



FOCUSED FOR GROWTH

Annual Report and Financial Statements 2025



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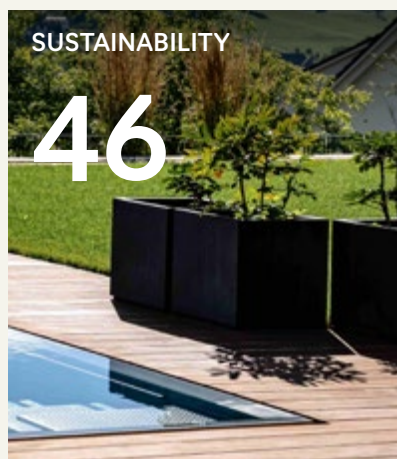


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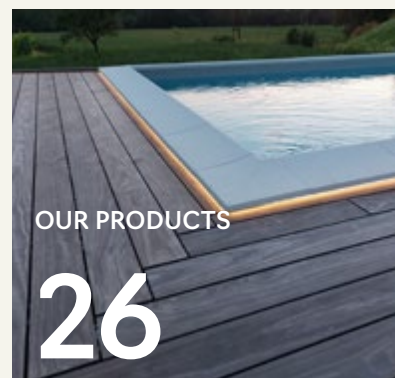


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View the latest results online at | www.accsysplc.com

Cover: MOLLIE Hotel, Colorado, USA.

Photography: Draper White

Performance

Financial

GROUP REVENUE

€136.6m

FY24: €136.2M

GROSS PROFIT

€41.4m

FY24: €40.9M

ADJUSTED EBITDA*

€10.8m

FY24: €4.8M

GROSS PROFIT MARGIN

30.3%

FY24: 30.0%

NET DEBT

(€42.6m)

FY24: (€37.1M)

UNDERLYING LOSS BEFORE TAX

(€9.9m)

FY24: (€9.4M)

➤ Finance Review | [Page 20](#)

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Operational highlights

TOTAL ACCOYA SALES VOLUMES**

63,864m³

TOTAL ACCOYA SALES GROWTH

13%

year-on-year increase in sales

TOTAL NORTH AMERICA ACCOYA SALES GROWTH

16%

year-on-year increase in sales

RESPONSIBLE SOURCING

100%

of Accoya made from certified sustainable (FSC® (CO12330), PEFC, or equivalent) wood sources

EMPLOYEE ENGAGEMENT

73%

employee satisfaction in FY25 Employee Engagement Survey

SUSTAINABILITY

+11

point increase in S&P Corporate Sustainability Assessment ESG score to 56/100

* Adjusted EBITDA is defined as operating profit/(loss) before exceptional items, depreciation and amortisation, and includes the Group's attributable share of our USA joint venture's underlying EBITDA (see note 3 of the financial statements for further details).

** Total Accoya sales volumes includes 100% of sales from the JV.

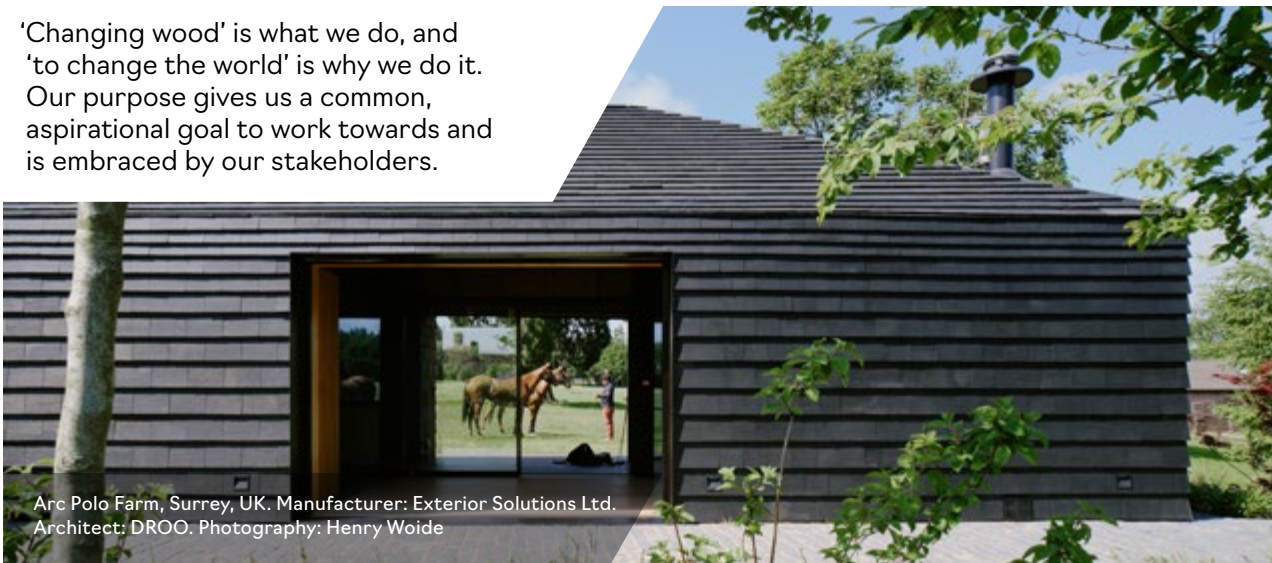
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Our Business at a Glance

A purpose driven company

CHANGING WOOD TO CHANGE THE WORLD

'Changing wood' is what we do, and
'to change the world' is why we do it.
Our purpose gives us a common,
aspirational goal to work towards and
is embraced by our stakeholders.



Delivering high performance and sustainable solutions

Accsys is an industry disrupter redefining what is possible by taking one of the oldest, most trusted building materials and transforming it into a powerhouse of performance and sustainability.

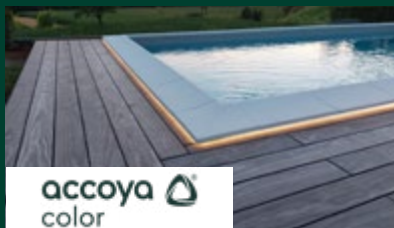
Using a proprietary acetylation process we take responsibly sourced softwood and transform it into building materials that can rival the performance attributes of tropical hardwoods and intensely resource depleting man-made alternatives. Our unique technology is protected by intellectual property rights, with approximately 300 patent family members across 45 countries.

Our products offer unmatched durability and stability. They come with a 50-year warranty above ground and a 25-year warranty for in ground or freshwater applications.

Our products



Accoya® is a high-performance wood made from abundantly available certified sustainable sources. It is exceptionally durable and Cradle to Cradle Certified® for its circular economy benefits.

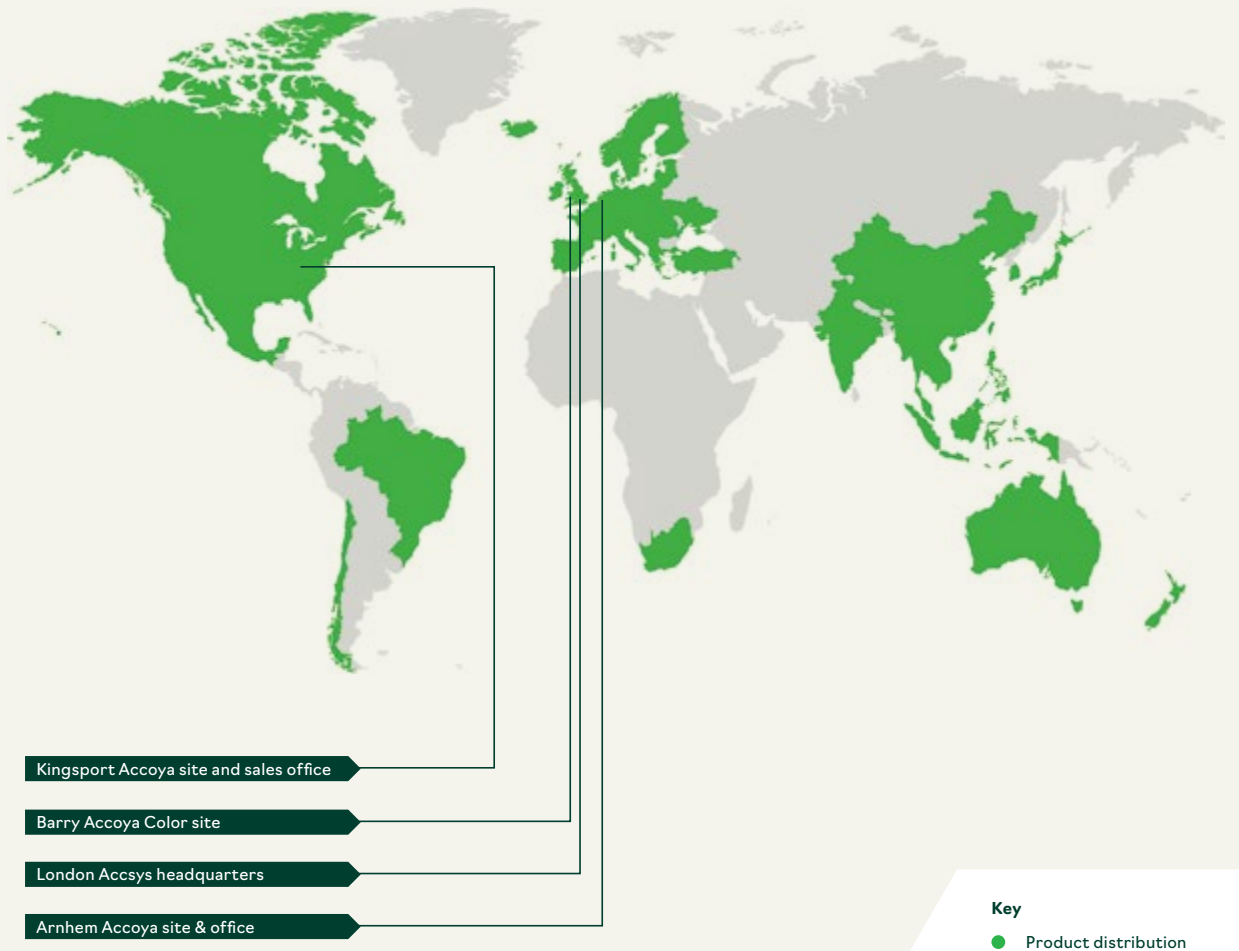


Accoya Color® is our coloured-through product, making it an ideal choice for decking and cladding applications.



Accoya for Tricoya® is a feedstock for our licensees to manufacture high performance Tricoya panel products suitable for outdoor use.

Our global presence



All made possible by people living our values



Be ambitious – the world depends on us

We challenge ourselves to be better every day, we are committed and agile. To achieve our ambition we will often pave new ways, innovating with new technologies or processes that no other player tried. This gives us an opportunity to learn and progress, striving to continuously improve in all operational areas of our business.



Respect and value all stakeholders

Everyone we work with is important – our colleagues, customers, partners, suppliers, shareholders and more. We act with integrity and authenticity, encourage collaboration, and build trust through inclusion and mutual respect. As a team, we will succeed.



Be committed to safety, quality and sustainability

Safety is of the utmost importance in everything we do. We all share responsibility for protecting people, property and the environment at all times. We strive to fulfil our brand promise and delight our customers. We commit to high quality delivery.

Reasons to invest

A COMPELLING GROWTH OPPORTUNITY FOR INVESTORS



Market leadership

Sustainability focused industry disrupter with unique portfolio of world class IP backed premium wood building products: Accoya and Tricoya.

Accsys develops high-performance, sustainable wood products that serve as renewable alternatives to hardwoods and resource-intensive building materials. Its products are leading the revolution of modified woods in the global infrastructure and construction markets.

[See Our Products](#) | [Page 26](#)



Large and growing addressable markets

The global wood products market is expected to grow from US \$855bn in 2024 to US \$1,215bn in 2029 with a Compound Annual Growth Rate (CAGR) of 7% (Source: The Business Research Company).

This growth is driven by several key factors: increasing global population and rising GDP per capita are fuelling demand for new construction and redevelopment; there is a growing emphasis on sustainable building materials, with consumers increasingly prioritising low-carbon and biophilic design elements; and lifestyle trends are shifting toward greater use of outdoor living spaces.

[See Our Market](#) | [Page 30](#)



Established manufacturing footprint with high operational leverage

Accsys has an established manufacturing base, for its proprietary technology, in Europe and the USA with the potential to deliver significant volume growth.

With strong pricing power and gross margins around 30%, the business is well placed to deliver future double-digit adjusted EBITDA margins and deliver increasing shareholder returns.

➤ See Our Business Model | **Page 32**



Accsys at inflection point with FOCUS strategy in place to drive profitable growth in earnings and free cash flow

In January 2025, Accsys set out its strategic goals, and FY25 reflects continued disciplined execution toward the Company's objectives.

With a de-risked capital expenditure profile, protected intellectual property, a global distribution network, and established world-class brands, Accsys is well-positioned for long-term value creation.

➤ See Our Strategy | **Page 34**



Accsys has a proven business model and strong organisational capability to drive its growth journey

With an experienced Executive Committee and strengthened local organisations, Accsys is continuing to build strong organisational capabilities and is well-equipped to execute its strategic objectives.

➤ See Our Board and Executive Committee | **Page 72**

Chair's Statement



FY25 has been a pivotal year for Accsys, marked by strategic clarity, robust commercial momentum, and strong operational delivery."

Dr Trudy Schoolenberg
Chair

ON TRACK FOR DELIVERING PROFITABLE AND SUSTAINABLE GROWTH

Introduction

Accsys offers a highly compelling and disruptive industry proposition, uniquely aligned with the growing global demand for sustainable building material solutions. In this evolving landscape, the Company is exceptionally well-positioned to capture long-term value.

FY25 has been a pivotal year for Accsys, marked by strategic clarity, robust commercial momentum, and strong operational delivery. With CEO Dr Jelena Arsic van Os fully embedded in the business and our new strategy in place the Company is at an inflection point, with a strong foundation for long-term sustainable growth.

The introduction of our new FOCUS strategy provides a clear structured plan for commercial success. We are already seeing strong early execution against this strategy reflected in our financial performance. Despite ongoing macroeconomic pressures across the construction industry, the Company delivered double-digit growth in sales volumes and notable improvements in profitability. These results reinforce our confidence in the strategy and in the strength and resilience of our products and market positioning.

With a compelling product proposition and a solid strategic foundation Accsys is well positioned to create long-term value. On behalf of the Board, I would like to thank all of our colleagues across the Group for their commitment in delivering a year of real progress. Together, we are building a stronger, more sustainable business for the future.

Overview

With full support from the Board, Jelena led a comprehensive strategic review of the business culminating in Accsys' Investor Strategy Day in January 2025. During this event, we introduced our new FOCUS strategy, which outlines the phases of our growth plan, commercial objectives and our short and medium term goals. This day marked an important step in strengthening transparency with shareholders and presenting a clear roadmap for the future.

One of Accsys' most significant achievements in FY25 was our international expansion into the USA, the largest and most attractive wood market in the world. In September 2024, Accoya USA – our first production site in the United States and a joint venture with Eastman Chemical Company – successfully commenced commercial operations. This expansion increases Accsys' global production capacity while establishing a vital local manufacturing presence in the USA.

The launch of Accoya USA marks a transformational milestone for Accsys. With the addition of a second production facility, we have enhanced the business' resilience and improved our risk profile. Local production in the United States – especially in a time of shifting global trade dynamics – strengthens our strategic positioning and ensures we can directly supply the fast-growing North American market, where the construction market is forecast to grow on a 5-8% medium term CAGR (publicly available sources). Accsys is continuing to monitor developments with regards to US tariffs. Currently, tariff exemptions are in place for lumber imports into the US.

During the financial year, we made the strategic decision to discontinue our manufacturing plant in Hull. While the decision was difficult, it was necessary for reducing risk, eliminating ongoing maintenance costs, and allowing Accsys to concentrate on its key facilities in Arnhem and Kingsport.

With increased production capacity in place, a core focus for the Board and Executive Committee has shifted to our commercial strategy. To maximise returns from our primary sites and utilise our increased production capacity we are prioritising sales generation. This investment has already begun to pay off, with total Accoya sales volumes up 13% from FY24, showing strong demand for Accoya even amid ongoing challenges in the construction market.

FY25 financial performance

Accsys delivered strong profitability progression in FY25. We significantly increased adjusted EBITDA compared to last year, at €10.8m (€4.8m, FY24), reflecting strong sales volumes and operational cost savings of €4.6m, arising from the business transformation programme and Solid Roots operational efficiency initiative in Arnhem.

