avantium

Press release

Avantium First Half 2023 Results:

Avantium continues to show strong progress in executing the commercialisation strategies for its proprietary technologies

AMSTERDAM, 16 August 2023, 07:00 hrs CEST - Avantium N.V. (Euronext Amsterdam and Brussels: AVTX), a leading technology company in renewable chemistry, today reports its 2023 half year results.

Key Business Progress in the First Half of 2023:

- Construction of Avantium's FDCA Flagship Plant remains on track, with commissioning activities expected to commence in the first quarter of 2024 and FDCA production in the second half of 2024.
- Avantium has made further progress in the development of the Ray plantMEG™ and Ray plantMPG™ technology and secured a conditional grant award of €53 million from the National Growth Fund, an instrumental step for the funding of the construction of a Flagship Plant in the Netherlands.
- Avantium's Volta Technology, a carbon capture and utilisation platform, is advancing towards a stage gate decision on the construction of a pilot plant, further supported by the previously announced collaboration with SCGC.
- Avantium has signed a collaboration agreement with Norsk Hydro for further development of Avantium's Volta electrochemistry technology platform to develop innovative and sustainable solutions for Norsk Hydro.
- Avantium R&D Solutions is successfully executing its strategy for R&D solutions for sustainable chemistry, securing additional orders and a strong revenue backlog for 2023.

Key Financial Developments in the First Half of 2023:

(€1,000)	30 June 2023	30 June 2022	% change
Revenues	7,263	4,982	46%
Other income from government grants	3,894	3,184	22%
Net operating expenses	(23,312)	(19,181)	22%
EBITDA	**(12,155)**	**(11,015)**	**10%**
Depreciation, amortisation and impairment charge	(3,841)	(3,937)	-2%
Finance costs - net	(4,150)	(1,312)	216%
Fair value remeasurement - Warrants	(270)	(1,085)	-75%
Loss for the financial year	(20,415)	(17,349)	18%
Cash flow from operating activities	21,321	4,165	412%
Cash flow from investing activities	(47,727)	9,770	-589%
Cash flow from financing activities	38,578	40,658	-5%
Net cash flow	(8,244)	37,244	-122%
Cash position	56,626	72,150	-22%

Tom van Aken, Chief Executive Officer of Avantium: "In the first half of 2023, Avantium made strong progress with all our technologies. We are pleased that the construction of our FDCA Flagship Plant has progressed in line with the key objective to start FDCA production in 2024. We remain on track to start commissioning activities of our FDCA Flagship Plant in the first quarter of 2024. Our plantMEG technology is progressing towards the next phase of scaling-up to a Flagship Plant, for which we secured a conditional grant award of €53 million from the Dutch National Growth Fund. Our Volta technology has shown significant progress towards the stage gate decision to construct a pilot plant to scale-up production of the monomer glycolic acid and CO_2-based polymer PLGA, underpinned by collaborations with global industry leaders SCGC and Norsk Hydro. We continue to see robust demand as well as increasing regulatory support for our sustainable, next-generation materials and technologies."

Outlook

Avantium continues to explore additional funding options to ensure that the Company remains sufficiently funded to execute on its strategy.

For Avantium Renewable Polymers, commissioning of the FDCA Flagship Plant is expected to commence in the first quarter of 2024, and production to start in the second half of 2024. We expect to complete the drawdown of the final €15 million from the Debt Facility Agreement for the FDCA Flagship Plant in Q3 2023.

The signing of the first technology license agreement with Origin Materials has helped accelerate discussions with other industrial partners to explore additional licensing opportunities for the future large-scale production of FDCA and PEF. Avantium Renewable Polymers continues to see strong demand for FDCA and PEF in various applications and continues to pursue additional offtake agreements for the FDCA Flagship Plant and capacity reservations to support licensees.

Avantium Renewable Chemistries intends to enter the Process Design Package (PDP) stage for the Ray Flagship Plant in the second half of 2023. We continue to focus on strategic opportunities for our plantMEG technology.

In the second half of 2023, Avantium R&D Solutions aims to deliver significant top-line growth compared to the first half of 2023, based on a strong order book and project pipeline.

