative products and processes in the renewable & sustainable chemistries space. We have an “incubator lab” packed with innovative programs to deliver cost competitive renewable products and processes; addressing the challenges of sustainability for future generations.

The YXY Technology is our most advanced technology that was initially developed by the Renewable Chemistries team.

YXY

On 30 November 2016, Avantium established a 49:51 Joint Venture with BASF (with economic effect as of 1 July 2016), named Synvina C.V., to commercialize the YXY Technology and build the first commercial scale plant to produce FDCA and sell FDCA and PEF (the Reference Plant). The Joint Venture also intends to commercialize the YXY Technology by licensing it to BASF and others to enable global industrial scale production of PEF. The formation of the Joint Venture with BASF was a major milestone for the company as it is evidence of the strength of our YXY technology, the dominant position of our intellectual property for the production and use of FDCA and PEF, and the large market potential for this new technology.

The initial contribution to the Joint Venture by Avantium comprises its IP in relation to the YXY technology, the FDCA Pilot Plant in Geleen that has been operational since 2011, and laboratory equipment relating to the YXY technology, collaboration agreements and employment contracts relating to the YXY Technology, whilst BASF contributed cash. In addition, Avantium transferred a European subsidy application to the Joint Venture. The application entails a Horizon 2020 Bio Based Industries flagship subsidy of € 25 million to establish with a consortium of eleven partners a first-of-a-kind, commercial scale, cost effective FDCA reference plant. In December 2016, Avantium received from the European Commission a favorable evaluation report and the exclusive invitation to prepare the documentation. The grant of the subsidy is only subject to finalization of a final grant agreement which the European Commission scheduled for 8 May 2017.

In 2015, FDCA was adopted by the European Food Safety Authority (EFSA). In August 2016 FDCA was included in the Plastics Regulation as a food contact material by the sixth amendment to the Plastics Regulation, which entered into force on 14 September 2016.

In 2016 Avantium signed a framework agreement with Mitsui to commercialize FDCA and PEF in film and bottle applications in the Asian region together with Mitsui affiliates and other industrial parties. This agreement builds on a three party market development agreement between Toyobo, Mitsui and YXY Technologies B.V. for the development by Toyobo of PEF thin films, and the market development for such films by Mitsui. In September 2016 we announced our partnership with Toyobo on PEF polymerization and development on PEF thin films for packaging applications.

Two other projects have reached or are entering pilot plant stage: Project Zambezi and Project Mekong. Both projects are also complementary to but not dependent on the YXY Technology (owned by Synvina, our Joint Venture with BASF).

Zambezi

Project Zambezi aims for a cost-effective process for the production of high-purity glucose from non-food biomass that can be converted into biobased chemicals. It was decided to move the project from lab-scale to pilot plant to prove the technology as soon as sufficient funding is obtained.

As per 1 September 2016 Avantium participates in an EU subsidy project named Bioforever (BIO-based products from FORestry via Economically Viable European Routes). This subsidy will support us in Zambezi's market development as we will provide (amongst others) Zambezi glucose and co-products produced by the Zambezi technology (e.g. lignin) to subsidy partners including DSM (The Netherlands) and Borregaard (Norway) for testing.

In December we signed a non-binding memorandum of understanding with AKZO Nobel Industrial Chemicals B.V., RWE Generation NL B.V and Staatsbosbeheer to

explore a flagship wood-to-chemicals biorefinery at the chemical cluster in Delfzijl, the Netherlands.

Mekong

Project Mekong is a one-step process for the production of mono-ethylene glycol, or MEG, from glucose. Today's market for MEG is predominantly fossil-based and represents an annual turnover of over US\$20 billion. Biobased MEG is chemically identical to fossil-based MEG. We continue to test the catalyst longevity, efficiency, recyclability and suitability for continuous operation. We are currently scaling up the process, initially in the United States on a contract research and manufacturing basis, whereby the intellectual property is fully retained by Avantium.

Volta

Project Volta is in lab stage and comprises the direct use of electricity in chemical processes including the conversion of CO₂ to chemical building blocks. In December, we acquired the assets (IP, know-how and hardware) from Liquid Light, which developed technologies to convert CO₂ in chemicals based on the basis of electrochemistry. This acquisition strengthens our activities in electrochemistry and accelerates the demonstration of novel, electrochemical processes on kilogram scale. Moreover, the extensive patent portfolio of Liquid Light brings Avantium in the top tier with respect to patent applications on electrochemical carbon dioxide conversions.