Group revenues increased by 0.3% from FY24 at €136.6m, driven by strong growth in European sales volumes compensating for the transfer of North American sales (16% of FY24 volumes) to the Accoya USA JV. We held firm on our premium product pricing, despite the commercial market headwinds, reflecting the strength and uniqueness of our product offerings.

Group gross margin improved to 30.3% (30.0% in FY24).

Net debt increased from €37.1m at 31 March 2024 to €42.6m. This was driven by planned investment in the Accoya USA JV, and higher inventory levels, ensuring product availability to support strong demand and customer service, offset by the elimination of non-recourse debt in Tricoya UK Ltd.

Purpose and values

We remain committed to our purpose of 'Changing wood to change the world' and our core priorities of operating safely and sustainably – key pillars of the new FOCUS strategy.

As a manufacturer, health and safety is at the forefront of everything we do. This year we are proud to have begun the roll out of nine Life Saving Rules and will continue to roll these out over the course of FY26.

We continue to invest in innovation and product development and this year we invested €1.2m into R&D, focusing on advancing our product value proposition and research into alternative species to enhance supply chain resilience.

Accoya, thanks to its unique proposition combining high performance, durability and sustainability, continues to be specified in some of the world's leading building projects. This includes prestigious heritage projects such as the restoration of the Bow Bridge in New York's Central Park (see page 09 for more details). Leading companies including ABB and Mountain Warehouse have all used Accoya on their buildings in the past year.

We also remain committed to our purpose of helping the world build in a more sustainable way. Our commitment to responsible sourcing remains firm and we are proud to have sourced 100% of our wood products from FSC® (CO12330), PEFC, or equivalent certified sustainable sources in FY25. We will uphold these values as we continue to expand production and utilise our full capacity.

Chair's Statement continued

As a Board we remain committed to maintaining high standards of Environmental Social Governance (ESG). ESG metrics continue to be incorporated into success metrics for our executive remuneration and we are pleased to have achieved an +11 point increase in our S&P CSA score this year to 56/100, placing us in the top 20% of companies in our industry sector.

Board composition

In FY25 we welcomed our new CFO and Board member Sameet Vohra. Sameet brings extensive experience as a listed company CFO and we are pleased to have him onboard, further strengthening our operational capability.

People

Our performance would not be possible without our colleagues who have demonstrated incredible determination and unity. Their commitment has driven us forward and delivered strong performance outcomes. I also want to extend my appreciation to all our shareholders, customers, partners, suppliers, and contractors – your ongoing support is vital as we continue to grow and move ahead together.

Looking ahead

With no major CapEx projects on the horizon and a significantly de-risked business, Accsys is well positioned to drive future profitable growth.

We will continue to execute against our well-defined growth strategy focusing on driving profitability progression from our existing assets. This is an exciting time for the business, with FY26 as our first full year with two fully operational Accoya production sites, and the Board is confident in the growth opportunities ahead.

Dr Trudy Schoolenberg
Chair

23 June 2025



CASE STUDY

BOW BRIDGE, NEW YORK CITY: A HISTORIC RESTORATION WITH A SUSTAINABLE FUTURE

Central Park, New York City, USA

New York City's Central Park is renowned as one of the world's most famous urban landscapes and few spots capture its beauty and charm quite like Central Park's Bow Bridge. Spanning 27 metres across The Lake – one of the park's most picturesque bodies of water, linking the Ramble on the east to Cherry Hill on the west – the bridge was first constructed in 1860. With its graceful cast-iron curves, intricate detailing, and sweeping skyline views, the Bow Bridge is an architectural marvel of its time and one of the most photographed and iconic pedestrian bridges in the world.

After more than 160 years of enduring weather extremes, heavy foot traffic, and countless film productions, the bridge showed clear signs of wear. It underwent a comprehensive restoration in 2015, however, by 2024, the treated Southern Pine decking required replacement. For this essential upgrade, Accoya emerged as the optimal solution. Its exceptional dimensional stability ensures the wood retains its shape and structural integrity without warping, cupping, or swelling, even under New York's intense seasonal fluctuations. In addition to its superior performance, Accoya's sourcing from sustainably managed forests and its minimal environmental impact made it a natural fit for the Central Park Conservancy and New York City Parks, aligning with their long-standing commitment to ecological stewardship.

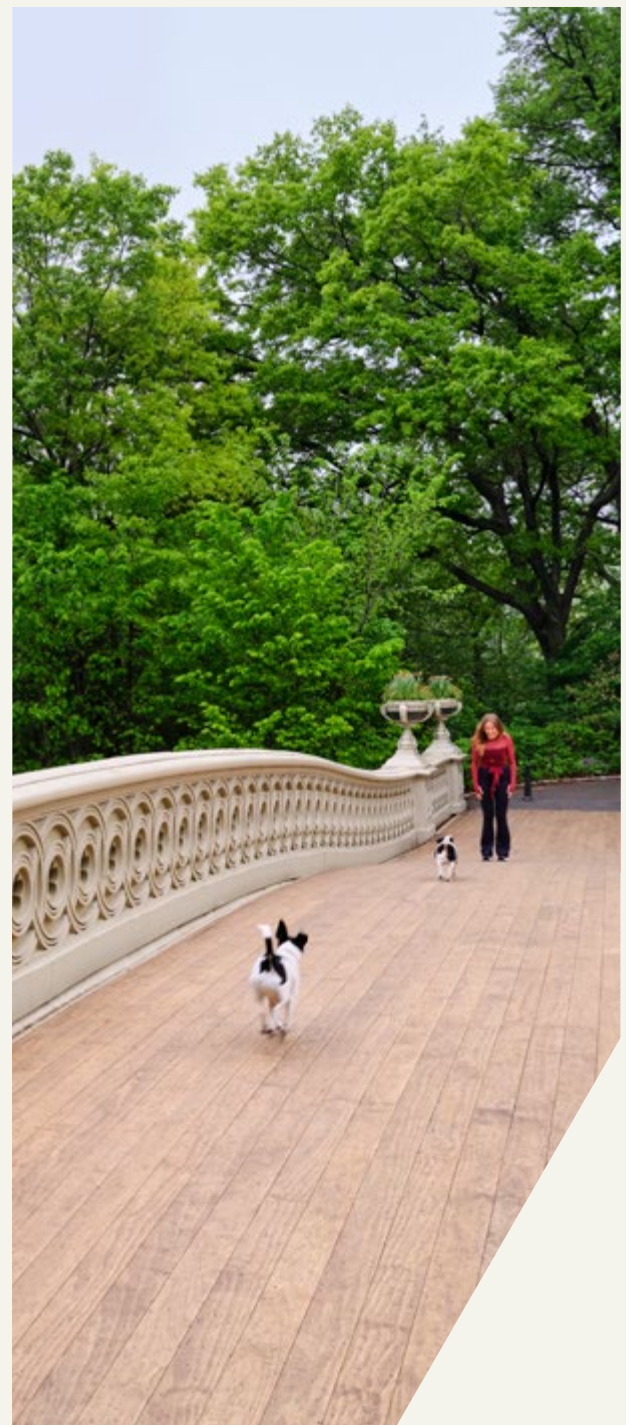
The restoration of the Bow Bridge deck has revitalised this historic gem. Using Accoya, the bridge exemplifies how timeless design and modern innovation can coexist in perfect harmony.

Supplier: Rex Lumber

Photography: Aaron Locke



For more Accoya projects go online to |
www.accoya.com/uk/projects



Case Study | Accoya USA

ACCOYA USA COMMENCES OPERATIONS: LOCAL MANUFACTURING BASE TO SERVE NORTH AMERICAN CUSTOMERS

Summary

- Accoya USA commercial operations commenced in September 2024
- A dedicated site to serve the large North American market
- Initial capacity of 43,000m³ with the potential to expand the site

16%

NORTH AMERICA TOTAL ACCOYA SALES VOLUME GROWTH YEAR-ON-YEAR



Expansion into one of the most attractive global markets

In Q2 FY25 Accsys celebrated a milestone achievement, with the successful commercialisation of Accoya USA – the second Accoya production facility in the world, located in Kingsport, Tennessee, USA. The plant is a flagship joint venture project with Eastman Chemical Company (owned 60:40 by Accsys and Eastman).

Accsys' successful delivery of its international expansion enhances the customer experience, de-risks the Group and provides a strong foundation for sustainable and reliable growth.

With an estimated addressable market of 8.6m m³ (source: Principia report) and less than 1% current market share, the opportunity for Accoya in North America is huge.

To support the increased capacity Accsys has strengthened its investment in sales and marketing and increased distribution, growing sales with existing distributors and adding new distribution partners. This is driving results with good sales momentum, including a 16% year-on-year increase in total Accoya sales volumes from 9,068m³ to 10,562m³ in FY25. It has also led to Accoya being specified on high profile projects, such as the restoration of the historic Bow Bridge in New York's Central Park (p09) and the MOLLIE Hotel in Aspen Colorado (p19).



From L-R: Steve Crawford, Eastman; Dr Jelena Arsic Van Os, Accsys; Paul Mitchell, Eastman; Rod Graf, Accoya USA and Mark Bogle, Eastman

“North American production is a game changer for Accsys and our customers. It enables our customers to receive locally manufactured product, improving availability, reducing lead times and ensuring high standards of customer service.”

John Alexander
Group Commercial Director, Accsys Technologies

STRATEGIC REPORT



Accoya decking, Biarritz, France.
Photography: © Grad

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CEO's Review



A year of significant progress and delivery on our promises. We are actively transforming Accsys to unlock its long-term potential, maximising shareholder value."

Dr Jelena Arsic van Os
Chief Executive Officer

ACCSYS IS AT AN INFLECTION POINT WITH A CLEARLY DEFINED STRATEGY TO CONTINUE DRIVING PROFITABLE GROWTH IN EARNINGS AND RETURNS

FY25 has been a transformative year for Accsys, as we delivered strong progress through disciplined execution on our strategic initiatives. A key milestone was our successful expansion to the USA, with Accoya USA commencing commercial operations in September 2024. This expansion has firmly established Accsys in the world's most attractive wood market, significantly enhancing our global presence and providing a robust platform for sustained profitable growth.

Our purpose, 'Changing Wood to Change the World', continues to guide every decision we make. In FY25, this purpose was further strengthened by the introduction of our new FOCUS strategy – designed to give us greater control, optimise value creation, and ensure we retain more of the financial upside from our operations.

We have already made a strong start in delivering on this strategy, marking the beginning of a new phase of growth and maturity for Accsys. With major capital investments now complete, including the successful launch of Accoya USA, and the business derisked with the discontinuation of our Tricoya plant in Hull, we are transitioning into a period of sales acceleration, operational stability, improved cash generation, and stronger financial performance.

We enter FY26 with positive sales momentum, improved efficiency and a strengthened, motivated team. With differentiated, premium-priced products and established manufacturing bases in both Europe and North America, we are well placed to capture further share in the global wood products market – a \$990 billion sector expected to grow at a CAGR of 7% between 2024 and 2029 (Source: The Business Research Company). We are confident in our ability to capitalise on this opportunity and deliver long-term value for all our stakeholders.

Financial performance: strong profitability growth and increased free cash flow generation. 125% increase in adjusted EBITDA from FY24.

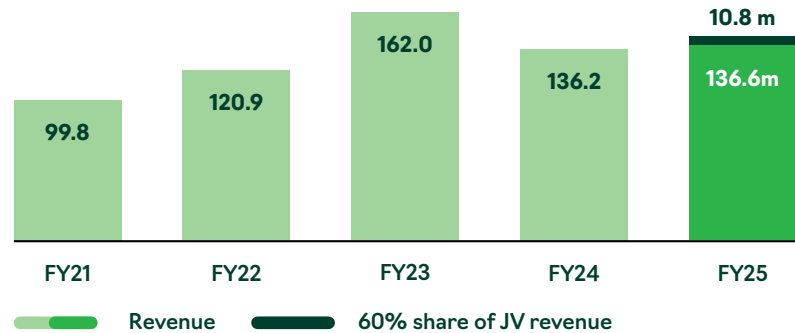
In FY25 we delivered group revenues of €136.6m, in line with FY24 (€136.2m). This reflects strong growth in European sales that fully replaced the sales volumes transferred to the Accoya USA JV, which represented 16% of our Group volumes in FY24.

Aggregated revenues, inclusive of our 60% share of the JV revenue, were €147.4m, an 8% increase on FY24, driven by strong sales growth in Europe and North America.

Demand for Accoya continued to be resilient despite a difficult building materials market backdrop impacted by macroeconomic challenges.

Adjusted EBITDA was €10.8m for the year, reflecting an increase of €6.0m on the prior year. This came from efficiencies delivered by the business transformation programme, a favourable sales mix and lower costs associated with Tricoya UK, offset by higher costs arising from the ramp-up of the JV. Accordingly, the adjusted EBITDA margin improved from 3.5% to 7.3%. The underlying EBITDA from Group operations, excluding Tricoya UK and the JV, increased by €5.1m to €18.9m, highlighting the strength of, and cost discipline within, our core operations.

Group revenue FY21-FY25 € million



Group gross margin was 30.3% (FY24: 30.0%), resulting from a favourable sales mix, and operational efficiencies.

Free cash flow (net cash flow from operating activities less CapEx) increased by €5.1m to €8.8m (FY24: €3.7m), driven by higher underlying profitability.

Net debt of €42.6m at 31 March 2025, an increase of €5.5m from 31 March 2024 (€37.1m), reflects planned investment in the joint venture and increased inventory levels to support strong demand and high levels of customer service. Despite an increase in net debt, the leverage ratio improved, in line with our strategic focus to deleverage the balance sheet, from 4.4x as of 31 March 2024 to 2.5x as of 31 March 2025.

The Company has signed an 18-month extension to its primary debt facilities with ABN Amro extending the maturity to 30 September 2027.

CEO's Review continued

FOCUS strategy

Since joining Accsys, I have focused on deeply immersing myself in the business – engaging with our customers and suppliers, and meeting with colleagues and investors across our global network. The insights gained through these interactions have been instrumental in shaping our FOCUS strategy, developed collaboratively by the Executive Committee in close partnership with the Board.

At our Investor Strategy Day in January 2025 – an event that was well received by both the market and our colleagues – we outlined our FOCUS strategy in detail, ensuring all stakeholders had a clear understanding of our roadmap to delivering sustainable long-term value.

The strategy is to be delivered in stages:

- Phase 1 – 'Transform and Improve' (FY24-FY27): Focus on driving sustainable, profitable growth from existing assets, improving and maintaining cost efficiencies, and reducing debt.
- Phase 2 – 'Optimise' (FY28-30): Implementing operational efficiencies to achieve full capacity utilisation, and continued debt reduction driven by strong cash flow generation.
- Phase 3 – 'Grow' (FY30+): Pursue further growth opportunities supported by a strong balance sheet.

Accsys is committed to continued innovation and to maintain its position as the preferred choice in the fast growing and sizeable global premium wood products market. Our market share has huge growth potential. Accsys' current US market share being less than 1% of the addressable US decking, flooring, windows, doors and cladding market at 8.6m m³; and in Europe with our 4% market share, the same commercial market is 1.5m m³.*

We are confident that our FOCUS strategy will enable us to capitalise on this significant market potential, delivering growth and sustainable profit progression, targeting an adjusted EBITDA margin of 12% by the end of Phase 1.

* Source: Principia report US and Poyry report Europe

FY25 strategic progress

During the year we were delighted to complete the launch of our successful international expansion, Accoya USA, Accsys' joint venture with Eastman Chemical Company at Kingsport, Tennessee. The joint venture, in which Accsys holds a 60% share has been commercially operational since September 2024, and the plant will serve the North American markets. Accoya USA replicates the technology from our Arnhem facility in the Netherlands and has sufficient capacity to support the growth planned for the coming years, without having to incur any further substantial investment.

With increased capacity from our new USA facility as well as our recent expansion in Arnhem, we are well positioned to drive Accoya demand and sales acceleration, targeting a run rate of 100,000m³ sales volumes by the end of FY27.

In the USA, the team has been focused on driving sales volume through our new production facility. To support the ramp-up phase, we have expanded our commercial team and are adding further distribution partners to expand Accoya availability across the country, with a strategic focus on high-growth markets in Florida, Texas, and California.

To promote awareness of Accoya products, the US team is providing training to architects across America, delivering over 50 CEUs (Continuing Education Units) in FY25 and replicating the strong architect education programme that has driven success in the UK market; the team is also promoting Accoya at key architectural events, including the America Institute of Architecture conference in Boston.

