Avantium FY2025 Results

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Participants

Tom van Aken – Chief Executive Officer

Rene Ploegsma – Interim Chief Financial Officer

Aarne Luten – Director Investor Relations

Operator: Welcome to the Avantium Full Year 2025 Results Call. My name is Allen, and I will be your coordinator for today's event. Please note this call is being recorded, and for the duration, your lines will be on listen-only. However, you will have the opportunity to ask questions at the end. This can be done by pressing star one on your telephone keypad. If you require assistance at any time, please press star zero and you'll be connected to an operator.

I will now hand you over to your host, Aarne Luten, Director, Investor Relations, to begin today's conference. Thank you.

Aarne Luten: Thank you, operator, and good morning, everyone. And welcome to our 2025 full year results conference call. My name is Aarne Luten, Director Investor Relations. As always, today's call is being recorded, and a transcript will be made available on our website shortly after the call.

Before we begin, I would like to remind you that today's discussion may include forward-looking statements subject to risks and uncertainties, as outlined in our press release.

I'm pleased to hand over the call now to our CEO, Tom van Aken.

Tom van Aken: Thank you, Aarne. Good morning, everyone, and thank you for taking the time to join us during this call.

Let me begin with an important update on our management team. This morning, we announced the nomination of our new permanent Chief Financial Officer, Rogier van Wijk, who will start effective 1st May 2026. The Supervisory Board proposes to appoint Rogier as CFO to the Management Board of Avantium at the Annual General Meeting of shareholders, which will take place on 12th May 2026. We're very pleased to have reached this important milestone after a careful and thorough search and selection process.

At the same time, I would like to thank Rene Ploegsma, who has served as our interim CFO over the past months. Rene is also here on the call today to support us in answering financial questions you may have.

Turning now to the year behind us. 2025 was a turbulent and challenging year, but also one in which we laid the groundwork for the next phase of the company. In 2025, we continue to progress the phased start-up of our FDCA Flagship plant in Delfzijl.

Safety remains central to every decision we make, and given the first of a kind nature of this facility, we're following a structured, campaign based start-up approach before transitioning to continuous operation. The utilities and the Sugar Dehydration unit, also known as the SDH unit, were successfully started up during 2025, marking an essential step in our multi-stage commissioning process.

As many of you know, the SDH unit converts plant-based sugars into MMF, the key intermediates that feeds into the FDCA production process. And because this is the most innovative process step, it was also the process step with the biggest uncertainties. Achieving the safe start-up of this unit has been a crucial technical milestone.

During commissioning of the oxidation purification units over the summer last year, we identified construction-related quality issues related to defective welds in the titanium piping. While this required comprehensive remediation efforts and extended the commissioning period, I'm pleased to say that the repair programme is progressing according to plan. This means that now we have a clear line of sight towards completing start-up by mid-2026, followed by the start-up of product sales under existing offtake agreements in the second half of 2026.

In parallel, we strengthened the operational foundation of the Flagship plant by achieving certification for ISO 9001, ISO 14001 and ISO 45001 for the production of intermediate chemicals used in the production of FDCA at the FDCA Flagship plant, underscoring our commitment to quality, environmental responsibility and occupational safety as we move forward towards commercial operations.

Despite the technical challenges of the year, our commercial momentum continued to accelerate. We expanded the number of PEF offtake agreements to 21 and secured additional multi-year capacity reservations with partners across the value chain. These reservations now exceed over 100 kilotons and effectively secure demand beyond the capacity of a potential future 100 kiloton licensing facility, providing sufficient commercial foundation to base loads multiple license facilities.

This level of early commercial commitment is an important validation of our market position, and supports the ongoing discussions with potential licensees for industrial scale FDCA and PEF plants.

We also strengthened the PEF value chain by forming a strategic alliance with Tereos and LVMH to support the European scale up of PEF production. During the year, we secured important regulatory and recycling approvals in Europe and in Japan. In addition, evolving EU policies such as the Bioeconomy Strategy and the forthcoming Packaging and Packaging Waste Regulation, continue to create a favourable policy environment that supports Avantium's commercial ambitions and Europe's broader transition to a circular bioeconomy.

