



Baja California Sur, Mexico

INTERIM RESULTS PRESENTATION

For the six months ended
30 September 2021

Accoya® bulkheads, cladding, handrails and window frames, Baja Club hotel, Mexico



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23 November 2021

AGENDA

1 Results Overview

2 Financial Results

3 Business Review & Outlook

OVERVIEW

H1 FY22 RESULTS

- **Good financial performance**
 - Strong revenue growth and customer demand
 - Operating at capacity
 - Pricing & supply chain resilience
- **Strategic expansion projects on track**
- **Investing in organisation for sustainable growth**

SALES VOLUME
29,555m³ **+12%**

REVENUE
€56.2m **+31%**

GROSS PROFIT
€17.2m **+20%**

EBITDA
€4.5m **+5%**

Notes: Numbers are for H1 FY22 vs H1 FY21. Revenue, Gross Profit and EBITDA are on an underlying basis. Sales volume is Accoya® sales volume.

FINANCIAL RESULTS

Will Rudge,
Finance Director



Accoya® cladding, College of Forestry at Oregon State University

FINANCIAL HIGHLIGHTS

€ million	H1 FY22	H1 FY21	Change vs H1 FY21	Change vs H1 FY20
Accoya® sales volume (m ³)	29,555	26,422	12%	5%
Underlying Group Revenue	56.2	42.9	31%	28%
Underlying Gross Profit	17.2	14.3	20%	34%
Underlying Gross Margin	31%	33%	(2%)	2%
Underlying EBITDA ¹	4.5	4.3	5%	80%
Underlying EBIT ¹	1.5	1.6		
Underlying (loss) before tax	(0.3)	(0.1)		
Period end net cash/(debt) balance	2.4	(16.3)		
Group operating cashflow ³	5.0	4.8		

- Strong revenue growth, production at capacity
- Higher sales prices mitigating increased supply chain costs
- Prior year period impacted by COVID
- Investing in organisation capability

¹ Underlying results include Accoya USA. ² Exceptional items: €0.1m Redundancy pay related to Accoya® Color asset purchase.

³ Cash inflows from operating activities before working capital changes and exceptional items.

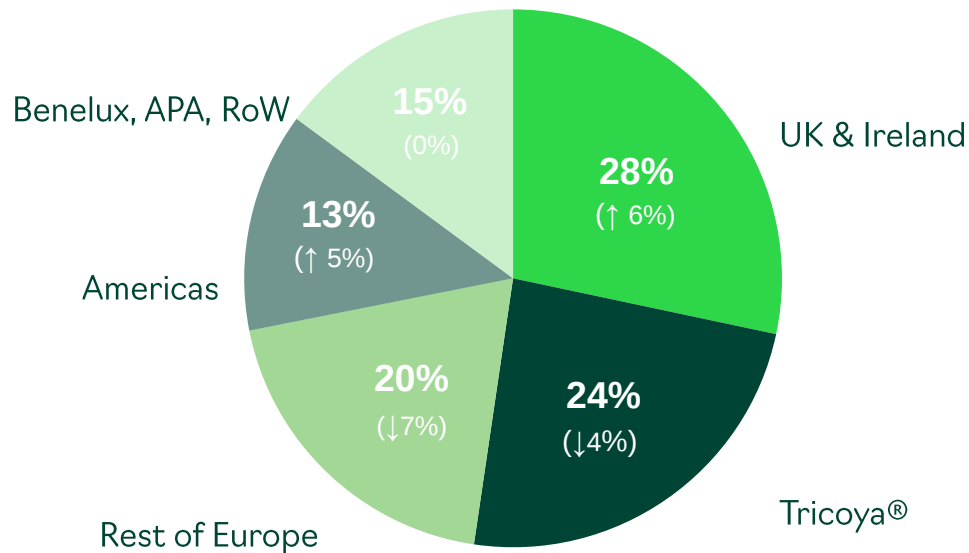
Strong revenue growth – Investing to drive Growth

SALES MIX

GLOBAL DISTRIBUTION SUPPORTING REVENUE GROWTH

Continued strong demand from all markets

Sales volume by end market



Numbers in brackets represent variance to prior period sales volume by end market %