Financial results

Income Statement
Total first half 2023 revenues increased to €7.3 million (HY 2022: €5.0 million), largely attributable to revenues in the R&D Solutions business unit (€5.0 million). As a result of entering into a technology license agreement with Origin Materials in February 2023, Avantium Renewable Polymers received the first milestone payment of €7.5 million. Under the technology license agreement, Avantium Renewable Polymers will receive the next milestone payment of €7.0 million upon delivery of the Process Design Package to Origin Materials. Under IFRS 15, these two payments will be recognised as revenue over time, up to the delivery of the Process Design Package. In the first half of 2023, Avantium Renewable Polymers recognised €1.9 million as revenue from the Origin technology license agreement.

Other income increased by 22% to €3.9 million (HY 2022: €3.2 million). The higher grant recognition was predominantly in Avantium Renewable Polymers coming from existing grant programmes.

Net operating expenses were €23.3 million in the first half of 2023 (HY 2022: €19.2 million). This increase is primarily the result of the planned increase in FTEs over the reporting period, higher raw materials and contract costs, other operating expenses largely driven by inflation, as well as higher development costs in particular relating to the Renewable Polymers business segment.

EBITDA loss for the first half of 2022 was €12.2 million (HY 2022: loss of €11.0 million)

Finance costs increased to €4.1 million (HY 2022: €1.3) primarily due to €3.3 million in interest and commitment fees related to the debt financing.

Avantium's net loss for the half year of 2023 increased to €20.4 million (HY 2022: €17.3 million) due to higher costs; driven by increase in finance costs related to the financing of the FDCA Flagship Plant, the planned ramp-up of activities across the Company, and inflation. These cost increases were partly offset by an increase in revenues and other income.

(In Euro x 1,000)	30-6-2023	30-6-2022
Total EBITDA of business segments	(7,200)	(6,314)
Amortisation	(10)	(22)
Depreciation of property, plant and equipment	(2,577)	(2,873)
Depreciation of right of use assets	(1,254)	(1,043)
Finance costs - net	(4,150)	(1,312)
Share based compensation	(507)	(457)
Rent	(628)	(312)
Fair value remeasurement	(270)	(1,085)
Company overheads/other	(3,820)	(3,932)
Loss before income tax from continuing operations	**(20,415)**	**(17,349)**

Balance Sheet and Financial Position
The balance sheet as of 30 June 2023 increased to €191.2 million (31 December 2021: €162.0 million), with net equity of €63.4 million.

Avantium's cash position (including restricted cash) was €56.6 million as at 30 June 2023 (31 December 2022: €64.9 million). During the first half of 2023, Avantium drew down €37.5 million under the Debt Facilities Agreement for the FDCA Flagship Plant. In addition, in February 2023 Avantium Renewable Polymers received a loan of €2.5 million from Fonds Nieuwe Doen. The net cash used in operating, investing and lease activities in the first half of 2023 was €48.2 million (HY 2022: €24.3 million).

Capital expenditure increased to €47.7 million (HY 2022: €10.2 million) as a result of planned investments in the FDCA Flagship Plant.

The working capital movement of €12.8 million includes accrued expenses to Worley as EPC contractor for the FDCA Flaghip Plant, the remaining balance of €3.8 million from Worley as part of their contribution in kind in Avantium Renewable Polymers, and a prepaid expense related to the warrants issued as part of the Debt Facilities Agreement, to the relevant lenders.

in millions of €	30 June 2023	30 June 2022
Cash position at the beginning of the period	64.9	34.9
EBITDA	(12.2)	(11.0)
Lease payments	(0.8)	(0.9)
Working capital movement	12.8	(2.1)
Capital expenditures	(47.7)	(10.2)
Interest and commitment fees from borrowings	(1.0)	(0.6)
Other	0.6	0.5
Net cashflow used in operating, investing and financing activities	**(48.2)**	**(24.3)**
Net proceeds from Capital raise	—	41.6
Transaction with non-controlling interest	—	20.0
Proceeds from Borrowings	40.0	—
Net increase/(decrease) in cash and cash equivalents	**(8.2)**	**37.2**
Cash position at the end of the period	**56.6**	**72.1**

Business Overview

Avantium Renewable Polymers

Avantium Renewable Polymers' proprietary YXY® Technology produces FDCA (furandicarboxylic acid), the main building block of the high-performance plant-based plastic PEF (polyethylene furanoate). Avantium Renewable Polymers is on track to start up the world's first commercial FDCA plant in 2024, when we will bring PEF to our customers in a wide range of high-value applications. The FDCA Flagship Plant is a stepping stone towards executing Avantium's technology licensing strategy.

