

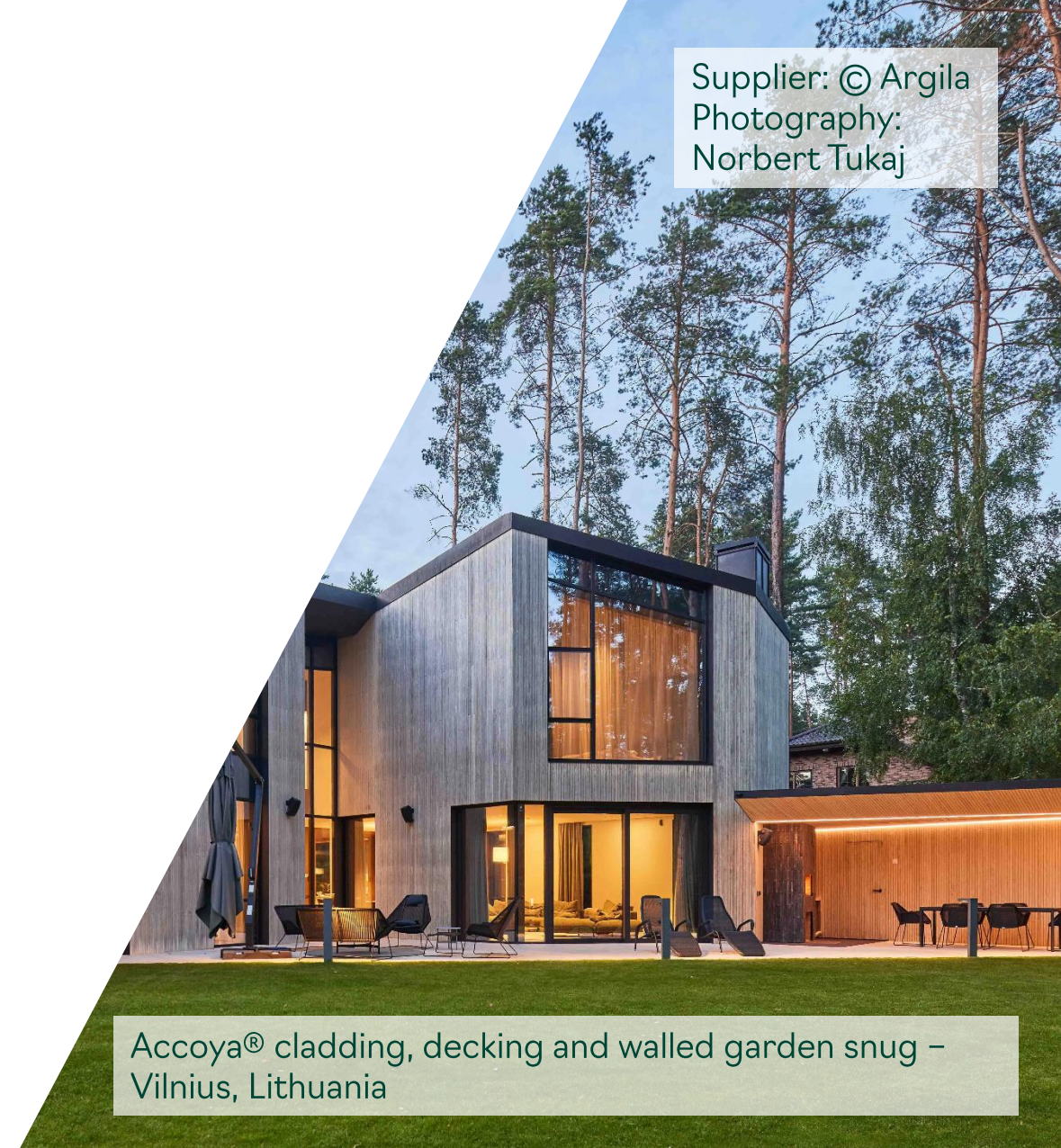


H1 FY23 HALF YEAR RESULTS PRESENTATION

For the six months ended
30 September 2022

22 November 2022

Supplier: © Argila
Photography:
Norbert Tukaj



Accoya® cladding, decking and walled garden snug –
Vilnius, Lithuania



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Certain information in this presentation has been extracted from the announcement of preliminary results made by the Company on 30 June 2022 and this presentation is not a substitute for reading that announcement in full.

