



Tom Van Aken – CEO Avantium: Good morning everyone and welcome to this conference call on our full-year 2021 results. We hope you are all well and healthy.

I am joined today on this call by our CFO Bart Welten. We will first give an introduction regarding the press release of this morning. Thereafter, we will open the line for questions.

As always, I need to point out that this conference call may contain forward-looking statements. You can find the disclaimers about forward-looking statements in the press release about our 2021 Full Year Results, published on the Avantium website.

Let me first run you through the key business developments. Last year was a historic chapter for our company, with a positive Final Investment Decision on the construction of our FDCA Flagship Plant, announced in December 2021. This was the culmination of a decade of hard work to bring our lead YXY Technology from pilot to the phase where we have initiated the construction of a commercial scale manufacturing plant and bring this new polymer to the market.

This achievement was undoubtedly the highlight for Avantium in 2021, but there were positives across all three of our business units.

Let's begin with our Renewable Polymers business unit. In 2021, we worked hard to meet the three conditions that we had identified required for a positive Final Investment Decision. Early December we confirmed the final piece of the puzzle, with a EUR 90 million debt financing from a consortium of Dutch banks and the Dutch government-backed impact investment fund, Invest-NL. This debt financing secured the total EUR 192.5 million needed to construct the FDCA Flagship Plant, subject to Financial Close. As a refresher, this EUR 192.5 million consists of grants, third party equity, debt, and a EUR 45 million equity investment by Avantium in our subsidiary Avantium Renewable Polymers.

At the EGM on 25 January 2022, Avantium had strong support from its shareholders for the FID. This has enabled Avantium to execute all relevant documentation, including the investment documentation with the minority shareholders Groningen Consortium and Worley, and the debt financing documentation necessary to complete the transaction, this means we are approaching Financial Close. Upon Financial Close, Avantium Renewable Polymers will be fully funded until the Flagship Plant becomes commercially operational, with the goal of becoming cash flow positive as of the start-up and scale-up of the production of FDCA and PEF at the Flagship Plant. We have previously communicated that Financial Close will take place by the end of Q1, and we are on track to do so.



Securing this funding is an important milestone for a disruptive technology company like Avantium. It paves the way for our transition from an R&D to a commercial company. It means that we can start introducing PEF to the market and start exploiting its massive market potential.

Earlier this month, we also announced that world luxury goods leader LVMH Group – Louis Vuitton Moët Hennessy – joined the PEFerence consortium to further develop the potential of PEF as a sustainable packaging solution for LVMH beauty brands. This will enable the commercial introduction of PEF to the cosmetics market. It shows that we are aiming for a diverse range of offtake partners who will use PEF for a variety of applications.

We have a strong pipeline of new potential opportunities for additional offtake agreements with international partners in the market for high-value PEF applications. We are fully committed to convert these opportunities into additional agreements in order to fully sell out the FDCA Flagship Plant prior to start-up.

Now, I am moving to our Renewable Chemistries business unit. I focus on our other lead technology, our Ray Technology for the production of plant-based MEG and plant-based MPG. In 2021, we completed the application validation for our plantMEG™ and plantMPG™ and we also achieved the significant milestone of polymerising Avantium's FDCA with our own plantMEG™ to produce 100% plant-based PEF. This stands as further proof of the functional performance of Avantium's plant-based glycols. We expect that the new partnership with Cosun Beet Company that we also announced in 2021, will help us to accelerate the commercial potential of plantMEG and plantMPG.

Unfortunately, an accident took place in our Ray Technology demonstration plant in 2021. Two colleagues are still recovering, after being exposed to hazardous vapours while carrying out cleaning duties. We halted operations at the plant while we first awaited the results of internal and external investigations and then implemented changes to help avoid such an accident from happening again. We conducted extensive safety assessments and we are now in the process of recommencing operations at the demonstration plant. We have been transparent throughout 2021 about this event and its consequences and kept all relevant internal and external stakeholders up to date. Important to highlight is that we do not expect this will have significant ramifications for the scale-up to commercial manufacturing plants, such as the Flagship plant we plan to build as part of the joint venture with the Cosun Beet Company.