Financial review

Consolidated revenues from continued operations increased with 2% from € 10.3 million in 2015 to € 10.5 million in 2016. This was mainly driven by our first revenues generated from our Zambezi program.

In 2016 we saw a higher activity level, mainly focused on development costs for external trials in our Mekong program and engineering costs and dedicated equipment for our Zambezi program. Combined with higher costs for raw materials and contracts this resulted in an increased level of operating expenses amounting to € 14.3 million (2015: € 13.7 million).

The net profit for the year 2016 amounts to € 38.1 million (2015: € -13.2 million), resulting in a net equity at year end of € 47.1 million. This increase was fully driven by the one-off gain from the transfer of assets to Synvina, which had a positive impact of € 48.8 million on the net profit.

Consolidated statement of comprehensive income

in Euro x 1,000

	Year ended 31 December	
	2016	2015
Continuing operations		
Revenues	10,491	10,266
Expenses		
Raw materials and contract costs	(2,292)	(1,767)
Employee benefit expenses	(6,590)	(6,841)
Depreciation, amortization and impairment charge	(768)	(621)
Office and housing expenses	(1,591)	(1,846)
Patent, license, legal and advisory expenses	(600)	(1,002)
Laboratory expenses	(1,135)	(1,009)
Advertising and representation expenses	(621)	(559)
Other operating expenses	(744)	(94)
Operating loss	(3,851)	(3,473)
Finance income	56	124
Finance costs	(2,295)	(1)
Finance costs - net	(2,239)	123
Share in loss of joint ventures	(771)	-
Loss before income tax	(6,861)	(3,350)
Income tax expense	-	-
Loss for the year from continuing operations	(6,861)	(3,350)
Gain / (loss) for the year from discontinued operations	44,998	(9,828)
Profit / (loss) for the period	38,137	(13,178)

Overall performance in Catalysis in 2016 remained in line with 2015. We have recently developed a new Flowrence system for early stage catalytic experimentation, with a high level of operational flexibility and with fewer parallel reactors. Market interest for this system is evidenced by first sales already in 2016.

Financial information

Segment revenue

<i>(In Euro x 1,000)</i>	2016	2015
Catalysis	10,241	10,266
Renewable Chemistries	250	-
YXY	326	304
Total segment revenue	10,817	10,570

Total segment revenue increased from € 10.6 million in 2015 to € 10.8 million in 2016, mainly caused by the first recognition of revenues in Renewable Chemistries, related to the partnership initiated for the development of a demo scale 2G bio-refining to chemical feedstock reference plant in Delfzijl.

Adjusted EBITDA

<i>(In Euro x 1,000)</i>	2016	2015
Catalysis	2,639	2,898
Renewable Chemistries	(2,168)	(797)
YXY	(5,297)	(8,482)
Total adjusted EBITDA	(4,827)	(6,381)

Total adjusted EBITDA improved from € -6.3 million in 2015 to € -2.6 million in 2016. This was mainly caused by the XYX related costs decreasing as of 1 July 2016 as these costs were borne by Synvina C.V. Furthermore the lower result in Renewable Chemistries from € -0.8 million in 2015 to € -2.2 million in 2016 was predominantly driven by the investments made in the Volta project.

Balance sheet and financial position

Balance sheet total increased to € 85.3 million (December 2015: € 22.9 million). This increase was the result of the investment in the Joint Venture Synvina, which is 49% owned by Avantium.

Cash and cash equivalents amounted € 14.2 million at year end 2016 (31 December 2015: € 7.0 million), which was mainly driven by extra funding of € 20 million in place by Convertible Loan Agreement (CLA) with PMV, FPIM and (certain) existing shareholders.

Debt excluding cash and cash equivalents amounted to € 26.4 million, (31 December 2015: € 4.0 million), which included a convertible loan for the principal amount of € 20.0 million, € 1.8 million accrued interest on this loan, and € 4.6 million for the innovation loan including accrued interest.

In March, the Company, PMV and FPIM and certain of its existing Shareholders, entered into a subordinated convertible loans agreement (CLA) for the principal amount of € 20.0 million. As a result of this new funding and strict working capital management Avantium has maintained its short-term and medium-term liquidity position.