Total Sales volumes: Double digit sales growth

Sales volume by end market	FY25 m ³	FY24 m ³	Change %
UK & Ireland	14,980	11,837	27%
Rest of Europe	15,359	13,233	16%
North America	10,562	9,068	16%
Rest of World	5,619	5,083	11%
Accoya for Tricoya	17,344	17,347	–
Total	63,864	56,568	13%

Total sales volumes increased by 13%, demonstrating strong product demand and investment in our commercial team. In the UK and Ireland we achieved particularly strong volume growth of 27% year-on-year as our additional capacity gave customers confidence in supply and availability. In the Rest of Europe, volumes were up 16% year-on-year, with growth seen across both Northern and Southern regions demonstrating the attractiveness of Accoya's resilience in hot and cold climates.

Our performance in Europe means we are seeing good returns from our assets in Arnhem and Barry, which are operating at gross margins of circa 30%. Arnhem has already fully replaced the sales transferred to the JV, with the demand coming from Europe and other regions.

Our investment in a new planing facility at Barry supports strong sales growth of 34% year-on-year for Accoya Color, our unique coloured-to-the-core product, popular for decking and cladding. The equipment will enable us to produce more higher margin finished decking product for our customers going forward.

Demand for Accoya for Tricoya was in line with last year and remains one of our core product ranges with 27% of total sales. We remain fully committed to developing the Tricoya proposition with our partners.

We continue to focus on maintaining premium pricing. Whilst there was a decrease of 1.7% in Group average selling price (ASP), due to the transfer of higher priced North America sales volumes to the JV, looking at total sales of Accoya worldwide, the ASP increased by 1.2%.

In FY25, Accoya made its mark on standout global projects – from the roofing of the NEMO museum in Amsterdam, restoration of New York's iconic Bow Bridge, where Accoya was chosen for its durability and stability under heavy foot traffic, to elevating the façade of the upscale Mollie Hotel in Aspen with a finish that blends beauty and durability in alpine conditions. Buildings for major brands like Marks & Spencer and Mountain Warehouse also featured Accoya for its low-maintenance, natural appeal.

Accoya continues to be recognised by high-profile industry awards: Accoya fenders used for flood protection in the River Thames won the "Excellence in Sustainability – Product award" at the London Construction Awards (LCA).

Alongside our focus on sales and marketing, we have continued to maintain strong operational cost discipline and drive efficiencies.

In FY25 we reaped the benefits from our leaner and simplified operational model, achieved through our business transformation programme. In total we delivered operational cost savings of €4.6m, arising from this programme and the Solid Roots operational efficiency initiative in Arnhem, exceeding our target.

Health & Safety (HSE)

Health & Safety is a top priority for the Board. Accsys has set 'Zero Harm' as a key target for our operations and is committed to developing best practice HSE across the Company. In FY25, we began the roll out of our Life Saving Rules programme: nine rules for high-risk activities to ensure the safety and wellbeing of our colleagues.

Innovation and supply chain

Investment in developing our product is a core component of our FOCUS strategy and vital to our customers. This year we invested €1.2m in R&D with a focus on alternative wood species, expanding Accoya Color and fire protection. Earlier this year we were pleased to announce Accoya's compliance with the Wildland Urban Interface (WUI) in the USA. This means Accoya cladding can now be used on buildings in designated WUI areas, which are expanding rapidly across the United States.

Sustainability: At the heart of our business

Developing our business in a responsible and sustainable way is core to our vision, values and strategy. We are very proud to have achieved a +11 point increase in our S&P Corporate Sustainability Assessment this year. Our achievement reflects our significant efforts on ensuring that we have transparent reporting and a high standard of corporate governance policies and procedures.



Unusual Rigging HQ, Northamptonshire, UK.
Photography: Rachel Ferrimen

CEO's Review continued

This score positions Accsys within the top 20% of companies in our industry sector.

During FY25 we captured 51,244 tonnes of CO₂ in our products, equivalent to 6,882 homes' energy use in a year; we are committed to responsible sourcing and zero deforestation and sourced 100% of our raw wood from sustainably certified sources (through FSC®, PEFC, or equivalent) for all our sites.

➤ See Sustainability Report for a full overview of our progress in the year | [Page 46](#)

Employee career development and engagement

Our success is driven by the determination and hard work of our team. I am pleased to work with talented and motivated colleagues. Their dedication to our business is reflected in the results of our latest Employee Engagement Survey. An impressive 72% of colleagues said they feel proud to work for Accsys, 73% are satisfied with their job and 75% feel happy about their work.

We are deeply committed to employee development and have launched several initiatives in FY25. This includes a new Learning Management platform and a Technical Training Academy to upskill our operators, opening up career development opportunities. In FY25, we are proud to have provided an average of 32.8 training hours per employee, underscoring our commitment to continuous development.

To enhance our employer value proposition we have also launched initiatives including a wellness initiative at our Arnhem site and employee award and recognition programmes.

I am taking this opportunity to thank all of our colleagues for their dedication and commitment, which continues to make a meaningful difference for the Company.

Outlook

We are encouraged by the positive start to the year. Whilst noting continuing macroeconomic challenges, Accsys is confident it will continue to deliver sales growth and execute on its strategic priorities for the year ahead, consistent with the Board's expectations.

The Company's resilient premium pricing and operational leverage continues to support sustainable margin progression. The FY25 results have demonstrated the benefits of Accsys strategic plans, and the Company is focusing on driving sales and capacity utilisation.

Having invested well and expanded our geographic footprint, Accsys can double volumes at our plants without further significant CapEx, delivering materially higher returns over the next few years.

Accsys has a well-defined growth strategy and an exciting future ahead.

Dr Jelena Arsic van Os
Chief Executive Officer
23 June 2025

CASE STUDY

ACCOYA WOOD CHOSEN FOR THE MOLLIE HOTEL

Aspen, Colorado, USA

Accoya was selected as the cladding material for the newly opened MOLLIE Hotel in Aspen, Colorado, a boutique hospitality project that combines luxury with longevity in one of North America's most demanding climates.

Located in the heart of the Rocky Mountains, the MOLLIE Hotel faces extreme weather conditions including heavy snowfall, high UV exposure, and wide temperature variations. To meet these challenges, the project team, led by CCY Architects, working closely with premium cladding manufacturers, Delta Millworks, chose Accoya wood for its proven durability, dimensional stability, and low maintenance requirements.

The architectural team, led by CCY Architects, carefully selected materials that could endure these environmental extremes while maintaining an aesthetic of understated luxury. Accoya wood was chosen for the building's cladding, not just for its exceptional performance in harsh climates, but also for its ability to blend seamlessly with the natural surroundings. Treated with a custom Barnwood Ivory finish by Delta Millworks, the cladding gives the hotel a timeless, rustic appearance while ensuring long-lasting durability.

Since its opening, the MOLLIE Hotel has quickly become a standout destination in Aspen. Its seamless integration of history, design, and sustainability has earned it numerous accolades, including recognition from the Hospitality Design Awards and AHEAD 100.

Architect: CCY Architects

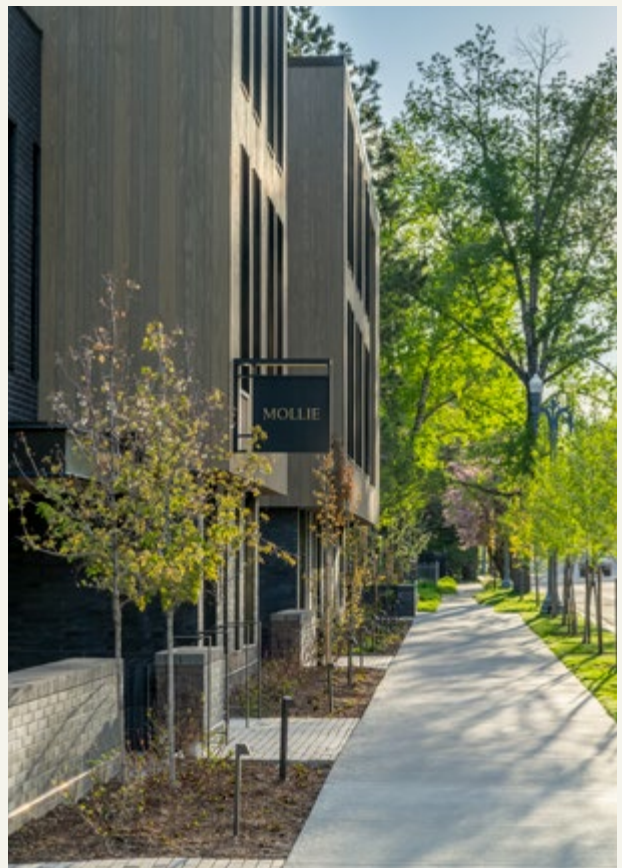
Location: Aspen, Colorado, North America

Supplier: Delta Millworks

Photography: Draper White



For more Accoya projects go online to |
www.accoya.com/uk/projects



Finance Review



Strong improvement
in adjusted EBITDA
profitability and free
cash flow generation."

Sameet Vohra
Chief Financial Officer

	FY25	FY24	Change
Group Revenue	€136.6m	€136.2m	+0.3%
Aggregated revenue (Group plus JV) [†]	€147.4m	€136.2m	+8.2%
Gross profit	€41.4m	€40.9m	+1.2%
Gross profit margin	30.3%	30.0%	+30bps
Adjusted EBITDA [#]	€10.8m	€4.8m	+125%
Adjusted EBITDA margin [^]	7.3%	3.5%	+380bps
Statutory (loss) before tax	(€20.8m)	(€17.1m)	(21.6%)
Free cash flow [‡]	€8.8m	€3.7m	+138%
Cash	€17.4m	€27.4m	(€10.0m)
Net debt	(€42.6m)	(€37.1m)	(€5.5m)
Group sales volumes	57,104m ³	56,568m ³	+0.9%
JV sales volumes	6,760m ³	–	–
Total Accoya sales volumes [*]	63,864m ³	56,568m ³	+12.9%

[†] Accsys has a 60% shareholding in Accoya USA, a joint venture (JV) with Eastman Chemical Company. Whilst the JV is equity accounted for financial reporting purposes; the aggregated revenue figure includes 60% of the JV revenue.

[#] Adjusted EBITDA is Group earnings before interest, tax, depreciation, amortisation and exceptional items, plus 60% of the US JV's EBITDA.

[‡] Free cash flow is Group net cashflow from operating activities less CapEx.

[^] Adjusted EBITDA margin is adjusted EBITDA divided by aggregated revenue.

^{*} Total Accoya sales volumes include Group sales volumes and 100% of sales volumes from the JV.

2025 €147.4m

2024 €136.2m

AGGREGATED GROUP REVENUE

€147.4m
+8.2%

Statement of comprehensive income

Total Accoya sales volumes increased by 13% to 63,864m³ (FY24: 56,568m³). Group sales volumes increased by 1% to 57,104m³ (FY24: 56,568m³) which reflects that, following the commercial-start-up of Accoya USA, North American sales previously sold by the Group, are now being sold by the JV, which is equity accounted for in the financial statements.

Group revenue for the year increased to €136.6m (FY24: €136.2m), in line with the increase in Group sales volumes. Tricoya panel revenue decreased by €0.4m during the year to €3.7m (FY24: €4.1m), representing Accsys purchasing and selling of Tricoya panels produced by our Accoya for Tricoya customers.

Other revenue, which predominantly relates to the sale of our acetic acid by-product into the acetyls market, decreased by 3.4% to €8.5m (2024: €8.8m) primarily due to lower acetic acid sales prices and lower sales volumes arising from acetic anhydride production usage efficiencies. These sales act as a partial hedge to acetic anhydride costs which also decreased during the year.

Cost of sales remained in line with last year, with the 1% higher sales volumes being offset by lower acetic anhydride costs and favourable raw wood pricing. Net acetyls costs (proportional combination of acetic anhydride cost and acetic acid sales price) decreased on the prior year. Gross profit of €41.4m was 1% higher than the prior year (FY24: €40.9m) and gross profit margin was 30bps higher at 30.3%, which is above our strategy target of maintaining the gross margin at above 30%.

Underlying other operating costs (excluding depreciation and amortisation) decreased from €32.3m to €24.6m. This is due to a decrease in Tricoya UK's operating costs following the decision to discontinue the Hull plant (€2.1m of non-exceptional Hull related costs in FY25 compared to €5.3m in FY24), and lower operating costs in the Group arising from the business transformation programme and Solid Roots initiative. Accordingly, underlying other operating costs, excluding Hull, were €4.6m lower than the prior year.

The depreciation and amortisation expense for the year was €9.2m compared to €9.6m in the prior year.

Underlying net finance expenses increased by €1.4m to €5.7m due to the annualised effect of higher interest rates on the convertible loan notes which were taken out as part of the November 2023 equity raise.

Following the Board's decision in September 2024 to discontinue the Hull plant, and the subsequent placement of Tricoya UK Ltd into voluntary liquidation on 17 December 2024, the following items have been recognised as exceptional items in the year:

- An impairment loss (exceptional non-cash item) of €18.3m was recognised reflecting the full impairment of the remaining Tricoya segment assets related to the Hull plant (FY24: €7.0m).
- Hull closure costs (exceptional cash item) of €4.1m.
- A €10.4m gain from the deconsolidation of Tricoya UK Ltd, at the point of loss of control when the Company was handed to the liquidators.
- The release of the financial liability of €1.1m raised for the Value Recovery Instrument (see note 22).

The Group's share of the Accoya USA JV's (Accoya USA LLC) net loss, which is accounted for using the equity method, increased by €7.8m to €11.9m (FY24: net loss €4.1m) as the JV increased its pre-operating activity and commenced commercial operations. The Group's share of the JV's EBITDA was a loss of €6.0m compared to a loss of €3.7m in the prior year.

Underlying EBITDA, excluding the share of the loss from the JV and exceptional costs, increased by 98% from €8.5m to €16.8m, a margin of 12.3% showing the strong underlying profitability of the Group. Adjusted EBITDA increased significantly to €10.8m compared to €4.8m in the prior year. Accordingly, the adjusted EBITDA margin increased by 380bps from 3.5% to 7.3%.

2025	€10.8m
2024	€4.8m

ADJUSTED EBITDA

€10.8m
+€6.0m

2025	€42.6m
2024	€37.1m

NET DEBT

€42.6m
(€5.5m)

Finance Review continued

The underlying loss before tax increased slightly by €0.5m to €9.9m (FY24: loss of €9.4m). After considering exceptional items (including the impairment loss and restructuring cost), the loss before tax amounted to €20.8m (FY24: €17.1m).

The tax charge of €2.0m was higher than the prior year (€1.2m) in line with the improved underlying profitability of the Group during the year.

The underlying loss per share increased to €0.05 per share (FY24: loss of €0.04 per share). A statutory loss per share was recognised of €0.10 per share (FY24: €0.08 per share).

Cash flow

Net cash flows from operating activities increased by €3.5m to €10.7m (FY24: €7.2m), resulting from the higher underlying EBITDA during the year, representing an operating cash flow conversion rate of 64% (FY24: 84%). The net working capital cash outflow amounted to €7.0m compared to a cash out flow of €1.8m in FY24. Inventory levels increased by €5.0m to ensure product availability to support strong demand and high levels of customer service.

Plant and machinery additions of €1.8m (FY24: €3.1m) consisted primarily of maintenance CapEx for the Arnhem plant.

Free cash flow (net cash flow from operating activities less CapEx) increased to €8.8m compared to €3.7m in FY24.

Financial position

At 31 March 2025, the Group held cash of €17.4m, a €10.0m decrease in the year, due to planned investment in the US joint venture and higher inventory levels, offset by the increased cash generated from operating activities.

Net debt increased by €5.5m in the year to €42.6m (FY24: €37.1m) primarily due to the planned cash investment into the US joint venture (€14.5m), higher inventory levels (€5.0m), CapEx (€1.9m) and interest paid/capitalised interest on borrowings (€4.3m), offset by the positive operating cash flow generated during the year and elimination of non-recourse debt in Tricoya UK Ltd (€7.1m).

Gross borrowings decreased by €4.5m to €55.7m during the year (2024: €60.2m) following the elimination of the non-recourse Tricoya UK Ltd NatWest debt as the company is no longer consolidated with the Group (€7.1m) following it being placed into voluntary liquidation, offset by accrued interest on the convertible loan notes of €1.9m.

The leverage ratio (net debt to underlying EBITDA) improved to 2.5x compared to 4.4x in the prior year.



