Tom Van Aken – CEO Avantium: Good evening, everyone, and welcome to this evening’s call. I am here together with Frank Roerink, our Chief Financial Officer.

Let me start with a short introduction on our press release. After my introduction, you will have the opportunity to ask your questions.

As announced, Avantium has now taken full ownership of Synvina and we have repurchased the shares of BASF in the joint venture. This marks the end of the Synvina joint venture that was started in the fourth quarter of 2016. The financial information that we disclose, is that Avantium has paid to BASF EUR 13.6 million for the purchase of its shares in Synvina and we have paid EUR 3.7 million for full ownership of the assets that Synvina has acquired in the last two years. For clarity, this means that we have paid a total of EUR 17.3 million.

The settlement with BASF means that we are closing this chapter. It allows us to look to the future and we are now redefining the path to commercialisation of our YXY technology. Our belief in YXY and its mark potential is solid; we have made significant progress in Synvina, that was launched two years ago. The technical issues announced one year ago are now solved and we are convinced that the work done will spur the commercialisation of FDCA and PEF. We believe that the main drivers in the plastics material market remain sustainability and circularity and that consumers and brand owners increasingly demand environmentally friendly and recyclable materials. This provides a strong market pool for PEF, which is 100% bio-based and 100% recyclable and it provides benefits on the basis of its unique properties. In the first half of 2019, we plan new announcements on our strategy to commercialise our YXY technology.

From an organisation perspective, we are very pleased that Marcel Lubben is joining us from DSM to lead the commercialisation of YXY. Marcel is a highly experienced executive in the bio-based industry and he has hands-on experience with commercialising a bio-based product in the chemical industry. He has been following our YXY technology for a number of years.

After the exit from BASF, Synvina has become a business unit of Avantium alongside our Catalysis and Renewable Chemistry business units. We have closed the chapter of the Synvina joint venture and we believe that YXY is a game changer. We look forward to unlocking its enormous market potential.

That was my introduction. Can I now please hand over to the operator for your questions?
QUESTIONS AND ANSWERS

- Wim Hoste – KBC Securities

Good evening, a couple of questions from my side. I hear you mentioning that the technical issues you announced last year and about which was said at that time this could potentially lead to a two to three year delay in the whole commercialisation and development of YXY are now solved. I think it was also mentioned in some of the previous communications that the fact that you could not take the investment decision in an industrial scale unit was one of the reasons for BASF to blow up the joint venture agreement. They claim that an investment decision in an industrial scale unit should have been able to be taken by the end of 2018. We are now just one month later and I guess you already have a kind of visibility on solving these technical issues a few weeks ago. So, I am a little bit confused about what is here to blame. Are you really 100% clear that all technical issues that were mentioned for the two to three year development are now solved and basically you could progress with an industrial scale unit if you had the financial and the permitting et cetera in place? Can you maybe elaborate on that? Can you elaborate a bit on this first question and then I will ask a second question afterwards?

Tom Van Aken – CEO Avantium: Thank you very much for your question. You mentioned the technical issues that we have announced in January 2018 when together with BASF we announced a two to three year delay of the reference plant project. We can confirm that the technical issues which were related to the purification of FDCA have been resolved. In that sense, the technical issues that we announced last year for the delay are not related to the break-up or the exit of BASF from the joint venture. If you look at the reasons why we are breaking up or have broken up with BASF, there were very clearly differences of opinion about the commercialisation of FDCA and PEF. In addition, as we have referred to before, there were really cultural differences between BASF and Avantium, BASF being a very large and in that sense a risk averse chemical conglomerate and Avantium being a more entrepreneurial and flexible company with a different risk profile. So, I think those two points are really the basis for why parties have decided for this break-up. It is not related to the purification that we announced one year ago.
Wim Hoste – KBC Securities: Clear. My next question is on the cash-burn profile of Avantium. Now that you have regained full ownership on YXY, the technology, the assets, et cetera, can you offer some clarity on how we should model in the cash-burn rate for 2019 and the coming years, now that you will run the pilot fully on Avantium’s P&L, also the other pilot plans and other developments in bio-chemistry, et cetera? Can you offer some clarity on that one?