22 NOVEMBER 2022

AGENDA

1 Results Overview

2 Financial Results

3 Business Review & Outlook

H1 RESULTS OVERVIEW

- Good revenue growth and steady EBITDA, reflecting increased average sales prices, despite lower volumes
- Gross profit³ up 5%, supported by Accoya® price increases offsetting higher raw materials costs
- 30% increase in Accoya® profit per cubic metre
- Expansion projects:
 - Accoya®:
 - R4 Arnhem reactor live from September 2022 and ramping up
 - US JV plant construction on track for completion in 2024
 - Tricoya®:
 - Restructure of Tricoya® Hull gives us 100% project control: six-month hold period affords greater certainty over next steps

REVENUE¹

€58.9m

+5%

SALES VOLUME²

23,957m³

-19%

ACCOYA PROFIT⁴/m³

€755

+30%

1 H1 FY23 Underlying Group Revenue 2. H1 FY23 Accoya® sales volume. 3. Underlying Group Gross Profit. 4. Accoya segment manufacturing gross profit per m³ of product

Notwithstanding recent operational challenges, continued high demand for our products, additional capacity at Arnhem and pricing power means we expect to deliver significant EBITDA growth in H2

FINANCIAL RESULTS

Will Rudge,
Finance Director



Accoya® Color pool cover, private residence -
Swiss Alps

FINANCIAL HIGHLIGHTS

	€ million	H1 FY23	H1 FY22	Change %
FINANCIAL SUMMARY	Group Revenue	58.9	56.2	5%
	Gross Profit	18.1	17.2	5%
	Underlying EBITDA ¹	4.5	4.5	-
	Underlying EBIT ¹	1.0	1.5	(33%)
	Non-cash exceptional item - Impairment of Tricoya Segment assets	(58.0)	-	
CASHFLOW	Group operating cashflow ²	5.2	5.0	
	Period end net (debt)/ cash balance ³	(61.4)	2.4	
	Adjusted cash ⁴	7.2	60.9	
PRODUCT	Accoya® sales volume (m ³)	23,957	29,555	(19%)
	Group Gross Margin	31%	31%	-
	Accoya® Manufacturing margin profit/m ³	755	581	30%

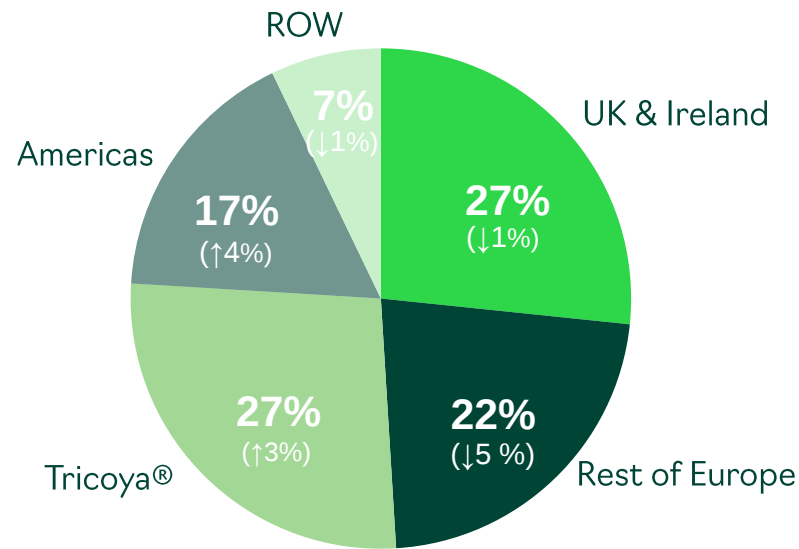
¹ Underlying results include Accsys share of results relating to Accoya USA JV. ² Group operating cashflow is Cash inflows from operating activities before changes in working capital and exceptional items. ³ Net cash/(debt) is defined as short term and long-term borrowings (including lease obligations) less cash and cash equivalents. Net Debt at 31 March 2022 was €27.2m. ⁴ Adjusted cash excludes cash pledged for the Letter of Credit provided to FHB (€10.9m).

30% improvement in Accoya® profitability (per m³)