FREE CASH FLOW

€8.8m
(Net cash flow from operating activities less CapEx)
+€5.1m



NET CASH FLOWS

€10.7m
(From operating activities)
+€3.5m



M&S Food Store – Willowburn Retail Park.
Photography: Two Fresh

CASE STUDY

ACCOYA BRINGS DURABILITY AND SUSTAINABILITY TO UK RETAIL PARK

Northumberland, United Kingdom

Willowburn Retail Park, developed by Northumberland Estates – one of the largest and most active developer landlords in the North East – is located in the historic market town of Alnwick, Northumberland. This modern retail destination is easily accessible via the adjacent A1.

Spanning 3,475m² of retail floorspace, Willowburn Retail Park features a diverse range of well-known brands and independent retailers, including Marks & Spencer, B&M, Starbucks and Turnbull's Butchers & Deli, which showcases local produce.

Designed by Projekt Architects, the development prioritises sustainability and aesthetic appeal while complementing the natural beauty of North Northumberland. To achieve a long-lasting, low-maintenance, and visually striking façade for the retail units, Accoya cladding was specified.

Phase one of the project was completed in 2019, and five years later, Accoya continues to perform exceptionally well, retaining its aesthetic appeal without twisting, warping or discolouration.

Architect: Projekt Architects

Location: Alnwick, Northumberland, UK

Supplier: James Latham



For more Accoya projects go online to |
www.accoya.com/uk/projects

Finance Review continued

Going concern

The consolidated financial statements are prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future, and at least for the 12 months from the date these financial statements are approved (the 'going concern period'). As part of the Group's going concern review, the Directors have assessed the Group's trading forecasts, working capital and liquidity requirements, and bank facility covenant compliance for the going concern period under a base case scenario and a severe but plausible downside scenario.

The cash flow forecasts used for the going concern assessment represent the Directors' best estimate of trading performance and costs based on current agreements, market experience and consumer demand expectations. These forecasts indicate that, in order to continue as a going concern, the Group is dependent on achieving a certain level of performance relating to the production and sale of Accoya, and the management of its working capital.

The Directors have also considered the possible quantum and timing of any funding required to ramp up Accoya USA's operations. Accsys has a contractual obligation to fund its 60% share of Accoya USA LLC on a pro rata basis with its JV partner (Eastman Chemical Company). This funding has been considered in both scenarios.

The Group is also dependent on the Group's financial resources including its existing cash position and banking facilities (see note 28 for details).

The Directors considered a severe but plausible downside scenario against the base case with reduced Accoya sales volumes and increased funding into Accoya USA LLC. Furthermore, a reverse stress test was performed to determine the decrease in Group sales volumes required to breach banking covenants. The Directors do not expect the assumptions in the severe but plausible downside scenario or the reverse stress test scenario to materialise, but should they unfold, the Group has several mitigating actions it can implement to manage its going concern risk, such as deferring discretionary capital expenditure and implementing

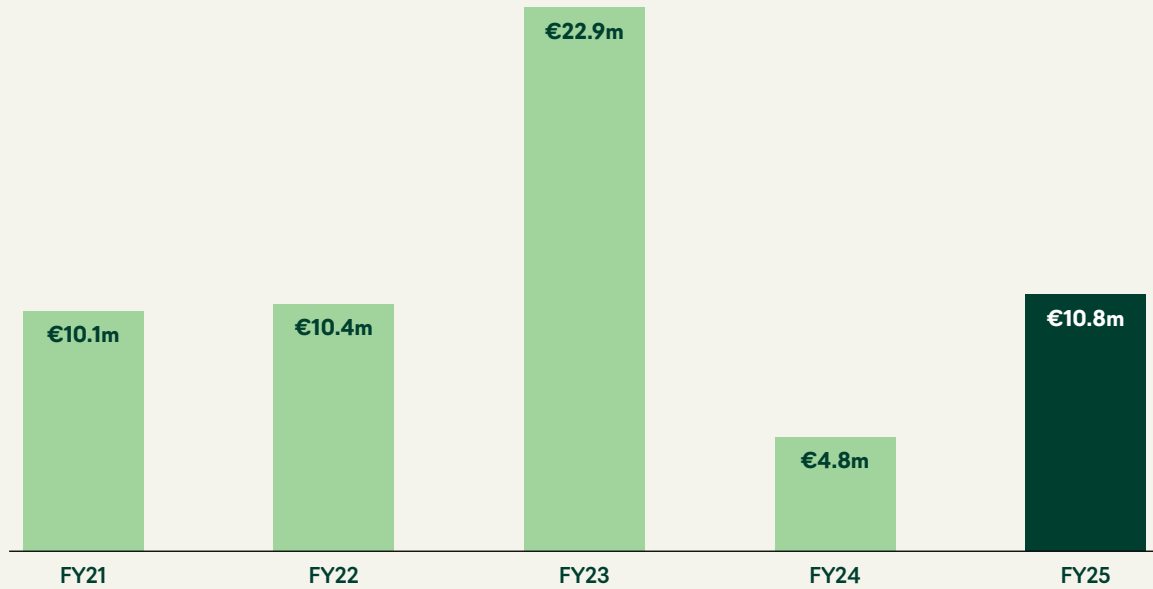
further cost reductions to maintain a sufficient level of liquidity and covenant headroom during the going concern period. The combined impact of the above downside scenarios and mitigations does not trigger a minimum liquidity or covenant breach at any point in the going concern period. In the reverse stress test, a decrease of approximately 14% on Group sales volumes compared to the prior year or a decrease of approximately 24% compared to the equivalent base scenario period was required to reach the minimum liquidity breach point.

The Directors believe that while some uncertainty always inherently remains in achieving the budget, in particular in relation to market conditions outside of the Group's control, after carefully considering all the factors explained in this statement, there is sufficient liquidity and covenant headroom such that there is no material uncertainty with respect to going concern. Accordingly the financial statements have been prepared on a going concern basis.

Sameet Vohra
Chief Financial Officer
23 June 2025



Adjusted EBITDA FY21-FY25
€ million



Our Products



accoya 

With over 20 years of innovation and experience, Accoya stands as the global leader for high-performance wood. Our patented modification process enables wood to withstand harsh exterior elements and accentuates its natural beauty, strength and character. Acetylation is a proven science for modifying wood, permanently transforming the cell structure to create wood that is virtually unaffected by water. We have perfected our exclusive manufacturing process to produce the best option in performance building materials.

tricoya 

Tricoya is a high-performance exterior MDF panel which can be used in the most extreme environments. With exceptional dimensional stability and durability, Tricoya products open up unprecedented solutions in design and application, unrivalled in performance with a longer lifespan and low ongoing maintenance.

The functionality and versatility of wood-based panels give them universal appeal but previously, the suitability of MDF panels for exterior and indoor constant wet use environments has been limited. Many of the benefits observed in Accoya wood, including enhanced dimensional stability, durability and fungal resistance, hold true for Tricoya. All the freedom of MDF but with the Tricoya difference.

LIMITLESS DESIGN POSSIBILITIES



LANDSCAPING

Accoya brings durability and low environmental impact to landmark applications. From floating bridges to spectacular curved sculptures, Accoya is the preferred choice for projects that integrate seamlessly with their surroundings.



COMMERCIAL

For commercial builds where once steel and concrete would be the only option, Accoya now delivers a unique combination of structural stability, design flexibility and the natural beauty of wood.



RESIDENTIAL

From low maintenance windows and doors, to sleek summer houses, to stunning cladding. Accoya redefines the potential for wood in residential design. Its versatility means it is used across new build, refurbishment and restoration projects.



WINDOWS & DOORS

More durable than hardwood, Accoya comes in fixed-width sections that reduce waste, while the wide choice of coatings unlock endless design possibilities. A superior thermal performance and long service life make Accoya the smart, future-focused solution for beautiful windows and doors.



CLADDING

Accoya's exceptional stability means fewer installation issues and a longer-lasting, high-quality finish. With wide boards, versatile surface texturing options through sawing, brushing and charring, and a broad range of coatings, Accoya offers complete creative flexibility with no compromise on performance.



DECKING

Resistant to distortion in even the harshest of climates, Accoya's superior durability ensures decking performs year after year. High stability means decking can be laid with smaller gaps and an even surface, making it the most barefoot-friendly option available. Low maintenance, Accoya decking has no need for coatings or frequent repairs.

Our Products continued

STABLE, DURABLE, VERSATILE AND SUSTAINABLE

Acetylation is a proven science for modifying wood, permanently transforming the cell structure to create wood that is virtually unaffected by the intake of water. We have perfected our exclusive manufacturing process to produce the best option in performance building materials.



Watch our video on the acetylation process to find out more:
https://youtu.be/uNqehEm_mPo

Accsys' proprietary acetylation technology



Unmatched dimensional stability

Accoya remains structurally sound with virtually no movement before, during and decades after the job is complete.

- High usability of boards that stay straight before and after installation
- So dimensionally stable that even harsh environments will not impact installation
- Three to four times less swelling than traditional wood species with minimal movement that keeps projects looking great

Unrivalled performance

Accoya solves the problem of deterioration in any climate, giving you the confidence that you made the right choice.

- 50-year warranty above ground
- 25-year warranty in ground or fresh water
- Certified for use in termite zones and 22 times more resistant than pine (International Code Council), it is exceptionally durable
- 60-year service life (verified by BRE) demonstrating significantly higher durability with real world testing



Wood to change the world

Accoya has the environmental credentials to enable sustainable construction.

- Peace of mind with the knowledge that all Accoya comes from FSC® (CO12330) or other certified sustainable forests
- One of the few building materials certified Cradle to Cradle® at the Gold Level
- Non toxic and 100% recyclable



Declare.

Wood without compromise

Accoya is the ultimate workable material trusted by craftsmen to deliver in any product application.

- Excellent machinability, easy to work with, no special tools required
- The best of both worlds, improved density and hardness without sacrificing strength
- Leave natural for exquisite grain patterns or create a unique finish of your choice

Our Market

A SIGNIFICANT GROWTH OPPORTUNITY

Overview

Accsys operates within the global wood products market, which is projected to grow from \$855 billion in 2024 to \$1,215 billion by 2029, representing a CAGR of 7% (Source: The Business Research Company).

Our flagship products, Accoya and Tricoya, are uniquely positioned to outperform conventional materials, especially in demanding outdoor environments. These products compete at the premium end of the outdoor wood market, delivering exceptional performance, durability, and environmental benefits that align with growing global sustainability trends.

In the United States, our addressable market is estimated at approximately 8.6 million cubic metres annually, while in Europe, the addressable market stands at 1.5 million cubic metres (source: Pricipia and Poyry reports). Current market share is less than 1% in the US and under 5% in Europe. This highlights a substantial opportunity for further growth and market penetration.

Proven demand and expanding reach

In the current financial year, we sold 63,864 cubic metres of Accoya, representing an increase of 13% from FY24, underscoring strong and growing market demand. Our approach has centred on targeted penetration into high-growth segments and regions, positioning Accsys as an industry disruptor with a sustainable, high-performance offering.

The majority of Accoya sales are made through a well-established global distributor network, which supplies a range of end-use industries, primarily for joinery (windows and doors), decking, and cladding applications. Our products are highly regarded by architects, manufacturers, and specifiers for their superior durability, dimensional stability and aesthetics.

ACCOYA SOLD IN THIS FINANCIAL YEAR

63,864m³

Strong and long-lasting customer relationships

We've built strong distributor relationships in key territories and support their growth through training, technical assistance and collaborative marketing. Our Approved Manufacturers Programme enables direct engagement with joinery companies and manufacturers, helping them market and work with Accoya.

By empowering both our distributors and their customers, we continue to build a strong network of brand advocates and accelerate adoption across the value chain.

Strategic partnership for Tricoya

Tricoya panels, produced by our manufacturing partners, continue to gain traction in the panel products market. Since its market debut in 2012 by Medite, Tricoya panels have experienced significant growth in demand. They are increasingly adopted not only as a substitute for traditional panels but also in new applications where standard wood products would not have previously been viable.



Worth Square, New York bench.
Moveart. Photographer: Aaron Locke

Demand drivers

There are three main of drivers of demand for our products:

1

Performance

Our products outperform across all climates – delivering durability, stability, and a low total cost of ownership. Our warranty of up to 50 years is unrivalled in the industry.

This competitive edge enables us to win against both traditional wood and non-wood alternatives. As a result, we believe we can grow faster than the market by taking share and deepening penetration.

2

Global construction and redevelopment

Rising GDP per capita, economic development and higher standards of living are fuelling construction, the principal driver of wood consumption, across the world. Even within current challenging market conditions, the global construction market is expected to grow 4-6% a year (source: publicly available reports). Our products are used in new constructions and in the refurbishment,

redevelopment and remodelling of commercial and residential buildings and projects.

This demand is underpinned by rising expectations around building design, performance, and sustainability, alongside regulatory shifts focused on safety, energy efficiency and carbon footprint.

3

Megatrends

Sustainability

The construction sector contributes nearly 40% of global carbon emissions (source: IEA). With governments and corporations working towards net zero targets, demand is rising fast for renewable and carbon-storing materials like Accoya.

Shifting consumer priorities

Consumers in our geographic end markets continue to shift towards products that have a lower environmental impact.

The trend is the same in the built environment with consumers favouring natural and low impact material choices.

Lifestyle changes

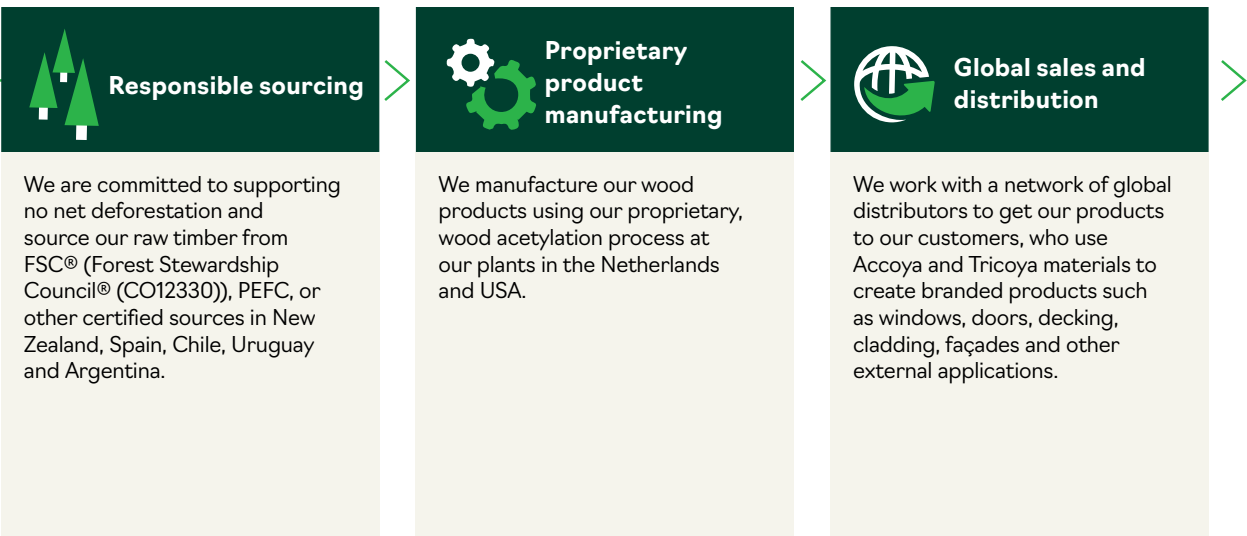
The outdoor living trend is booming with people reshaping how they use their outdoor spaces. The outdoor furniture and living structures markets are growing and there is an increasing demand for high performance and low maintenance wood products suitable for outdoor use.

Our Business Model

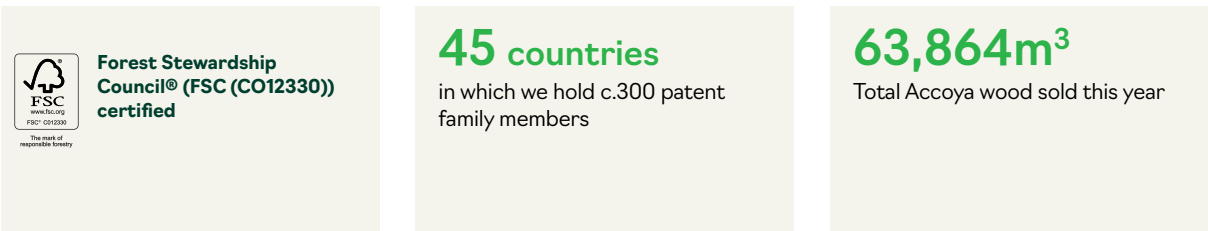
CREATING NEW OPPORTUNITIES FOR THE BUILT ENVIRONMENT

What we do

We enhance the natural properties of wood to make high performance building products that are extremely durable and stable, opening up new opportunities for the built environment. Our activities also focus on the strategic expansion of our business to capture the substantial global market opportunity we believe is achievable with our products.