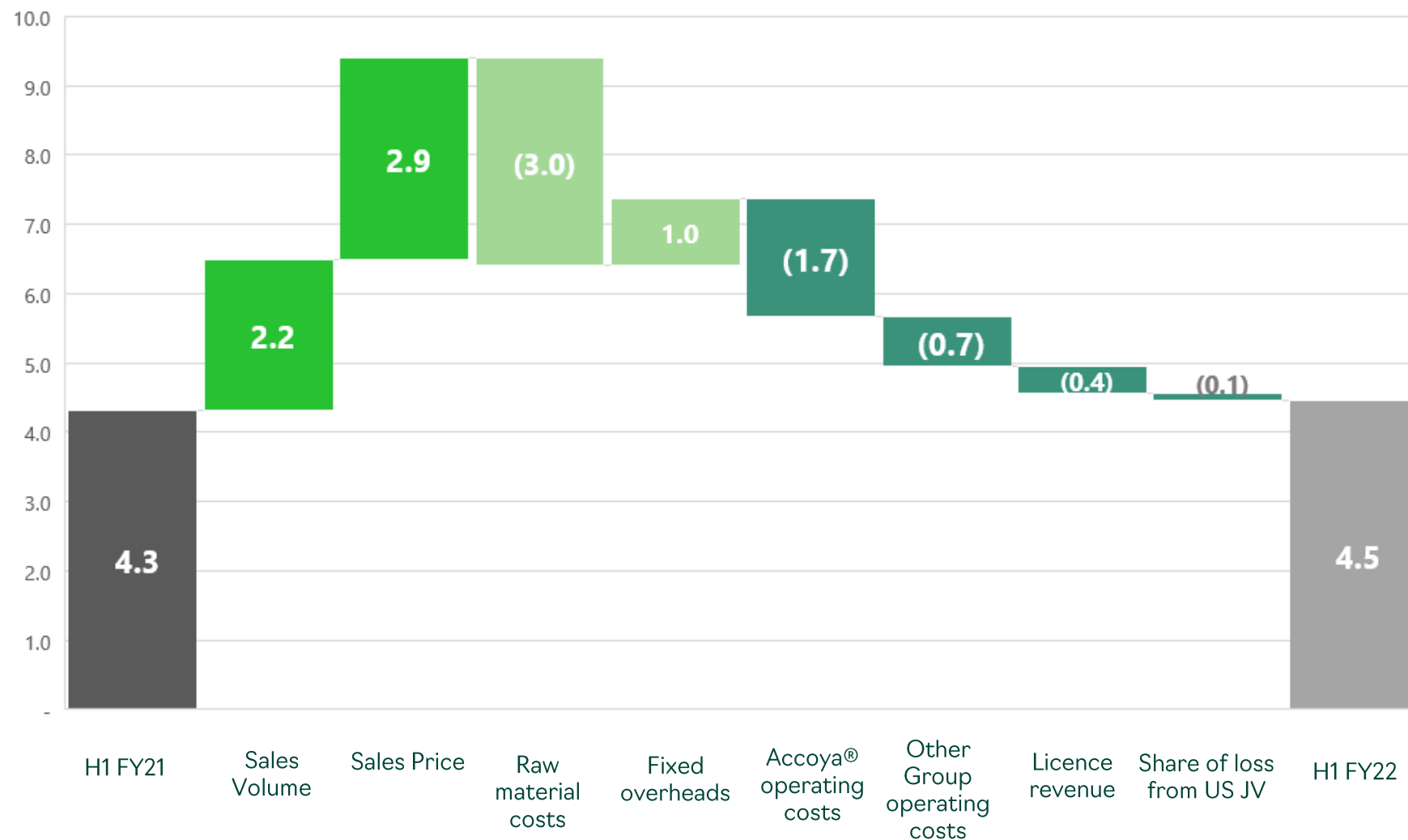
Total Accoya® volume sold 29,555m³ (H1 FY21: 26,422 m³)

- Changes largely due to COVID-19 impact last year
- Current period has seen rebalancing of volumes
- H1 last year had seen reduction in UK and Americas due to COVID restrictions
- H1 FY21 COVID-19 mitigation measures included higher Tolling sales to Rest of Europe plus higher Tricoya® sales; both at lower sales prices
- Additional focus on Americas ahead of planned investment in US Accoya® plant
 - 75%¹ increase vs H1 FY21

¹ Accoya® sales volume (H1 FY22 vs H1 FY21)

EBITDA PROGRESSION

Group underlying EBITDA
(€ million)



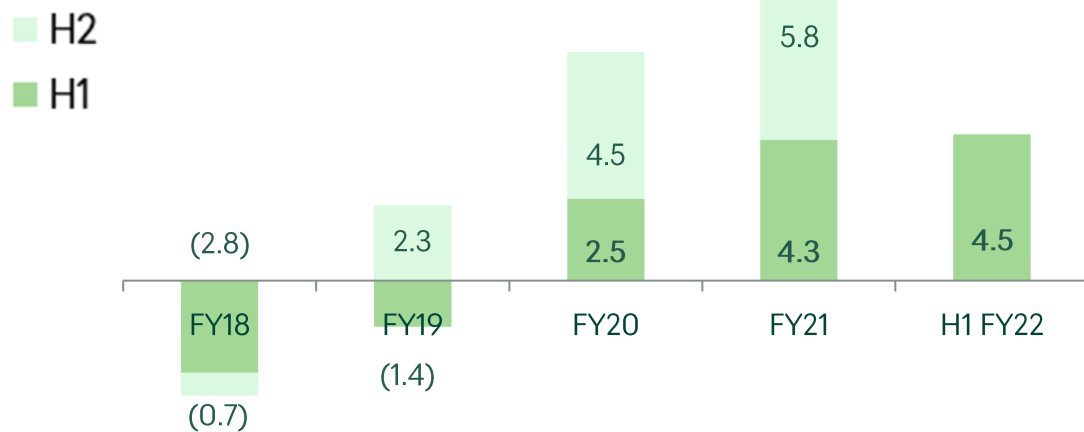
- Accoya® profit growth:
 - Higher average selling prices, offset by higher raw material costs
 - Sales volumes up 12%, prior period impacted by COVID-19
 - Maintenance stop deferred to H2 to tie in with Reactor 4 project
- Investment for Growth Operating costs:
 - Increased staff and organisational capability investment
 - Average headcount increasing by 51 (vs H1 FY21) to 241, supporting growth including:
 - Hull plant
 - Arnhem expansion
 - Accoya® Color