I am now moving to our Catalysis business unit, which was still hampered in 2021 by the ongoing travel restrictions and site closures caused by Covid. This has prevented our colleagues from Catalysis from installing, maintaining, and upgrading the Flowrence systems

at the sites of customers. In addition, Avantium Catalysis also had to contend with disruption to the supply chains of key (sub)components and microchips. However, our Catalysis business unit managed this without major implications for our operations. Overall, revenue from the Catalysis Systems business in 2021 amounted to EUR 6.8 million. The Avantium Catalysis Services business saw the same level of demand as in 2020, and generated EUR 3.2 million in revenue.

Bart will now run you through the other financial highlights of our annual results.

Bart Welten – CFO Avantium: Thank you Tom and hello everyone.

Like last year, Avantium 2021 financial reporting numbers are prepared on a going concern basis. Avantium is dependent on external funding and regularly needs to access new sources of finance. I make reference to the Going Concern disclosure note in the Annual Report for more information.

In 2021 our consolidated revenues showed an increase of 11% to EUR 10.9 million. Despite the challenges caused by continuing travel restrictions during 2021, revenues in all of the Avantium business segments started to show recovery. Other income from government grants showed a decrease of 20% from EUR 8.4 million in 2020 to EUR 6.7 million in 2021, as planned. The lower grant recognition is predominantly in Avantium Renewable Chemistries and is due to income milestones from two major grant programmes being fully recognised in 2020.

At the end of 2021, our cash totalled EUR 34.9 million. The increase in Avantium's cash position is due to the successful capital raise that took place in April 2021, raising EUR 27.8 million – net EUR 26.4 million – through an accelerated bookbuild. On 31 December 2021 Avantium already funded EUR 26.5 million of its subsidiary Avantium Renewable Polymers, as part of the EUR 45 million equity investment we committed to. The remaining outstanding contribution of EUR 18.5 million to Avantium Renewable Polymers will be settled as part of the Financial Close. Net cash outflow – this is the cash flow excluding the capital raise – for the year was EUR 18.1 million negative.

Net loss for the year 2021 amounted to EUR 24.4 million, compared to EUR 22.8 million in 2020. Net operating expenses amounted to EUR 33.7 million in 2021, an increase of EUR 0.5 million compared to 2020. This increase is primarily due to the one-off reversal of an onerous lease provision in 2020, which is related to the use of office space here in Amsterdam.

With this, I would now like to hand over again to Tom for a short statement about our business outlook.

Tom Van Aken – CEO Avantium: Thank you, Bart. Global circumstances continue to pose uncertainties for our business and society as a whole. We closely monitor the geopolitical situation and specifically the war in Ukraine and the substantial impact on the global economy and financial markets, as well as concerns about the impact on energy and commodity prices, the inflationary pressure, as well as supply chain disruptions.

Avantium fully complies with the Dutch and European sanctions against Russia, which prevail over contractual rights and obligations. Avantium's commercial exposure to Russia is limited to EUR 0.3 million collection risk in Catalysis related to a system that is already delivered. As the situation in Ukraine remains highly fluid, the ultimate impact on Avantium's business, operations and capital expenditures going forward is still difficult to accurately predict.

The focus of the company in 2022 will be on securing financing. Avantium is exploring multiple options to strengthen its financial position. As you know, Avantium has received a mandate to raise EUR 45 million in equity for further development of Avantium's technologies such as Ray Technology at the EGM held on 25 January 2022. We have appointed a syndicate of banks to manage the capital raise and the process of preparing the capital raise is underway.

That was my statement. I would now like to ask the operator to open the line for questions to Bart or to me.

QUESTIONS AND ANSWERS

- **Reginald Watson – ING**

Good morning, Tom and good morning, Bart, just a couple of questions. The LVMH-agreement, has it come to you via the PEFerence consortium or is it actually a direct engagement between LVMH and yourselves? That is the first question.

