Tom Van Aken – CEO Avantium: Good morning everyone and thank you for calling in today. As you may have read in the media, today I am in Delfzijl. We are hosting a visit from our Prime Minister Mr. Mark Rutte, who is visiting our Dawn pilot plant for our biorefinery process.

Frank Roerink, our CFO, is also in the call. He is calling in from Amsterdam to answer any of your questions after my opening statement.

This morning we announced our results for 2018 and let me just quickly run you through the key developments. After that, there will be room for your questions. Last year, consolidated revenues from operations decreased to EUR 11.3 million. This was due to a slowdown in the signing of several sales contracts for our Catalysis Systems business and it was partly offset by the first-time revenues for our Dawn technology and Mekong.

Net loss for the year 2018 amounted to EUR 68.4 million, with an underlying loss of EUR 18.4 million compared to EUR 16.8 million in 2017. The one-off expenses and impairment losses related to Avantium acquiring full ownership of Synvina came to EUR 50 million. As you may recall, we recorded a one-off gain in 2016 of EUR 48.8 million when we transferred our assets to Synvina.

Our cash totalled EUR 83.3 million as at the year end. The cash flow of 2018 was planned for and in line with our strategic plan. It resulted from our investments in renewable chemistry programs, such as the construction of the Dawn pilot plant for our biorefinery and the Mekong demonstration plant. Obviously, the loss of BASF, our partner in Synvina, was a challenge for us in 2018. Since then, we have acquired full ownership of our YXY technology and are looking at new avenues for commercialization. We have appointed Marcel Lubben as Managing Director of our new Synvina business unit.

We have previously stated that we will update the market about our commercialization strategy in the first half of 2019. We can now share with you that we will host a technology day for all our investors on Thursday, 6 June 2019.

We also maintained focus on our other promising technologies last year. One highlight was starting the construction of the Mekong demonstration plant, aided by a EUR 2.5 million grant.
from the European Innovation Council. Yesterday evening we have announced that we will site our new demonstration plant for our Mekong technology in Chemiepark Delfzijl. The construction of the new Mekong pilot plant is well on track, with the opening scheduled for the second half of 2019. A key factor behind the decision to site the Mekong plant in Delfzijl is an additional grant of EUR 2 million from the European Regional Development Fund, facilitated by Partnership Northern Netherlands or, in Dutch, Samenwerkingsverband Noord-Nederland. This grant aims to accelerate innovation in the quest for a low-carbon economy. Another highlight in 2018 was the opening of the Dawn technology pilot biorefinery in Delfzijl, that we opened in July, backed by a EUR 1.8 million subsidy from the province of Groningen.

This morning there was an article in Het Financieele Dagblad that may have caused some confusion, so let my try to clarify this. The Mekong technology has been developed in our laboratories in Amsterdam and is now going to be scaled up to the demonstration plant that is located in Delfzijl. This pilot plant will be located right next to our Dawn biorefinery, that is also located in Delfzijl. Our activities in Geleen are the pilot plants that we have operating for Synvina, which is aiming to produce FDCA and PEF. This means that by year end we aim to have three pilot plants operational, two based in Delfzijl and one based in Geleen.

I would like to conclude my statement with the following. It is no secret that last year was a challenging year for Avantium. However, the big picture developments in our industry are encouraging. There is a continuing trend to support the use of renewable feedstocks over fossil feedstocks and to implement regulations to reduce fossil carbon emissions. But last year we also saw a pivotal change in the plastics industry. Circular thinking became a top priority in policy and legislation, for example the EU single-use plastics ban. We applaud these changes and developments and we are ready to move forward with our Synvina, Dawn and Mekong technologies, with commercialization activities already underway with partners.

That was my statement and I would like to invite you for questions.
QUESTIONS AND ANSWERS

• Wim Hoste – KBC Securities

Good morning, gentlemen, a couple of questions from my side. First, on the outlook for revenues in 2019. Can you say somewhat more than what is in the rather vague statement on the outlook section for Catalysis? Do you expect the weakness seen in H2 2018 to be temporary? Do you have new contracts in hand that allow you to expect a better 2019 for Catalysis? Also on Dawn, how should we model revenue recognition and revenue growth for 2019? That is my first question.

The second question is on the Mekong developments. Could you be a little bit more precise about your strategy and partnership book? Who are you collaborating with and where do you see interest coming from? What type of customers or what type of companies are this? How do you see the timelines for pushing Mekong beyond the pilot size that is now being initiated?

Tom Van Aken – CEO Avantium: Good morning, Wim. Can you please repeat your second question on Dawn because I did not fully get what your question was?

Wim Hoste – KBC Securities: The second question is on Mekong and the first was on the revenue recognition of both Catalysis and Dawn and the second is on Mekong and partnerships and commercialization, timelines, et cetera. Any more colour would be helpful on that.

