

PRELIMINARY RESULTS PRESENTATION

For the year ended
31 March 2020

Architect: Kengo Kuma

Photo © Thierry Favatier

DISCLAIMER

The purpose of this document is to provide general information about Accsys Technologies PLC ("Accsys") and its operations solely to the addressee. By accepting this document the recipient agrees to keep confidential at all times information contained in it or made available in connection with this or any further investigation. This document is for the exclusive use of the persons to whom it is addressed and their advisers and shall not be copied or reproduced (in any form whatsoever) or distributed, communicated or disclosed in whole or in part by recipients to any other person nor should any other person act on it. The recipient has further agreed, on request, to return all documents and other material, including this document, received from Accsys.

The information in this document, which does not purport to be comprehensive, has not been independently verified. Except in the case of fraudulent misrepresentation, no responsibility, liability or obligation is accepted by Accsys or by any of its officers, employees, advisers or agents as to or in relation to this document or sufficiency of information contained herein or any other written or oral information made available to any interested party or its advisers and any such liability is expressly disclaimed. In particular, but without limitation, no representation, warranty, assurance or undertaking (express or implied) is given by Accsys or any of its officers, employees or agents as to the accuracy, adequacy, achievement or reasonableness of, and no reliance should be placed on, any projections, estimates, forecasts, targets, prospects or returns contained herein. **Any projections, estimates, forecasts, targets, prospects or returns contained herein are not a reliable indicator of future performance. Nothing in these materials should be relied upon as a promise or representation as to the future.** Information within this document may be price sensitive or inside information and therefore subject to insider dealing and/or market abuse legislation, including pursuant to the Financial Services and Markets Act 2000 and the Criminal Justice Act 1993.

Accsys gives no undertaking and is under no obligation to provide the recipient with access to any additional information or to update this document or any additional information or to correct any inaccuracies in it which may become apparent, and it reserves the right, without giving reasons, at any time and in any respect to amend anything described in this document.

This document does not constitute in any jurisdiction an invitation or inducement to engage in investment activities or an offer by Accsys or any of its officers, employees, advisers or agents for the sale or purchase of securities or of any of the assets, business or undertaking of Accsys. If you require any investment advice, please consult with a professional financial adviser.

By accepting this document the recipient agrees to be bound by the foregoing limitations.

23 JUNE 2020

OVERVIEW OF ACCSYS

Changing wood to change the world

We use our unique patented technology to create consistently high performing, sustainable wood products that enable new opportunities for the built environment.

Our process is extremely efficient and locks carbon into long-life products that give the world a choice to build sustainably.



Our products are

Durable

They are highly durable and outperform the very best tropical hardwoods

Stable

With resistance to shrinkage and swelling, our products offer outstanding dimensional stability for use outdoors and in varying moisture conditions.

Sustainable

They are produced from fast-growing, abundantly available FSC® certified wood species.

50 year

warranty above ground and 25 years in ground or freshwater

Over **75%** reduction in swelling caused by moisture uptake



BREEAM®

Where we operate

Tricoya® capacity under construction
30,000
metric tonnes



Tricoya® Hull Plant

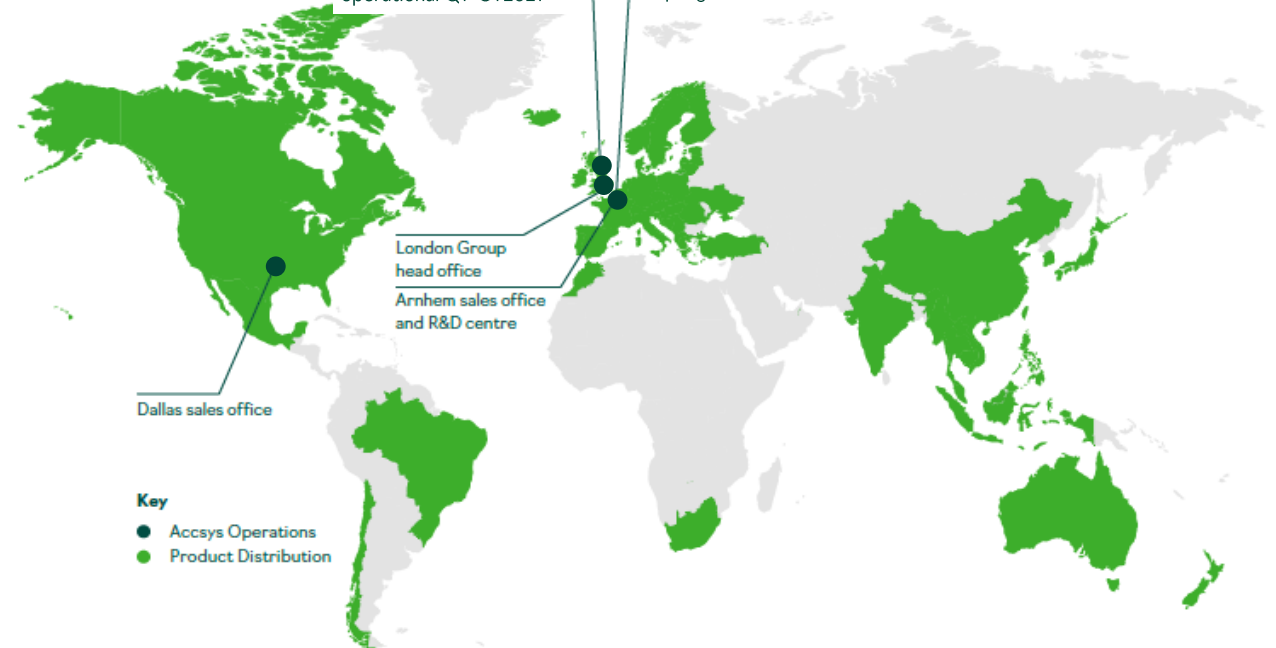
Under construction, operational Q1 CY2021

Accoya® plant capacity
60,000m³



Accoya® Arnheim Plant

Fourth reactor expansion in progress



ACCSYS IN ACTION

Honolulu, Hawaii

The year-round sun and sea air made Accoya® wood the perfect choice for cladding this private residence on Kahala Beach.