Outputs



The value we create

Customers

Providing high performance and sustainably sourced solutions

Trusted long-term relationships to meet our customers' needs

Colleagues

Rewarding careers

A safe and diverse working environment that supports equal opportunities

Suppliers

Strong and trusted relationships

A collaborative approach to supporting our suppliers' businesses and growing together

Our stakeholders

We work with our stakeholders across our business activities. Through our business activities we create value for stakeholders in different ways.

➤ Our Stakeholder Engagement report on [page 64](#) sets out further detail on our stakeholder relationships.



Building new plants and optimising existing sites

We develop and optimise existing sites and processes to drive efficiencies and deliver economies of scale.

We identify new international locations and appropriate partners to develop additional capacity and meet our longer-term growth potential in global markets.



R&D and patented technology

We have developed families of patents, providing robust protection over our proprietary products and processes. We continue to invest in R&D, focused on optimising our existing product offering and technologies and investing in focused technology solutions. Our brands Accoya and Tricoya, are globally registered trademarks.



A partnership approach

Partnering with the right businesses helps us unlock our full potential and drive growth, allowing us to realise the substantial global market opportunity for our products.

Accoya USA

Joint venture with Eastman in Kingsport, Tennessee

€1.2m

R&D investment* in FY25

*Excludes capex on new technology

Tricoya panels

Two partners who convert Accoya for Tricoya into Tricoya wood panels

Business Partners

Business opportunities

Shareholders

Long-term value creation

Community and the environment

Giving the world a choice to build sustainably

Creating local jobs

➤ See our Stakeholder Engagement section | [Page 64](#)

Our Strategy

FOCUS FOR GROWTH

Accsys is sharpening its path to sustainable profitability with a clear strategic goal: to lead the market in premium wood products while delivering long-term value for all stakeholders.

Our new FOCUS strategy anchors this ambition, aimed in the short to mid-term at optimising volume and profitability from our

existing manufacturing assets – with the ability to double capacity without further substantial CapEx. We will be further enhancing customer value while focusing on operational excellence and driving financial discipline to unlock core company potential, and scalable sustainable growth.

The new strategy ensures a greater level of control and retention of the financial upside.

Accsys isn't just growing, it's maturing into a lean, focused, and value-driven business.

This strategy is executed through three distinct phases which can be seen on the opposite page.

FOCUS is transforming and growing Accsys through five strategic pillars.



F O C U S

FUNDAMENTALLY
STRONG

OPERATIONALLY
EFFICIENT

CUSTOMER CENTRIC
AND PREFERRED

UNITED
TEAM

SAFE AND
SUSTAINABLE



Phases of the FOCUS strategy

Phase One FY24-27 Underway

TRANSFORM & IMPROVE

- Sustainable profitable growth from existing assets – delivered
- Lean and efficient
- Reduce debt

SALES VOLUME RUN RATE
END OF FY27

100,000m³

ADJUSTED EBITDA MARGIN

12%

OPERATING CASH FLOW
CONVERSION

>75%

Phase Two FY28-30

OPTIMISE

- Operational efficiencies implemented
- Full nameplate capacity utilised
- Accoya Color footprint optimised
- Continuous debt reduction

SALES VOLUME RUN RATE
END OF FY30

120,000m³

ADJUSTED EBITDA MARGIN

15%

OPERATING CASH FLOW
CONVERSION

>75%

Phase Three FY30+

GROW

- Expansion concept in the US proven
- Additional CapEx investment in profitable growth business

VOLUME

>140,000m³

ADJUSTED EBITDA MARGIN

>15%

OPERATING CASH FLOW
CONVERSION

>75%

Our Strategy continued

	F	O
	FUNDAMENTALLY STRONG	OPERATIONALLY EFFICIENT
STRATEGIC AIMS	Deliver strong volume and profitability growth Maintain 30% gross margins Reduce leverage	Cost effective and agile operational model Maximising output while maintaining safety and quality standards Continuous improvement culture
FY25 PROGRESS	13% increase in total sales volumes; more than doubled adjusted EBITDA Gross margin maintained at 30% Successful completion and start-up of Accoya USA JV Resolution on Hull Free cash flow from operating activities improved by €5.1m YOY Reduced net debt to EBITDA ratio from 4.4x to 2.5x	Leaner operating model contributed to operational cost savings of €4.6m Solid Roots operational efficiency programme at Arnhem has improved profitability ERP project underway to drive operational excellence
LOOKING AHEAD	Continued acceleration of sales volume growth towards FY27 targets Continued profitability improvement Further reduction in leverage ratio	Solid Roots continued progression Improve our key end-to-end processes ERP implementation Investment in expanded acetyls storage



C

CUSTOMER CENTRIC
AND PREFERRED

Maintain market leadership through innovation, increased availability and high-quality products

Continue to enhance customer experience

U

UNITED
TEAM

Engaged and performance-driven teams

Collaborative and solutions-focused culture

S

SAFE AND
SUSTAINABLE

Zero harm culture

Responsible sourcing

Continue to be an ESG leader in our sector

North America market served by dedicated and expanded resource, increasing local availability in a large attractive market

Addition of four new distributors to increase reach

WUI (Wildland Urban Interface) Certification means Accoya can be used in US Wildland Urban Interface areas exposed to wildfire risk

New planing equipment at Barry to expand our product offer

Improved incentive plans across the organisation

73% satisfaction in employee engagement survey

Launch of Learning Management System and Technical Training Academy

Creation of location-based HSE committees

Launch of Life Saving Rules

100% raw wood from certified sustainable sources (through FSC® (CO12330), PEFC, or other certified wood)

+11 point increase in our S&P Corporate Sustainability Assessment score to 56/100, top 20% in our sector

Introduction of new finished decking product

Continue to expand product availability in high-demand areas

Introduction of end-to-end quality assurance

Further strengthen local capabilities through talent acquisition and development

Act on employee engagement survey findings to further improve our employer value proposition

Life Saving Rules fully implemented

Continued commitment to 100% certified sustainable wood sources (FSC®, PEFC, or equivalent)

Maintain ESG leadership position (as measured through S&P CSA)



Portsea Beach House,
Mornington Peninsula, Vic, Australia.
Photography: Michael Kai Photography

Case Study | Accoya Color, Barry, Wales

ENHANCING OUR ACCOYA COLOR CAPABILITIES

Summary

In 2024, we invested in a new planer and dust extraction system at our Barry Accoya Color facility, increasing planing capacity from 75m³ to 200m³ per week. A planer uses high speed cutting blocks and knives to precisely shave thin layers of wood to reduce thickness, level and create profiles. It is important because it creates a clean, even surface for further processing.

The planer is not only used to prepare wood surfaces but also plays a key role in our quality assurance process, allowing us to identify heartwood in boards, which is a crucial check for maintaining Accoya Color's performance standards.

This investment eliminates the need for outsourcing, reduces costs, and enables in-house production of profiled decking boards. Delivered on time and under budget, the project improves efficiency, working conditions, and supports our FOCUS strategy. It played a key role in increasing Accoya Color production in FY25 while adding value in-house.

34%

YEAR ON YEAR INCREASE IN ACCOYA
COLOR SALES VOLUMES

➤ For more about Accoya Color see Our Products | [Page 26](#)



“This investment in Barry will transform how we serve our Accoya Color customers. By bringing planing in-house, we've significantly increased the speed and efficiency of our quality control process. It enables us to deliver high-quality, finished Accoya Color products to market, faster and more efficiently. This is a clear example of how we are adding value while supporting our long-term growth strategy.”

John Alexander
Group Commercial Director



Accoya Color Grey decking, Switzerland.
Photography: Marco Leu

Risk Management

HOW WE IDENTIFY, EVALUATE AND MITIGATE RISKS

We recognise that effective management of risk is essential to the successful delivery of our strategic objectives. As such, risk management is built into our day-to-day activities and forms an integral part of how we operate.

Risk governance

At Accsys, the Board is ultimately responsible for risk management. Ongoing risk assessment is delegated to the Audit Committee which seeks to ensure that Accsys' risk processes remain focused and robust. The Audit Committee's Terms of Reference ensure it has the capability and structure to operate independently of the Accsys executive team, specifically:

- the Committee is required to have a particular focus on Accsys' processes for the management of business and financial risk;
- Committee members should have the ability to understand key business and financial risks, related controls and control processes;
- the Committee is entitled to obtain, at Accsys' expense, independent legal, accounting or other professional advice on any matter it believes is necessary to do so; and
- at least one member of the Committee should be literate in business and financial reporting and control, and have past experience in finance, accounting or other comparable experience or background.

The current Chair of the Audit Committee is Roland Waibel. Roland is an experienced Non-Executive Director and has had a long executive career which included group finance director roles at large multinational organisations, which means he has a deep understanding of business and financial risk, related controls and control processes.

Accsys also has an executive-led Risk Committee which reports to the Audit Committee on risk management within Accsys' business and operations. Accsys' Risk Committee meets at least quarterly and comprises of members of the Executive Committee. The Risk Committee conducts regular and structured reviews of risk, which it then reports to, and further reviews and discusses with, the Audit Committee. The Audit Committee then seeks to ensure that risks have been suitably identified and evaluated with appropriate mitigation plans in place.

The Risk Committee maintains a detailed risk register and seeks to:

- identify and evaluate key risk areas, including existing and emerging risks;
- allocate an Executive Committee member with day-to-day oversight of each risk;
- evaluate the likelihood and impact of each risk;
- highlight to the Audit Committee changes in the risk register; and
- identify steps that are being taken to mitigate the risk.

New and emerging risks

Accsys' Risk Committee remains alert to the presence of new or emerging risks to the business, as well as to any changes in the status or prevalence of existing risks to the business.

Risk culture

As part of Accsys' commitment to good risk management practices, it is focused on developing cultural awareness of risk and embedding good risk management practices at all levels of the organisation. Company initiatives that reinforce risk culture include a requirement for employees to complete training on certain risk topics and the employee annual appraisal process requires managers to check completion of the training by the employees.

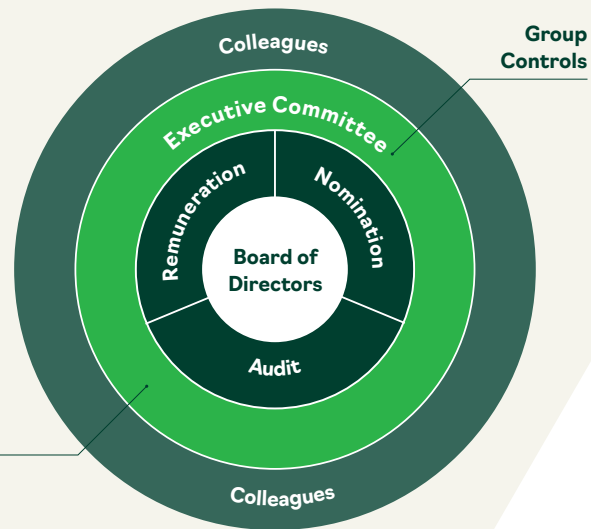
These training modules cover:

- Data management/privacy;
- Anti-corruption and bribery;
- Market abuse; and
- Anti-slavery.

Our risk management framework incorporates a top-down approach, setting the risk appetite and identifying our principal risks, together with a bottom-up approach to identify our operational risks:

All employees have a role in the management of risk within the Group.

Review of operational controls



A summary of the principal risks facing the Group is set out below. The below is subject to ongoing review and change. The risks should not be read in any order of priority. The change in rating indicates the risk trend in the reporting period compared to the last Annual Report.

Ramp-up of Accoya USA Kingsport plant

Description

Accoya USA commenced operations in September 2024. The ramp up and performance of the JV is dependent on sales volume growth in the North American market. A slower ramp-up resulting from lower sales growth would have a significant impact on the JV's profitability and cash flow.

Link to strategy

- Fundamentally strong
- Operationally efficient
- Customer centric and preferred

Risk assessment

High

Change in rating

New Risk

Emerging Risk

Yes

Risk appetite

Mitigate

Impact

The JV is a material part of the Accsys Group and a slower ramp up of the Kingsport plant would have a significant impact on the profitability and liquidity of the Group. If the JV has significant cash funding needs, this will need to be provided by the JV shareholders.

Mitigation

- Implementation of a commercial strategy for North America expanding direct distribution, significantly increasing the number of sub-distributors, retailers and approved manufacturers, and investing in education and end-user consumer awareness to accelerate demand generation
- Strengthening of the North American commercial team
- Tightly controlling the manufacturing cost base
- Disciplined approach to working capital management

Financing and liquidity

Description

The risk that the Group will not be able to meet its short-term liquidity and long-term funding financial obligations as they fall due.

Link to strategy

- Fundamentally strong

Risk assessment

Medium

Change in rating



Emerging Risk

No

Risk appetite

Mitigate

Impact

The Group has a complex capital structure with debt and convertible loan notes and has relatively high levels of leverage. The business has de-risked following the completion of Accoya USA and discontinuation of the Hull plant. There remains the risk that the business may not have sufficient liquidity to deliver on its strategic growth targets given working capital requirements, funding of CapEx projects and further potential investments into the JV.

Mitigation

- Successful extension of the Group's primary debt facilities to 30 September 2027
- Managing liquidity to ensure that we can meet our liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation
- Focused and disciplined management of working capital, including working capital optimisation project to create value
- Regular communication with our investors and relationship banks
- Regular review of banking covenants and capital structure, ensuring future cash flows are sustainable through detailed budgeting and forecasting
- Critical evaluation of CapEx proposals

Key

Risk trend: No change ↔

Risk trend: Increase ↑

Risk trend: Decrease ↓

Risk Management continued

Information security

Description

Failure to appropriately protect critical information and other assets from cyber threats, including external hacking, cyber fraud, demands for ransom payments and inadvertent/intentional electronic leakage of critical data.

Link to strategy

- Operationally efficient

Risk assessment

Medium

Change in rating



Emerging Risk

No

Risk appetite

Mitigate

Impact

The Group faces an ever-evolving landscape of information security threats, both internal and external, that are continuously growing in sophistication and unpredictability. In light of the persistence of high-profile information security breaches occurring across a wide range of businesses, the Group takes a necessarily proactive and cautious approach to safeguarding its information assets. A cyber incident could cause significant business interruption, downtime and loss of production capacity while critical systems are offline, thereby affecting profitability, cash flow and customer trust.

Mitigation

- Systems in place to proactively defend and protect our IT environment
- Regular simulation and phishing exercises and penetration testing
- Continued focus on information security training for employees
- Continued strengthening of IT systems

Health, safety and environment

Description

The Group is subject to the requirements of environmental and occupational health and safety laws and regulations in the countries in which it operates, including obligations to take the correct measures to prevent injuries, and to prevent and/or investigate any process safety matters arising from operating a chemical plant.

Link to strategy

- Safe and sustainable
- United team

Risk assessment

Medium

Change in rating



Emerging Risk

No

Risk appetite

Mitigate

Impact

Any non-compliance with health, safety and environmental regulations and other obligations relating to environmental matters could result in harm to individuals or the environment resulting in the Group being liable for fines, suffering reputational damage and mitigation cost. This would adversely affect the Group's operating and financial results.

Mitigation

- Formal Health, Safety and Environmental policy, and procedures to monitor compliance
- Regular external audits
- Continuous training for operational staff
- Routine and regular safety walks
- HSE performance is regularly tracked, reported and reviewed by all levels of management, including the Board
- Investigations to identify root causes and key learnings with a view to continuously improving. Learnings are shared, as necessary, and key messages reinforced throughout the Group

Talent – recruitment and retention of key personnel

Description

Failure to attract, retain, and deploy the necessary talent to deliver the Group's strategy.

Link to strategy

- United team

Risk assessment

Medium

Change in rating



Emerging Risk

No

Risk appetite

Mitigate

Impact

The Group needs to attract, develop, motivate and retain the right people to achieve our operational and strategic targets. Effective talent management is essential to successfully delivering our current business requirements and strategic goals, and to realising the full potential of our businesses. Therefore, failure to leverage talent and capabilities could significantly impact the successful execution of our strategy.