Tom Van Aken – CEO Avantium: Alright. Let me start with the first question. 2018 was indeed somewhat disappointing from a Catalysis standpoint. We do not believe that the weakness is something that is structural. It is more related to the fact that this business is somewhat lumpy. An additional fact is that we are increasingly selling our systems into regions such as the Far East and there the visibility is somewhat more limited than in other regions of the world. Therefore, it is somewhat difficult for us then to give you a clear outlook 2019. But I think it should be clear to everyone that we are aiming this business to being a growing business and of course that is difficult if you have a somewhat lumpy business, as we have particular in our
systems business. In other words, we hope this weakness was temporary and we are aiming for modest profitable growth in our Catalysis business.

On the Mekong side, I very much understand your question with regards to partnerships. I can tell you that we are in that sense in discussion with a number of partners across the value chain. However, we have very clearly in our strategy that we first want to demonstrate the technology on the next scale, which is now the demonstration plant in Delfzijl, before we enter into partnerships with an industrial company, because those partnerships are really going to be targeted for the next stage, which is scaling to a flagship plant of a commercial scale production. So yes, we are in discussion but I do not expect that we will announce any type of partnership before we have demonstrated the process on pilot plants.

**Wim Hoste – KBC Securities**: And the revenue outlook for Dawn? Will there be any meaningful revenue in 2019 on the Dawn pilot refinery?

**Tom Van Aken – CEO Avantium**: Frank, can I leave that question to you?

**Frank Roerink – CFO Avantium**: Sure. Wim, as you may recall, for Dawn the aim is to develop business cases for local deployment of the technology. In 2018, we have worked on about ten business cases. One of course the one where you are and that is in Delfzijl, where we have Nouryon together with RWA, Staatsbosbeheer and Chemport Europe to look at the possible deployment in the North of Holland. Like that we have nine other business cases that we are currently developing in various parts of the world. To answer your question whether we are going to see substantial revenues, yes, you will see revenues, not necessary on licensing et cetera because it is still too early – and that echoes what Tom said earlier – but clearly, we anticipate more revenues coming in in 2019. In 2018 we recorded about EUR 400,000 of revenues in renewable chemistries and we expect that number to be substantially higher in 2019.

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

- **Reg Watson – ING**

Good morning. What can you share with us about the progress of the Dawn technology piloting? I was a little disappointed to see that in your press release on the Mekong technology that it is
only aiming to produce biobased mono-ethylene glycol (MEG) that competes with fossil-based MEG in terms of cost and quality. Given that the process is so much more efficient than the existing biobased MEG technology I am surprised that you are only going to achieve competitiveness with fossil MEG in terms of cost and quality. Where is the additional cost coming from?

**Tom Van Aken – CEO Avantium:** With regard to the Mekong technology, it is not that we are seeing any additional costs in comparison to earlier statements that we have made with regards to our Mekong technology. In that sense, it is not that we have hit any road blocks or are facing additional costs. Of course, we will look at that very carefully in piloting this technology to see if that is the right assumption.

The language that we have in here is more targeted towards potential clients. The bio-MEG that is currently on the market is about 30% more expensive than fossil-based MEG. We want to tell the market, so the energy customers, that we are aiming for a process whereby MEG will be sold at exactly the same price as the fossil-based MEG. That does not mean anything with regards to the profitability of the process. If we can produce it at a lower cost I would see that as margin.

**Reg Watson – ING:** It is lowest competitive in terms of cost; it is cost to your customer and not cost to produce.

**Tom Van Aken – CEO Avantium:** Exactly.

**Reg Watson – ING:** Okay. I am sorry but I was under the impression that the Mekong technology is vastly more efficient than the current bio-MEG and therefore if bio-MEG is only 30% more expensive than fossil and then logically your process should result in a product that is a lot cheaper than fossil. But understood.

**Tom Van Aken – CEO Avantium:** Reg, this is all of course from where we stand today and of course, this is going to be very exciting once our demonstration plant is up and running to see if those assumptions that we are using in our economic modelling are working out as we have assumed.

**Reg Watson – ING:** Okay.
Patrick Roquas – Kepler Cheuvreux

Good morning, gentlemen, I have two questions. First, any indication for the cash burn in the course of 2019 would be helpful.

Secondly, could you provide an overall take on the amount of subsidies that have been granted to Avantium in total? Could you also comment on previous subsidies granted related to Synvina and the opportunity to access these?

Frank Roerink – CFO Avantium: Tom, you still have an open question from Reg on the technology itself and maybe you could answer that one later on.