OVERVIEW – RESULTS

- Sales volume up 16%,
- Third sequential half year period of EBITDA growth
- Accoya® underlying EBIT up 130% to €12.6m (FY19: €5.5m)
- Arnhem Accoya® 4th reactor progressing well within set timelines
- Hull Tricoya® plant construction substantially progressed however has suffered a delay due to Covid-19
 - Expected to be operational in the first quarter of CY 2021
- Balance sheet remains robust:
 - COVID-19 mitigations effectively implemented
 - Now seeing signs of recovery and improvement in our markets
- Focus on safety: Lost Time Incident Rate (LTIR) improved 50% H1 vs H2 over the year

UNDERLYING GROUP REVENUE

€90.9m **+21%**
vs FY19

UNDERLYING EBITDA

€7.0m **+€6.1m**
vs FY19

UNDERLYING EBIT

€1.4m **+€4.5m**
vs FY19

COVID-19 UPDATE

- Board, senior management team and other senior staff have temporarily reduced salaries by 20%
- Making use of UK and Netherlands job retention schemes
- Reduced other third party costs, frozen non-essential hires and increased focus on managing working capital
- 43% reduction in sales for Accoya® in April 2020 (compared to April 2019) as a result of the restrictions affecting our customers' operations
- Orders increasing again more recently; production resumed on all three Accoya® reactors
- Given ongoing uncertainty, ambition remains to maximise EBITDA and preserve capital raised in December 2019 to fund expansion projects

We remain confident in the long term growth prospects for both Accoya® and Tricoya®

FINANCIAL RESULTS

Year ended 31 March 2020

FINANCIAL HIGHLIGHTS

€ million	FY2020	FY2019	Change %
Sales volume (m3)	57,842	49,716	16%
Underlying* Group Revenue	90.9	75.2	21%
Underlying* Gross Profit	27.5	18.6	48%
Gross Margin	30%	25%	
Underlying* EBITDA	7.0	0.9	
Underlying* EBIT	1.4	(3.1)	
Year end end cash balance	37.2	8.9	
Year end net (debt) balance	(25.2)	(50.1)	

* Underlying results exclude €3.2m Cerdia licence termination fee payable to Accsys.
Group statutory profit for year of €0.9m (FY2019 loss: (€6.9m))

Group EBIT profitable

SEGMENTAL SUMMARY

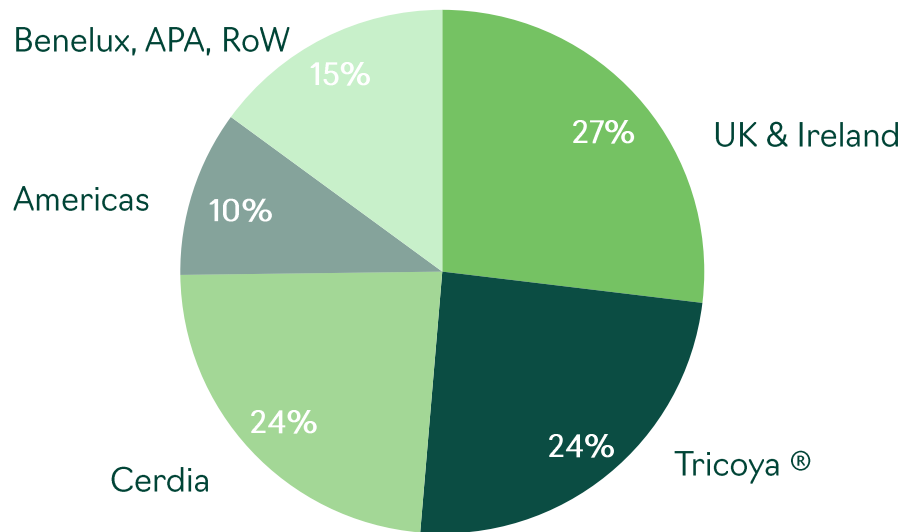
2020	€m	Accoya®	Tricoya®	R&D and Corporate	Group
Underlying Revenue		90.0	0.9	0.0	90.9
Underlying Gross profit		27.1	0.4	0.0	27.5
EBITDA		20.1	(3.0)	(7.1)	10.0
Underlying EBITDA		16.9	(2.8)	(7.1)	7.0
Underlying EBIT		12.6	(3.2)	(8.0)	1.4

2019	€m	Accoya®	Tricoya®	R&D and Corporate	Group
Underlying Revenue		73.9	1.3	0.0	75.2
Underlying Gross profit		17.9	0.7	0.0	18.6
EBITDA		9.0	(1.9)	(6.2)	0.9
Underlying EBITDA		9.0	(1.9)	(6.2)	0.9
Underlying EBIT		5.5	(2.2)	(6.4)	(3.1)