Mitigation

- Annual performance review evaluation and objective setting process
- Annual organisational review
- Ensuring that multiple employees are trained to handle critical functions
- Competitive incentive plans
- Regular employee engagement surveys identifying risks and opportunities
- Non-monetary recognition programmes e.g. FOCUS Awards
- Investment in learning management system

Key

Risk trend: No change ↔

Risk trend: Increase ↑

Risk trend: Decrease ↓

Product quality

Description

Ensuring that our Accoya and Tricoya products remain of high and consistent quality.

Link to strategy

- Fundamentally strong
- Operationally efficient
- Customer centric and preferred

Risk assessment

Medium

Change in rating



Emerging Risk

No

Risk appetite

Mitigate

Impact

The Group provides warranties of up to 50 years for its products. Therefore ensuring that the products remain of high, consistent quality is key, as any significant quality issues in the supply chain or manufacturing process could result in reputational damage and higher warranty claims thereby impacting financial performance.

Mitigation

- End-to-end quality assurance processes
- Grading and review of wood quality at different stages of the production process
- Continuous improvement and automation of quality checking

Macroeconomic and political conditions

Description

The Group is dependent on the level of activity in its end markets and is therefore susceptible to changes in its cyclical economic conditions, government policy, government elections, rates of inflation, interest rates, any political and economic uncertainty and the impacts of global conflicts or trade protectionism.

Link to strategy

- Fundamentally strong
- Operationally efficient
- Customer centric and preferred

Risk assessment

Medium

Change in rating



Emerging Risk

No

Risk appetite

Mitigate

Impact

Macroeconomic and political conditions could have an adverse impact on the Group's markets and, ultimately, demand for its products. In addition, government policy has the potential to be either positive or adverse to markets and demand. Lower levels of activity within our end markets could reduce sales and production volumes, thereby adversely affecting the Group's financial performance.

Mitigation

- Geographical diversification of sales to reduce exposure to any single end market
- Development of sales into new markets and growing our distribution channels
- Regular review of macroeconomic and political conditions in key end markets
- Active management of our demand forecasts and costs through regular operational review meetings

Risk Management continued

Raw materials supply and pricing

Description

The Group is exposed to supply chain risks in respect of raw materials, primarily raw wood and acetic anhydride, including associated input cost inflation.

Link to strategy

- Fundamentally strong
- Operationally efficient

Risk assessment

Medium

Change in rating



Emerging Risk

No

Risk appetite

Mitigate

Impact

Supply chain disruption through lower availability or longer lead times, primarily for raw wood, could lead to significant production inefficiencies thereby adversely affecting the Group's financial performance.

Mitigation

- Maintaining adequate inventory levels, which act as a limited buffer in the event of supply chain disruption
- Researching new wood species and broadening our geographic network of wood suppliers
- Entering into long term contracts with sawmills and acetic anhydride suppliers with pre-agreed prices/price formulae and minimum volumes
- Investment in expanded acetyls storage

Compliance with laws and regulations

Description

The Group must comply with all laws and regulations in the countries in which it operates in. Failure to comply with laws and regulations could lead to reputational damage and penalties/fines.

Link to strategy

- Fundamentally strong
- Customer centric and preferred
- Safe and sustainable

Risk assessment

Low

Change in rating



Emerging Risk

No

Risk appetite

Mitigate

Impact

We primarily operate in The Netherlands, UK and USA and, consequently, are subject to wide-ranging laws and regulations, including export controls, sanctions, modern slavery, data privacy, fair competition and anti-bribery and corruption. Any compliance failure by the Group or its representatives could result in adverse legal, financial and reputational consequences, leading to potentially significant fines and penalties.

Mitigation

- Online training for employees on modern slavery, data privacy, and anti-bribery and corruption
- Regular reviews of regulatory compliance
- Board updates on new regulatory compliance with annual update on AIM rules
- Regularly updated group policies in place covering laws and regulations
- Monthly calls with NOMAD

Climate change mitigation and adaptation

Description

The risk that climate change may create physical and transitional risks for the Group over the long term.

Link to strategy

- Fundamentally strong
- Safe and Sustainable

Risk assessment

Low

Change in rating



Emerging Risk

No

Risk appetite

Mitigate

Impact

Extreme weather events could have the potential to cause disruption to Accsys' sites and raw material supply. Growing demand for sustainable construction materials could also increase global demand for timber with the potential to adversely impact Accsys' supply of raw wood. Alongside this, tighter governmental regulations, eco-label standards and changes to energy and carbon pricing could lead to increased operating costs, thereby impacting profitability. New technological solutions may be needed to meet the energy transition, which could present capital and operating risks for Accsys.

Mitigation

- Regularly review and update site physical emergency response plans and risk resilience against extreme weather events
- Continue to diversify timber supply to ensure varied geographical supply
- Drive energy efficiency improvements to reduce energy consumption and emissions
- Engaging with technology and energy providers to stay at the forefront of technological advancements
- Monitor developments in carbon and environmental regulations and eco-labels to anticipate and prepare for any future changes

Key

Risk trend: No change ↔

Risk trend: Increase ↑

Risk trend: Decrease ↓

CASE STUDY

NATIONAL AUTISTIC GARDEN AT THE CHELSEA FLOWER SHOW

London, United Kingdom

Accoya was featured in the award-winning National Autistic Society Garden at the RHS Chelsea Flower Show 2024. The garden, designed by co-designers, Dido Milne of CSK Architects and Sophie Parmenter, was created to raise awareness of autism, specifically, the phenomenon of autistic masking, where individuals hide autistic characteristics to blend into society. This was highlighted using timber walls to create distinct spaces that represent different types of social interaction.

Accoya and Accoya Color were selected for this project due to their superior sustainability credentials and durability. The garden's pavilions were constructed using natural Accoya, while the boardwalk utilised Accoya Color, chosen specifically for its weather resistance, longevity, and slip-resistant qualities – particularly important as the garden was to be relocated to Catrine Bank in Scotland, a wet environment next to the River Ayr.

For the pavilions, the architects decided to leave the natural Accoya sawn and lightly sanded, giving the timber a soft, velvety texture that was extremely popular with visitors who attended the show. This tactile quality was a significant feature, as the untreated Accoya offered both aesthetic beauty and practical advantages without the need for additional chemical treatments. Accoya's Cradle to Cradle® Gold certification further highlights its eco-friendly lifecycle, making it an ideal choice for a garden representing inclusivity and sustainability.

Location: Chelsea, London, UK

Accoya application: Pavilions

Accoya Color application: Boardwalk

Architect: Dido Milne (CSK Architects)

Landscape designer: Sophie Parmenter

Distributor: James Latham

Photography: 2024 Tammy Marlar Photography



For more Accoya projects go online to |
www.accoya.com/uk/projects

Sustainability

CEO Introduction

At Accsys, sustainability is a fundamental part of who we are and how we operate. We continue to embed sustainable business practices into every aspect of our operations. Our product offering enables the world to build more sustainably, and our strategic focus is to ensure best-in-class practices and creating positive change around our product, people and processes.

In FY25, we conducted our first double materiality assessment (DMA). This enabled us to identify and prioritise the ESG factors that are most relevant to Accsys and its stakeholders, both in terms of their financial implications, and the impact on the environment. These findings provide us with a comprehensive understanding of where our efforts should be placed. Accsys will use this to develop a refreshed ESG strategy, focusing on key impact areas and holding ourselves accountable against our purpose of Changing Wood to Change the World'.

ESG Framework

	Environment	Social	Governance
Material Issues	- Sustainable and quality products - Energy and climate change - Responsible sourcing - Innovation and technology - Ecological footprint 	- Health and safety - People and wellbeing - Society and communities 	- Fair and ethical conduct - Governance management and advocacy 
Strategy	Impactful action and data-led direction Use improved data to refine action plans and set realistic, ambitious and attainable targets Implement and support new programmes and initiatives Manage and reassess material issues and stakeholder priorities to ensure continued relevance		
Strategic focus areas	- Continue to focus on making our product as sustainable as possible, using the most resource-efficient manufacturing processes and being accredited to the standards that our customers value and respect - Support no net deforestation – with a commitment to 100% certified sustainable wood sources (through FSC® (CO12330), PEFC, or equivalent)	- Prioritise health and safety and create a Zero Incident culture - Create satisfying jobs with clear career development opportunities to attract and retain the best talent - Build an inclusive culture where colleagues can bring their whole selves to work	- Hold ourselves to a high standard of corporate governance as well as good practice around environmental and social issues, compliance and quality, as appropriate - Always conduct our business in a fair and ethical manner
Priorities	- Net Zero targets in place by 2030 - Maintain best-in-class product certifications - Source all wood from 100% certified sustainable sources (through FSC® (CO12330), PEFC, or equivalent)	Zero harm to colleagues and contractors	Embedding and maintaining a culture of governance and compliance
SDG alignment			



Our impressive growth in our S&P CSA score validates Accsys' commitment to strong governance and sustainable practices as we work to drive meaningful, lasting change."

Dr Jelena Arsic van Os
CEO

Progress on sustainability strategy

Sustainability remains a core function of our business and, as we expand our operations, we remain firmly committed to ensuring that this growth is achieved in a sustainable way. Since the publication of our last report, commercial operations have begun at the Accoya USA manufacturing facility in Kingsport, Tennessee. This marks a significant step in our global expansion, and we are proud to have maintained a commitment to 100% certified sustainable wood sources (through FSC® (CO12330) PEFC, or equivalent) throughout this journey.

The ability to achieve our strategic ambitions is dependent on having a highly engaged, skilled, and motivated workforce. We are proud that our 2025 employee engagement survey showed 84% of our colleagues feel their work has a strong sense of purpose. In FY25, we continued to invest in our people and expanded our learning and development programmes which provided employees with improved access to training opportunities.

We also launched a Technical Training Academy designed to strengthen specialist technical capabilities and support career advancement across our manufacturing teams.

Health and safety remains a non-negotiable priority for Accsys. In FY25, we began implementing our nine Life Saving Rules across our manufacturing sites, and continued to promote our aim of zero harm to colleagues and contractors.

The S&P Corporate Sustainability Assessment (CSA) remains an important tool in benchmarking our ESG performance. We are pleased to report further progress this year, achieving a +11 point increase to a score of 56/100. Moreover, we have maintained our position in the top 20% of our industry sector (Paper and Forest Products) for the third consecutive year.

Looking ahead

Over the coming year, we plan to review our ESG strategy to ensure it remains aligned with evolving industry standards, stakeholder expectations, and our long-term sustainability objectives.

We take pride in our product eco-labels and certifications, which reflect our commitment to sustainability and high environmental standards. As these standards evolve and become more rigorous, it is important that Accsys maintains responsible and up-to-date business practices that align with these recognised frameworks. We are currently in the process of recertifying Accoya against Cradle to Cradle Certified® Version 4.1 and will continue to work towards this throughout FY26. This recertification underscores our ongoing efforts to meet robust environmental and social criteria, driving positive change in both our products and processes.

Sustainability continued



Environment

Accsys is dedicated to actively monitoring and reducing the environmental impact of our operations, while maximising the beneficial impacts of our business and products.

As we expand, we are focused on improving operational efficiency and driving innovation to minimise our environmental footprint, in accordance with our Environmental and Climate Change Policy. This includes our commitment to responsible sourcing and fostering strong partnerships across our supply chain.

Our products meet the highest standards of quality and sustainability, achieving third-party accreditations and certifications whilst meeting our customers' needs. We publish our Environmental Product Declarations (EPDs) on accoya.com

51,244 tCO₂

sequestered in products sold (FY24: 45,390)*

100% certified sustainable wood sources (through FSC® (CO12330), PEFC, or equivalent) (FY24: 100%)

100% suppliers screened using social and environmental criteria (FY24: 100%)

100% of new supplier wood mills visited before supply (FY24: 100%) and 84% of wood supply mills visited within three years (FY24: 80%)

* These figures are unaudited.



FY25 highlights

- By optimising the moisture content of incoming wood, we have improved the efficiency of acetic anhydride use, and further **reduced the amount of acetic acid by-product generated**
- **252m³** of Accoya wood off-cuts were reclaimed from manufacturers and re-processed for Tricoya (FY24: 230m³)

Looking forward

- Maintain 100% certified sustainable wood sources in FY26 (through FSC® (CO12330) PEFC, or equivalent)
- Cradle to Cradle® 4.1 certification for Accoya and Accoya Color
- Process optimisation to reduce energy consumption
- Continue to maximise the use of raw materials and reduce the impact of our supply chain through:
 - Expanding the use of lower grade woods for our engineered wood products to maximise the use of forest resources
 - Continuing to explore the use of other suitable wood species, source locations and supply options for more sustainable and lower impact wood sourcing
 - Ongoing evaluation of acetic anhydride supply sourcing, reuse and recycling of acetic acid co-product

ENVIRONMENT CASE STUDY

CRADLE TO CRADLE CERTIFIED® – DEMONSTRATING PERFORMANCE AND SUSTAINABILITY GO HAND IN HAND



Villa Holterberg, Belgium.
Photography: Jeroen Musch

At Accsys, we are proud that our products are high performing, while contributing to a more sustainable built environment. Externally assessed accreditations and certifications allow us to demonstrate our sustainability attributes and ensure that we are progressing and focusing on the right areas.

Cradle to Cradle Certified® (C2C) is an independent globally-recognised standard which recognises safe, circular, and responsibly-made products and materials. It helps companies ensure the impact of their products on people and the planet is a positive one. Companies must reapply for C2C Certified® status every two years.

Accoya has held Gold C2C Certified® status since 2010 and was one of the first building products to achieve this high level of certification.

The successful retention of this status despite new, more stringent, assessment processes, is recognition that sustainability remains a priority for Accsys acknowledging our sustainable wood sourcing strategy, non-toxic product and use of more than 50% renewable electricity. Accsys is currently working towards obtaining Cradle to Cradle Certified® Version 4.1 for Accoya and Accoya Color.



Sustainability continued

Greenhouse Gas Emissions

GHG emissions and energy use data for period 1 April 2024 to 31 March 2025

		FY25 Total	FY24 Total
Stationary combustion	tCO ₂ e	5,826	5,631
Mobile combustion	tCO ₂ e	94	84
Refrigerants	tCO ₂ e	10.4	20
Subtotal Scope 1	tCO ₂ e	5,930	5,735
Scope 2 emissions location-based – Electricity	tCO ₂ e	4,031	2,788
Scope 2 emissions market-based – Electricity	tCO ₂ e	2,535	947
Scope 2 emissions – Steam*	tCO ₂ e	1,078	–
Total Scope 1 and 2 emissions market-based**	tCO ₂ e	9,543	6,682
Accoya wood product sold	m ³	63,864	56,568
Intensity Ratio: Gross Scope 1 and Scope 2 emissions per 1m ³ product sold (market-based)	tCO ₂ e/m ³	0.15	0.12
Energy consumption associated with Scope 1 and 2 emissions	kWh	51,179,728	41,575,000

Scope 1: direct emissions from Company owned or controlled sources; Scope 2: indirect emissions from the generation of purchased energy, such as electricity.

* From FY25, Scope 2 emissions figures include steam from the Accoya USA site. For FY24 and all previous years, Scope 2 emissions from steam are reported as zero. Our Scope 2 emissions are reported using both the location-based and market-based approaches, to account for the purchase of Renewable Energy Certificates (RECs), a market-based instrument, for our site in Arnhem.

** Our market-based emissions totals account for purchased RECs (Renewable Energy Certificates) in the reporting year.

Change from last year

Scope 1 emissions increased in FY25 in line with increased European production volumes. This includes the use of natural gas used within the manufacturing processes at Arnhem and Barry.

As anticipated, the opening of Accoya USA, our joint venture manufacturing facility, increased our total Scope 2 emissions. This can be attributed to the initial operational set-up and scaling requirements, as well as the use of purchased steam at Kingsport.

The scale-up of operations at Kingsport has led to an increased emissions intensity ratio. Looking ahead, as production volumes increase at Kingsport, we anticipate improvements due to economies of scale in energy efficiency per cubic metre of product produced.

Use of Renewable Energy Certificates (RECs)

Accsys purchases Renewable Energy Certificates (RECs), a market-based instrument, to green its electricity consumption and meet targets set for our Cradle to Cradle Certified® status. We currently purchase RECs to green 56% of our electricity manufacturing emissions for the two-year certification period (currently August 2023-August 2025). Since this certification period runs differently to the financial year, our RECs may not directly reflect the financial year's electricity consumption. RECs are accounted for in the Scope 2 market-based emissions. We purchase RECs through our energy provider in Arnhem and have a contract up to FY26.