Frank Roerink – CFO Avantium: Sure. Wim, as you recalled directly the original burn of the joint venture was carried by the cash injection from BASF interim joint venture. That is now no longer the case, so Avantium has to make the investments necessary for bringing YXY to the next level. The guidance that I can give you are majority-wise based on the historic figures. So, if you go back to our annual reports or our annual and half-year results, you will probably have seen that the burn rate was in the range of about EUR 15 million a year, which included the engineering costs and some capex in the pilot plans. Bringing it back to Avantium, clearly, we will be looking very carefully at these costs and it is fair to assume that we will not run at the 15 million range. It is more in the range of about EUR 10 million per year, which has been the historical running rate for the YXY technology as well. That will be paid through the Avantium cash reserves.

Wim Hoste – KBC Securities: And on the company group level, taking into account the cash burn of the other renewable chemistry projects, knowing that obviously you have made some investments in hard assets and you probably had to hire quite some additional operators to run these pilots? So, is there also a guidance on cash burn on the Avantium group level?

Frank Roerink – CFO Avantium: No, we do not guide in that sense for the total company at this point in time. Clearly, we will revisit this when we announce the results for 2018. But I think you are pointing to the right elements of the cash burden. One is in the capex that we are incurring for building the Dawn pilot plant and the second is the cash investment that we are carrying, the investment in the Mekong pilot plants. Clearly, these investments have taken quite some amounts already out of the 2018 cash consumption for Avantium. Next year, we will not have another Dawn pilot plant; we will only have to finish up the Mekong pilot plants. In that sense, the majority of the capex investments have been done. Clearly, as you rightfully pointed out, there will be some additional costs on our hiring the crew to run the Dawn plant in Delfzijl and for the Mekong pilot plant, for which we will announce that location later on. It is not over yet with the cash investments that Avantium is running at the moment but we will provide you with more guidance once we have the annual results in.
Patrick Roquas – Kepler Cheuvreux

Good evening, Tom and Frank. First of all, thank you for giving us some distraction from the loss that Ajax just suffered from losing from Feyenoord …

Tom Van Aken – CEO Avantium: Patrick, you are breaking up! We did not hear you …

Patrick Roquas – Kepler Cheuvreux: Alright. First, a follow-up on Wim’s question with regards to the reason for BASF to break up. You already elaborated on it. But could you also give more background to the difference in opinion on how to commercialise FDCA? What was the difference in opinion there?

Tom Van Aken – CEO Avantium: Of course, it is a bit difficult to give too much detail here because we have agreed with BASF to be very restrictive in terms of providing information about this. What you may have seen over the past years is that BASF really had an approach of going into this commercialization by building a large scale plant – in our dictionary 50,000 is a large-scale plant – and really going as fast as possible for high-volume markets and high-volume applications. In hindsight, if you look at how the project has developed we felt that also looking at more high-value applications was something that is sensible. I do not want to do this in any disrespectful way but if you look at a company like BASF it is a bit like an oil tanker; they have a certain strategy and they execute on that. Even if you come to the conclusion in the meantime that you have to adopt your course, it is very difficult for a large multinational company to do this. While if you look at it from Avantium’s perspective, being a smaller entrepreneurial and flexible company, we in that sense adapt the commercialisation strategy more easily and do it in a way that we felt it would make more sense to do. That is really where we unfortunately lost each other and where we were not able to find common ground on the commercialisation strategy of FDCA and PEF.

Patrick Roquas – Kepler Cheuvreux: Clear. Okay, that is very helpful.

Tom Van Aken – CEO Avantium: Can I then continue because of course that is also relevant for the future, Patrick. If you look at PEF, of course I realise that most people know us by the
PEF bottle. They look at PEF bottles in the context of very high-volume packaging in the beverage industry, where in all fairness it is very difficult to introduce a new packaging material because you are almost commoditised from the start. If you want to bring in a new plastic to the market, we really feel that going for higher volume or higher value application it is something that makes sense, particularly because we have seen that there are PEF film applications, that are also outside of the packaging fields and where there is a very strong market pool. If we move on, we still have to really set our new strategy but we will be looking very closely at opportunities in higher-value applications of PEF.

**Patrick Roquas – Kepler Cheuvreux:** Thank you, Tom, that is very helpful. You also talk about redefining your strategy or commercialisation strategy. You give us a flavour here of what to expect. Does that necessarily also imply that commercialisation on a smaller scale that could be done by yourself, not necessarily with a partner, is now more likely?

**Tom Van Aken – CEO Avantium:** Of course it is very difficult to say exactly how this will work out but I can give you some ideas that we have within the company on how we look at this. If you want to build a new value chain starting from for instance fructose to FDCA and then to PEF and to PEF products, there is no way we believe that we can do this all on our own. So, we will always be working together with partners. In that sense, the importance of partnerships is something that cannot be underestimated in order to do this successfully.