Tom Van Aken – CEO Avantium: Good morning, Reg, they are part of the PEFerence consortium but they are clearly directly dealing with us in terms of working on PEF-applications but of course, the funding is part of it. This work is partly subsidised by the EU and that money is actually flowing from the PEFerence consortium. They are part of the consortium and we are working with them directly on things like application development for beauty applications.

Reginald Watson – ING: Okay, thank you. The press release mentions ‘packaging’ but is this packaging simply so that LVMH can say that they are using green packaging or are there technical applications where the LVMH product is using the technical benefits of PEF rather than just a sort of carrier?

Tom Van Aken – CEO Avantium: I cannot comment to this, Reg. It is not up to me to make a statement about that right now, because I would gravely insult our new partner if I would mention that they are doing this to only green their products. I think they are also looking at technical benefits but it is too early for me to make specific comments on this.

Reginald Watson – ING: Okay, thank you. And then, the EUR 45 million of equity. You have the approval now. By my calculations, given the amount of cash you need to put into RNP and also the cash benefit for the rest of the business you pretty much this year to raise the EUR 45 million. Given the current market conditions – who knows what is going to happen this year? – do you have dispensation from the banks to draw down the additional financing they have committed to keep things going or do you have to get the EUR 45 million away before the 90 is released?

Bart Welten – CFO Avantium: Good morning, Reg. Let me start by confirming what you say, our EUR 34.9 million, we still have to fulfil the full equity contribution to Renewable Polymers and that does not leave us with a cash rate for more than one year. I think that is also part of our going concern disclosure note. But that is for the scope of Avantium excluding Renewable

Polymers. We still have a fully-funded business plan in Renewable Polymers. Your question is whether we can draw on that facility as we speak. In the past, we have indicated that we will only draw that once we have used all the cash that is in Renewable Polymers, so we expect that to happen at the end of 2022. At that moment, of course we are looking to secure the EUR 45 million equity in Avantium NV, because that will provide the cash for all our other businesses, with Renewable Polymers already being fully funded. We look forward to making that a successful equity raise.

Reginald Watson – ING: Okay. And then just whilst I got you here, Bart, the cash burn for the prior year, the EUR 18 million to EUR 20 million guidance included Renewable Polymers, I presume Renewable Polymers is now outside the scope of the cash burn. So, what is your cash burn excluding Renewable Polymers going to be this year?

Bart Welten – CFO Avantium: We indicate that also in the going concern note but that is about EUR 12 million, excluding Renewable Polymers. Of course, that only starts as of the financial close.

Reginald Watson – ING: Yes, okay. A final question, probably for Tom. The press release mentions a lot of new patents that have been applied for and mentions various patent families. Is there anything of particular significance in those patents?

Tom Van Aken – CEO Avantium: That is a tough question to answer, Reg, because we do not want to point any competitors to patents that we find stronger than the other but I think, across the board, we are continuing to file patent applications to protect our lead position. Of course, in FDCA and PEF we have a very strong lead. It is well recognised in the industry that we are the leader and the benefit of being the leader and being the first is that there are many things that we can still file patents on. We have a strategy to do that in stages and to not do everything at once. In Ray, this is somewhat different because this is a more competitive environment. There, it is not only about filing new patents but also about challenging patents of others and our patents being challenged by others. That is currently the phase we are in with the Ray Technology. Of course, we continue to file new patents in Volta as well as in our Corp Tech, let's say the new polyesters that we are working on. That is earlier stage but that is of course also defended by filing new patents to make sure that we establish a competitive lead over other players in this space.

Reginald Watson – ING: That is very helpful. Thanks a lot, Tom!

- **Wim Hoste – KBC Securities**

Good morning. Congratulations on the results. I have a couple of questions. Maybe first, do you have visibility on grants income in 2022 or are there certain milestones you expect to reach that would give you visibility on certain amounts?