	FY25	FY24
Renewable Energy Certificates (RECs) Retired (MWh)	7,929	6,935

Carbon Offsets Retired

In line with Cradle to Cradle Certified® requirements, Accsys retired 3,715 tCO₂e of carbon offsets in FY25. Offsets are purchased for 53% of non-electric manufacturing emissions and are sourced from projects certified to a C2CPH-recognised offset project certification programme. The credits are Verified Carbon Units (VCUs), certified by VERRA, using the Verified Carbon Standard (VCS) to recognise emissions reductions. Additionally, the credits are certified by VERRA's Climate, Community & Biodiversity Standards (CCB) to highlight their additional co-benefits. When accounting for carbon offsets, our Total FY25 Scope 1 and 2 net market-based emissions are 5,828 tCO₂e.

Scope 3 emissions reporting

- Our Scope 3 emissions can be found in the ESG data table on our website: www.accsysplc.com/changing-the-world/environmental-social-governance

Scope 1, 2 and 3 emissions boundary and methodology

- Emissions have been calculated using the main requirements of the GHG Protocol – Corporate Accounting and Reporting (revised edition).
- We have reported on the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.
- We set our reporting boundaries using the equity share approach. We report on all sites where we have a share in equity in the operations; for FY25 this includes 100% of emissions from our manufacturing facility in Arnhem, the Netherlands, our Accoya Color facility in Barry, UK, our Dallas and London offices, and the emissions associated with the Tricoya site in Hull. In FY25, we have also included 60% of the emissions from our joint venture in Kingsport. Accsys holds a 60% interest in the joint venture and Eastman 40%.
- Selection and data collection were based on primary information sources, including official documents, bills and invoices.
- Emissions have been calculated using the following data and emissions factor sources: IPCC 2006 Guidelines for National Greenhouse Gas Inventories, 2007 IPCC Fourth Assessment Report, IEA Emissions Factors (2023), CEDA (2023), UK Government GHG Conversion Factors for Company Reporting (2023), SimaPro 9.5 and Ecolnvent 3.10.

For our market-based Scope 2 emissions reporting, we also use residual mix factors sourced from the Association of Issuing Bodies (AIB) and Green-e.

- In 2022, we commissioned Environmental Product Declarations (EPD) for our wood products. These EPDs include cradle-to-grave life-cycle assessments (LCAs) and are based on our production data. The results from these EPDs are used to estimate the Scope 3 emissions associated with our products.

Restatement position

Previous years' emissions would be restated if a recalculation results in a change of more than 5% in the previously stated emissions total. Reasons for recalculating could include the availability of more accurate data, identification and correction of errors or new information becoming available.



Sustainability continued



Social

As a manufacturing company, health and safety remains an utmost priority. Ensuring that our employees are safe at work is embedded in our Company culture and, throughout FY25, we began to embed the nine Life Saving Rules which are aimed at health and safety prevention and accountability.

However, over the last year, Accsys has recorded an increase in our Lost Time Incident Rate (LTIR). This trend is concerning and primarily linked to an increase in necessary manual interventions at our Arnhem facility involving our wood stacking operations. We maintain a very strong safety track record in our chemical operations. In response, we are reviewing our mechanical safety practices to identify targeted measures that will reduce risk and ensure a safe working environment for all employees. To further reinforce accountability, health and safety targets are directly integrated into the performance-bonus structure for the Executive Committee. Our long-term ambition is ultimately for zero harm.

Accsys is committed to upholding human rights and fostering inclusive, supportive and fair workplaces. This includes regular benchmarking to ensure that wages are fair, equitable and reflective of employees' skills, abilities and experience, as well as monitoring working hours, and tracking the gender pay gap. In Arnhem, where the majority of employees are based, the Works Council is regularly consulted and allows for greater employee representation and a more collaborative approach in our work environments.

At Accsys, we believe the best results come from employees who are engaged, motivated and have opportunities to develop. In FY25, we launched the online employee learning and development programme whilst our employee share plan enables colleagues to directly benefit from the success of the Company, reinforcing a sense of ownership. We also encourage active involvement and collaboration through the Charity Committee, Ideas Box, and Wellness Program at Arnhem, all of which give employees the opportunity to contribute to Accsys' culture beyond their day-to-day roles.

32.8

total hours of training and development per person (FY24: 30.5)

Zero fatalities (FY24: zero)

2.83 Lost Time Incident Rate (LTIR) (FY24: 1.83)*

84% of employees feel their work has a strong sense of purpose

* Per 200,000 hours worked.

	Total headcount	% Male	% Female
Non-Executive Board Members	4	75	25
Senior managers*	30	77	23
All employees	215	85	15

Note: Table reflects FY25 for Accsys. Headcount is exclusive of joint venture.

* Senior managers include our Executive Board Members, Executive Committee, and senior managers with the highest levels of strategic influence for the organisation.

FY25 highlights

- **Launch of an online learning and development system** to facilitate employee training across our sites
- **Introduction of a Technical Training Academy** to build technical competencies amongst employees
- **Continued success of our award programmes** including the FOCUS awards and Ideas Box
- **Celebrating cultural and social events with employees** such as World Mental Health Day, International Women's Day, Earth Day, and World Day for Safety and Health at Work
- **Employee wellness workshops at Arnhem**, allowing employees to learn from external experts on wellbeing topics (see case study on page 53)
- **1,342 days with no LTIs** at our Barry site

Looking forward

- Focusing efforts on a 'Journey to Zero' health and safety incidents. This includes continuing safety training in Arnhem
- Next phase of embedding the nine Life Saving Rules, working to improve health and safety at Arnhem
- Pursue additional health and safety training programmes to enhance site personnel capabilities
- Extension of **wellness** initiatives to all employees

SOCIAL CASE STUDY

ACCSYS CARES



Employee at Arnhem

As part of our ongoing focus on employee wellbeing, Accsys' Arnhem plant in the Netherlands launched its first structured wellness initiative which ran from July to December 2024. The programme was designed to address specific physical and mental health challenges, with a particular focus on the challenges often faced in a manufacturing environment and by shift workers.

Over the five-month period, a series of 14 workshops were held, offering employees the opportunity to engage with a wide range of health-related topics. Sessions included guest speakers and subject-matter experts who led discussions on practical strategies for managing and preventing stress, improving nutrition and increasing movement into daily routines. The workshops also created space for open dialogue, allowing participants to share experiences and ask questions in a supportive environment.

A highlight for the programme was a nutrition-focused workshop held in September, where two registered dietitians visited the Arnhem site to provide guidance on healthy eating. The session focused on practical and accessible approaches to nutrition that could be tailored to individual routines and shift patterns.

The initiative was well received and forms part of a broader effort to create a healthier, more engaged, and more supportive work environment for all employees. Building on the positive response to the initial workshops, plans are in place to continue expanding wellness support for employees across all sites.

Sustainability continued



Governance

The Board of Directors holds ultimate responsibility for overseeing the management of Environmental Social Governance (ESG) and climate-related risks and opportunities (for more information see page 56). However, good governance is embedded into the daily work of all employees at Accsys, reflecting our shared business purpose of 'Changing Wood to Change the World'.

We remain firmly committed to conducting our business responsibly and upholding the highest ethical standards as we grow. To support this, we continuously strengthen our processes and procedures, conducting regular reviews to ensure they are properly applied to maintain a positive and accountable corporate culture.

Accsys recently conducted a Double Materiality Assessment (DMA). The insights gained from this assessment will guide the development of our ESG strategy, help to inform decision making and shape our priority focus areas for material issues going forward.

FY25 highlights

- Accsys scored 56/100 in the S&P Global Corporate Sustainability Assessment – reflecting an +11 point improvement over last year's score (see case study on page 55) (FY24: 45/100)
- Continued participation in the UN Global Compact
- Review of key policies (e.g. Human Rights, Environment and Climate Change)
- Continued adherence to QCA Corporate Governance Code (see page 79 for more information)
- Monitoring and training in relation to key governance topics, including Anti-Bribery, Market Abuse and Modern Slavery
- Introduction of a Board Diversity Policy

Zero incidents

of bribery and corruption (FY24: zero incidents)

Zero fines and zero non-monetary sanctions from non-compliance with environmental laws and/or regulations (FY24: zero)

Two 'meet the Board' events held for Accsys colleagues (FY24: one)

100% relevant colleagues (including Board) communicated with and completed training on anti-corruption policies and other key topics (FY24: 100%)

Zero regulatory fines, sanctions or settlements (FY24: zero)

Zero direct spend on political campaigns, lobbying or think tanks (FY24: zero)

As a UN Global Compact signatory, Accsys has committed to implementing the Ten Principles across Human Rights, Labour, Environment and Anti-Corruption issues.

Looking forward

- ESG strategy refresh
- Continued monitoring of new reporting frameworks e.g. ISSB standards
- Fifth year of reporting to GRI and SASB



Fifth year of reporting to GRI and SASB

GOVERNANCE
CASE STUDY

CELEBRATING ACCSYS' PERFORMANCE IN THE S&P CORPORATE SUSTAINABILITY ASSESSMENT



Offshore district development, Borkum, Germany.
Delugan Meissl Associated Architects. Photography: Piet Niemann

At Accsys, we are committed to embedding sustainable business practices into every aspect of our operations. Independent, externally assessed accreditations play a key role in this, helping us to objectively measure, benchmark, and validate our sustainability performance, while guiding continuous improvement on ESG priorities.

As part of this commitment, Accsys continues to participate in the **S&P Global Corporate Sustainability Assessment (CSA)** which evaluates companies across a wide range of ESG criteria, including climate strategy, governance, social responsibility and risk management. Our participation ensures transparency and accountability, providing a clear view of how Accsys' practices align with global standards and industry peers.

We are delighted to report that this year, Accsys achieved a score of 56/100 in the S&P CSA.

This is a significant improvement from the previous year (score of 45/100), representing a +11 point increase, and means that Accsys is firmly within the top 20% for our sector (Paper and Forest Products) for the third consecutive year.

Accsys is incredibly proud of this result and believes that it accurately reflects our commitment and progress across key ESG areas. Over the past year, we undertook a comprehensive review and refresh of our corporate policies, improved transparency on water and energy data and introduced a Board Diversity policy, all of which contributed to our improved performance.

This result not only reinforces our industry-leading performance in sustainability but also supports the notion that Accsys continues to operate with transparency and accountability, making meaningful progress in comprehensively addressing ESG issues.

Climate Disclosures Report (TCFD)

Introduction

At Accsys we are continually developing our sustainability and ESG strategy. In recent years, monitoring and managing the climate risks and opportunities that could potentially impact the Company has become a key priority to us. FY24 was our first year in which we publicly disclosed these climate risks and opportunities.

Where possible and appropriate, we have also aligned with some of the International Financial Reporting Standards (IFRS S2) requirements. To ensure alignment, this section has been broken down into each of the four pillars of the TCFD (Governance, Strategy, Risk Management, Metrics and Targets).

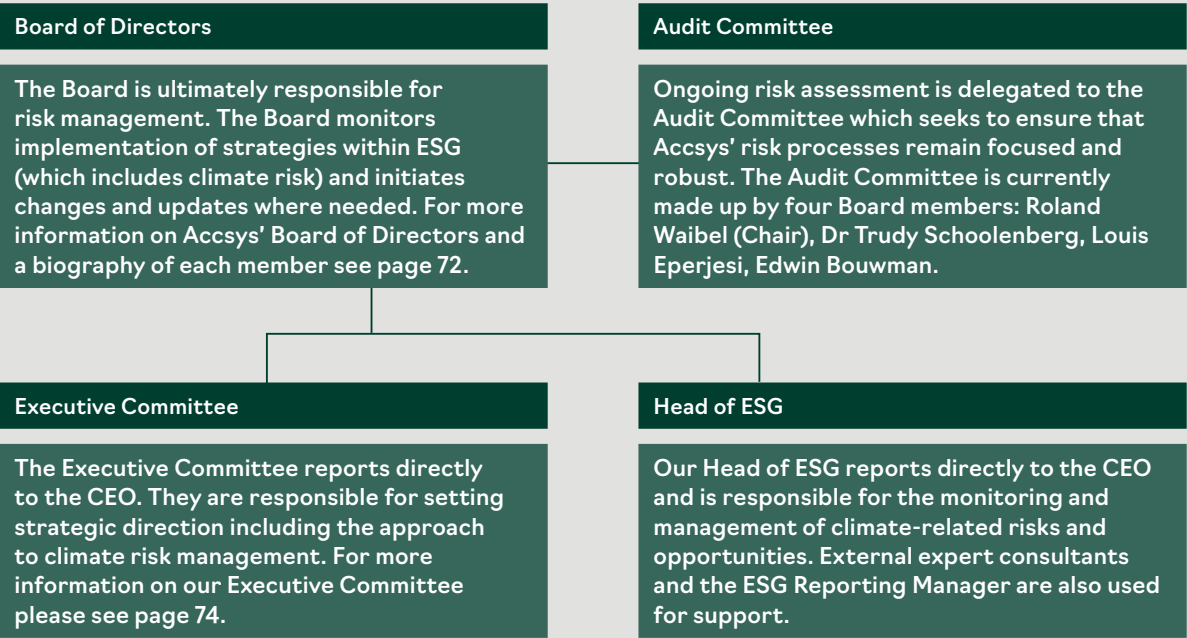
Governance

a) Describe the Board's oversight of climate-related risks and opportunities

Accsys' Board of Directors is responsible for overseeing Accsys' governance framework and all associated risks (which includes ESG and climate-related risks). This ongoing risk assessment at the Board level is provided through the Audit Committee which has responsibility for monitoring and management of the Company's risks, including climate-related risks (see more in the Risk Management section). All enterprise level risks, which include climate-related risks and opportunities are reviewed annually as part of the Audit Committee's risk management process and day-to-day management of risk is delegated appropriately throughout the organisation.

In relation to climate-related risks specifically, the monitoring of these risks is led by Accsys' Head of ESG, together with other relevant colleagues. See diagram below for more information on how climate-related risks and opportunities are managed at Accsys.

Climate-related risks and opportunities governance structure



b) Describe management's role in assessing and managing climate-related risks and opportunities

Between September 2023 and April 2024, Accsys carried out a qualitative climate scenario analysis to review and identify key climate-related risks and opportunities. This involved engaging key stakeholders at Accsys, including Board members and senior management in workshops to capture potential risks and opportunities across the business. More information on the methodology can be seen in the strategy and risk management section. This work was led by Accsys' Head of ESG with support by expert climate consultants from EcoAct and oversight from the Executive Committee. Information related to ESG and climate risk is further disclosed and monitored through the publication of Accsys' annual ESG data table where the Company's Scope 1, 2 and 3 greenhouse gas emissions, as well as other ESG metrics, are disclosed.

These procedures and governance mechanisms enable the Board and the Executive Committee to closely monitor the Company's sustainability and climate-related performance, as well as ensuring sufficient management focus and resource allocation.

See the Governance section on page 70 for more information on corporate policies and procedures at Accsys.

Strategy

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

Through the qualitative climate scenario analysis, Accsys has identified what its climate-related risks and opportunities are and has highlighted the impact of them over different time horizons. These timescales focus on three time periods:

- **Near term:** the period up to the 2030s, specifically considering climate projection data from 2021 to 2030. This time frame focuses on the immediate impacts and changes that are expected to occur or begin manifesting within this decade.
- **Medium term:** extends to the 2050s, with the analysis based on climate projection data for the period from 2021 to 2050.
- **Long term:** the period beyond the 2050s, considering climate projection data from 2050 to the end of the century.

The identified risks table highlights what these material risks are over these time horizons and describes the impact of them on Accsys' business, strategy and financials, as well as on Accsys' business model and value chain.

The physical risk analysis was based on Accsys' key geographical regions. For physical risks, this included Accsys' main operational sites as well as key locations in the supply chain. Exposure to climate hazards has been evaluated based on information from IPCC climate models driven by Representative Concentration Pathways (RCP) 2.6 and 8.5 scenarios. These scenarios provide insight into potential physical risks under different future pathways. RCP 2.6 represents a low carbon scenario, emphasising sustainability and low challenges to mitigation and adaptation. RCP 2.6 is the scenario that aligns most closely with the goals of the Paris Agreement and is consistent with keeping global temperature rise well below 2°C above pre-industrial levels. RCP 8.5 represents a high carbon scenario, characterised by high challenges to mitigation and low challenges to adaptation.