PROFITABILITY PROGRESSION

5 YEAR PERFORMANCE

Group underlying EBITDA 2018-2022

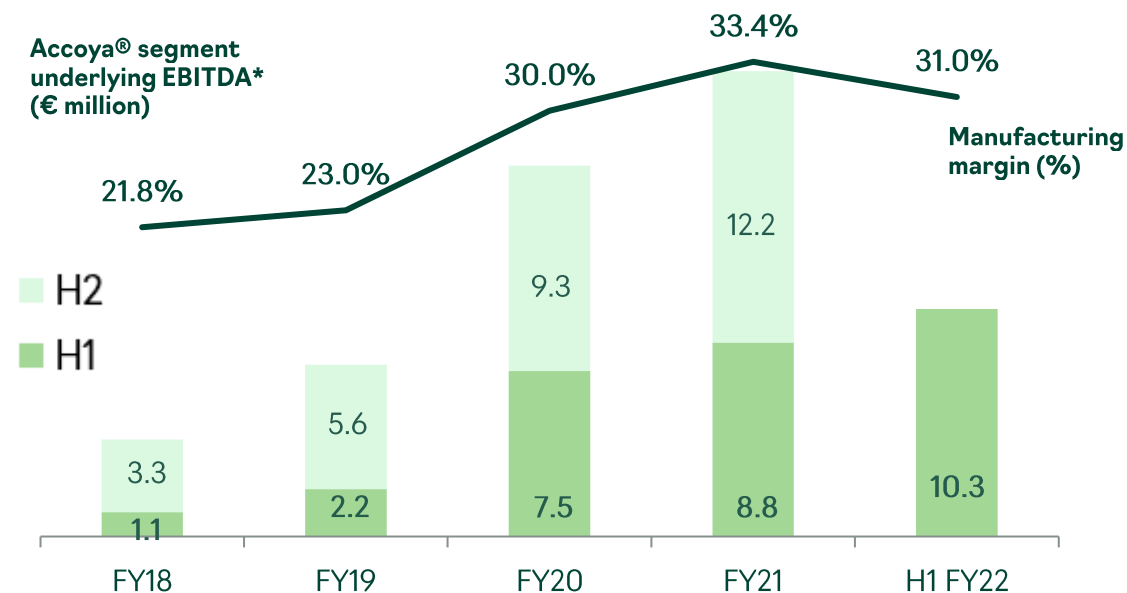
€ million



- Group EBITDA driven by Accoya® business growth
- FY 20 increase from addition of 3rd Accoya® reactor
- EBITDA growth continuing over time with economies of scale, pricing, and capacity

Accoya® segment profitability 2018-2022

Accoya® segment underlying EBITDA* (€ million)



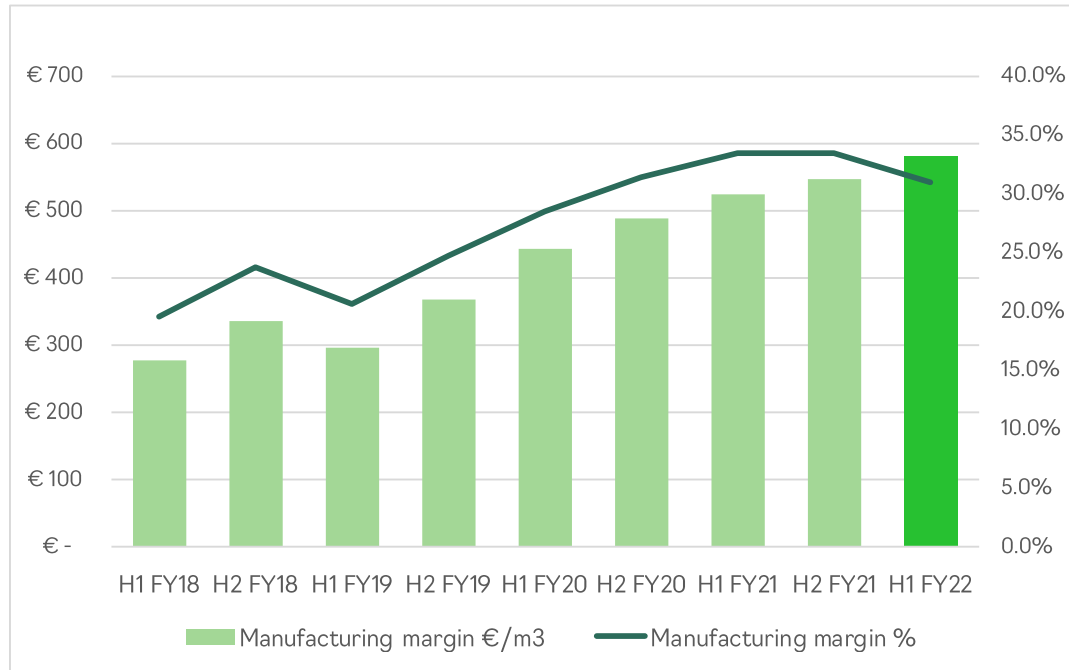
- H1 FY22 Manufacturing margin lower due to sales product mix
- > 9% increase in Accoya® manufacturing margin since FY18
- Increase in higher priced Accoya® sales expected following Hull plant start-up

* Excludes licence income and other income, predominantly for marketing services.