(In Euro x 1,000)	30-6-2023	30-6-2022
Revenues	2,091	475
Other Income	2,444	1,520
EBITDA	(4,075)	(4,615)

Key highlights Avantium Renewable Polymers:

- Commissioning of the FDCA Flagship Plant is expected to start in the first quarter of 2024, with production on track to start in the second half of 2024.
- In the first half of 2023, a further €37.5 million was drawn down under the €90 million Debt Facilities Agreement.
- Revenues of Avantium Renewable Polymers increased from €0.5 million in the first half of 2022 to €2.1 million in the first half of 2023, predominantly due to the €1.9 million revenue recognition in relation to the technology license agreement with Origin Materials.

The construction of the FDCA Flagship Plant is progressing, with over 90% of the associated procurement now contracted. The warehouse and main control room are finished, the first pieces of equipment and piping have been installed and cable-pulling activities are progressing well. Over the past months, Avantium has also continued to strengthen its FDCA Flagship Plant operations staff.

In the first half of 2023, a further €37.5 million was drawn down under the €90 million Debt Facilities Agreement for Avantium Renewable Polymers, following the first drawdown of €15 million in November 2022. In July 2023, an additional €22.5 million was drawn down under this Agreement, and Avantium Renewable Polymers is on track to draw down the remaining €15 million in Q3 2023. Moreover, Avantium Renewable Polymers secured and accessed an additional loan of €2.5 million provided by Stichting Fonds Leefbaarheid, Zorg en Energie Groningen (Fonds Nieuwe Doen) in the first half of 2023. Avantium Renewable Polymers is in active discussions with its shareholders and lenders to ensure that sufficient contingency is in place until the FDCA Flagship Plant is fully commercially operational. The Company has previously guided on a total cost increase for the construction of the FDCA Flagship Plant of €15 - 25 million, and this remains under constant review.

In February 2023, Avantium signed its first YXY® Technology license agreement with the US-based company Origin Materials. Under the agreement, Avantium will grant Origin Materials the right to use relevant parts of its YXY® Technology to enable the conversion of Origin-produced CMF (chloromethylfurfural) derivatives into FDCA at a 100 kilotonnes per annum scale facility. As a result of signing the technology license agreement, Origin Materials paid Avantium a first milestone fee of €7.5 million. Origin agreed to pay Avantium subsequent license fees dependent upon achievement of various development milestones. Avantium will also be eligible to receive royalties for each metric tonne of FDCA produced at the licensed plant.

In addition to the first YXY® Technology license, Avantium signed additional offtake agreements for its FDCA Flagship Plant with Henkel, Origin Materials and Kvadrat in the first half of 2023, bringing the total of such agreements to 14. In addition, Avantium's commercial team is working together with Origin Materials to secure capacity reservations for FDCA and PEF for the licensed facility. This includes the capacity reservation agreement with Terphane to purchase PEF for use in industrial and film packaging applications, as recently announced by Origin.

Avantium Renewable Polymers has been awarded a €0.76 million grant by the EU Horizon Europe programme for its participation in the research and development programme Rebiolution[1].

Avantium Renewable Chemistries

Avantium Renewable Chemistries develops and commercialises innovative chemical technologies based on viable, non-fossil sources of carbon from biomass and CO_2. The business unit is home to three technologies: Ray Technology™, Volta Technology and Dawn Technology™. Ray and Dawn technologies are currently both running at a demonstration plant in Delfzijl, the Netherlands. As one of the world's most advanced carbon capture and utilisation (CCU) technologies, Volta Technology is currently in the pre-pilot phase with two Volta mobile demonstration units successfully deployed at industrial sites in Europe, and a third unit currently operational on-site at Avantium.

(In Euro x 1,000)	**30-6-2023**	**30-6-2022**
Revenues	100	—
Other Income	1,321	1,454
EBITDA	(3,084)	(2,115)

Key highlights Avantium Renewable Chemistries:

- Avantium's Ray Technology™ for the production of plantMEG and plantMPG has secured a conditional grant award of €53 million by the Dutch National Growth Fund (Nationaal Groeifonds), supporting the funding for the construction of a Flagship Plant in the Netherlands.
- Underpinned by the collaborations with SCGC and Norsk Hydro, Avantium's Volta Technology is advancing towards a stage gate decision to construct a pilot plant.