SIGNIFICANT REVENUE GROWTH

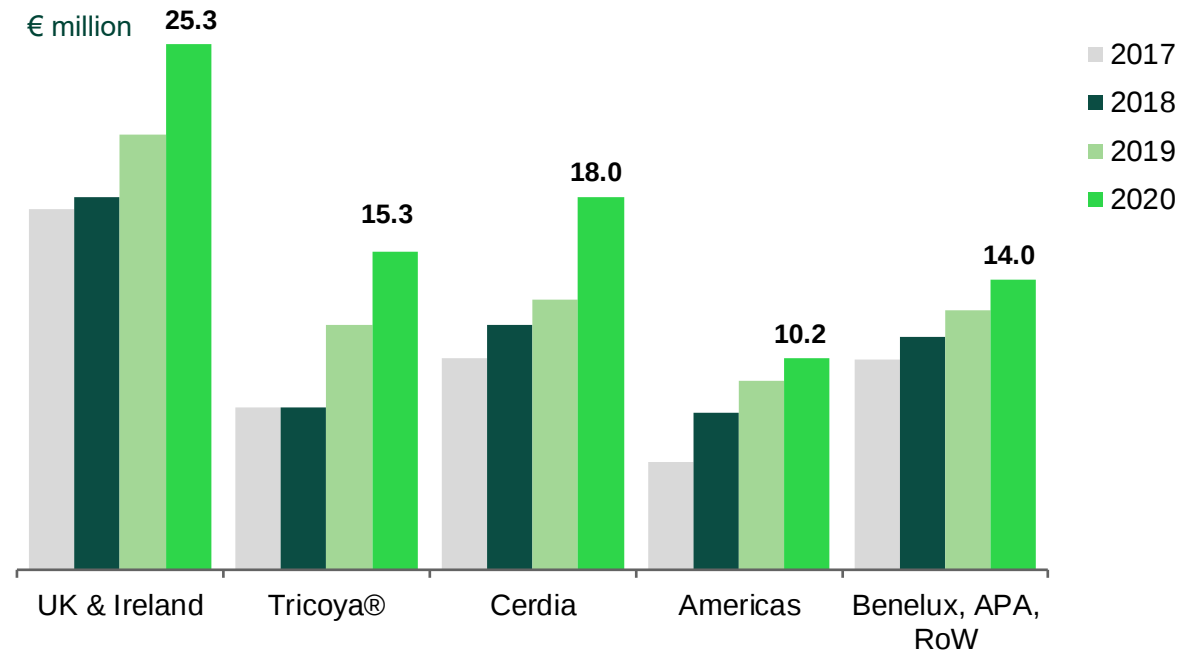
- Accoya® wood revenue up 24% for the year vs FY19
- Cerdia regional sales (24% of FY2020 sales) at non-discounted prices from 1 April 2020.
- Accoya® sales for Tricoya® panel production (24% of FY2020 sales) at non-discounted prices after Hull start-up (Q4 FY2021)

Sales volume by region



Total volume sold : 57,842 m³ (FY19: 49,716 m³)