SALES MIX

Pivoting sales mix to Growth markets

Sales volume by end market H1 FY23

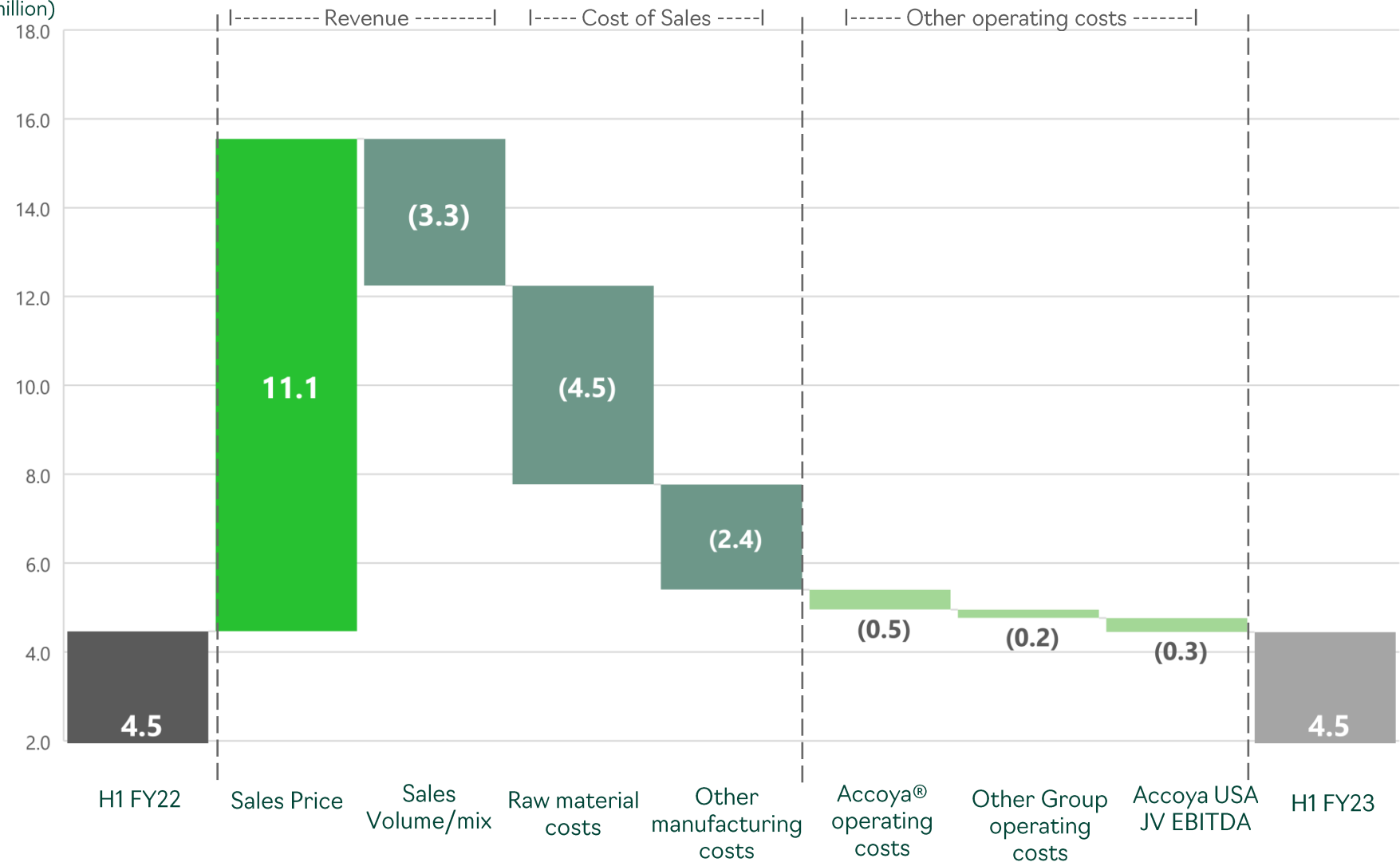


Total Accoya® volume sold 23,957m³ (H1 FY22: 29,555 m³)

- **Accoya® sales volume 19% lower, limited by production capacity**
- **Targeted sales growth in markets ahead of capacity expansion:**
 - **Americas:**
 - Largest market opportunity for Accoya®
 - Growth targeted ahead of Accoya® USA plant operation in 2024
 - **Tricoya®:**
 - Ahead of anticipated Tricoya® Hull plant construction completion

EBITDA PROGRESSION

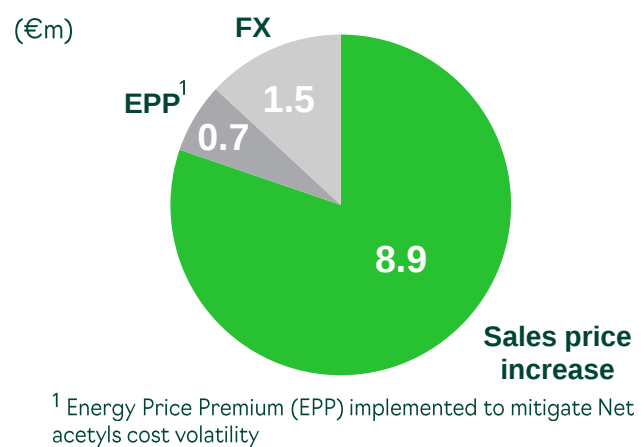
Group underlying EBITDA
(€ million)