Beyond our FDCA and PEF technology, we continued evaluating strategic options for our other technologies, Volta, Dawn and Parana, which each made tangible technical progress during the year.

Consistent with our strategy to have a strategic focus on our R&D business in FDCA and PEF, we are exploring potential spin outs, supported by external funding for the other technologies that Avantium has developed, with the intention that Avantium will retain minority shareholdings to capture future value.

Avantium R&D solutions acts as an independent business unit with its own leadership team, and Avantium is also assessing strategic options for R&D solutions to best position this business for future growth.

Let me now walk you through the financial highlights of the year.

We'll start off with revenues. Revenues for 2025 amounted to €14.6 million and grant other income decreased to €3.4 million. Net operating expenses improved to €54.1 million versus €58.9 million in 2024, demonstrating the impact of our disciplined cost management programme.

EBITDA for this year was minus €36.1 million and our net loss slightly improved to minus €27.1 million, compared to minus €32.6 million in the prior year.

Our cash position strengthened significantly in 2025, underpinned by the successful €85 million equity raise supported by long-standing institutional and retail shareholders and the Dutch state.

We furthermore negotiated and agreed on revised terms under our senior debt facilities, with an extension of the maturity date to June 2028 and lower partly payment-in-kind interest rates, preserving cash during the remaining start-up periods. With additional short-term financing from our lenders, the Province of Groningen and Invest-NL, we closed the year with a cash position of €57.5 million, compared to €23.9 million at the end of 2024.

Before turning to our outlook, I want to stress that the 2025 financial statements have been prepared on a going concern basis. As described in our press release, our ability to remain a going concern depends on several material uncertainties, as described in the press release. While uncertainties remain, we believe it's appropriate to prepare the accounts on this basis given the actions underway and our clear operational trajectory for 2026.

I will now move on to the outlook. Our foremost objective for 2026 is a safe and successful FDCA Flagship plant start-up, culminating in the commercial launch of FDCA and PEF in the second half of the year. Completing the start-up will be the most transformative milestone in Avantium's history, unlocking not only product revenues but also the next phase of our licensing strategy.

We also anticipate receiving approximately €20 million in additional government-related funding, subject to ongoing procedures and approvals. For clarity's sake, this initiative is separate from the state's €15 million equity investment in September 2025. The timing of this funding has shifted to extended procedural steps, as communicated in December.

Let me conclude with our commercial outlook. In a world marked by geopolitical tension and uncertainty, it has become increasingly clear how dependent global economy - global economies remain on fossil fuels and hydrocarbon feedstocks for both energy and for materials. This dependency creates vulnerability and reinforces the strategic imperative to accelerate the transition from fossil and linear models to renewable and circular solutions.

Avantium's proposition directly addresses this need. Market interest is not only driven by the shift towards renewable and circular plastics, but also by the distinctive performance characteristics of PEF. This combination of sustainability and functional advantages is unique, enabling us to develop a broad range of applications and end markets.

Across the value chain, commercial momentum for PEF and FDCA continues to build. We expect further growth in offtake agreements and capacity reservations throughout 2026, supported by ongoing discussions with potential licensees for industrial scale FDCA and PEF plans. In parallel, we are progressing the strategic evaluation of our non-core technologies.

The goal is to sharpen our focus and unlock future value through targeted partnerships that support our long-term growth strategy. With this combination of operational focus, strategic clarity and strengthened liquidity, we enter 2026 with confidence and with determination.

This concludes our prepared remarks. Operator, please open the line for questions.

Operator: Thank you. If you'd like to ask a question or make a contribution on today's call, please press star one on your telephone keypad. To withdraw your question, please press star two. You will be advised when to ask your question. We will take our first question from Usama Tariq, ABN AMRO ODDO BHF. Your line is open. Please go ahead.