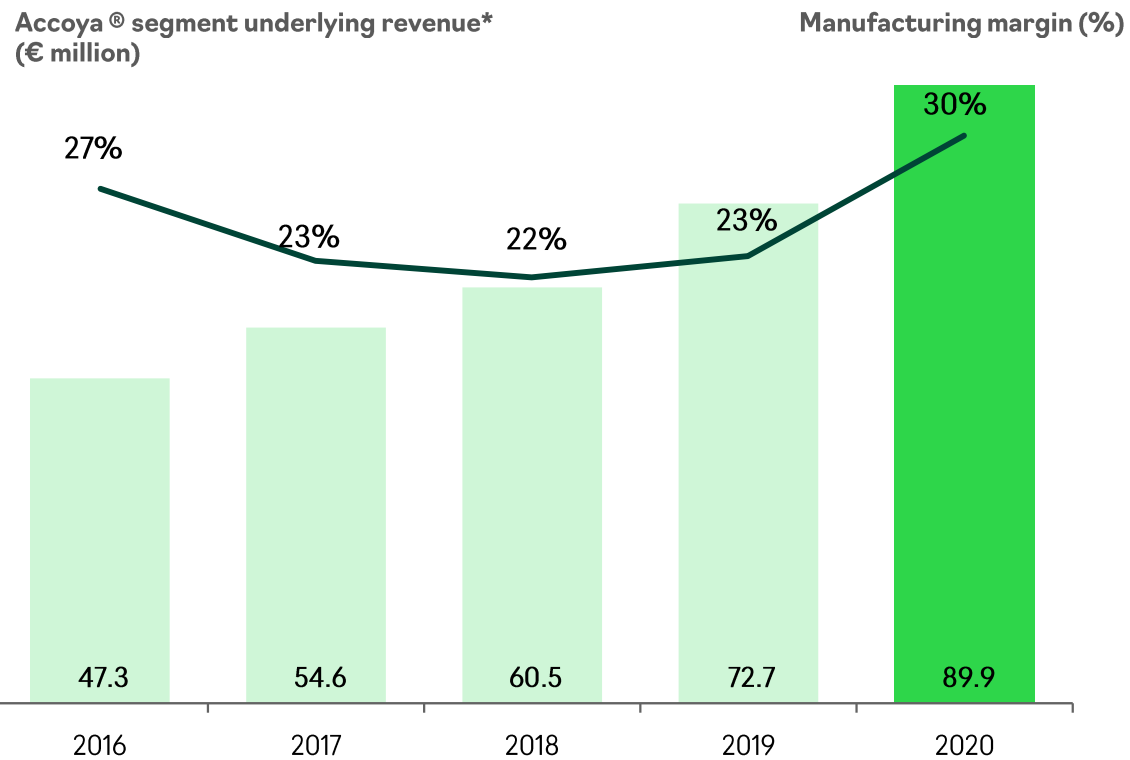
Accoya® wood revenue by region



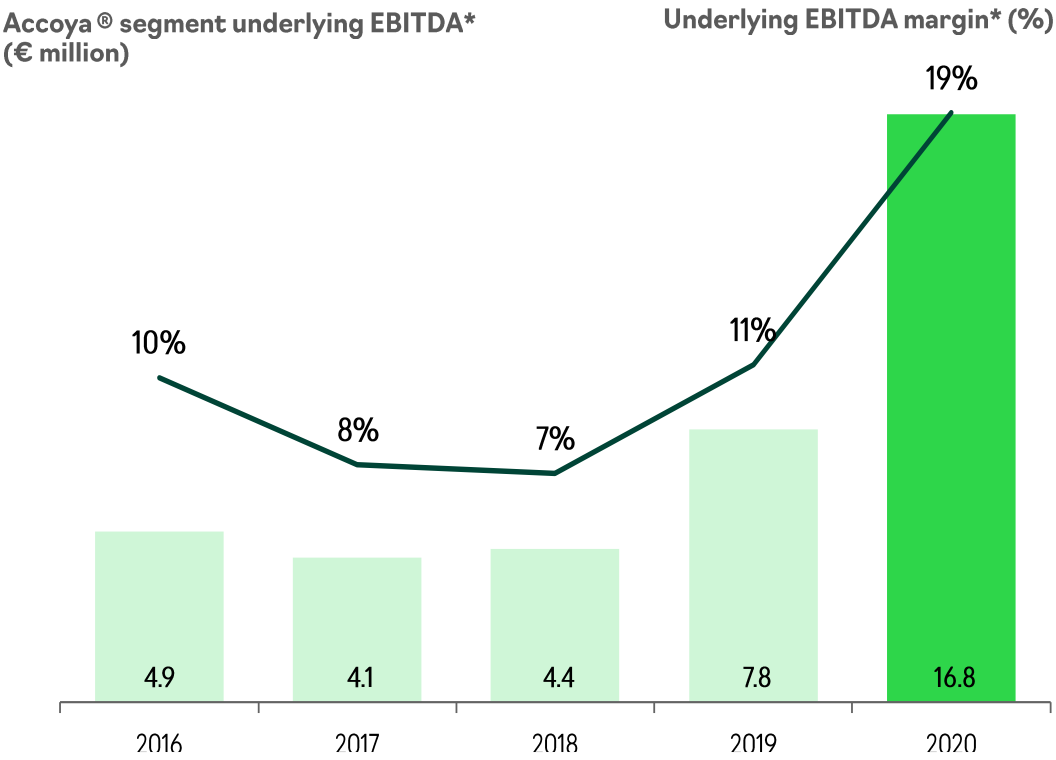
PROFITABILITY

Accoya® manufacturing margin improved due to sales volumes up 16% reflecting full year benefit of third reactor and higher sales prices