MARGIN PROGRESSION

Higher sales pricing mitigating rising input costs

ACCOYA® MARGIN 2018 - 2022



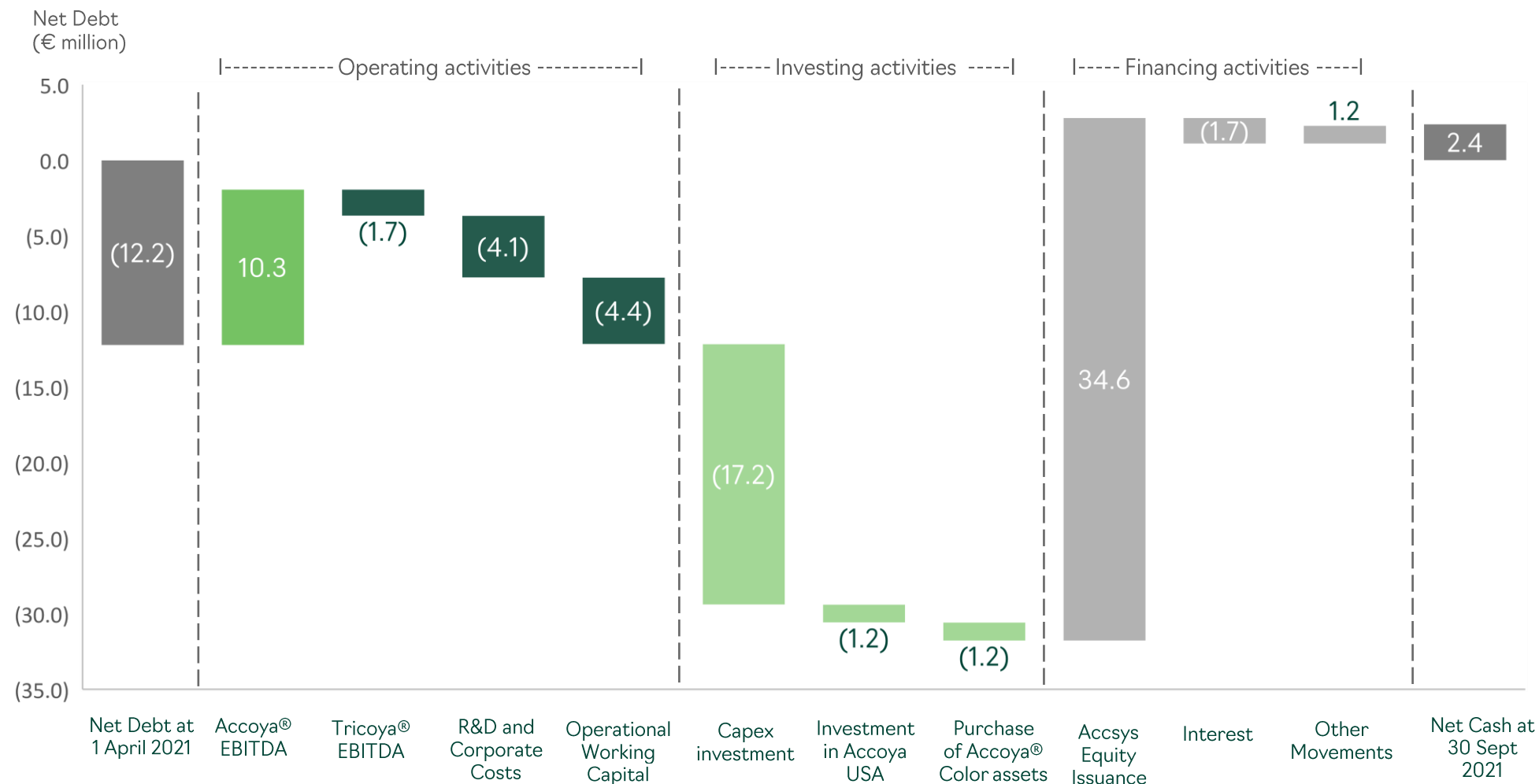
SUPPLY CHAIN INFLUENCE

Margin benefits from long term supply arrangements and cost structure

- Net acetyls cost increased by approx. 26% (vs H1 FY21):
 - Benefits from partial natural hedge – limiting impact of underlying cost pressures
- Raw wood price increases in line with expectations
- Continue to expect 30%+ gross margins to be achievable

- Reduction in manufacturing margin due to change in product sales mix
- Contribution per cubic metre sold continues to grow – 11% increase vs H1 FY21

STRONG CASHFLOW GENERATION



- Underlying Accoya® EBITDA up 12% to €10.3m
- Tricoya® EBITDA reflects its pre-operating position
- €17.2m Capex investment for Growth includes:
 - €12.1m Accoya, Arnhem expansion
 - €3.7m Tricoya, Hull construction
- Operational Working capital includes planned inventory increase of €5.8m
- Purchase of Lignia assets to grow Accoya® Color production includes €0.5m inventory

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

BALANCE SHEET

FINANCIAL POSITION TO DELIVER GROWTH

Cash position to deliver Growth

- Cash balance of €60.9m at 30 September 2021, to be invested in strategic growth projects:
 - Accoya® USA investment
 - Tricoya® Hull plant completion
 - Accoya® Arnhem expansion completion

Capital raise May 2021

- Placing and Open Offer €34.6m net proceeds raised, to fund:
 - Accoya® North America JV to construct USA plant
 - Group growth and ongoing development

Debt re-finance October 2021

- New €60m 3-year bilateral facilities with ABN AMRO, simplifying debt structure
- €45m Term Loan utilised to repay existing 5 facilities, €15m RCF undrawn
- Improved interest rate between 1.75% and 3.50%
- 5% repayable per annum after 18 months

NET CASH
€2.4m

CASH
€60.9m

MAY 21 CAPITAL RAISE¹
€34.6m

OCT 21 RE-FINANCE
€60m

1. Net proceeds raised in May 2021

FINANCIAL SUMMARY

- **Good Accoya® performance and sales price development**
- **Active supply chain cost management**
- **Maintain long term gross margin expectations:**
 - 30% Accoya® margin
 - 40% Tricoya® margin
- **Financial position to deliver Growth**
- **Investment in people and organisation in FY22**

ACCSYS BUSINESS REVIEW & OUTLOOK

Rob Harris,
Chief Executive



Accoya® windows and joinery replicate Georgian residential design features in Essex, UK

OVERVIEW

CHANGING WOOD TO CHANGE THE WORLD

1 **World-leading product & technology**

High performance, sustainable wood products, with world leading technology

2 **Significant market opportunity**

Currently ~2% penetration and increasing our share of our 2.6 million m³ global achievable market and benefitting from global megatrends.

3 **Global growth strategy**

Delivering 5X production capacity growth by 2025

OUR PRODUCTS

CHANGING WOOD...



Our unique technology



Creating superior performance wood



Our Products



World leading

Our world-leading process and technology is unique.

Acetylation

Our process uses acetic anhydride to enhance the fundamental properties and performance characteristics of wood.

Protected IP

We have extensive know-how and 399 patents covering 27 distinct inventions in over 40 countries.

Durable

Outperforming the best tropical hardwoods.
50 year warranty above ground and 25 year under ground or in water.

Stable

Outstanding dimensional stability, indoors or outdoors.
Over 75% reduction in swelling from moisture uptake.

Sustainable

Produced from fast-growing, FSC® certified wood sources.
Locks away carbon for longer.