Supervisory Board

The Supervisory Board of Avantium consists of the following members: Mr. Jan van der Eijk (Chairman), Ms. Gabrielle Reijnen, Mr. Jonathan Wolfson, Mr. Denis Lucquin and Mr. Claude Stoufs.

Due to personal circumstances Mr. Michiel Boersma has resigned as Chairman of the Supervisory Board of Avantium as of 1 April 2017.

Calendar

The annual report will be available on the Avantium website at www.avantium.com.

Event	Date
Annual report 2016 published	April 21, 2017
Upcoming Annual General Shareholders' meeting	June 14, 2017
Half year 2017 results published	August 25, 2017

Subsequent events

Initial Public Offering

In March 2017 Avantium successfully completed the IPO of Avantium shares at Euronext Amsterdam and Euronext Brussels. The company was able to raise total gross proceeds of € 109 million, securing funding for the next years to execute its strategy. The successful listing of Avantium on Euronext Amsterdam and Brussels is an important milestone for the future direction of the company as a pioneer in renewable chemistry. The strong demand from both institutional and retail investors gave us further confidence for our future as a listed company. Increased focus has been placed on ensuring regulatory compliance for a listed entity by upgrades of systems and system enforced controls, roll-out of new procedures and guidance, and organizational changes.

Further information

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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 many success stories is the YXY technology to produce PEF: a completely new, high-quality plastic made from plant-based industrial sugars. PEF is 100% recyclable. It offers a cost-effective solution for applications ranging from bottles to packaging film and fibres, positioning it to become the next generation packaging material.

The YXY technology is the most advanced technology, and Avantium is also working on a host of other ground-breaking projects and is providing advanced catalysis research services and systems to companies in the chemical, refinery and energy sector. Avantium employs 90 people and the YXY Technology team, employed by the Joint Venture, comprises 50 people from around the world.

This translates into cultural diverse teams representing over eighteen nationalities. Over 35% of these people hold a PhD degree.

Avantium recorded revenues of € 10.5 million in 2016. Avantium shares are listed on Euronext Amsterdam and Euronext Brussels (symbol: AVTX), it's offices and headquarters are based in Amsterdam, the Netherlands.

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 Neways' ability to control or estimate precisely, such as future market conditions, the behaviour 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.

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Appendix 1

Consolidated statement of comprehensive income

in Euro x 1,000

	Year ended 31 December	
	2016	2015
Continuing operations		
Revenues	10,491	10,266
Expenses		
Raw materials and contract costs	(2,292)	(1,767)
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Operating loss	(3,851)	(3,473)
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Share in loss of joint ventures	(771)	-
Loss before income tax	(6,861)	(3,350)
Income tax expense	-	-
Loss for the year from continuing operations	(6,861)	(3,350)
Gain / (loss) for the year from discontinued operations	44,998	(9,828)
Profit / (loss) for the period	38,137	(13,178)
Other comprehensive income		
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-
Total comprehensive income for the year	38,137	(13,178)
Profit attributable to:		
Owners of the parent	38,137	(13,178)
Non-controlling interests	-	-
	38,137	(13,178)
Total comprehensive income attributable to:		
Owners of the parent	38,137	(13,178)
Non-controlling interests	-	-
	38,137	(13,178)
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company	31 December 2016	31 December 2015
Basic earnings per share	(0.05)	(0.03)
Diluted earnings per share	(0.05)	(0.02)
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic earnings per share	0.29	(0.10)
Diluted earnings per share	0.27	(0.09)

Appendix 2

Consolidated statement of financial position

in Euro x 1,000

	As at 31 December	
	2016	2015
Assets		
Non-current assets		
Property, plant and equipment	4,716	4,017
Intangible assets	807	359
Investments in joint ventures and associates	54,229	-
Total non-current assets	59,752	4,376
Current assets		
Inventories	1,190	1,045
Trade and other receivables	10,991	5,086
Cash and cash equivalents	14,223	6,981
Total current assets	26,405	13,112
Assets held for sale	-	5,424
Total assets	86,158	22,913
Liabilities		
Non-current liabilities		
Borrowings	3,834	3,600
Total non-current liabilities	3,834	3,600
Current liabilities		
Borrowings	22,609	400
Trade and other payables	12,407	6,196
Provisions for other liabilities and charges	166	168
Total current liabilities	35,182	6,764
Liabilities related to assets held for sale	-	3,190
Total liabilities	39,016	13,555
Equity		
Equity attributable to owners of the parent		
Ordinary shares	1,319	1,319
Share premium	79,734	81,272
Other reserves	6,212	5,266
Retained earnings	(40,122)	(78,499)
Total equity attributable to the owners of the parent	47,143	9,358
Non-controlling interest	-	-
Total equity	47,143	9,358
Total equity and liabilities	86,158	22,913