Accoya® segment underlying revenue*



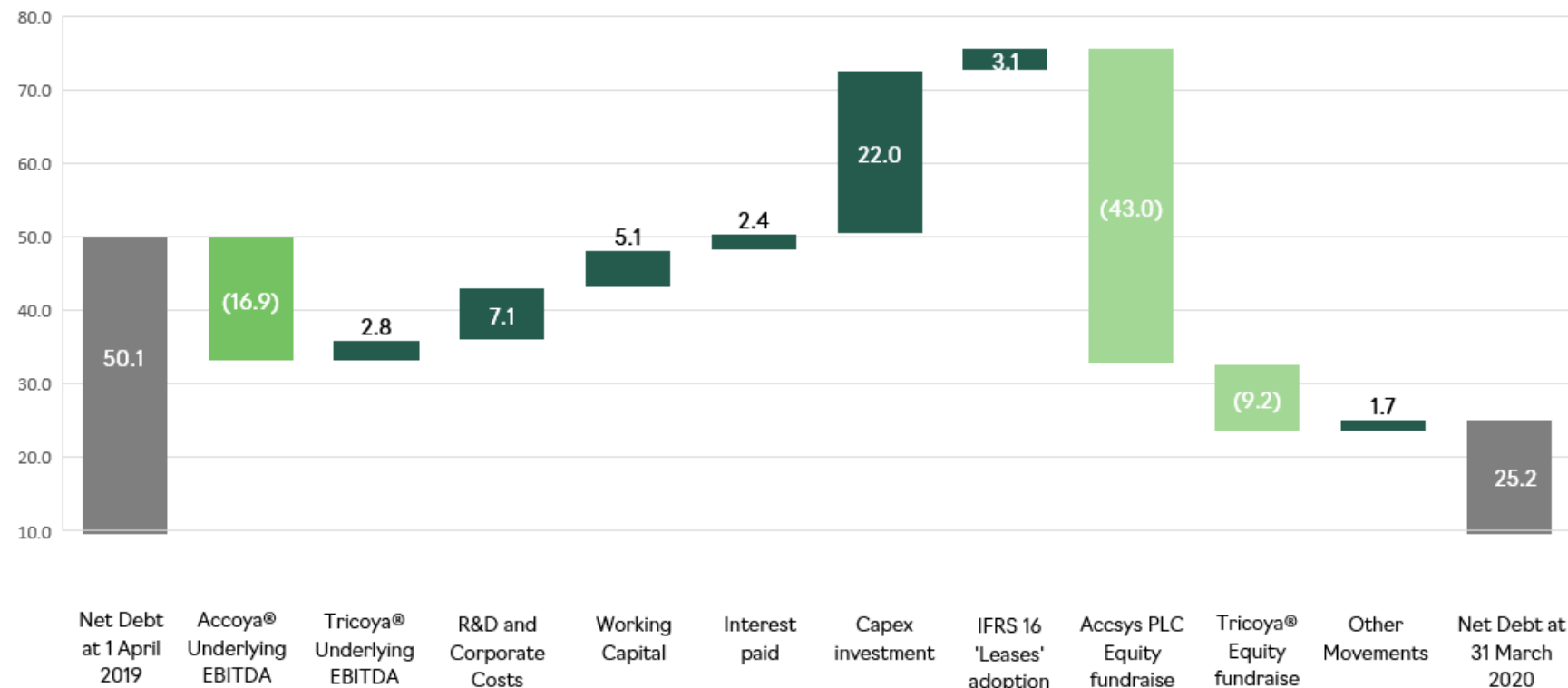
Accoya® segment underlying EBITDA*



* Accoya® segment underlying revenue, Accoya® segment underlying EBITDA & underlying EBITDA margin above excludes licence income and other income, predominantly for marketing services.

MOVEMENT IN NET DEBT

Net Debt
(€ million)



- Accoya® underlying EBITDA up 88% to €16.9m
- Tricoya® EBITDA reflects its pre-operating position
- Capex investment of €22.0m principally reflects continued progress on the Tricoya® plant in Hull
- IFRS 16 'Leases' standard adopted from 1 April 2019
- €52.2m equity fundraise include Group equity issue of €43.0m (net of share issue costs) and €9.2m from Tricoya® consortium shareholders

Other movements include tax received, interest received, investment in intangible assets, other operating cash flows, other financing costs and employee share plan receipts.

The €3.2m Cerdia termination fee receivable has been excluded from movements in working capital. The amount as agreed in the termination agreement reduces our Loan with Cerdia (and Net Debt) from 1st April 2020.

ACCSYS IN ACTION

Madrid, Spain

Accoya® wood has been used extensively on both the exterior and interior of the NEN building for its durability and sustainability.

Architect:
ADOM-STUDIO



Photo © Jesús Granada

STRATEGIC UPDATE & GROWTH INITIATIVES

- Arnhem plant expansion
- Hull plant progress
- Developing our marketing strategy
- Environmental, Social and Governance
- Outlook

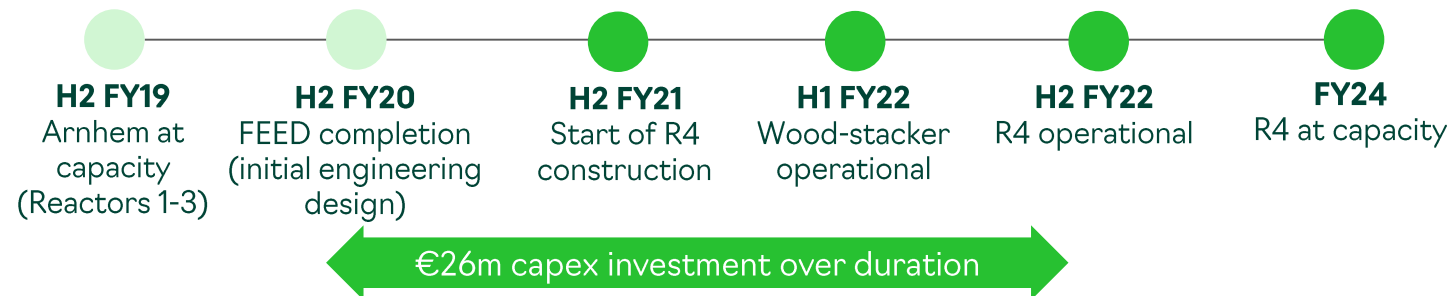
ARNHEM PLANT EXPANSION

- Capex investment of c.€26m:
 - Progressing expansion with Reactor 4 + new chemical storage: c.€22m
 - Planning wood stacker and automated handling equipment: c.€4m
- Adopting lessons learnt from previous projects
- Expansion project progressing well within previous timelines:
 - Initial engineering and design work completed
 - Commenced the detailed engineering and procurement phases
- Further milestones and timing of capital commitment being monitored in light of continued COVID-19 uncertainty



Arnhem plant interior – Reactor 3 loading

Key indicative development milestones

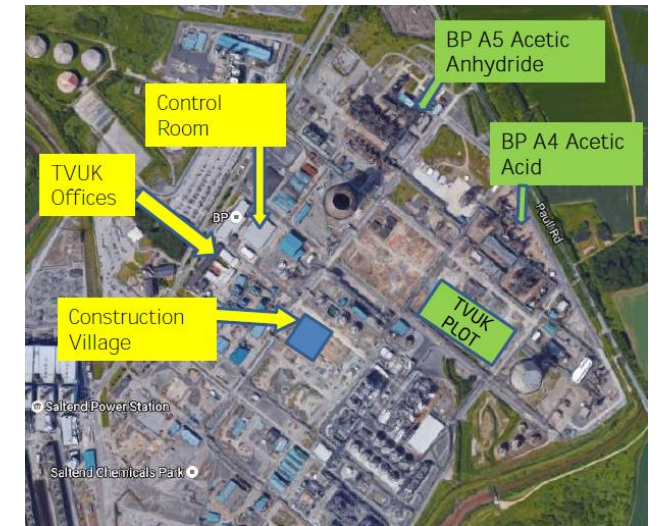


TRICOYA[®] HULL PLANT PROGRESS

- Construction work substantially progressed and project team upskilled
- Work accelerated in later part of FY20 following resolution of previously reported issues
- Some elements of work on site stopped from March 2020 due to COVID-19, however all work has now safely resumed
- Delays caused by COVID-19 likely to result in some additional costs; working to ensure the delay and costs are not material to project
- Combination of lost time and new working practices means plant now expected to be operational in Q1 CY 2021