On the other hand, if I look at our experience over the past 2.5 years working with the largest petrochemical company in the world, it is also proven that working with a very big partner is also not the easiest for a company like ours. In that sense, if you look at the future, we will definitely want to do it with other partners and share risk and reward with other partners. But it is not the most logical thing for us to replace our previous partner BASF with another major chemical company and go into exactly the same street because we would run a significant risk that we will be ending up with the same situation in which we are today. That gives you a bit of a feel for what the company is considering.

**Patrick Roquas – Kepler Cheuvreux:** Clear. So, let’s say the appointment of Marcel is not an indication that you might seek something with a company like DSM.

**Tom Van Aken – CEO Avantium:** No, it should not be seen in the context that we want to do something with DSM. What it shows you is that we are very determined and confident that we are going to make YXY into a success. If you recruit someone like Marcel, with his track record,
to Avantium it is the best evidence that we have of our resolve to make this a commercial success.

Patrick Roquas – Kepler Cheuvreux: Clear. One final question. I have a few more but Reg is also on the line and it is later where he is. With this press release, you are completely separated? There is no litigation, BASF has taken a loss of around 39 million and that’s it?

Tom Van Aken – CEO Avantium: Yes, there are no further ties. That is correct.

Patrick Roquas – Kepler Cheuvreux: Thank you!

• Reg Watson – ING

Good evening and thanks Patrick, for clearing the line! I am speaking from the Middle East and it is indeed quite late in the evening, so thank you for that. My question was relating to how the 13.7 million was arrived at because I think in the run-up to this there was clearly an element of negotiation around the JV agreements. I would be interested to understand what the trade-offs were that had to make, what you gained and what you lost in arriving at that final figure.

Tom Van Aken – CEO Avantium: We announced in October that we had a dispute on the interpretation of the joint venture agreement. At that time, we spoke about some of the different ways parties could separate from each other. At that time, we also spoke about the BASF interpretation as well as Avantium’s interpretation. There is not too much I can share with you, except for the fact that these were very intense negotiations over the past three months. Ultimately, both parties have concluded that it was better to find a settlement that would be acceptable to both parties and avoid long-lasting arbitration and legal proceedings. That was the most important driver for us in order to end up with the settlement that we have laid out in the press release.

Reg Watson – ING: Okay. I will ask a separate question which does not require any specific reference to BASF. As at the point of separation, how much money had been invested by both Avantium and BASF in the Synvina JV?

Frank Roerink – CFO Avantium: I cannot give you the exact number at this point in time because the final numbers for 2018 and the spending of 1st January until 15th January have not yet been finalised. So, that is a bit difficult. But if you take the half-year numbers of 2018
and you extrapolate them you come to a number which is in the range of about 40-ish million that has spent on the ongoing business.

**Reg Watson – ING:** Thank you. I have a few technical points. How will you account, how will you go back and restate 2018 as if the Synvina JV was 100% owned? Will that still going to be reported on a full year on an equity-share basis?

**Frank Roerink – CFO Avantium:** We are discussing this with the auditors because of course this is one of the key elements that we need to consider. It is one of the routes to consider that Synvina will take an impairment on its balance sheet. At the end of the year, the joint venture was still owned by both partners, so in that sense, by 31st December there will not be a change to the annual accounts. However, we will report in the after balance sheet events the implications of this separation.

**Reg Watson – ING:** Okay. Thank you. And then, Tom, putting the past behind you and looking forward: you have alluded to the fact that there are perhaps faster ways to market with higher-value and lower-volume assets. What are the implications of this for funding the reference plant, the industrial scale plant going forward, because 50 kilo tonnes is clearly not on the cards now because it is too expensive. How much do you think you will need to spend and what size of plant do you think you are going to look at? Linked to that, obviously its timescale. When do you think you will be up and running with the first commercial volume?