- Solid timber product
- High performance & sustainability
- Alternative to hardwoods, softwoods, PVC & aluminium etc
- Arnhem plant



- Tricoya® wood elements for panel production
- Versatile material for use even in wet conditions
- Value-enhancing for panel manufacturers
- World-first plant under construction in Hull

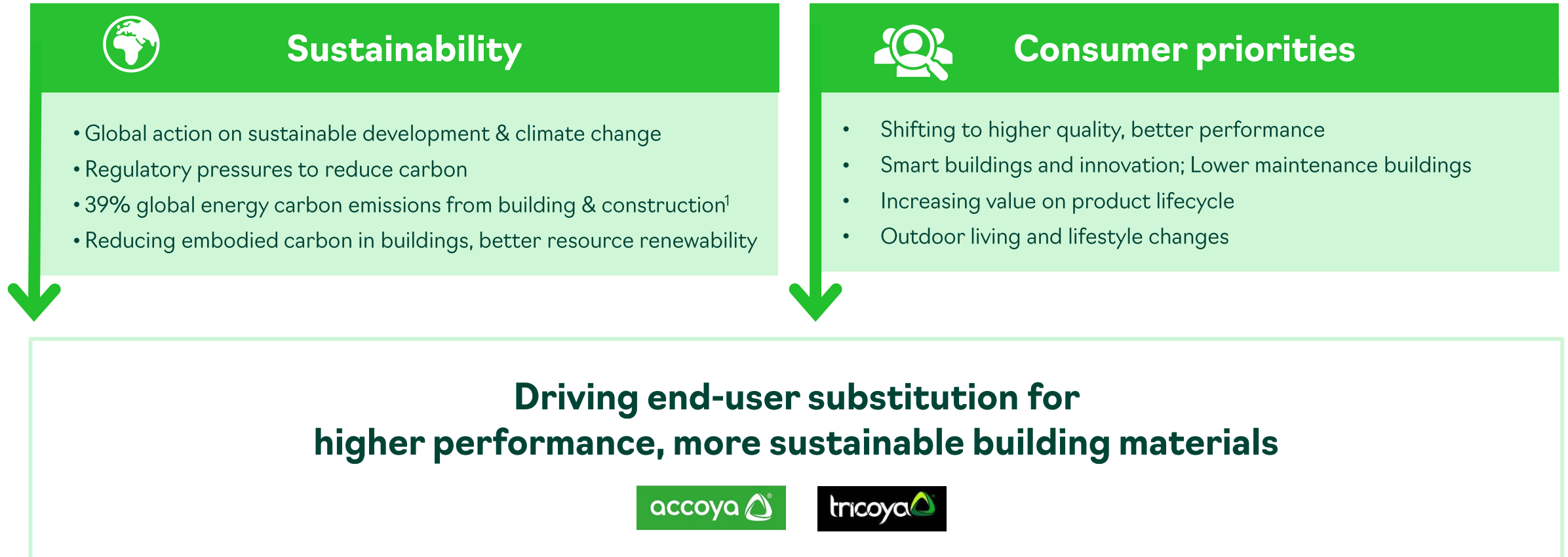
Recent awards



OUR MARKET

...TO CHANGE THE WORLD

Well-positioned for global megatrends



1. Source: World Green Building Council

OUR PRODUCTS

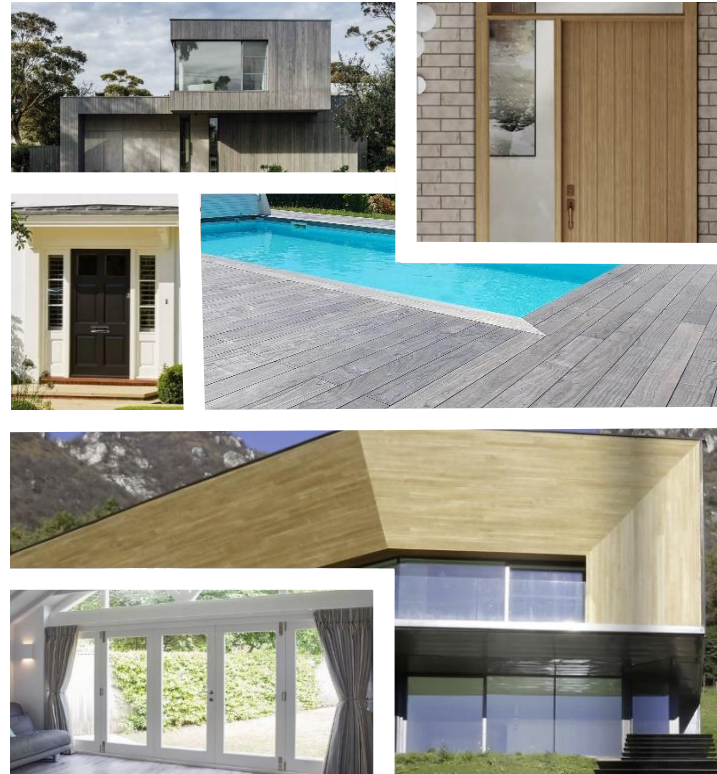
ACCOYA® & TRICOYA® IN THE MARKET



Commercial



Residential



Civic



OUR STRATEGY

DRIVEN BY OUR PURPOSE

Our Purpose

Changing wood to change the world

Our Values

Ambitious

The world depends on us

Respect

Respect & value all stakeholders

Committed

To safety, quality & sustainability

Our Strategy

1

Grow product demand

2

Practise manufacturing excellence

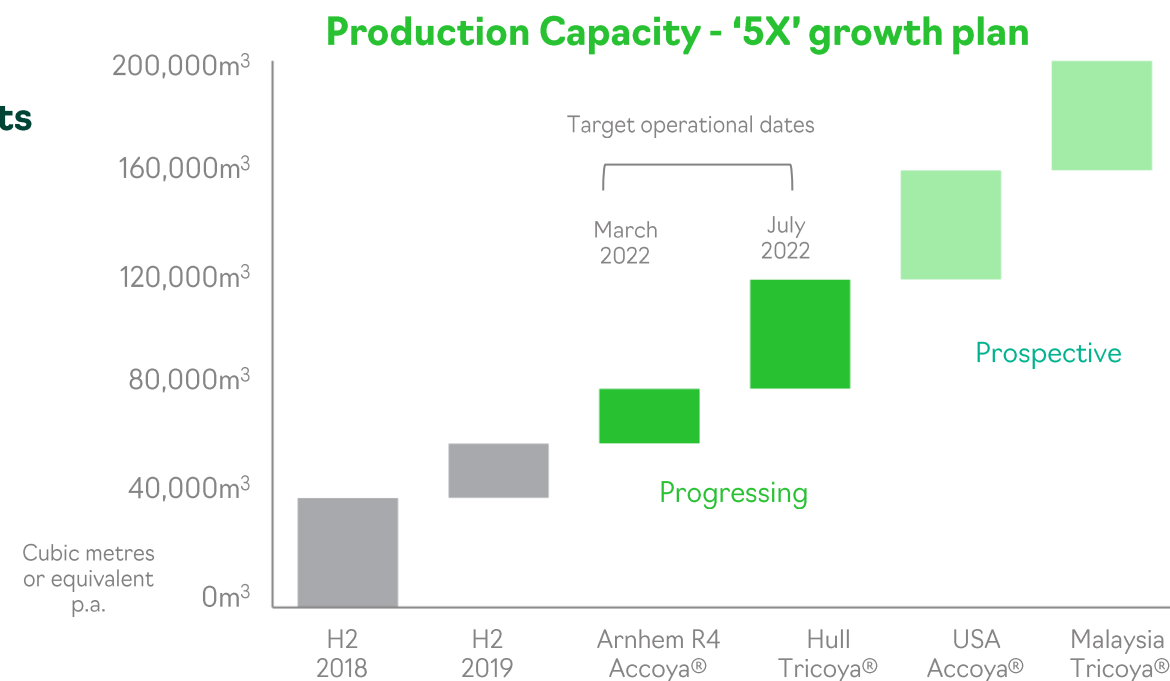
3

Develop our technology

4

Build organisational capability

Our Targets



ACCOYA®

H1 FY22 PERFORMANCE



Good volumes and production result

- Good growth in volumes
- Production remains at capacity levels
- Lower comparable prior year volumes (COVID), 6% volume growth vs H1 FY20
- Maintenance stop scheduled for H2 FY22

Strong demand & robust pricing

- Increased average sales prices: Continuing strong demand and raw materials costs

Regional trading

- 75% increase in Americas sales volume; N American allocation ramp up for US JV plans
- Normalisation in other-region trading, PY impacted by COVID



SALES VOLUME¹
29,555m³ + 12%

EBITDA²
€10.3m +12%

1. Accoya® sales volume H1 FY22 vs H1 FY21 2. Underlying Accoya® EBITDA H1 FY22 vs H1 FY21 .

ACCOYA®

STRATEGIC DEVELOPMENT



Adding 33% capacity at Arnhem

- Fourth reactor addition on track for around end Q1 CY2022.
- Reactor delivered in May '21. New wood-stacker to help site efficiency
- Will increase production capacity to 80,000m³. Expect 3 year payback

Accoya® Color

- Acquisition in Wales UK with up to 12,500m³ Color production capacity
- Integration progressing well, first Color produced on-site

Accoya® North American JV

- Plans to build 40,000m³ Accoya® plant in Tennessee, with future expansion potential
- Good progress: FEED completed, Key commercial agreements well-advanced
- Project debt finance workstream to be completed in coming months