TVUK Plant under construction



DEVELOPING OUR MARKETING STRATEGY

Targeted focus:

- Developing priority markets & core applications
- Accessing latent (substitutional) demand in the building materials market

Evolving the Accoya® brand:

- Multi-channel approach (B2B & B2C) to drive push and pull
 - B2B via Approved Manufacturers Programme, building quality distribution and brand advocates
 - B2C via targeted digital campaigns – building brand awareness and simplifying path to purchase for end consumer

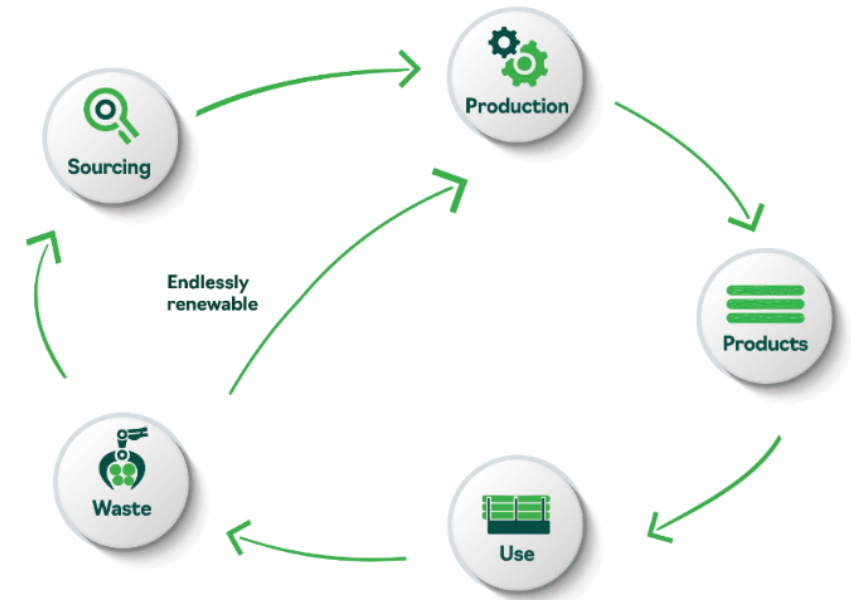
New accoya.com website:

- Complete redevelopment of the Accoya website with 5 localised versions
- New brand strategy: application-led and inspirational content
- Simplified consumer journey connects people with local manufacturers



ESG

- Accsys is 'changing wood to change the world' by giving the world a choice to build sustainably
- Commenced review of our ESG strategy, to build on sustainability of products
- Initial findings will be published in Annual Report, setting out the issues most important to our business and stakeholders
- Development of our ESG strategy will follow later in the year, building it into our strategic direction, business operations and talent



Our products in the circular economy bio-cycle

- Accsys awarded the London Stock Exchange's Green Economy Mark
- Our products fit perfectly into the sustainable circular economy 'bio-cycle', while having the same performance as non-renewable 'techno-cycle' building products
- Proven sustainability credentials, with certifications from many respected eco-labels including is Cradle to Cradle Certified® ('C2C') overall Gold level since 2010, with Platinum certification for Material Health, contributing to green building programmes



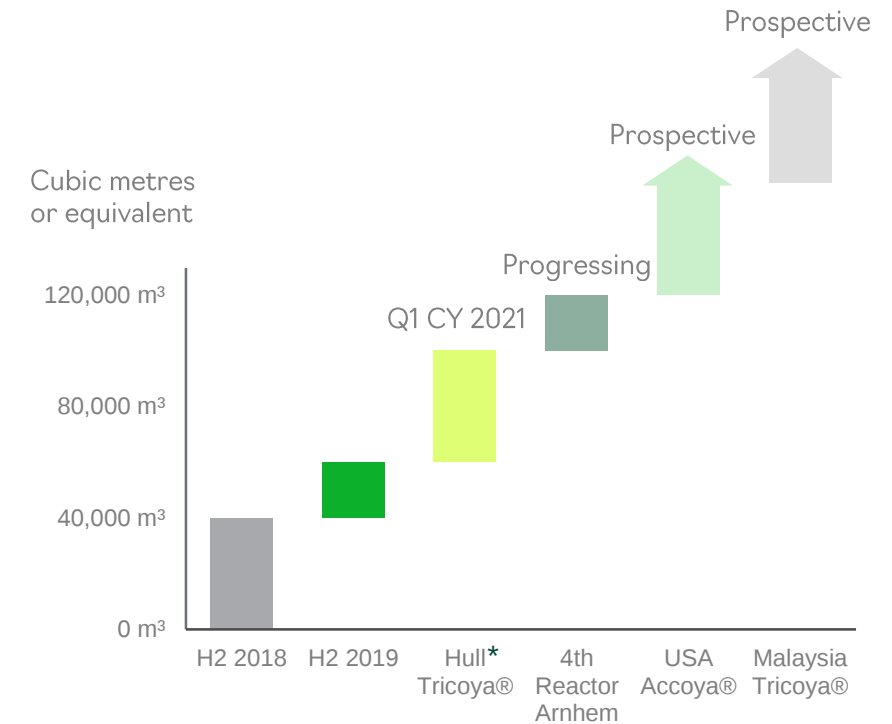
BREEAM®



OUTLOOK

- Ambition of delivering 200,000m³ of total annual production capacity within five years
- 4th Accoya® reactor project in Arnhem progressing
- Hull construction project progressing again
- Continued progress with our other strategic projects:
 - Accoya® plant in the USA in a potential joint venture with Eastman Chemicals
 - Potential Tricoya® plant in Malaysia with PETRONAS.
- COVID-19
 - Order levels increasing following reduction in April
 - Continuing to adjust our costs and production levels
 - Continuing our growth strategy