Usama Tariq: Hi. Good morning, team. Thank you for taking my questions. I have a few questions starting with the covenant breach. So you've indicated in the Annual Report that there has been a technical covenant breach. Could you, in simple terms, identify what is the problem with the covenant and to what extent can it impact your financials going forward? For example, if - I'm just thinking that if there is another three-month delay in the start of, of the the plant, what would be the implications going forward, especially with regards to funding?

My second question, if I may, would be with regards to licensing. So you do expect four licenses by 2027. Could you kindly provide a split? How do you expect that to happen in 2026 or 2027? Or do you expect the rest of them to come in 2027? So just a little bit colour there would be absolutely fine. Thank you.

Tom van Aken: Thank you, Usama. And thank you also for being here with us today. So your first question was regarding covenant breach for the financing facilities that we reported on. This was related to the insurance of the plant in Delfzijl and the transition to operational insurance could not be completed before the end of the year. And of course the timelines there shifted in that time frame.

So this matter is something that we have raised with the lenders in December 2025. But the deferral of the insurance covenant deadline was granted only after the reporting date. And therefore, this qualifies for us as a technical breach. But it is not something that I am concerned about further on as this has now been remediated with the lenders. So for me, it's more a technical breach that had to be disclosed and accounted for. But it's not something that I'm concerned about moving forward, Usama.

Rene Ploegsma: In the going concern statement in the Annual Report, we provide insights regarding various banking covenants in place. This regards both generic and company specific covenants.

Tom van Aken: Okay. Can I move on to the question on licensing? So you correctly mentioned that we expect to sign four licensing deals by the end of 2027. And you asked me if I could give a split between 2026 and 2027? That is actually very dependent on, of course, the start-up of the flagship plant, because that was the most important technical milestone that we need to achieve before we can enter into these type of licensing agreements.

And then, of course, it depends per licensee how much proof they will want to see from the plant before we are able to enter into those deals. So we do expect that we're going to be making progress in terms of the negotiation of these deals, but it is impossible for me to say what is going to happen in 2026 and what is going to happen in 2027.

But we do expect once the plant has started up, that that is something that will be resulting in next steps with our licensing partners and we reiterate our ambition to sign four licensing deals by the end of 2027. So that is an objective, Usama, that has not been changed as a result of the shift in the timelines that we announced in January.

Usama Tariq: All right. Very clear. If I could just squeeze one or two more questions. The first being, so the disposal of the non-core activities. I do understand that you've been active on that part. Could you provide some colour as to what is the choke point? Or is it discussions on pricing or strategy or you're just a little bit more curious with regards to timing of those disposals? What may be the reason for something that it has not materialised yet. Thank you.

Tom van Aken: Thank you, Usama. So yes, what we are busy with what we call spin-out strategy for Volta, Dawn, and Parana. They're, of course, three different technologies, also in different phases of development. All three of them have one thing in common, which is that they require additional capital to be further developed and commercialised. Avantium will not be providing that capital moving forward. So we're looking for external strategic and financial partners to fund this.

Discussions are progressing well. We are dependent on the speed and decision-making processes from financial investors and strategic investors that are looking at these opportunities.

We do expect that we're going to be moving this into clarity in the year 2026, because otherwise Avantium would have to continue funding this, and that is not something that we have planned for in our financial plan moving forward. So it is critical for us that these spin-out for Volta, Dawn and Parana are taking place in this calendar year.

Usama Tariq; Very clear. And I know I'm taking more time, but just one quick question on the €20 million funding that you expect. Do you think something could be expected on that part in 2026, or do you have more expectation for that in 2027?

Tom van Aken: Well, Usama, I think we've been clear that this is a priority for us to - and that €20 million, just to be clear, that is from a government-related initiative, which is separate from the €15 million that the Dutch state injected in the equity raise. But at that time, part of what we refer to as the comprehensive financing package that we put in place with the equity raise and the modifications to the debt facility, we also included in that comprehensive financing package this €20 million from this government fund.