- Plant construction expected to take around 2 years from final investment decision





On track to commence operations by July 2022

- World-first Tricoya® plant being constructed at Hull, UK
- Expect 3 year ramp up to full capacity; Targeting 40% gross margin and EBITDA breakeven at 40% capacity.

Accsys taken over plant - work progressing

- April '21: Delay risks reported; June '21: EPC contract terminated
- Extensive gap analysis and third party reviews of plant integrity completed
- Additional costs of €9-15m reported; Settlement with former EPC contractor
- Various workstreams recommenced; Over 150 site contractors now directly managed
- First wood chip commissioning commenced

Consortium funding agreed

- Accsys will provide interest-bearing loan to TUK for additional costs to complete
- Supply and offtake agreements updated



BUILDING FOR SUSTAINABLE GROWTH

INVESTING IN



People

- 27% increase in average FTE headcount to 241 people
- Increased Group leadership roles and skills to manage growth across the organisation
- Recruitment of operational teams for R4 and Hull
- Eg HSE, Technology, Engineering, IT, and Acetyls



Processes & ESG

- Investing in equipment and systems to improve processes
- Ensure we expand effectively in new locations
- Continued ESG development
 - Society & Communities; Energy & Climate change; Sustainable & Quality products
- Safety culture & Zero harm commitment
 - >250 days LTI-free

SUMMARY

H1 FY22 results

- Strong revenue growth while operating at capacity
- Benefitting from average price rises
- Maintaining Accoya® margin at target level, despite supply chain pressures
- Continuing strong demand
- Hull progressing on track for July 2022
- Investing in organisation for growth

Outlook

- Key expansion projects progressing: Doubling of capacity to 120,000m³ by July 2022
- Active supply chain management
- Remain confident in delivering on market expectations
- Continuing profitability progression as capacity increases
- Delivering 5X production capacity growth by 2025

Delivering on growth strategy

APPENDIX

Changing wood to change the world

A photograph of four men in orange high-visibility work suits and white hard hats, standing outdoors at an industrial site. They are gathered around a clipboard, looking at a document. The background shows industrial structures and gravel ground.