Total Production Capacity Growth



*Hull site planned in a way to allow for future expansion

ACCSYS IN ACTION

Winchester, UK

Accsys provided funding and wood to support this charity-led project to create a cycling centre and café for the local community.

Architect:
architecturePLB



APPENDIX

Changing wood to change the world

OUR PRODUCTS



- Our solid timber product, acetylated at our Arnhem plant
- A high performance, sustainable alternative to tropical hardwoods, treated softwoods, PVC & aluminium
- Locks away carbon, while generations of new trees can grow in the extended lifetime of an Accoya® product
- Acetylation makes the sustainably-sourced wood resistant to swelling, shrinking and decay

Total Accoya® revenue (FY2020):

€90.0m +22% vs FY2019 (€73.9m)

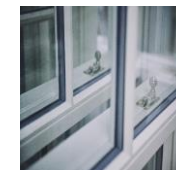


- Tricoya® wood elements are made into durable, stable Tricoya® panels by our licensees (MEDITE & FINSA); the panels are expected to be high-value and high-margin products
- Currently made by chipping Accoya® to seed the market
- The Hull plant will acetylate wood chips expected to be sourced from the UK & Ireland
- Tricoya® is ideal for use in wet or humid areas: it opens up new markets which are unsuited to standard MDF

Capacity under construction

30,000 metric tonnes

Product categories



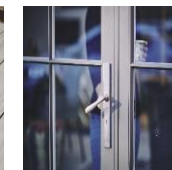
Windows



Cladding

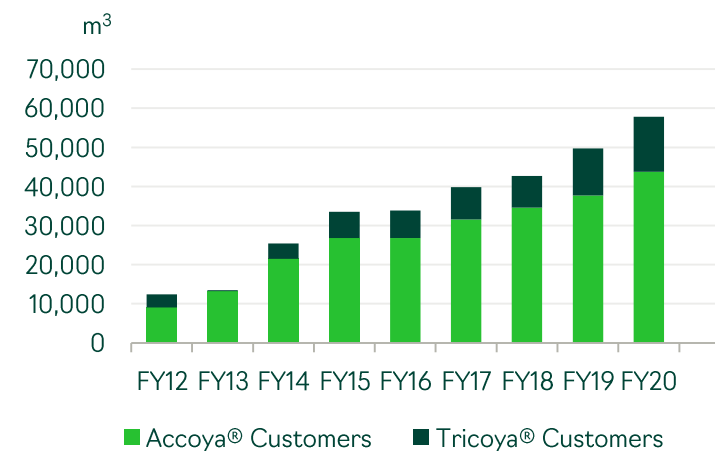


Decking



Doors

Sales growth



OUR MARKETS

- Sustainability and ecological responsibility are growing trends across all industries and markets
- Our products are more sustainable and better performing than man-made, intensely resource depleting and heavily carbon-polluting alternatives
- Accoya® is sold to timber distributors:
 - current major end markets are joinery (windows and doors), cladding/siding, and decking
- Tricoya® is used to manufacture Tricoya® MDF panels suitable for demanding applications:
 - MDF panels truly durable and stable enough for use outside and in wet environments



57,842m³
Accoya®
sold in FY 2020

~2% of

2.6+ million m³
total potential
market estimation
for Accoya® and
Tricoya®

INVESTMENT PROPOSITION

Substantial market opportunity

Potential sales for Accoya® and Tricoya® estimated to be in excess of 2.6 million cubic metres per annum.

Accoya® sales in FY2020: 57,842m³

Sustainability

Our products meet the growing demand for environmentally-friendly alternatives, seen in everyday life and in every sector of manufacturing.

World leaders in wood technology

We have developed innovative, proprietary and protected technologies, and our products are first in class and leading the revolution of modified woods in a growing building industry.

Scalable growth

Our manufacturing process and modular industrial design is based upon confidential know-how and protected IP which can be expanded and replicated world-wide. Growth ambition to reach annual production capacity of 200,000m³ in next 5 years.

Strong organisational capability

Talented people are at the core of Accsys, with skilled employees at all levels and committed and experienced leadership.