Appendix 3

Consolidated statement of changes in equity

in Euro x 1,000

	Attributable to equity holders of the company					Total equity
	Share premium	Other reserves	Retained earnings	Total	Non-controlling interest	
Balance at 1 January 2015	81,272	5,207	(66,784)	21,014	517	21,531
Comprehensive income						
Result for the year	-	-	(13,178)	(13,178)	-	(13,178)
Other Comprehensive income for the year	-	-	-	-	-	-
Total Comprehensive income at 31 December 2015	-	-	(13,178)	(13,178)	-	(13,178)
Transactions with owners						
- Employee share schemes – value of Employee services	-	1,005	-	1,005	-	1,005
- Transfer value share scheme to retained earnings	-	(946)	946	-	-	-
- Issue of ordinary shares	-	-	-	-	-	-
- Transactions with non-controlling interests	-	-	517	517	(517)	-
Total transactions with owners	-	59	1,463	1,522	(517)	1,005
Balance at 31 December 2015	81,272	5,266	(78,499)	9,358	-	9,358
Balance at 1 January 2016	81,272	5,266	(78,499)	9,358	-	9,358
Comprehensive income						
Result for the year	-	-	38,137	38,137	-	38,137
Other Comprehensive income for the year	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	38,137	38,137	-	38,137
Transactions with owners						
- Employee share schemes – value of Employee services	-	1,184	-	1,184	-	1,184
- Transfer value share scheme to retained earnings	-	(239)	239	-	-	-
- Transaction costs - IPO	(1,538)	-	-	(1,538)	-	(1,538)
- Issue of ordinary shares	-	-	-	-	-	-
- Transactions with non-controlling interests	-	-	-	-	-	-
Total transactions with owners	(1,538)	946	239	(354)	-	(354)
Balance at 31 December 2016	79,734	6,212	(40,122)	47,143	-	47,143

Appendix 4

Consolidated statement of cash flows

in Euro x 1,000

	Year ended 31 December	
	2016	2015
Cash flows from continuing operations		
Cash flows from operating activities		
Profit for the year from continuing operations	(6,861)	(3,350)
Adjustments for:		
- Depreciation	640	568
- Amortization	128	53
- Impairment	-	-
- Share in loss of joint ventures	771	
- Share-based payment	1,184	1,005
- Finance costs - net	2,239	(123)
Changes in working capital (excluding exchange differences on consolidation):		
- (Increase) in inventories	(145)	(255)
- (Increase) in trade and other receivables	(5,905)	(465)
- Increase in trade and other payables ¹	4,964	590
- Increase in provisions	(2)	(362)
	(2,986)	(2,337)
Interest received	56	124
Interest (paid)	(59)	(60)
Net cash used in operating activities	(2,989)	(2,273)
Cash flows from investing activities		
Purchases of property, plant and equipment (PPE)	(1,341)	(2,126)
Purchases of intangible assets	(576)	(191)
Net cash used in investing activities	(1,917)	(2,317)
Cash flow from financing activities		
Innovation loan	-	224
Proceeds from issuance of convertible bond	20,000	-
Repayments of borrowings	(400)	(5)
Net cash generated from financing activities	19,600	219
Net increase / (decrease) in cash, cash equivalents	14,694	(4,371)
Cash and cash equivalents at beginning of the year	6,981	19,140
Effect of exchange rate changes	(128)	59
Cash and cash equivalents from continuing operations at end of financial year	21,547	14,828
Cash flows from discontinued operations		
Net cash from/ (used in) operating activities	(5,674)	(3,847)
Net cash from/ (used in) investing activities	(1,649)	-
Net cash from/ (used in) financing activities	-	(4,000)
Change in cash from discontinued operations	(7,323)	(7,847)
Cash and cash equivalents at end of financial year	14,223	6,981