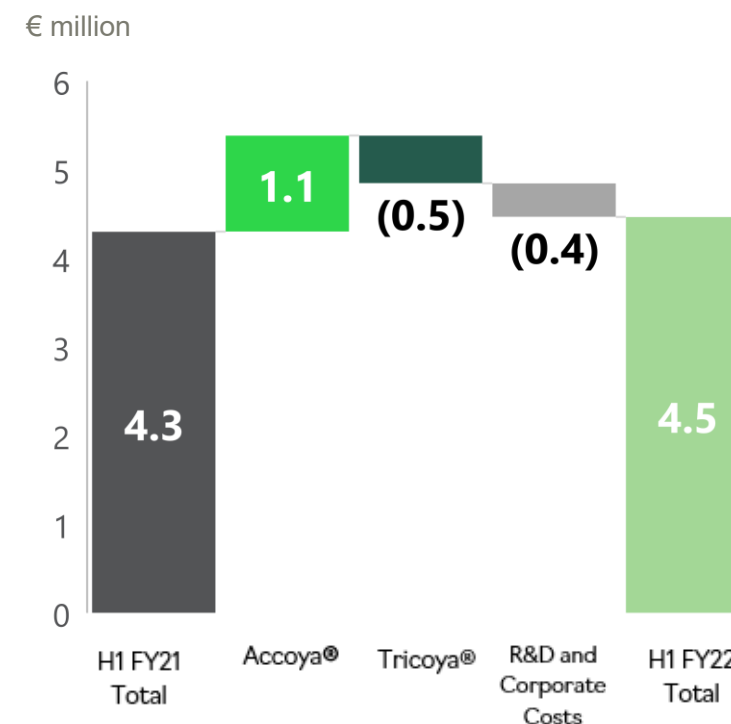
Tricoya® team on-site at Hull, UK

SEGMENTAL SUMMARY

H1 FY22	€m	Accoya®	Tricoya®	R&D and Corporate	Group
Underlying revenue		55.4	0.8	0.0	56.2
Underlying Gross profit		17.2	0.0	0.0	17.2
Underlying EBITDA		10.3	(1.7)	(4.1)	4.5
Underlying EBIT		8.0	(2.0)	(4.5)	1.5

H1 FY21	€m	Accoya®	Tricoya®	R&D and Corporate	Group
Underlying revenue		41.8	1.1	0.0	42.9
Underlying Gross profit		14.3	0.0	0.0	14.3
Underlying EBITDA		9.2	(1.2)	(3.7)	4.3
Underlying EBIT		7.0	(1.4)	(4.0)	1.6

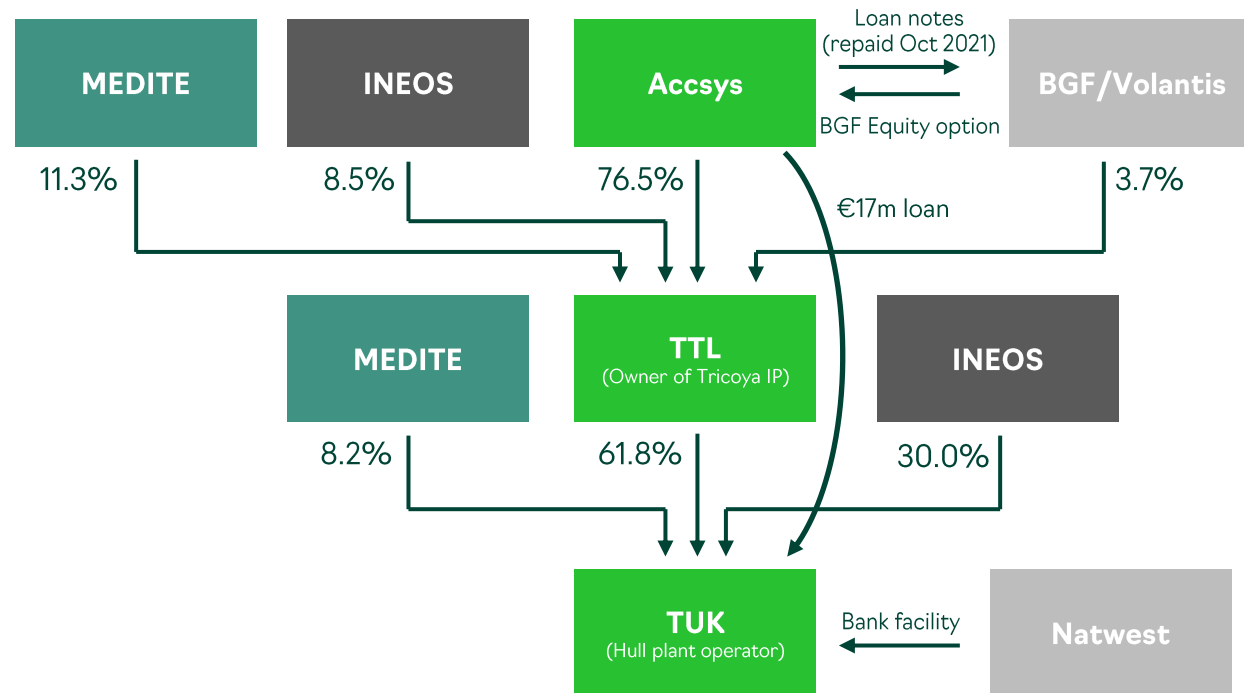
Underlying EBITDA – H1 FY22 vs H1 FY21



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 UK Limited ("TUK") 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