UNDERLYING GROUP REVENUE

€90.9m +21%
vs FY19

UNDERLYING ACCOYA® EBIT

€12.6m +€7.1m
vs FY19

UNDERLYING GROUP EBIT

€1.4m +€4.5m
vs FY19

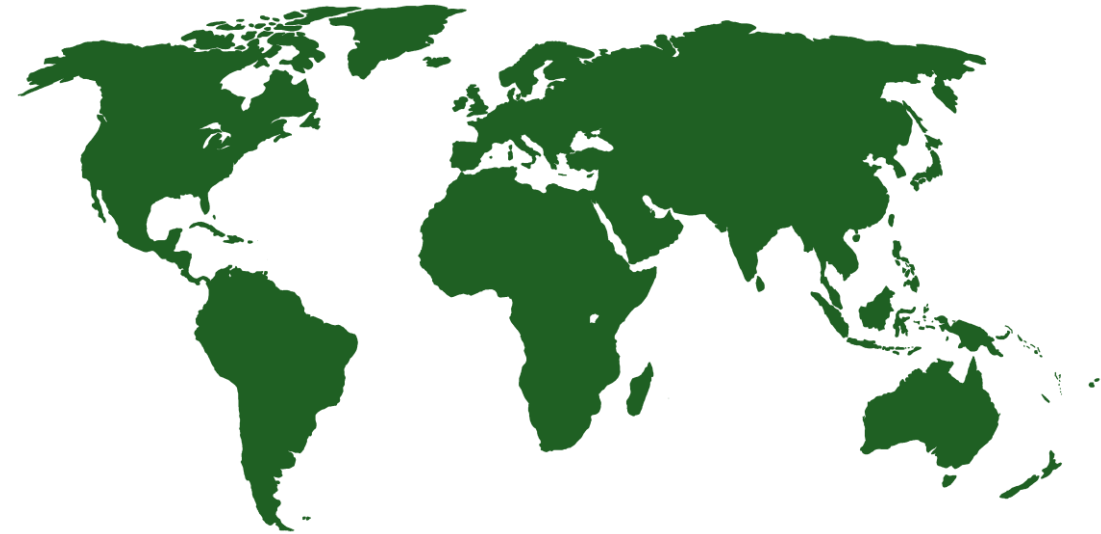
INTERNATIONAL EXPANSION OPPORTUNITIES

United States

- North America identified as largest Accoya® market opportunity
- Progressing discussions with Eastman Chemicals concerning a potential joint venture Accoya® production facility
- Preliminary site-specific engineering and economic evaluation work underway, leveraging our existing expertise
- Up to €1.5m to be spent in next 12-18 months prior to final investment decision

Malaysia

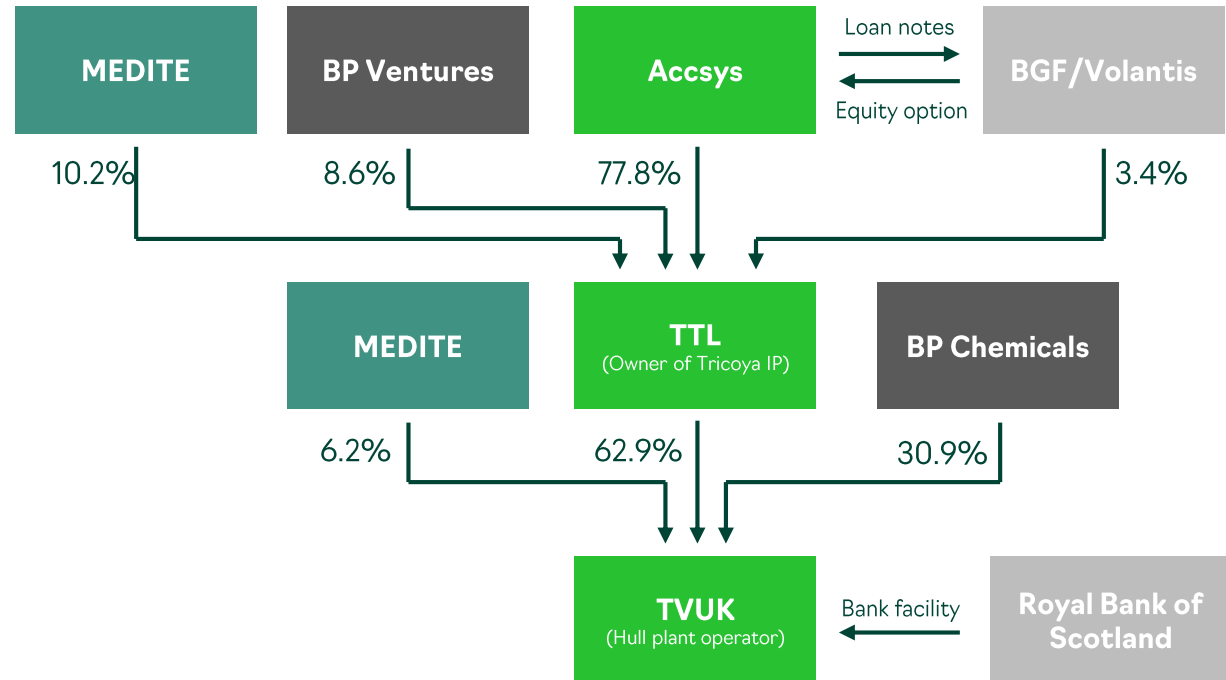
- Asian market growth potential identified, especially given the number of panel manufacturers in the region
- Feasibility evaluation underway with Petronas Chemical Group to evaluate feasibility of an integrated acetic anhydride and Tricoya® production plant
- Decision to invest in plant and possible JV structure to follow on from commencement of Hull plant operations



TRICOYA CONSORTIUM STRUCTURE

The Tricoya® Consortium is based on two entities:

- Tricoya Technologies Limited ("TTL") will continue to benefit from all Tricoya® related intellectual property
- Tricoya Ventures UK Limited ("TVUK") incorporated as TTL's subsidiary and will own and operate the Tricoya® plant in Hull
- TTL to benefit from all other future Tricoya® related revenues generated outside the Hull plant



ACCSYS IN ACTION

Cornwall, UK

These remarkable working and social spaces are called Unique Domes, created by L&R Furniture Joinery Ltd with Tricoya® panels and Accoya® frames.