In all fairness, because the equity raise was more successful than what we had originally planned, it also gave that government initiative more time for their decision-making process. That is something that we announced in December that the timeline shifted from 2025 to 2026 and we do expect that that is something that will materialise in 2026.

Usama Tariq: Very clear. Thank you.

Operator: We will take our next question from Reg Watson, ING. Your line is open. Please go ahead.

Reg Watson: Morning, all. Tom, could you give us an update on how the Sugar Dehydration unit is going? You made some observations about that in your prepared remarks. But please, could you elaborate on that in terms of end points, successes? And I'm also curious what you're doing with all the MMF that it's producing, given that the rest of the production process is not yet up and running?

Tom van Aken: Reg, good morning. Thank you for the question. So as we said, the SDH unit has been started up in 2025. We have been working on improving the unit, and gaining experience with that unit. So that is something that that has been going on since the summer of 2025. Some of that MMF is shipped to the pilot plant in Geleen to convert that into FDCA just to check if the quality is sufficient for the subsequent process, which is the oxidation part.

But we are not commercially selling that, and that has to do with regulatory limitations that we can do. So we can only supply FDCA and PEF to customers. We can't supply them with MMF. By the way, I don't think that there are a lot of customers for MMF in the market.

Over the past six months, we've gained a lot of operational experience. And I think it's also noteworthy to say, Reg, that we have a new team in Delfzijl. It has also given them the opportunity to gain experience with the process. And as you can imagine, with the start-up of a plant, that goes with ups and downs. And that is exactly the learning curve that we've been going through over the past six months.

Reg Watson: Okay. But I mean, given the learning over the six months, where are you in terms of sort of yield expectations in that process? How close are you to achieving your targets in getting that process up to spec? Because I guess where I'm coming from with this is, as you pointed out yourself, this is the innovative part of the chemistry. The remainder of the processing should be fairly sort of straightforward benchmarking. Obviously, every setup is unique in terms of layout, etc., but the chemistry is known and understood. So what I'm trying to get a handle on here is how close you are to your design targets? And also - and that was also by my follow-on question, whether or not you have any MMFs stored up that you can then push through the later processing, once you start that up in the second half of this year and effectively claw back some of the lost production time?

Tom van Aken: In terms of the process performance, Reg, that is actually according to what we had designed. So in that sense, we didn't see any unexpected results in terms of the yields or in terms of the quality of the product that we've been making. So in that sense the equipment is doing what we expected.

If you look at the the real process parameters like yields and like reaction times, it is doing exactly what we have designed it for.

We do believe that in the future there may be room for pushing this to the limit. That's not the current focus of what we do. The focus is really to make sure that we have this well under control and in a stable position.

In terms of the MMF we're producing, we have limited storage capacity. So unfortunately, what you've said in terms of can we just make a lot of MMF and then catch up? Unfortunately, it doesn't work like this. Of course, we need to make sure that we have enough MMF to be able to start up the oxidation and purification units. But we don't have the luxury of building a lot of stock that we can thereafter convert into FDCA. Unfortunately, that's not the way the plant has been designed to, Reg.

Reg Watson: Okay. Well, that's fair. It was at least worth asking.

Tom van Aken: Yes. Thank you.

Operator: We will take our next question from Fernard de Boer, Petercam Degroof. Your line is open. Please go ahead.

Fernard de Boer: Yes. Good morning. It's actually Fernard de Boer from Degroof Petercam. Couple of questions from my side. If you look at the interest cash out in the second half, that’s more than €6 million. So could you give a little bit of idea of what that means for ’26 in terms of interest expense of the cash out? And maybe also the same question for CAPEX. Could you give us some guidance on that part?

And then there was also €10 million cash out for a bond - of a bond repayment. Anything to say about that for ‘26? What do you see?

Tom van Aken: Okay. Fernard, good morning. Thank you for the questions. I'm going to start off with the last question on the loan repayments, because I also saw that in your research note this morning. So we received a bridge loan in the summer of ’25 from Invest-NL for €10 million. And we had plans already at that moment in time to pay that back out of the proceeds of the equity raise. So that has been repaid.