OUR MARKET

SIGNIFICANT GLOBAL GROWTH OPPORTUNITY



**A Large
Global Market**

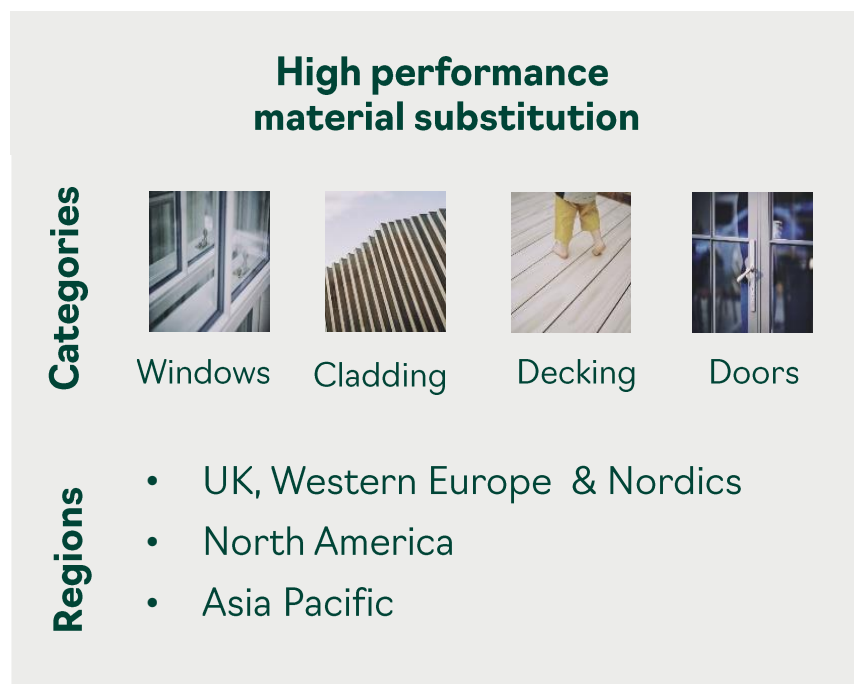
> 800 million m³ wood

Annual lumber and engineered wood products¹.

+ Plus non-wood

Plus adjacent non-wood construction materials eg PVC, aluminium etc.

Market Focus



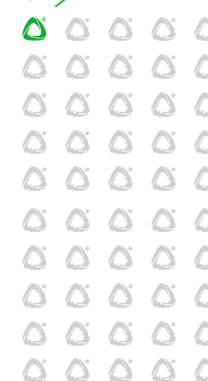
**Achievable
Market**



60,466m³
Accoya[®]
sold in FY 2021

~2% of

2.6+ million m³
achievable market
estimation for
Accoya[®] and
Tricoya[®]



1. Source: Food and Agriculture Organisation of the United Nations (FAO)

TRICOYA®

OVERVIEW

World-first Tricoya® plant

Tricoya® consortium established in 2017

- €75m plant costs incurred to date
- 3 year ramp up to full capacity; break-even at ~40% capacity

High value product, Strong market opportunity

- Market seeding: strong demand, limited production
- Customer agreements with MEDITE & FINSA

Plant & technology

- New technology with continuous production process
- Wood chips acetylated directly, different feed stocks
- 30,000 metric tonnes (40,000 m³ equivalent) capacity, extendable

Malaysia

- Agreement with Petronas Chemicals Group Berhad to evaluate Tricoya® production plant; investment decision after Hull established



A new breed of MDF

Extremely durable and stable wood panel technology



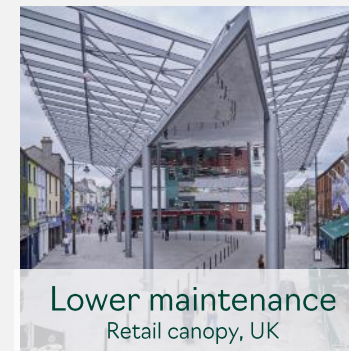
Design freedom
Cladding, Chile



Dimensionally stable
Shop fronts, UK



Durable
Long life exterior cladding, UK



Lower maintenance
Retail canopy, UK



Humidity resistant
Luxury house, Mustique



Ideal for coating
Window shutters, UK

NORTH AMERICA JV

PLANS FOR NEW USA PLANT



JV with Eastman

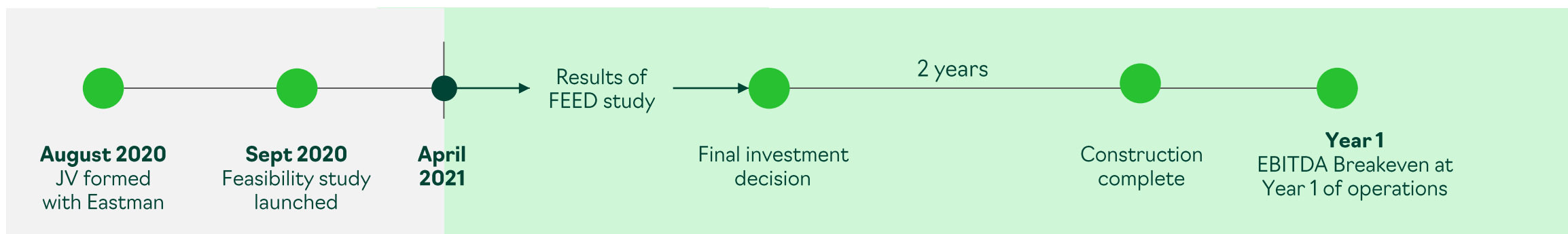
- 60% Accsys: 40% Eastman Chemical Co.
- Located at Kingsport Tennessee
- Drive Accoya® growth in N. America
- Substantial Accoya® addressable market in N. America

Replicating success at Arnhem

- ~40,000m3 initial capacity
- Site potential for up to ~160,000m3 capacity
- Duplicating proven technology and operations know-how

Strong financial returns

- \$130m project cost
- >50% LTV JV debt aim
- €31m equity raised, May 21
- FY27 JV revenues of \$90m+
- Expect 20%+ Leveraged pre-tax IRR



EUR 31m Equity raised in May 2021 to accelerate US market opportunity

OUR ESG FRAMEWORK

Our 10 material issues are aligned with our purpose, values, business strategy and external frameworks such as the UN SDGs:



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 FY2021: 60,466m³

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. '5x' growth target to increase production capacity to 200,000m³ pa by 2025.

Strong organisational capability

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

**H1 FY22 UNDERLYING GROUP
REVENUE**

€56.2m +31%

H1 FY22 vs H1 FY21

**H1 FY22 UNDERLYING GROUP
EBIT**

€1.5m -€0.1m

H1 FY22 vs H1 FY21

**H1 FY22 UNDERLYING
ACCOYA® EBIT**

€8.0m +€1.0m

H1 FY22 vs H1 FY21