[1] This project has received funding from the European Union's Horizon Europe funding programme under grant agreement No 101082040.

Ray Technology™
With its Ray Technology™, Avantium has developed an efficient and sustainable way to produce the plant-based glycols plantMEG (mono-ethylene glycol) and plantMPG (mono-propylene glycol) from plant-based feedstocks, as an alternative to fossil feedstock. MEG is used in large applications like packaging, polyester textiles, and antifreeze, while MPG can be used for airplane de-icing, in unsaturated polyester resins such as those used for the production of windmill blades and as a heat transfer fluid in solar panels Avantium currently produces plantMEG and plantMPG at its demonstration plant in Delfzijl, the Netherlands, using Cosun Beet Company's locally grown beet sugar as the renewable feedstock. The intention is to take a positive Final Investment Decision on the construction of a Ray Flagship Plant in 2025 and complete this plant by 2027. A positive Final Investment Decision will require several key conditions to be satisfied: (i) finalising the engineering and establishing the supply chain, (ii) securing the financing of the Ray Flagship Plant, and (iii) obtaining sufficient offtake commitments for plantMEG and plantMPG.

(i) Avantium is advancing towards the next phase of engineering: the development of the Process Design Package (PDP) for the Ray Flagship Plant. In the first half of 2023, the team successfully executed several essential trials as part of the pre-engineering phase. These included successful runs in the Ray demonstration plant in Delfzijl, a combustion trial and a glycol distillation trial (executed by Sulzer Chemtech), with technical results in line with expectations.

On the supply chain, Cosun Beet Company has the intention to supply sustainable Dutch beet sugar to the Ray Flagship Plant. Meanwhile, we are currently in active negotiations to select the optimal site for the Ray Flagship Plant in the Netherlands.

(ii) An instrumental step towards securing the overall funding of the construction of the Ray Flagship Plant in the Netherlands was the conditional award of a €53 million grant by the Dutch National Growth Fund (Nationaal Groeifonds) in June 2023. This is part of a larger grant award to the BioBased Circular programme[2], submitted also on behalf of Avantium, which includes a track dedicated to the engineering and construction of a Ray Flagship Plant to produce plant-based glycols based on Avantium's Ray Technology™. The BioBased Circular programme aims to set up a sustainable sugar-based chemical and materials industry in the Netherlands and runs until 2032. The grant award will be paid out to the Ray Flagship Plant project in milestone payments over the coming years and pending a positive Final Investment Decision, which we expect to take in 2025. One of the conditions of the National Growth Fund grant award is that the Ray Flagship Plant will be constructed in the Netherlands.

We are currently evaluating the financing strategy for the Ray Flagship Plant in the Netherlands and continue to explore further funding options, including (strategic) equity, debt and additional grants.

(iii) We see strong customer traction for both plantMEG and plantMPG and we continue to pursue active negotiations with potential partners.

Volta Technology
Avantium's proprietary Volta Technology, a carbon capture and utilisation platform, uses electrochemistry to convert CO_2 (carbon dioxide) to high-value products and chemical building blocks, including carbon monoxide, formic acid and oxalic acid, as well as derivatives such as glycolic acid. By combining glycolic acid with lactic acid, Avantium can produce polylactic-co-glycolic acid (PLGA), a potentially carbon-negative polymer with valuable characteristics: it is an excellent barrier against oxygen and moisture, has good mechanical properties, is recyclable and is both home compostable and marine degradable. PLGA can be used, for example, as packaging film, coating material (e.g. fully compostable paper drinking cups) and in moulded plastic products such as bottles, flower pots and kitchenware. This makes PLGA an excellent alternative for fossil-based plastics such as polyethylene.

In the first half of 2023, Avantium's Volta Technology group built on the previous successful deployment of the Volta mobile demonstration units, two of which were successfully situated at RWE and TITAN industrial sites in Europe in 2022 as part of the grant consortia RECODE and OCEAN. Avantium will continue to improve the Volta mobile units and deploy them under other grant programmes. Under the WaterProof programme[3], for example, which started in the summer of 2022, Avantium is converting CO_2 from wastewater purification and waste incineration into formic acid. For this, a mobile Volta unit will be used at a