**Tom Van Aken – CEO Avantium:** Basically, if you look at determining the commercialisation strategy determining the size of the first plant is clearly something that is critical. We cannot just look at this in one dimensional way. It is basically always the capacity of the first plant that is related to the capital that is required to build that first plant and is related to the cost price per kilo that you are making. We have made a set of different scenarios and we are going to test these scenarios now with potential partners. Avantium has been approached over the past few months by a series of companies in the value chain. In that sense, we are going to be testing these scenarios with those partners to make sure that we are setting the strategy in a way where we can really meet the requirements both from a market perspective but also from a capital perspective. We plan to do this in a way where the time line is going to be as we had communicated in the first quarter of 2018. So, if you look at the timelines of this, this is still what we are looking for. Obviously, that is a delay in comparison to what we had announced.
in the IPO but as you will understand, this exit from this joint venture with BASF gives us limitations in terms of what we can make up in timing.

**Reg Watson – ING**: Okay. Thank you. Those were my questions.

- **Wim Hoste – KBC Securities**: I have a follow-up on the previous discussion on the commercialisation. I know you are still making up your mind on how to evolve next but is the ultimate goal still to sell licenses of your technology and monetise your technology through that route? Is that really the goal? If that is the case I think at some point the technology will have to be proven on a large scale and not only on the scale of some high-value niche markets.

**Tom Van Aken – CEO Avantium**: Wim, I totally understand the question. Let me be very clear: the business model has not changed, so we absolutely plan to go for a licensing strategy. The question of course is how to get there and that is what we are going to be testing out in partnership or in consultation with potential partners. Clearly, that is something that we have in mind in what it means if you would go for a smaller-scale plant in comparison to the reference plant that we have planned in Antwerp. That is something that we get back to you later in the first half of this year.

**Wim Hoste – KBC Securities**: Okay. If I can follow up to the initial questions I asked about cash burning. Is there in any way a changed opinion on developing the different approach of the technological pipeline? Are you in any way feeling the necessity to maybe hold back on some of the investments you would otherwise have undertaken, given the cash limitations or are you still planning to go – maybe with a little bit more attention to the expenses – and develop all of the different projects in the same speed as you were initially doing?

**Tom Van Aken – CEO Avantium**: Let me go back to the prospectus. You rightfully pointed to the plan that we laid out in the prospectus. That plan still holds, apart from the joint venture with BASF. The timeline that we set out for both the Mekong and the Dawn programs are underway and they are being executed as we promised you in the prospectus. We have been delivering on that timeline. We have been delivering on the amount of investment that we would do. So, in that sense there is no reason for us to slow down on these projects because they are still promising and we still see really good traction in that sense. As you may recall, we also
said in the prospectus that once the pilot plans would be up and running then we would review how we would go one step further. That was not part of the IPO at that point in time. That still remains valid going forward. So, the moment the pilot plan is up and running proving the data that we are looking for with having the partners that want to move forward, we will bring back the business case on how it will be scaled up to a commercial scale.

Clearly, your point about how we progressed with the YXY, is something that we have to revisit and that we will revisit. In that sense, we have sufficient financial buffers to run for a number of years to make sure that we are in the right place to execute our strategy. But I do not want to sugar-coat the issue that building a plant for YXY forces us to go back to the drawing board. Yes, in due course it will require us to most likely raise additional funding.

**Wim Hoste – KBC Securities**: Understood. Thank you.

- **Patrick Roquas – Kepler Cheuvreux**

Last week we had the announcement of Nestlé indicating that they would only going to use plastic that is degradable in salty water. I just want to check how that is with your technology of YXY and how that fits. You also indicated stepping away from the large-scale PEF-bottles and I am just interested.

**Frank Roerink – CFO Avantium**: I saw that note. Nestlé have a strategy of two elements: biodegradability and recyclability. I even think that it was someone from your team that asked the question how about PEF. They have stated that they are still interested in PEF but they were not certain where it was going in light of the discussions between Avantium and BASF. This is one of those typical examples where we had to wait until we had clarity with BASF on how Avantium would go forward with YXY. Now we have that clarity and now we know how we can proceed going forward in dealing with companies such as Nestlé or anyone else that wants to move into material like PEF, because now we can target these companies and talk to them in a much more practical way on how to proceed.

**Patrick Roquas – Kepler Cheuvreux**: That is clear. Thanks.
Tom Van Aken – CEO Avantium: As there are no further questions, thank you all for dialling on a Sunday evening. I really appreciate that you have taken the time to dial in to this call. I hope that we have been able to explain to you that we are closing this chapter with the Synvina joint venture with BASF and that we are very confident about our ability to successfully commercialise YXY moving forward. We look forward to working with you over the coming period when we can make further announcements on how we plan to bring this technology to the market.

For now, I would like to thank you and let’s talk again soon. Good bye!

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End of call