

Avantium provides update on the FDCA flagship plant final investment decision process

AMSTERDAM, 27 January 2021, 18:00 CET – Avantium N.V., a leading technology company in renewable chemistry, today delivers an update on its final investment decision (FID) process concerning the construction of its FDCA flagship plant, planned to be built in Delfzijl, The Netherlands.

Due to the global COVID-19 crisis, negotiations with financial, commercial and other strategic partners have taken longer than previously foreseen. Avantium will therefore take additional time to determine whether it will be in a position to meet all the conditions required for a positive FID. The Company expects to be able to provide a further update on the FID on 24 March 2021, the publication date of its 2020 Annual Results.

The planned FDCA flagship plant would produce 5 kilotonnes of FDCA (furandicarboxylic acid) per annum, the key building block for PEF (polyethylene furanoate). Avantium believes that the 100% plant-based, fully recyclable polymer PEF is the next-generation plastic material. It helps meet the growing demand for high performance and sustainable products that address major environmental issues such as climate change and plastic waste.

Avantium will be in a position to take a positive FID concerning the construction of the FDCA flagship plant if the following Key Conditions are satisfied:

1. €150 million financing has been secured;
2. Offtake commitments for approximately 50% of the capacity of the flagship plant have been obtained;
3. The engineering has been finalised and the supply chain is in place.

Status update

1. €150 million financing

A positive FID requires a total financing package of €150 million. Avantium had already conditionally secured financing for the FDCA flagship plant amounting to €85 million, consisting of (i) the €20 million “PEference” Horizon 2020 grant awarded by Bio-based Industries Joint Undertaking (BBI JU)ⁱ, (ii) a conditional financing package of €30 million by the Groningen consortiumⁱⁱ, and (iii) the €35 million previously committed investment by Avantium (of which €22 million has been invested by year-end 2020).

As part of the conditional financing package of €30 million by the Groningen Consortium, (i) Avantium and the Groningen Consortium have now signed a term sheet agreeing that €20 million will be provided as an equity investment in Avantium’s Renewable Polymers subsidiary (“Avantium RNP”); the €10 million balance will be provided through (ii) €2.5 million of subordinated debt and (iii) a €7.5 million grant awarded by the National Programme Groningen, as announced on 7 December 2020.

Avantium has also signed a term sheet with the engineering company Worleyⁱⁱⁱ for the latter to make a €10 million equity investment in Avantium RNP, structured as a contribution in kind aligning the economic interests of both parties in the execution phase of the FDCA flagship plant.

The investments by Worley and the Groningen consortium are subject to multiple conditions including the fulfilment of the Key Conditions.

With the Groningen consortium and Worley term sheets signed, now €95 million of the €150 million target for the flagship plant has been conditionally secured. Avantium RNP is actively discussing debt and equity financing with banks and other parties to be able to secure the total funding needed. Additionally, Avantium RNP has applied for support from national and EU instruments such as the EU Innovation Fund.

With its cash position at year-end 2020 at circa €26 million, Avantium is exploring multiple financing options to provide for its investment commitments to Avantium RNP.

2. Offtake commitments for the flagship plant

Avantium has signed the first two conditional offtake agreements for the supply of PEF resin to manufacture food packaging for bottles and films. This represents approximately 20% of the flagship plant FDCA production capacity. These conditional offtake commitments are subject to a positive FID, financial closing, other approvals and party specific conditions.

Avantium RNP is proceeding with negotiations with multiple potential partners for additional offtake commitments.

3. Engineering and supply chain

The front-end-engineering and design (FEED) phase of the flagship plant is in the final stages. Avantium RNP and Worley agreed on the heads of terms^{iv} of the execution contract for the FDCA flagship plant. Avantium RNP and Worley also foresee to collaborate in the execution phase of Avantium's licensing strategy.

Avantium RNP and global specialty polyester supplier Selenis^v have agreed on the principal terms for a multi-year commercial FDCA polymerisation agreement.

Tom van Aken, Chief Executive Officer of Avantium, comments:

"We are pleased to have formed partnerships to shape the value chain of PEF and we look forward to welcoming additional new partners on board to help realise the potential of PEF. We have been focused on meeting the Key Conditions required to make a positive FID and move forward with the construction of an FDCA flagship plant. Much has been achieved but we recognise that there are key elements which still have to be secured. We will continue to work diligently on these areas and report back on our progress in March 2021."

ⁱ This project has received funding under Bio Based Industries Joint Undertaking under the European Union's Horizon 2020 research and innovation programme under grant agreement No 744409.

ⁱⁱ The Groningen consortium comprises of the Province of Groningen, Groningen Seaports and regional investment funds NOM (Investment and Development Agency for the Northern Netherlands), Fonds Nieuwe Doen, Investeringsfonds Groningen and Groeifonds.

ⁱⁱⁱ Worley delivers project and asset services for the energy, chemicals and resources sectors around the world. It provides expertise in engineering, procurement and construction, as well as consulting services. Every day Worley helps its customers get one step closer to solving our planet's complex issues, such as climate change, the energy transition, digital transformation and how to deliver a more sustainable world.

^{iv} This document includes the commercial heads of terms and the principles applying to the execution phase of the FDCA flagship plant.

^v Selenis' core business is the production of specialty polyesters for a wide range of applications. Selenis' pilot and commercial polymerisation assets are well suited for the polymerisation of FDCA into PEF. Selenis has two industrial plants in Europe: one is based in Portugal and the other is based in northern Italy.

About Avantium

Avantium is a leading technology development company and a forerunner in renewable chemistry. Avantium develops novel technologies based on renewable carbon sources as an alternative to fossil-based chemicals and plastics. The Company currently has three technologies at pilot and demonstration phase. The most advanced technology is the YXY[®] plant-to-plastics-technology that catalytically converts plant-based sugars into a wide range of chemicals and plastics, such as PEF (polyethylene furanoate). Avantium has successfully demonstrated the YXY[®] Technology at its pilot plant in Geleen, the Netherlands. The second technology is the Dawn Technology[™] that converts non-food biomass into industrial sugars and lignin in order to transition the chemicals and materials industries to non-fossil resources. In 2018, Avantium opened the Dawn Technology[™] pilot biorefinery in Delfzijl, the Netherlands. The third technology is called Ray Technology[™] and catalytically converts industrial sugars to plant-based MEG (mono-ethylene glycol): plantMEG[™]. Avantium is scaling up its Ray Technology[™] and the demonstration plant in Delfzijl, the Netherlands opened in November 2019. Next to developing and commercialising renewable chemistry technologies, the company also provides advanced catalysis R&D services and systems to customers in the refinery and chemical industries. Avantium works in partnership with likeminded companies around the globe to create revolutionary renewable chemistry solutions from invention to commercial scale.

Avantium's shares are listed on Euronext Amsterdam and Euronext Brussels (symbol: AVTX). Avantium is included in the Euronext Amsterdam SmallCap Index (AScX). Its offices and headquarters are in Amsterdam, the Netherlands.

Forward-looking information / disclaimer

This press release may include forward-looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and management plans and objectives for future operations, are forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and

uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Avantium's ability to control or estimate precisely, such as future market conditions, the behavior of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

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