[2] The BBC programme was submitted by the Minister of Economic Affairs and Climate Change, also on behalf of the Green Chemistry, New Economy (GCNE) coalition and the Top Consortium for Knowledge and Innovation BioBased Economy (TKI-BBE). The Ministry of Infrastructure & Water Management, the Ministry of Agriculture, Nature and Food Quality and the three top sectors of Agri&Food, Chemistry and Energy support the proposal. Leading parties from the ecosystem, such as Avantium, Brightsite, CBBD, Cosun the ROMs of five provinces, TNO, WUR, UM, UT and TUD have joined. In addition, more than sixty other organisations have expressed their support.
[3] The WaterProof programme aims to demonstrate the full value chain of a closed carbon cycle. This programme has received funding from the Horizon Europe Framework Programme under the grant agreement No 101058578.

wastewater purification plant in the Netherlands. In May 2023, Avantium's Volta Technology was awarded a €1.5 million grant by the EU Horizon Europe programme for its participation in the research and development programme HICCUPS[4]. Under the HICCUPS programme, Avantium will convert CO_2 from biogas produced at wastewater treatment plants (using a Volta demonstration unit) into the sustainable plastic material PLGA.

In the first half of 2023, Avantium's Volta Technology made significant progress towards a stage gate decision to construct a pilot plant. To this end, Avantium has continued to explore industrial partnerships. In June 2023, Avantium and SCG Chemicals Public Company Limited (SCGC), a leading integrated chemical player in Asia, announced a decision to establish a Joint Development Agreement (JDA). Under this JDA, the companies intend to further develop the CO_2-based polymer PLGA in order to subsequently scale-up production of glycolic acid monomer and PLGA polyester in the next two years to a pilot plant with an indicative capacity of 10 tonnes per annum. In the summer of 2023, Avantium signed a collaboration agreement with Norsk Hydro for further development of Avantium's electrochemistry technology platform to develop innovative and sustainable solutions for Norsk Hydro.

Financial Performance Avantium Renewable Chemistries
Revenues of Avantium Renewable Chemistries amounted to €0.1 million (HY 2022: nil), in relation to Volta Technology. Other income from grants decreased by 9.1% to €1.3 million (HY 2022: €1.5 million). Grant income in Avantium Renewable Chemistries is from existing grant programmes.

Avantium R&D Solutions
Avantium R&D Solutions provides R&D solutions in the field of sustainable chemistry and is the leading provider of advanced catalyst testing technology and services to accelerate catalyst R&D.

(In Euro x 1,000)	30-6-2023	30-6-2022
Revenues	5,006	4,450
Other Income	66	130
EBITDA	(41)	416

Avantium R&D Solutions successfully continued to implement its strategy to target sustainable chemistry opportunities. After it had already secured the first commercial contracts for custom-made units for adsorption and chemical conversion in 2022, the first three orders for plastic recycling, as well as an additional order for adsorption, were gained in the first half of 2023. Meanwhile, Avantium R&D Solutions' existing R&D Services business showed good progress, with a high number of committed orders in the same period.

At the end of 2022, Avantium R&D Solutions announced a price increase across its product portfolio of Flowrence® units and Contract R&D of 10-20% depending on product and project specifications, in order to compensate for inflationary and supply chain pressures. In the first six months of 2023, this price increase was successfully implemented by Avantium R&D Solutions, including the renewal of a significant, multi-year contract R&D agreement with a long-standing, blue-chip customer. Revenues generated by Avantium R&D Solutions grew by 12% to €5.0 million (HY 2022: €4.5 million).

Auditor's Involvement
This Interim Report for the six months ended 30 June 2023, and the condensed consolidated financial statements included herein have not been audited or reviewed by an external auditor.

[4] The HICCUPS programme aims to demonstrate the utilisation of CO2 as a feedstock for the production of polyesters. This project has received funding from the Circular Bio-based Europe Joint Undertaking under the European Union's Horizon Europe funding programme under grant agreement No 101112455.

Management Board compliance statement
The Management Board of Avantium N.V. declares that, to the best of its knowledge, the condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and the result of Avantium N.V. and its subsidiaries and the interim report includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, 16 August 2023,

Tom van Aken, Chief Executive Officer *Boudewijn van Schaïk, Chief Financial Officer*

Calendar and contact details

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On Wednesday 16 August 2023 at 10:00 am (CET) Avantium will host a conference call for analysts. The transcript of the analyst call will be made available at www.avantium.com in due course.