Gross profit increased 5% vs PY

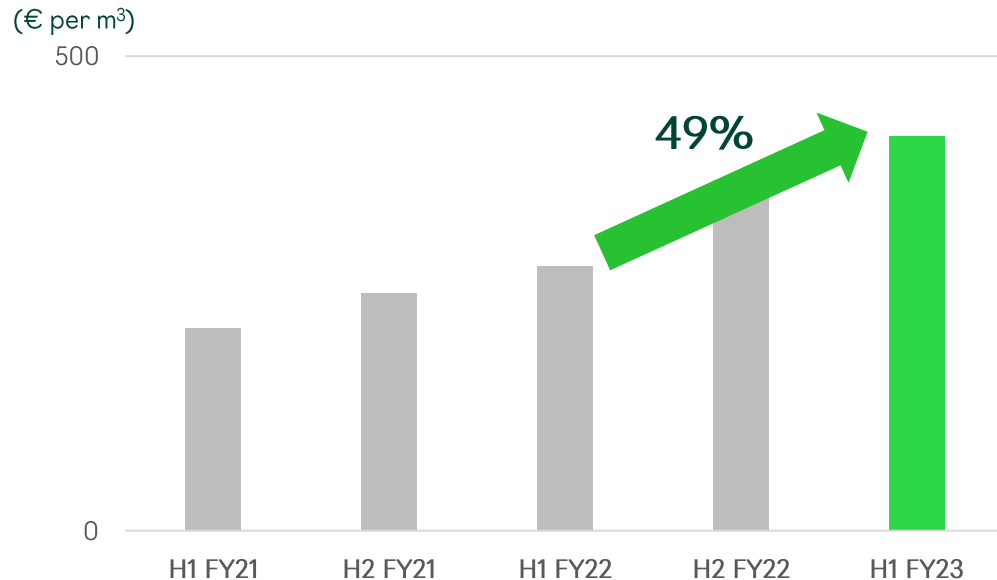
- Increased Accoya® sales prices more than offset input cost price pressures
- 30% increase in manufacturing profit per m3 to €755/m3
- Net acetyls increased 49% vs PY, wood moderately higher

Sales price variance (€11.1m)