We don't have another bridge loan in our books. So there's no cash out planned for the 2026 to be repaying these type of loans. So that was the last question.

In terms of interest cash out, we expect for 2026 that that is going to be similar to 2025.

And then on the CAPEX side. It will not surprise you that we expect that the CAPEX is going to be lower in 2026 than it was in 2025. There are just a few things there to note. We are now the last phase of the titanium welding repair programme. We've given an update on the total CAPEX of that in January, which was €7 million. But part of that was paid in 2025, part is in 2026. And the other CAPEX in 2026 is going to be more maintenance CAPEX, rather than the type of CAPEX that we had in previous years to construct the plants.

Fernard de Boer: Okay. What worries me a little bit and maybe you can explain, but the sales in the Renewable Polymers for the full year was only €0.5 million versus, in the previous year, some €6 million. What does that indicate? I think you have maybe less testing, but from the other hand, you added also new partners.

Tom van Aken: I think it's a very logical question, Fernard.So in the €6 million, there were two things in there: one was product sales from the pilot plant and the other one was licensing from Origin Materials.

We announcedthat Origin changed its course and therefore we've put the revenue recognition for our first licensing deal on hold. That's something we communicated before.

The other half was sales from the pilot plant. And I think it's very logical that that is actually being reduced because our customers don't want to buy expensive kilos from the pilot plant, which are sold for, just as an indication, about €100 per kilo. If the flagship plant is coming on stream, the average sales price is now around€10 per kilo. It can be a bit more, but that's a factor of ten difference.

So from the customer perspective, they are just waiting for the flagship plant to come on stream because that is much cheaper to buy these volumes than to buy the expensive kilos from the pilot plant. And that's what you're seeing in our revenues in 2025. And therefore, it was not a surprise to me. It's also not a concern to me because the really important thing that we have to do is to start-up the flagship plant, which gives us much more output, much more volume to work with, and also adds prices that are much more palatable for our customers.

Fernard de Boer: Thank you. Maybe one last question. In your prepared remarks, you mentioned that you had more or less secured demand for more than 100 kilotons. That's correct?

Tom van Aken: Yes. What we do, Fernard, just to explain this, we let parties sign capacity reservations as we call them. So these are commercial contracts with our customers or potential customers for licensed plants. So these can be customers that now buy product from us in the flagship plant. But we also have customers that think that the kilos from the flagship plant are too expensive. But in a 100 kiloton plant the price level is expected to be between €4 to €5 per kilo.

Now what is so relevant about this is that we have been signing these capacity reservations, which are basically non-binding. And I can tell you why it's non-binding. These are customers that want to use the product and they want to have a reservation of the capacity of these future plants so they can insure themselves that they will get this product out of the licensed facilities.

It really dramatically helps us in the discussions with our licensees, because we give them the list of customers and we help them to make sure that when they reach their final investment decision that they have sufficient customer demand, which is an important risk factor that they need to mitigate for an investment decision.

Now, as I said, these are non-binding commitments. And the reason why they're non-binding, is because we can't give them any assurance that these plants are built where and at what moment in time. We are not in control of that. That's what our licensees do. And our licensees also want to be setting the commercial terms for sales from their facility. So they don't want us to be negotiating the final commercial terms.

So we give them a price level between €4 to €5 per kilo. And then we give the potential licensees the customers that are going to buy the products that will be coming out of the licensed facility. And we see with our licensees, it really helps them to convince their internal organisations to see that we're not building a white elephant here. We actually have already a very healthy commercial base load of the plants.

And the fact that we have over 100 kiloton of capacity reservations, you can say, well, that's one plant, but it doesn't work like that, because of course, the demand is divided over multiple geographies, and our licensees don't expect that we're going to be fully selling out their plants. They want to have a commercial base load. So the over 100 kiloton of capacity reservations will serve as the commercial base load for multiple license facilities. And that is the commercial strategy that we have, and we see that this is also something that our potential licensees really like.