Financial calendar 2024

Date	Event
Q4 2023 (TBD)	Avantium Capital Markets Day
20 March 2024	Publication full-year results 2023 and publication annual report 2023
15 May 2024	Annual General Meeting
21 August 2024	Publication of half-year results 2024

About Avantium
Avantium is a leading technology development company and a frontrunner in renewable chemistry. Avantium develops and commercialises innovative technologies for the production of materials based on sustainable carbon feedstocks, i.e. carbon from biomass or carbon from the air (CO_2).The most advanced technology is the YXY® Technology that catalytically converts plant-based sugars into FDCA (furandicarboxylic acid), the key building block for the sustainable plastic PEF (polyethylene furanoate). Avantium has successfully demonstrated the YXY® Technology at its pilot plant in Geleen, the Netherlands, and has started construction of the world's first commercial plant for FDCA in 2022, with planned large-scale production of PEF in 2024. The second technology is Ray Technology™ and catalytically converts industrial sugars to plant-based MEG (mono-ethylene glycol) and plant-based MPG (mono-propylene glycol): plantMEG™ and plantMPG™. Avantium is scaling up its Ray Technology™ and the demonstration plant in Delfzijl, the Netherlands opened in November 2019. Avantium's Volta Technology uses electrochemistry to convert CO_2 into high-value chemical building blocks and sustainable plastic materials, including PLGA (polylactic-co-glycolic acid). Avantium also provides R&D solutions in the field of sustainable chemistry and is the leading provider of advanced catalyst testing technology and services to accelerate catalyst R&D. Avantium works in partnership with like-minded 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 incorporated in the Euronext Amsterdam SmallCap Index (AScX). Its offices and headquarters are in Amsterdam, the Netherlands.

This press release by Avantium N.V. contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR).

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 behaviour of other market participants and the actions of governmental regulators. The risks outlined in the risk management paragraph of the Avantium N.V. 2022 Annual Report remain valid. 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.

APPENDIX: Condensed Financial Statements

Condensed Consolidated Statement of Comprehensive Income

in Euro x 1,000	30 June 2023	30 June 2022
Revenues	7,263	4,982
Other income	3,894	3,184
Total revenues and other income	**11,157**	**8,166**
Operating expenses		
Raw materials and contract costs	(2,329)	(1,525)
Employee benefit expenses	(13,304)	(11,214)
Office and housing expenses	(1,881)	(1,284)
Patent, license, legal and advisory expenses	(2,079)	(2,524)
Laboratory expenses	(1,811)	(1,514)
Advertising and representation expenses	(894)	(549)
Other operating expenses	(1,012)	(571)
Net operating expenses	**(23,312)**	**(19,181)**
EBITDA	**(12,155)**	**(11,015)**
Depreciation, amortisation and impairment charge	(3,841)	(3,937)
EBIT	**(15,996)**	**(14,952)**
Finance costs - net	(4,150)	(1,312)
Fair value remeasurement - Warrants	(270)	(1,085)
Loss before income tax	**(20,415)**	**(17,349)**
Income tax expense	—	—
Loss for the half-year	**(20,415)**	**(17,349)**
Other comprehensive income	—	—
Total comprehensive expense for the year	**(20,415)**	**(17,349)**
Loss attributable to:		
Owners of the parent	(18,539)	(16,363)
Owners of Non-Controlling interest	(1,876)	(985)
	(20,415)	**(17,349)**
Total comprehensive expense attributable to:		
Owners of the parent	(18,539)	(16,363)
Owners of Non-Controlling interest	(1,876)	(985)
	(20,415)	**(17,349)**

in Euro	30 June 2023	30 June 2022
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic earnings per share[5]	(0.48)	(0.45)
Diluted earnings per share	(0.48)	(0.45)

[5] Basic earnings per share are calculated by dividing the net result for the period by the weighted average number of ordinary shares.