MITIGATING RAW MATERIAL COST INCREASES

Net Acetyls cost per m³

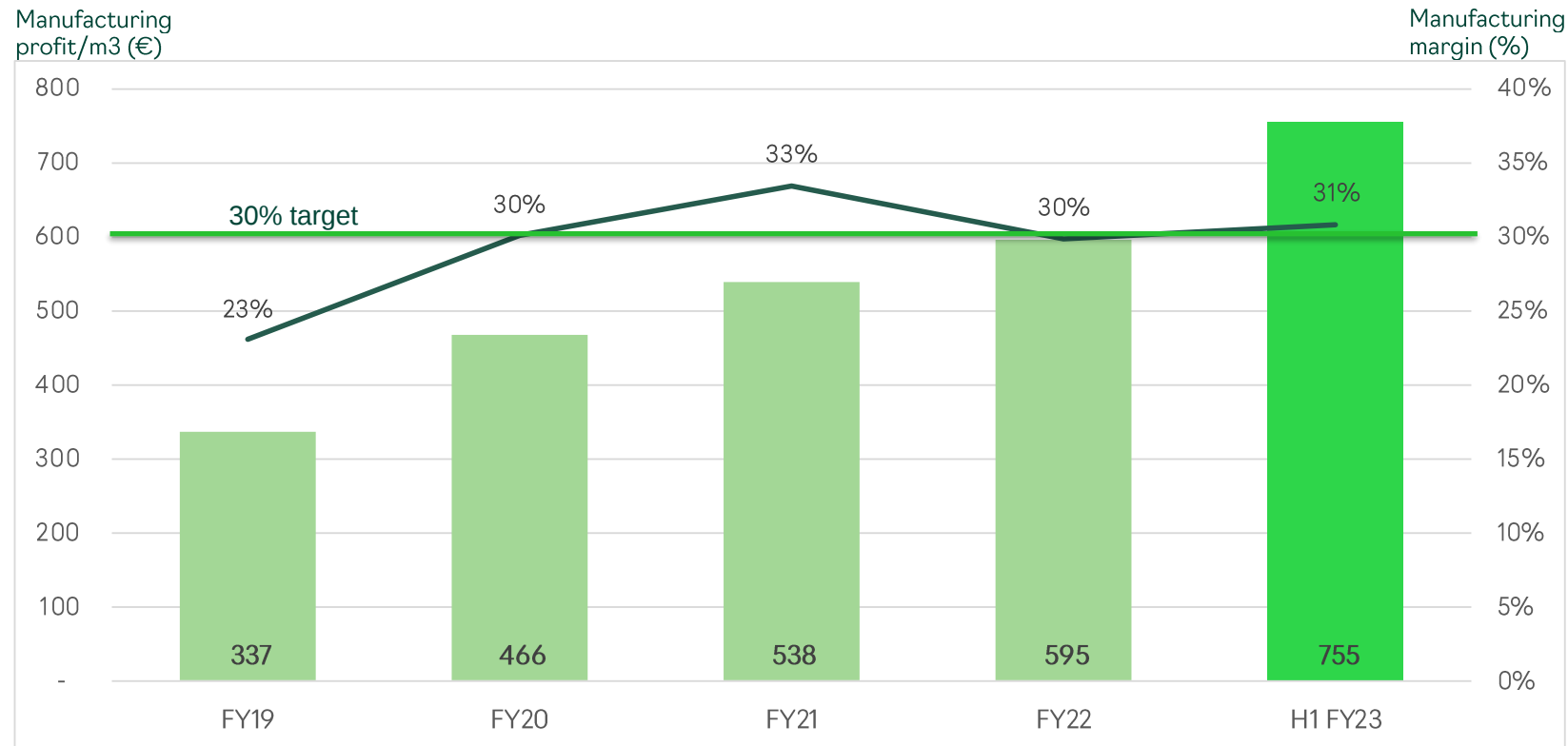


- **Net acetyls cost increased by 49% vs H1 FY22**
 - Continued to benefit from ACA sales - natural partial hedge
 - Energy Price Premium (EPP) implemented to mitigate Net acetyls cost volatility
- **Raw wood costs moderately higher (14% vs H1 FY22)**
 - Purchase appearance grade wood
 - Managed through long term supplier contracts

GROWTH IN PROFITABILITY

5 YEAR PERFORMANCE

Accoya® segment profitability 2019-2023

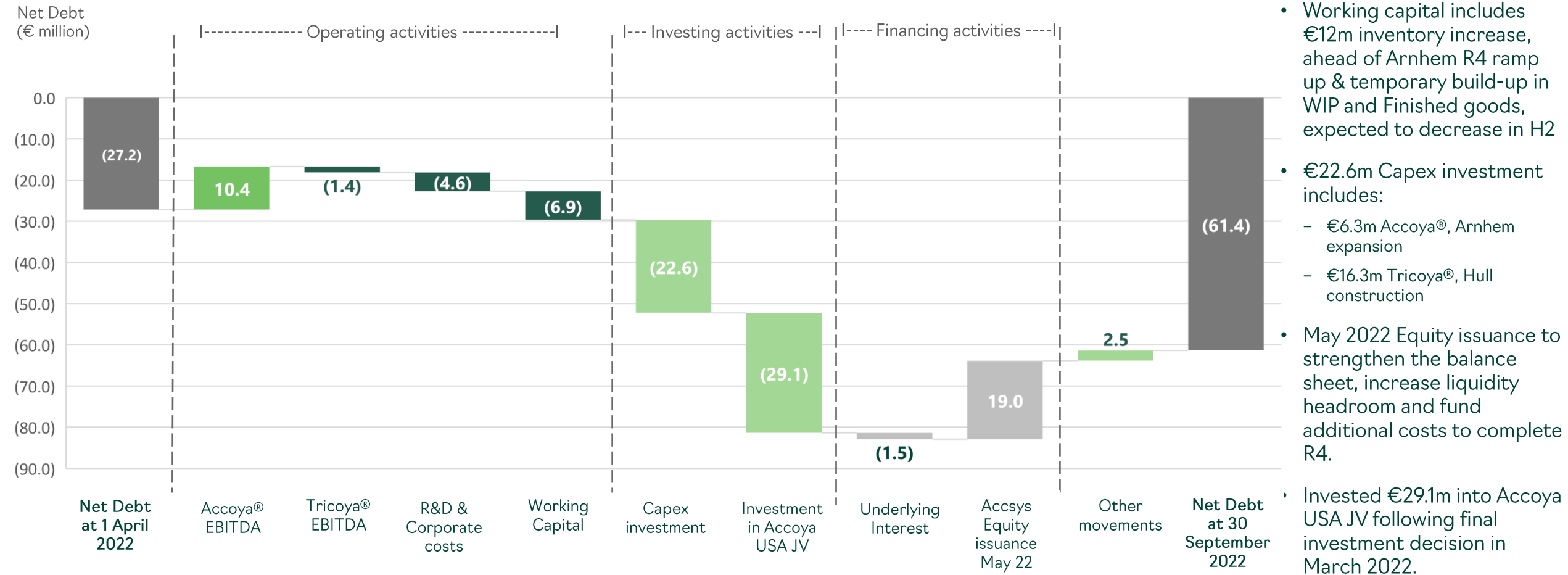


FY20 increase from 3rd Accoya® reactor capacity added.