Let me first take the question from Patrick on the cash burn 2019 guidance. The overall guidance for 2019 will be that we will have a cash burn similar to what we stated to you in the previous, so in the range of EUR 20 million to EUR 25 million. Clearly, 2019 will be tainted by a one-off BASF payment of EUR 17.4 million and if we then break the various elements apart for giving the guidance for the EUR 20 million to EUR 25 million, first Synvina for which during the JV period investments were in the range of EUR 15 million to EUR 20 million. We have reduced the spending in line with our strategic focus more towards the EUR 10 million to EUR 15 million range. On renewable chemistries of course it is a bit of a mix, so let me take you through that mix. The capital expenditure on Dawn has now been substantially reduced for 2019 because we had the majority of the investments in 2018, so that will go down. In Mekong, we have had part of the investment last year but now we will have the plant in 2019, so that capex will go slightly up in 2019. Overall, it means that the capex burden will be reduced by what we would call operating costs, running the pilot plants both in Delfzijl. That basically gives you an idea. If you see the 2018 numbers you see we had a cash burn in renewable chemistry of about EUR 10 million. That is about the number that we aim for in 2019 as well. In Catalysis clearly we aim to restore profitability back to the 2017 level and we see 2018 as a one-off year in that sense. On the last block, on the support structure, clearly we are looking at scrutinizing on a daily basis every non-core spending that we have, so we will do everything of course in the normal course of business to reduce those costs at a normal level. That should give you some guidance on 2019 for the cash burn.

The question on subsidies is a bit more complicated to answer because we have a number of subsidies. Let me start with the biggest block, the BBI, that Avantium went for in 2016 and that subsequently Synvina obtained in 2017. We have had very good discussions with the
European Union on the BBI grant and based on those discussions we see no reason to change our view that we can still use the BBI subsidy. That of course depends on the outcome of the strategy that we will communicate with you on 6 June but all reasons point in the direction that the BBI subsidy is still fully available for Avantium and Synvina to use. That is the biggest block.

If I look at 2018 and 2019 in terms of subsidy and grant programs, on an ongoing basis we have what we call WBSO, which is an ongoing support program to support developing and research companies. That is to the tune of EUR 0.5 million to EUR 1 million and then we have a number of ongoing grants, such as the one that we have received – the EUR 1.8 million – for the Dawn factory, so the pilot plants in Delfzijl and we have now received EUR 2.5 million for the Mekong pilot plant already in 2018 and now the EUR 2 million that we just received from the European Regional Development Fund, also for Mekong.

On page 8 of the annual report you can see the subsidy recognition and the amounts of the subsidies in more detail. I hope that is more insightful for you, Patrick.

**Patrick Roquas – Kepler Cheuvreux**: Very helpful, Frank. My last question is whether your indication with regards to the cash burn in 2019 also includes any subsidies that will be received in the coming months.

**Frank Roerink – CFO Avantium**: Yes.

**Patrick Roquas – Kepler Cheuvreux**: Alright. Thanks a lot.

- **Wim Hoste – KBC Securities**

Good morning again. A follow-up question is on the strategy of Synvina. I understood you will give clarity in June but I recall from earlier discussions that you are more thinking about constructing a smaller reference plant, not in the 50,000 tonnes range that was initially guided for. Is that still the base case thinking now? Should we think that you go for the higher value added applications with a smaller plant and are you looking for partners for that scenario? Is that how we should think about it?

**Tom Van Aken – CEO Avantium**: Indeed, we have explained before that logic will tell you that a smaller scale plant seems a less risky and also more logical way for bringing FDCA and
PEF to the market. We are currently in discussions with a number of partners about the strategic plans and on the basis thereof we will be organizing a Technology Day on 6 June, when we will go in more detail on how we plan to bring the Synvina technology to the market and provide more detail about that strategy at that particular day.

**Wim Hoste – KBC Securities:** Okay, understood. Thank you.

**Tom Van Aken – CEO Avantium:** I still have the question from Reg on how the Dawn pilot plant is going. The Dawn pilot plant is fully operational and we see that the process that has been developed is running. However, as you can expect with a pilot plant we are in a learning curve and in that sense in a somewhat troubleshooting mode every now and then because not all the equipment that we have installed is working as was planned and designed for. These are very typical challenges that you will see in a pilot plant stage. That is why you build a pilot plant because you want to avoid that you build a large-scale plant and then have to go through that learning curve. So, this is exactly what we were expecting and this is the learning curve that we are currently going through and of course we hope to resolve these challenges in the course of 2019. Clearly, we will keep you up to date with regards to the technological as well as the commercial progress that we are making in our Dawn project. Reg, I hope this was an answer to your question.

As there are no further questions, I would like to thank you all for joining the call and for your continued interest in Avantium. We look forward to having a different year than 2018. We will have our General Shareholder meeting on 15 May but, maybe more important, we will have our Investor Technology day on 6 June. We very much hope that you can write that down in your agenda, as we plan to then make further announcements on how we are doing with our technologies and how we plan to bring them to the market. Thank you very much and I look forward to talking to you soon.