So in that sense, if you ask me what's holding potential licensees from signing? The most important thing is that our flagship plant is not yet operational. And that's really the proof point that they are currently looking for. But I believe that we have lots and lots of proof of the commercial momentum in the form of these offtake agreements for our own flagship plant, and in particular in the form of the capacity reservations for future licensed plants.

Sorry for the long answer, but I hope that I gave you a bit more colour here.

Fernard de Boer: Very helpful. Maybe one follow-up then. So I assume a licensee is going to build 100 kiloton plants. What - in your view, kind of investment CAPEX would that require?

Tom van Aken: That is a difficult question to answer, but I'm going to give you guidance here. So just let me first say why this is difficult to give a very clear answer to, since it depends on where the plant will be built. Because if you build it in Thailand, it's going to be significantly cheaper than if you build it in the northern part of France or on the south coast of the Gulf of Mexico. If you build it on the Gulf Coast, which is sort of still the standard in the industry, and you build an entirely new plant,the investment will be approximately €700 million for a 100 kiloton plant.

Of course, if you use an existing terephthalic acid plant or an existing isophthalic plant, and you refurbish that or you retrofit this, then it's going to be a significant lower investment. But then still what you have to build is an SDH plant in front of that. So there's always going to be a significant capital investment required. It basically depends on if everything is completely new or if you can use existing infrastructure.

And secondly, where are you going to be building it? Because if you build it in Southeast Asia, it is already easy to see that it can be 25%, 30% lower than if you build it in the US.

Fernard de Boer: Okay. Thank you very much for this.

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Operator: As a reminder, if you'd like to ask a question, please press star one on your telephone keypad now. We'll take our next question from Paul de Froment, Stifel. Your line is open. Please go ahead.

Paul de Froment: Good morning. Thank you for taking my question. Almost all of my questions have been asked, but I would like to hear your view on two things. The first one is what's the impact of the current energy crisis on your commercial discussions knowing that oil spikes are leading to high volatility on PET and rPET?

And my second question is, can you give us more colour on any cost saving programme in 2026? Thank you very much.

Tom van Aken: Thank you, Paul. So your first question, what is the impact of the energy crisis and of the volatile oil prices that we see?

In all fairness, I think it is difficult to give a very clear answer to that at this moment in time. We're now, what is it, three weeks into this? You see that there's a lot of uncertainty in the petrochemical industry about what the impact is going to be, not only on prices, but in particular also on the availability of their feedstocks. So I do expect this will have quite significant impact on the petrochemical industry.

But then to really translate this into, what that means for their ability to commit to a licensed plant? Of course, it is easy to see that our project doesn't make use of any of the fossil feedstocks that are now have become so volatile and so uncertain. So I think from a strategic perspective, I think people do see the long-term advantages of a technology that we bring, but I think it is really too short term, this crisis right now, to give you a definitive answer to that question. So I'm sure we'll touch on it again as time goes by.

In terms of cost savings, clearly, in 2025, Avantium has implemented very strict cost reduction programmes. We've implemented a significant reorganisation in 2025 as part of our measures to make sure that the company could sustain. Of course, that means that we now have reduced our expenses on a permanent basis as we have reduced the staff with 40 FTEs in 2025.

What we're doing right now is that we are planning to spin out our non-core technologies. That will help us to further reduce the cash burn of the company moving forward. And then we will also make sure that our staff costs are appropriately set up for the new shape that the company will be in once those spinouts have been completed.

Our expenses are very much focussed on supporting the start-up of the plant and the start of the licensing business. And we do not want to implement cost saving measures that would jeopardise those big pillars of the strategic direction that we've set for 2026.

Paul de Froment: Thank you very much.

Tom van Aken: Thank you, Paul.

Operator: There are no further questions on the line. So I will now hand you back to your host for closing remarks.

Aarne Luten: Thanks again, operator, and thank you all for your questions and for listening in today. Please feel free to reach out to us for any other questions you may have. Thanks again and have a good day.

Operator: Thank you for joining today's call. You may now disconnect.

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