- **124% increase in manufacturing profit per m3 of Accoya® sold vs FY19:**

- Increased sales prices
- Economies of scale
 - FY20 increase from 3rd Accoya® reactor capacity added
 - Further economies of scale benefit expected from 4th Reactor, operational from September 2022

NET DEBT BRIDGE



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

BALANCE SHEET

Net debt at 30 September 2022 - €61.4m

- Borrowings (€74.9m) comprising of the following loans:
 - €45m ABN Amro loan
 - €5m drawn on €25m ABN Amro revolving credit facility (remaining ~€20m utilised for Letter of credit to FHB)
 - ~€15m drawn on the €17.2m Tricoya® NatWest facility
 - €10m convertible loan with De Engh BV Limited
- Lease Liability - €4.6m
- Cash - €18.1m

Adjusted cash at 30 September 2022 - €7.2m

- Cash at 30 September 2022 - €18.1m
- Excludes €10.9m pledged to ABN AMRO for Letter of credit to support USA funding arrangement

NET DEBT¹
€61.4m

ADJUSTED CASH¹
€7.2m

¹ As at 30 September 2022

ACCSYS BUSINESS REVIEW & OUTLOOK

Rob Harris,
Chief Executive



Accoya cladding– Edgewater Public
Market, Colorado, USA

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 of our 2.6 million m³ global achievable market

Up to 1 million m³ achievable market opportunity identified in North America for Accoya®

3 Global growth strategy

Progressing ambition to significantly increase capacity 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 over 400 patents covering 28 distinct inventions in 45 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

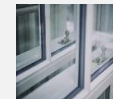
Produced from fast-growing, FSC® certified wood sources.
Locks away carbon for longer.



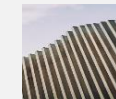
- Solid timber product
- High performance & sustainability
- Alternative to hardwoods, softwoods, PVC & aluminium etc
- Produced at Arnhem plant
- Accoya Color grey



- 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



Windows



Cladding



Decking



Doors

ACCOYA®

H1 FY23 PERFORMANCE

6% growth in revenues, 30% improvement in profitability per m³:

- Total first half revenue of €58.7m
- Capex and COVID challenges largely behind us
- Gross profit of €755/m³ representing a 30% increase year on year
- Price increases, together with Energy Pricing Premium, offsetting inflationary pressures
- Good demand for Accoya® Color, our patented process which converts Accoya® wood into Accoya® Color
- Higher inventory levels ahead of R4 start up in September 2022 to unwind in H2 and reduce net debt

Strong market demand continues to exceed capacity

- Excellent traction with leading industry customers and end customers



New R4 reactor now operational

- Unexpected delays coming on stream – construction downtime leading to 19% sales volume decline in H1
- Issues largely resolved - R4 fully operational and performing in line with expectations
- Targeting output to full capacity over next two years
- New wood stacker (up to 100,000 m³ capacity) to drive site efficiencies over time
- Customers delighted to receive increasing volumes



With R4 start up challenges now behind us, we anticipate 50% volume growth in H2

**Construction underway – on schedule and to budget (US\$136m)
- for commercial operation March 2024**

- JV investment decisions and funding agreement in March 2022
- Ground broken in April and core drilling completed

Strong project leadership and cost management focus

- Successfully applying EPC lessons learned from Arnhem and Hull
- Eastman leading construction project management
- All major equipment ordered
- 50,000 accident-free hours worked by the end of H1

New plant to produce up to 43,000 m³

- Site allows for further expansion up to 160,000 m³
- Market penetration success



North America is our largest target market, with achievable market for Accoya® of up to 1,000,000 m³ p.a.

Google new London HQ, Kings Cross, London, UK

Accoya® specified for exterior frame of state of the art London HQ

- Selected for sustainability and performance - Cradle to Cradle a requirement under Google's building materials health code
- 11-storey building, comprising of more than 1 million square feet
- Completes in 2024



Red Sea Development, Saudi Arabia

Accoya® specified for numerous projects in the Red Sea Project

- Billed as “the world’s most ambitious tourism development”, it features hotels and an airport built on a chain of 90 undeveloped islands
- Accoya® chosen for its sustainable properties
- Completes in 2030



Both scale projects illustrate the success of our routes to market strategy and a major endorsement of our market proposition

TRICOYA®

H1 FY23 PERFORMANCE



Tricoya® revenue represents 27% of total Group sales volume

Tricoya® revenue up 2% in H1

- Accoya® sold to Tricoya® customers down 9% in volume, up 2% in revenue at €8.7m
- Revenue growth attributed to both price increases and Energy Price Premium
- Price increase of c.30% achieved over the last 24 months

Strong ongoing demand with customers and partners

- Medite and FINSA remain committed and supportive



NOVEMBER 2022: CONSORTIUM RESTRUCTURE

Structure simplified - Accsys now owns 100% of Tricoya® and IP

- Share swap agreement with INEOS and Medite
 - Partners received 11.9m new Accsys shares, representing 5.74% of issued share capital
- INEOS and Medite supply and offtake agreements remain in place
- NatWest loan facility restructured – principal debt reduced to €6m and put onto new 7-year term, no capital repayments during loan term
- 100% control = 100% of potential long-term returns

Optionality to restart on our terms

- Project on hold for at least six months - no commitment to significant further capital at current time
- 40% gross margin achievable at target capacity

Tightly-controlled decision making

- Close consultation process with the Board to ensure tight decision making
- Ongoing validation and review of costs, capabilities and funding options