Bart Welten – CFO Avantium: Let me try to answer that, Wim. We are not commenting on individual grants but of course in the indication of our cash spending that I just answered to Reg, we have of course included the grants. I would also like to say that in Renewable Polymers we also have secured certain grants as part of the total funding plan that we get out of Groningen and that you might have seen. We are continuously scouting and applying for new grant programs. We are very successful in that and we continue doing so.

Wim Hoste – KBC Securities: And then in terms of the construction of the FDCA Flagship Plant. The Capex required; can you maybe offer a bit of a split? How much of that will be spent in 2022 and how much in 2023? It is 50-50, is it more skewed to 2023, any thoughts on that?

Bart Welten – CFO Avantium: Let me also try to answer this one. What you normally see in Capex projects is that it starts slow and then, indeed, there is an acceleration of cash-out towards the end of building it, because the beginning of the project there is still a lot with detailed engineering and ordering and not so much with spending. So, a majority of it will flow in the second half of the Capex-period and we expect that we will have a first draw on our bank facilities at the end of this year.

Wim Hoste – KBC Securities: Okay. Then a last question from me is on the Ray Technology. The results are in the press release and the reference that you are looking to have a commercial plant operational in 2026 together with Cosun. Can you maybe outline a little bit the concrete steps that will follow, between now and 2026, the sequence and what are the milestones that we should be looking for in the next few years towards that first commercial plant?

Tom Van Aken – CEO Avantium: Let me answer that question, Wim. There is a major milestone on the way to 2026 and that is the Final Investment Decision. That is somewhat similar to the FDCA-process that we have gone through over the past few years. That Final Investment Decision is foreseen in 2024 and what we need to do in between in order to make a positive investment decision together with the Cosun Beet Company is three things. First of all, we need to complete the engineering of the plant. That is actually something that we have initiated last year but that will continue in 2022 and 2023. There are various phases to this. We will first have the PDP-phase, the Process Design Package phase, followed by the FEED,

which is the Front End Engineering and Design. Those are the typical phases for engineering, so that will happen this year and next year. That is, by the way, including site selection. At a certain moment we will come back to the market indicating where we intend to build that plant. Of course, that is connected to utilities and infrastructure but it is also related to local incentives that we plan to attract. Next to the engineering and site selection, we have of course commercial offtake contracts. We are currently already in the market talking to partners about offtake agreements for PlantMEG and PlantMPG out of this Flagship facility. We are doing that together with the Cosun Beet Company, so we expect by 2024 to have secured a substantial volume of offtake in order to have the commercial basis for such a plant. The third element is financing. We have been clear, when we announced the joint venture, that the lion share of the equity contribution will come from CBC but clearly, by that time we also want to have secured the potential grants. Of course, that is something we are already working on, but also debt financing and of course the final part will then be the equity contribution of both Cosun Beet Company and Avantium. That is all coming to a climax in 2024 and that will then be followed by two years of construction and subsequently commissioning and start-up. That start-up is foreseen in 2026.

Wim Hoste – KBC Securities: That is very clear. Those were my questions. Thank you very much.

- **Paul De Froment – Bryan Garnier**

Good morning. I have one simple question. I saw that you mentioned in the press release that there is a strong pipeline for additional offtake agreements with international partners. Could you give more colour on that?

Tom Van Aken – CEO Avantium: Good morning, Paul. Yes, the company is working hard at additional offtake commitments for the Flagship Plant. We have now sold over 50% and we expect that we fully sold out the plant before it actually starts up. That means that we have a very strong pipeline of these offtake commitments. It is always a bit difficult to exactly time when partners are signing up, but we are very much in agreement with you that these offtake commitments when they come in they will be publicly announced. Of course, that will have a very strong impact on the news flow of the company over the coming time. That is progressing well but, as I said, sometimes it is hard to time. Also for me it is very difficult to accurately predict when offtake commitments are signed and announced. Some of these people have big communication departments and they really also want to have a say in how this is being communicated to the market. In that sense, the pipeline is rich and we are confident that we

will be able to sell. In addition to that, I would like to highlight that we are looking expand the applications of PEF out of the Flagship Plant, so right now we are very much selling into the packaging for beverages and film packaging. The LVMH-collaboration of course adds beauty and cosmetic products but it would be very nice if Avantium can also make announcements in other application areas. Ultimately, the Flagship Plant is not only to generate revenue but most importantly it is to seed the market for our licensing business and that is why we would like to cover a field as wide as possible out of our Flagship facility.