Condensed Consolidated Statement of Financial Position

in Euro x 1,000	30 June 2023	31 December 2022
ASSETS		
Non-current assets		
Property, plant and equipment	105,429	60,394
Intangible assets	2,081	1,974
Right-of-use assets	8,924	9,945
Non-current prepayments	7,126	15,248
Total non-current assets	**123,559**	**87,561**
Current assets		
Inventories	1,253	1,567
Trade and other receivables	9,736	8,035
Cash and cash equivalents	56,626	64,870
Total current assets	**67,615**	**74,472**
Total assets	**191,174**	**162,033**
EQUITY		
Equity attributable to owners of the parent		
Ordinary shares	4,270	4,261
Share premium	270,924	270,829
Other reserves	13,460	12,785
Accumulated losses	(225,281)	(206,747)
Total equity attributable to the owners of the parent	**63,374**	**81,128**
Non-controlling interest	8,166	10,042
Total equity	**71,540**	**91,170**
LIABILITIES		
Non-current liabilities		
Borrowings	48,367	12,856
Financial liability	14,361	14,091
Lease liabilities	9,143	10,046
Total non-current liabilities	**71,871**	**36,993**
Current liabilities		
Lease liabilities	2,301	1,897
Trade and other payables	45,229	31,738
Provisions for other liabilities and charges	233	236
Total current liabilities	**47,763**	**33,870**
Total liabilities	**119,635**	**70,863**
Total equity and liabilities	**191,174**	**162,033**

Condensed Consolidated Statement of Changes in Equity

in Euro x 1,000				Attributable to equity holders of the company		
	Ordinary shares	Share premium	Other reserves	Accumulated losses	Non-controlling interest	Total Equity
Balance at 1 January 2022	**3,129**	**230,252**	**11,936**	**(195,291)**	**—**	**50,026**
Comprehensive expense						
Result for the year	—	—	—	(16,363)	(985)	(16,363)
Other Comprehensive expense for the year	—	—	—	—	—	—
Total Comprehensive expense for the year	**—**	**—**	**—**	**(16,363)**	**(985)**	**(16,363)**
Transactions with owners						
– Employee share schemes - value of Employee services	—	—	457	—	—	457
– Employee share schemes- LTIP investment shares granted	—	—	181	—	—	181
– Transfer value share scheme to retained earnings	—	—	(19)	19	—	—
– Issue of ordinary shares	1,126	40,444	—	—	—	41,570
Total transactions with owners	**1,126**	**40,444**	**619**	**19**	**—**	**42,208**
Disposal of Subsidiary	**—**	**—**	**—**	**17,987**	**12,013**	**30,000**
Balance at 30 June 2022	**4,255**	**270,696**	**12,555**	**(193,648)**	**11,027**	**104,886**
Balance at 1 January 2023	**4,261**	**270,829**	**12,785**	**(206,748)**	**10,042**	**91,171**
Comprehensive expense						
Result for the year	—	—	—	(18,539)	(1,876)	(20,415)
Other Comprehensive expense for the year	—	—	—	—	—	—
Total Comprehensive expense for the year	**—**	**—**	**—**	**(18,539)**	**(985)**	**(20,415)**
Transactions with owners						
– Employee share schemes- value of Employee services	—	—	507	—	—	507
– Employee share schemes - LTIP investment shares granted	—	—	174	—	—	174
– Transfer value share scheme to retained earning	—	—	(5)	5	—	—
– Issue of ordinary shares	10	95	—	—	—	105
Total transactions with owners	**10**	**95**	**675**	**5**	**—**	**785**
Balance at 30 June 2023	**4,271**	**270,924**	**13,460**	**(225,281)**	**8,166**	**71,540**

Condensed Consolidated Statement of Cash Flows

in Euro x 1,000	30 June 2023	30 June 2022
Cash flows from operating activities		
Loss for the year from continuing operations	(20,415)	(17,349)
Adjustments for:		
– Depreciation of property, plant and equipment	2,577	2,873
– Amortisation	10	22
– Depreciation of right of use assets	1,254	1,043
– Share-based payment	507	457
– Finance costs - net	4,150	1,312
– Fair value remeasurement on Warrants	270	1,085
Changes in working capital (excluding exchange differences on consolidation):		
– Decrease/(increase) in inventories	313	(95)
– Increase in trade and other receivables	(572)	(4,551)
– Increase in trade and other payables	13,102	2,575
– (Decrease)/Increase in provisions	(3)	15
	1,193	**(12,613)**
Interest paid on current accounts	(220)	(116)
Interest received on current accounts	290	(456)
Other interest and bank charges	(358)	—
Net cash used in operating activities	**906**	**(13,184)**
Cash flows from investing activities		
Purchases of property, plant and equipment (PPE)	(47,611)	(10,192)
Purchases of intangible assets	(116)	(40)
Proceeds from 3rd party equity stake in RNP	—	20,002
Net cash used in investing activities	**(47,727)**	**9,770**
Cash flow from financing activities		
Proceeds from Capital raise	—	41,570
Net proceeds from borrowings	40,000	—
Interest paid on borrowings	(699)	—
Net proceeds of option exercises	105	—
Principal elements of lease payments	(828)	(912)
Net cash used in financing activities	**38,578**	**40,658**
Net increase in cash and cash equivalents	**(8,244)**	**37,244**
Cash and cash equivalents at beginning of the year	64,870	34,911
Effect of exchange rate changes	(1)	(6)
Cash and cash equivalents from continuing operations at end of financial year	**56,626**	**72,150**
Cash and cash equivalents at end of financial year	**56,626**	**72,150**