100% control of Tricoya® Hull gives us the ability to complete construction on our terms, at the right time and to benefit from 100% of potential long-term returns

Plant construction substantially complete, commissioning progressing

Project Hold for at least six months from November 2022:

- C.€0.5m monthly cost during Hold Period
- Further validation work ongoing
- Allows focus on cash generation from Accoya® to strengthen our balance sheet
- Increases opportunity to improve plant start-up profitability

Remaining project capital cost up to €35m

Funding options for remaining costs to be reviewed

Board to closely review and ensure appropriate returns on further capital commitments



SUMMARY

H1 Results

- Good EBITDA in H1 despite lower sales volumes
- Pricing power, growing profitability despite cost headwinds
- R4 live, increasing capacity at Arnhem
- Significant progress with US site construction, on schedule and to budget
- Challenges being addressed at Hull: 100% control with optionality to resume on our terms at right time

Outlook for H2

- Revenue and profit growth to accelerate as R4 ramps up
- Targeting 50% growth in sales volumes vs. H1
- Continued pricing power and initiatives to offset inflationary increases (raw materials, energy and labour)
- Strong start to H2; customer demand remains strong, with 6600 m³ sold in October
- Further gains in market share from strength of product proposition
- Hull Construction Hold period to validate remaining construction work, risks and full range of potential funding options
- H2 focus on ongoing cost and cash management

High demand for our products, greater capacity at Arnhem and continued control over pricing, positions us well for growth acceleration in H2

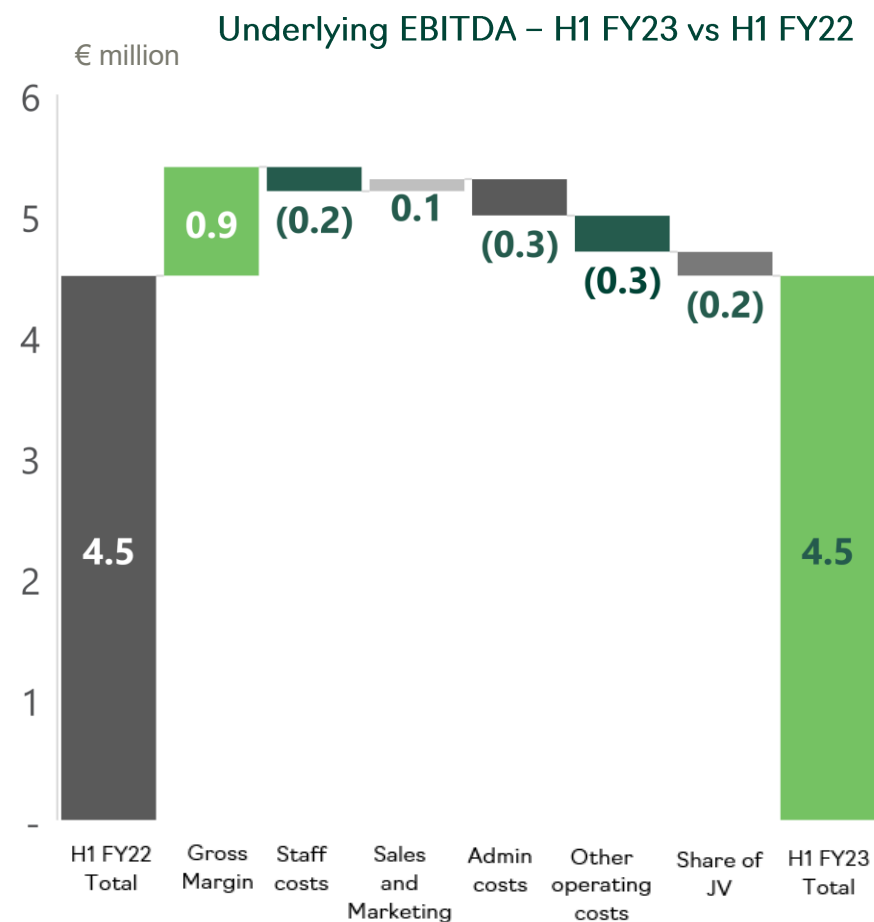
APPENDIX

Changing wood to change the world

SEGMENTAL SUMMARY

H1 FY23	€m	Accoya®	Tricoya®	R&D and Corporate	Group
Revenue		58.7	0.2	0.0	58.9
Gross Profit		18.1	0.0	0.0	18.1
EBITDA		10.8	(1.4)	(5.0)	4.4
Underlying EBITDA		10.4	(1.4)	(4.5)	4.5

H1 FY22	€m	Accoya®	Tricoya®	R&D and Corporate	Group
Revenue		55.4	0.9	0.0	56.2
Gross Profit		17.2	0.0	0.0	17.2
EBITDA		10.2	(1.7)	(4.1)	4.4
Underlying EBITDA		10.3	(1.7)	(4.1)	4.5