Paul De Froment – Bryan Garnier: Thank you.

- **Priyanka Patel – Berenberg**

Hi, just a few questions from me. Firstly, what do you expect operating costs to look like in FY 2022 for Catalysis and Renewable Chemistries?

Secondly, you expect the plant to be operational by 2024. Is there anything that could delay there?

Tom Van Aken – CEO Avantium: Good morning, Priya. If I understand your first question well, it was about the operating cost in Catalysis and Renewable Chemistries for 2022. Is that correct?

Priyanka Patel – Berenberg: Yes.

Bart Welten – CFO Avantium: Let me try to answer that one. In our annual report we show that the total operating cost of the full company were EUR 33 million, in that order of magnitude. If you would take out the cost of Renewable Polymers, you would be in the mid 20 million of costs.

Tom Van Aken – CEO Avantium: Your second question was with regard to the start-up of the RNP Flagship Plant. We are currently still on track to have the chemical completion in Q4, 2023 and therefore, we plan to commission the start-up early 2024. You asked if that could be delayed by something; we are closely monitoring it, in particular if you look at some of the supply chains that are currently disrupted due to the war in Ukraine, so there could of course be an impact on specific parts of the plants that are coming from other sites of the world. But we are monitoring that very closely. We have an organisation in place that together with Worley is continuously looking at the risk matrix and at the supply chains. We have this organisation with Worley in place to make sure that even if there are certain delays of certain parts that we

can accommodate that within the timetable that we have for mechanical completion in Q4, 2023. So, I want to be very clear that right now we are still on track but of course it is something that we monitor very closely.

Priyanka Patel – Berenberg: Thank you.

- **Leopoldo Palazzi – ABN AMRO**

Thank you for all the information you provided, it is all very clear. Just a final question on my end regarding Catalysis. You mentioned ongoing travel restrictions and site closures, how is that developing over the past few months? Has that improved? I am quite surprised to still see such a cautious statement. What do you expect for 2022?

Bart Welten – CFO Avantium: Let me try to answer that question, Leopoldo. The flavour you gave to your question is right; we are still cautious. At the same time, we also see that there is some relief in the world happening on travel restrictions. Of course, we look very much at the Asian region because that is very important also for Catalysis and their installations. That region has been more in lockdown than the Western world but we also see improvements there. Of course, that is all tied into our budget. Next to COVID, the importance is in the petrochemical industry to do these kinds of projects with these high prices and where we can sell our systems in research organisations. So, we see the trend of improving Covid restrictions and we also feel the tailwind of the business behind our customers.

Tom Van Aken – CEO Avantium: And if I can add, it is somewhere hidden in a big annual report but we are also reporting that last year, we completed the first installation of a Flowrence system online, so without actually visiting the customer. So, in order to deal with these travel restrictions due to the pandemic, we are trying new ways such as virtual installations. Of course, we will continue to explore these in 2022 to de-risk the installation part from the ability to travel.

Leopoldo Palazzi – ABN AMRO: Great. Thank you very much.

Tom Van Aken – CEO Avantium: As there are no more questions, thank you all for participating in the call this morning. We hope that we have been able to give you a good update on the achievements in 2021. I think we are in a very exciting phase of the company in terms of the project. We are planning our ground-breaking ceremony in April. We are



continuing to bring in customers for selling out the remaining capacity and we are of course also embarking on our PlantMEG project next to planning the capital raise. Of course, we are well aware of the geopolitical situation and the concerns about raw material prices and energy prices. There are concerning elements but also positive elements. We will keep you updated over the coming time. Again, thank you for your time this morning and we remain of course at your disposal if you have any outstanding questions.

Thank you.

End of call