Notes to the Condensed Financial Statements

1. General information

Avantium N.V. ('the company') and its subsidiaries (together 'the group') is a company limited by shares, incorporated and domiciled in The Netherlands. Its registered office and principal place of business is at Zekeringstraat 29, 1014 BV in Amsterdam.

The information in these condensed consolidated interim financial statements ("financial statements") is unaudited and not reviewed.

2. Accounting policies

Basis of preparation of half-year report

The information is reported on half-year-to-date basis ended 30 June 2023. Where material to an understanding of the period starting 1 January 2023 and ended 30 June 2023, further information is disclosed. The interim financial statements were discussed and approved by the Management Board and the Supervisory Board. The interim financial statements have not been audited or reviewed.

The Avantium H1 2023 unaudited financial statements have been prepared on a going concern basis. Fundamental to Avantium's continuity is: (i) the construction and start-up of the FDCA Flagship Plant for Avantium Renewable Polymers, and (ii) funding for Avantium as a group which includes further development of Avantium's technologies. Avantium will therefore remain dependent on external funding and will require additional external financing. Failure to achieve additional funding may result in the Company being unable to fulfil its obligations or to fund capital expenditure and working capital, all of which are necessary to execute the Company's strategy, retain contract partners, retain key employees and meet our payment obligations. Without additional funding, the Company's going concern will be at risk. These factors combined, together with the Company's projected liquidity outlook, indicate the existence of a material uncertainty in Avantium's ability to continue as a going concern.

The interim financial statements should be read in conjunction with Avantium N.V.'s consolidated financial statements in the 2022 annual report as published on 22 March 2023, which has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The interim financial statements have been prepared in accordance with IAS 34 'Interim financial reporting'.

The significant accounting policies applied in these consolidated interim financial statements are consistent with those applied in Avantium N.V.'s consolidated financial statements in the 2022 annual report for the year ended 31 December 2022.

New and amended standards adopted

A number of amended standards became applicable for the current reporting period. Avantium did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

3. Related party transactions

Except as disclosed below, there are no material changes to the company's related parties, related party transactions (including their terms and conditions) and (future) obligations towards related parties, compared to 31 December 2022.

At the Annual General Meeting of Shareholders (AGM) held on 10 May 2023, the shareholders approved the appointment of Dirk Van Meirvenne and Peter Williams as members of the Supervisory Board for a term of four years, ending at the close of the Annual General Meeting to be held in 2027.

During the first half of 2023, 492,500 additional options awards were approved and awarded under the company's Employee Stock Options Plan (ESOP).

Under the Company's Long-Term Incentive Plan (LTIP), eligible participants received, in aggregate, an entitlement to 60,850 investment shares and 60,850 matching shares, such entitlements being subject to vesting and lock-up obligations under the LTIP.

4. Financial liability

On 31 March 2022, Avantium N.V. issued 2.84 million warrants, with an exercise price of €0.10, to the consortium of banks as part of the €90 million debt financing package for the FDCA Flagship Plant.

On 14 April 2022, 1.02 million additional warrants were issued to the warrant holders, to compensate for the dilutive effect of the equity offering according to the debt financing agreement with the lenders.

The initial recognition of the warrants amounted to €11.3 million.

The warrants are recognised under IFRS 9 *Financial Instruments* as a Financial Liability. The warrants are measured subsequently at fair value through profit or loss at each reporting date. The fair value of the warrants on 30 June 2023 is €14.4 million (HY 2022: €12.3million). The increase in the share price of €0.07 (HY 2022: €0.28) resulted in an increase in the fair value of the warrants. The subsequent fair value remeasurement of the warrants resulted in a loss at 30 June 2023 of €0.3 million (HY 2022: €1.1million) recognised under fair value remeasurement in the Statement of Comprehensive Income.

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