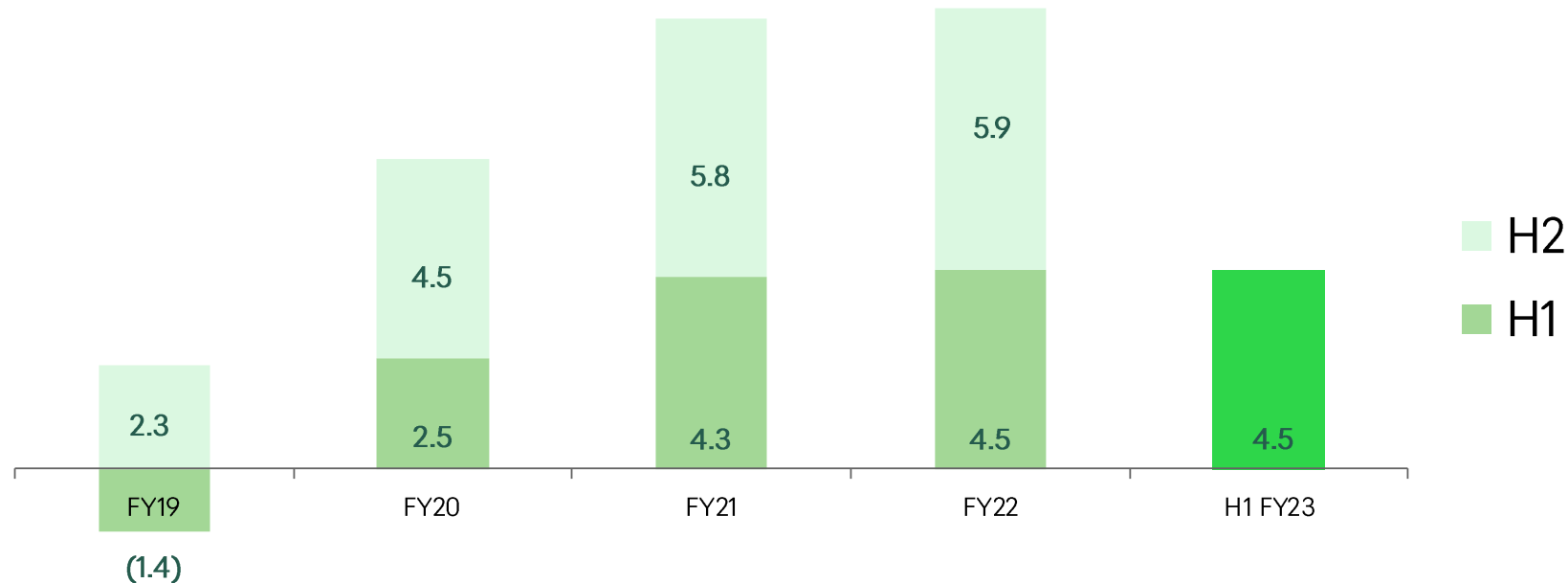


PROFITABILITY PROGRESSION

5 YEAR PERFORMANCE

Group Underlying EBITDA 2019-2023

€ million



- Group Underlying EBITDA driven by Accoya® business growth
- EBITDA growth has grown with economies of scale, pricing, and capacity
- Further benefits expected from expanded Accoya® plant and post Hull start-up

FINANCING

Accoya USA JV Financing

- **Total Project cost of c. \$136m- Funded via:**
 - \$70m 8 year loan, \$10m RCF - First Horizon Bank, Tennessee, USA
 - \$66m equity contributions - \$61m invested by Accsys (60%) & Eastman (40%) by 30 September 2022
- **Accsys \$30m limited guarantee to FHB, pro rata to Eastman** - Supported by:
 - \$20m Letter of credit (LC) issued by ABN AMRO
 - €10m convertible loan agreed with De Engh (AXS shareholder). Convertible from March 2024
 - Cash received pledged to ABN AMRO for LC

ABN AMRO Group funding

- **€45m - 3 year Loan – maturing October 2024**
- **€25m RCF**
 - ~ €20m utilised for bank guarantees re US JV Financing
 - ~€5m for general Group liquidity

Tricoya UK Funding

- **Accsys loan:**
 - €25m committed loan to Tricoya UK, further €8m loan provided in H1 FY23, committed in November 2022
 - €19.4 lent under the facility by 30 September 2022
- **NatWest loan:**
 - €17.2m loan, €15.3m drawn at 30 September 2022
 - Post 30 September 2022 (part of the Tricoya® consortium restructure) – Agreed to restructure facility:
 - Decreasing principal amount to €6m
 - New 7 year term, interest to be capitalised
 - No repayments until maturity
 - Natwest entitled to obtain recovery of up to ~€9m, depending on free cash-flow generated once Tricoya® plant operational