Climate Disclosures Report (TCFD) continued

For transition risks, two scenarios have been applied to understand the range of transition risks that could be seen depending on if the business as usual or a sustainability pathway are followed, i.e. a low and a high carbon world. A wide number of sources were analysed within each scenario representing different understanding of how these scenarios might materialise. This is required due to transition risk scenarios being less defined and subject to different considerations and assumptions.

Below are a list of the transition scenarios that have been reviewed:

- The IEA World Energy Outlook 2020 Model includes the following scenarios, covering estimated temperature rises of 1.5°C – 3.3°C with a large focus on the Energy Sector:
 - Stated Policies Scenario (STEPS);
 - Sustainable Development Scenario (SDS);
 - Delayed Recovery Scenario (DRS);
 - Net Zero Emissions by 2050 (NZE2050).
- The IEA Energy Technology Perspectives (2017 and 2020) Models include the following scenarios covering estimated temperature rises of 1.5°C – 3.3°C with a focus on Industry, Buildings, Transport and Energy. The newer edition of the Energy Technology Perspectives use the same scenario narratives as the World Energy Outlook 2020 scenarios but focuses on the roll out of low-carbon technology:
 - Reference Technology Scenario (RTS);
 - 2°C Scenario (2DS);
 - Beyond 2°C Scenario (B2DS);
 - Sustainable Development Scenario (SDS);
 - Stated Policies Scenario (STEPS).

Based on the review of the wide range of scenarios, the low and high carbon scenarios have been defined as:

- Low carbon scenario: Decarbonisation efforts are substantially ramped up from the short term all the way to 2050 and beyond, with increasing pressure from employees, stakeholders, governments, businesses and investors to reach global warming of only 1.5°C by 2050. This will take the form of increasing regulation with increasing reporting requirements, higher carbon prices and wider implementation of carbon pricing mechanisms globally, higher expectations from businesses and larger impact on a company's reputation from climate inaction, amongst other things.

- High carbon scenario: Decarbonisation efforts remain aligned with current policies only, leading to some efforts in the short term but there will be no climate-related transition in the medium to long-term. In the short term, the world may look somewhat similar to the low carbon scenario however, beyond the short term, there will be no additional pressure from any stakeholder to take action on climate change. In this scenario, Accsys' business would mainly be affected by the physical impacts of climate change that may materialise as a business risk across its value chain.

The likelihood level for each risk focuses on the evidence that the specific driver will materialise in a specific scenario and time horizon. The probability of exposure increasing has then been categorised into five categories, with the percentages representing the likelihood of an event happening in a given year:

- **Remote (X <1%)**: Event may occur only in exceptional circumstances
- **Unlikely (1% < X <10%)**: Event may occur in exceptional circumstances
- **Possible (10% < X < 50%)**: Event could occur at sometime
- **Likely (50% < X < 90%)**: Event will occur at sometime
- **Almost Certain (X >90%)**: Event will probably occur in most circumstances

For each risk considered the level of impact has been categorised by the following assessing impacts across finance, operations, reputation, governance, and customer and colleague impact:

- Very Low
- Low
- Medium
- High
- Very High

A combination of desk-based research, climate datasets and engagement with stakeholders within the business was carried out to ensure the most representative risk ratings for each climate risk assessed.

Identified Material Risks

Physical risks

Although physical risks are expected to see the biggest increase in frequency and intensity after 2050, it should be noted that physical risks may already be directly impacting Accsys' operations as all have already increased in frequency and intensity globally due to climate changes. Therefore the risks posed by these hazards should not be discounted in the near and medium term.

Risk description			
Increased intensity and frequency of extreme weather events impacting operational sites and supply chain			
Across Accsys' operational locations in the UK, USA and the Netherlands, the frequency and intensity of all extreme weather events is expected to increase, potentially causing significant damage and disruption at Accsys' operational sites.			
Risk category	Climate scenario and most relevant time horizon	Impact description	Mitigation actions
Acute	High Carbon Long Term (Beyond 2050)	Lost revenue and cost of replacing damaged assets Extreme weather events could cause significant damage at Accsys' key operational sites leading to significant delays, whilst clean-up operations take place, and/or write-off of existing assets including machinery, buildings and timber stock, resulting in lost revenue due to delays. Furthermore, delays caused by extreme weather events in both Accsys' supply chain and to direct operations all contribute to lost revenue.	Emergency response: Regularly review and update emergency response plans and flood risk resilience. Diversification of suppliers: Continue to explore alternative sources and regions for timber sourcing to ensure varied geographical supply. Insurance review: Regularly review insurance coverage to ensure it matches the sites' flood risk profile.
Likelihood rating	Impact rating		
Likely	High		

Risk description			
Chronic shifts in climate impacting supply and demand			
Global temperatures are expected to increase due to climate change in the coming years. This will likely impact current areas of forest used to produce timber, potentially affecting both quality and quantity available to Accsys.			
Risk category	Climate scenario and most relevant time horizon	Impact description	Mitigation actions
Chronic	High Carbon Long Term (Beyond 2050)	Decreased revenue due to increased operating costs and decreasing availability of timber supply Current supplier growing locations could no longer be suitable due to changing temperatures. Higher temperatures could also lead to previously inconsequential pests and diseases becoming prevalent in the regions where Accsys' suppliers operate, both reducing the quality and availability of timber. Alongside this, the expected increased demand for timber globally could lead to higher costs and reduced availability of Accsys' key supply.	Diversification of suppliers: Continue to explore alternative sources and regions for timber supply to reduce dependency on a few areas. Research: Continue to invest in researching different tree species that meet Accsys' production needs. Supplier partnerships: Continue to work closely with suppliers to support the implementation of sustainable practices and enhance their adaptive capacity.
Likelihood rating	Impact rating		
Almost Certain	Medium		

Climate Disclosures Report (TCFD) continued

Identified Material Risks continued

Physical risks continued

Risk description			
Increase in drought periods and water stress Across both Accsys' operational and supplier locations drought periods are expected to become more common and intense, impacting both Accsys' direct operations that require water as well as the quality and quantity of timber supply.			
Risk category	Climate scenario and most relevant time horizon	Impact description	Mitigation actions
Chronic	High Carbon Long Term (Beyond 2050)	Decreased revenue due to decreased production capacity and increased indirect cost During drought periods reduced water availability could lead to restrictions being put in place limiting the availability of water for Accsys' production processes and hence reducing production capacity and revenue. Decrease in water supply at key supplier growing locations could cause soils and vegetation to dry out, damaging trees and leading to reduction in availability of good quality timber, thus increasing raw material prices.	Water usage efficiency: Implement water-saving technologies and processes to reduce water consumption where possible. Sustainable water sources: Continue to use non-traditional water sources such as rainwater harvesting or recycled water at all sites. Diversification of suppliers: Continue to explore alternative sources and regions for timber supply to reduce dependency on fewer areas.
Likelihood rating	Impact rating		
Likely	High		

Transition risks

Risk description			
Technological Risks New technological solutions will need to be leveraged by companies to aid the journey toward net zero. Significant capital cost, and research and development, is required in order to successfully incorporate new technology into current operations which could ultimately prove to be unsuccessful.			
Risk category	Climate scenario and most relevant time horizon	Impact description	Mitigation actions
Technology	Low Carbon Near and Medium Term (2025–2050)	High Investment Costs and Stranded Assets Technological developments in the industry may present substantial capital and operating risks for Accsys as newer technologies may replace existing ones and Accsys may have to invest in acquiring them for several reasons (including lower carbon emissions, energy prices and efficiencies). Not investing in them may leave Accsys with higher operating costs whereas investing in them would lead to high capital costs and would leave existing assets stranded as they would have to be retired before their full economic lifecycle.	Efficiency investments: Utilise findings from EED energy audit at Arnhem to identify and prioritise investments in energy-efficient technologies that reduce overall consumption and emissions. Partnerships and collaborations: Engage with technology providers, research institutions, and industry consortiums to stay at the forefront of technological advancements.
Likelihood rating	Impact rating		
Likely	High		

Risk description**Carbon and Energy Pricing Risks**

Global commitments have been made to transition to low carbon energy. High demand for low carbon energy could create supply issues leading to volatility in the market.

Alongside this many countries are introducing Carbon Pricing mechanisms across sectors, driving up costs of materials and products with high associated carbon. Further costs are likely to be incurred via Carbon Border Adjustment Mechanisms (CBAM) which aims to account for the carbon cost of producing imported goods.

Risk category	Climate scenario and most relevant time horizon	Impact description	Mitigation actions
Market/Policy and Legal	Low Carbon	Increased Operating Costs Increase in the scope and pricing of carbon emissions may leave Accsys with increased operating costs across its entire value chain. Similarly, fossil fuel energy prices may rise leaving Accsys with a higher energy bill, unless it transitions to more resilient and reliable (in terms of supply and price) energy sources.	Energy efficiency improvements: Explore ISO 50001 certification to ensure energy efficient processes are in place.
	Near and Medium Term (2025–2050)		Explore feasibility of on site renewables.
Likelihood rating	Impact rating		Carbon pricing strategies: Monitor developments in carbon pricing and if appropriate develop strategies to manage impact.
Almost Certain	High		Supply chain review: Implement regular reviews of Accsys' acetic anhydride supply chain to ensure suppliers understand Accsys' ESG strategy and how they can contribute.

In Accsys' FY25 summary of principal risks, Accsys identified climate-related risks as an identified risk for the Group. The table above provides more specific details of potential climate-related risks identifiable at this point in time.

Opportunities

Through the climate scenario analysis, several climate-related opportunities have been identified. These were assessed by evaluating their likelihood and impact, providing Accsys with an understanding of their potential materiality across different time horizons and scenarios.

Accsys' commitment to producing sustainable products using innovative technologies aligns with increasing market demand for low carbon and circular building materials. As the industry shifts towards 'Net Zero' building practices, Accsys' products, which are already recognised as low-impact alternatives and that hold industry leading accreditations such as Cradle to Cradle Certified® Gold, stand to see increased demand. The drive towards sustainable construction and consumer preferences for more sustainable materials are megatrends driving demand for Accsys' products (see page 30 for more information on our market) and support Accsys' long-term revenue growth.

As a pioneer in wood modification, Accsys already has a strong foothold in the market and has established supplier relationships. By securing a stable and reliable supply of low-carbon raw material early this gives Accsys a competitive advantage over competitors who may face challenges in sourcing these materials in the future when demand, regulation or physical conditions mean these resources are more sought after or scarce.

Accsys' strong reputation for providing sustainable building solutions supports it in attracting and retaining talent that is passionate about sustainability. As society takes strides in the transition to a Net Zero future, employees increasingly expect the companies they work for to take serious climate action. Given the abundance of research demonstrating that the younger generation has an increased expectation for companies to be held to account on climate action, as this younger generation becomes the core workforce, Accsys has an opportunity to take a competitive lead against peers through attracting and retaining talent through its product proposition and climate action. This could lead to increased revenues through innovation and a decrease in hiring costs.

Climate Disclosures Report (TCFD) continued

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning; and

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

In Accsys' ongoing efforts to enhance its climate resilience and sustainability, it has assessed its organisational resilience from a strategic standpoint. Through this evaluation, Accsys has identified several key material risks, featured in its Identified Material Risks table, which include:

- Increased intensity and frequency of extreme weather events impacting operational sites;
- Chronic shifts in climate impacting supply and demand;
- Increase in drought periods and water stress;
- Technological risks; and
- Carbon and energy pricing risks.

Accsys continues to review its business strategy and is committed to aligning it with global climate resilience efforts. The identified climate-related risks and opportunities are actively integrated into strategic planning, including site development, capital expenditure planning, and long-term investment priorities. For more information on Accsys' identified material risks and mitigation actions, see page 59.

Resilience in a Low-Carbon Scenario

In a low-carbon scenario, Accsys' resilience is underpinned by its strategic focus on innovation and market adaptation. Accsys' products are inherently climate-resilient, offering an alternative to tropical hardwoods and resource intensive man-made materials. They are also durable and long lasting and perform well in changing weather conditions brought on by climate change. Accsys takes pride in the sustainable sourcing of its wood, ensuring that it is renewable over the product life cycle. This minimises Accsys' environmental footprint and helps position its products as preferred choices among architects and customers seeking sustainable building materials. By opting for Accsys' products, stakeholders actively contribute to carbon sequestration efforts and reduce reliance on resource-intensive alternatives. This aligns well with global shifts towards stricter environmental regulations and a growing consumer preference for sustainable products. This proactive approach positions Accsys to capitalise on new market opportunities that arise as industries and consumers seek greener alternatives.

However, even in a low-carbon scenario, Accsys will need to diversify its sourcing strategies to include multiple regions and suppliers in order to mitigate climate risks. The forthcoming introduction of the Carbon Border Adjustment Mechanism (CBAM) is anticipated to have an effect on Accsys' supply chain, potentially increasing costs for Accsys' acetic anhydride sourcing. In response, Accsys is actively engaging with suppliers to stay ahead of regulatory changes and optimise operational cost and carbon efficiency.

Resilience in a High-Carbon Scenario

In a high carbon scenario, the resilience of Accsys' strategy will depend on Accsys' capacity to adapt to chronic shifts in climate conditions that may disrupt both supply and demand. Accsys will need to forecast these shifts and adjust its business model accordingly, for example through investment in supply chain resilience, diversifying sourcing, and infrastructure planning. This could include expanding Accsys' operational footprint and employing advanced predictive analytics to foresee and mitigate potential impacts on the supply chain.

Accsys acknowledges that there is more work to be done on this. Whilst the climate scenario analysis work has currently focused on a qualitative analysis, in the future Accsys will seek to include a quantitative analysis to further determine Accsys' resilience to the effects of varying climate change scenarios.

Risk Management

a) Describe the organisation's processes for identifying and assessing climate-related risks;

b) Describe the organisation's processes for managing climate-related risks; and

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Through the climate scenario analysis certain Board members and members of the Executive Committee participated in a series of workshops to discuss the analysis of scientific evidence of climate risks and opportunities relevant to Accsys. The methodology of our processes for identifying, assessing and managing climate-related risks can be seen in the Strategy section.

Climate risks are recognised as a principal risk to Accsys (see page 44). Although the climate-related risks have been identified through a climate scenario analysis, the way in which they are assessed, prioritised and monitored is integrated into Accsys' overall risk management process. Accsys' Risk Committee conducts regular and structured reviews of risk, which it then reports to, and further reviews and discusses with, the Audit Committee. The Audit Committee then seeks to ensure that risks have been suitably identified and evaluated with appropriate mitigation plans in place. The way Accsys identifies, assesses, manages and monitors risks is explained in more detail in the Risk Management section on page 40.

Accsys will continue resourcing this work through the processes previously described under the Governance section to ensure the risks are managed appropriately.

Metrics and Targets

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Accsys assesses climate-related risks and opportunities using a number of metrics. These metrics, which encompass greenhouse gas emissions and other environmental metrics such as water withdrawal, are identified in the ESG data table which is a separate standalone document on Accsys' website. Accsys recognises the importance of accurate and comprehensive data to ensure that it can make appropriate strategic and risk management decisions.

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

See the greenhouse gas emissions table on page 50 which outlines Accsys' Scope 1 and 2 emissions. Scope 3 emissions can be seen in Accsys' ESG data table on the website.

Emissions have been calculated following the GHG Protocol Corporate Accounting and Reporting (revised edition) using the following data-bases: IPCC 2006 Guidelines for National Greenhouse Gas Inventories, 2007 IPCC Fourth Assessment Report; and IEA factors (2022). Accsys also uses the UK Government GHG Conversion Factors for Company Reporting (2022). SECR guidance has been followed.

Publicly reporting Scope 3 emissions (which Accsys started in 2023 but also publicly shared its 2022 emissions) ensures Accsys' emissions disclosures are fully aligned with TCFD recommendations.

The related climate risks associated with emissions include: technological risks which required us to invest in more energy efficient infrastructure or energy production; and chronic shifts in climate impacting supply and demand, which could impact Accsys' raw materials sourcing and logistics leading to the use of potentially higher carbon raw materials or logistics.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Accsys embeds metrics and targets related to climate change into its employee remuneration. In recent years, the variable compensation plan has included a KPI of achieving a specific year on year increase in the S&P Global Corporate Sustainability Assessment (CSA). Climate risk is a key part of this and Accsys reports various environmental metrics including greenhouse gas emissions.

To maintain its Cradle to Cradle Certified® standard which Accsys holds for Accoya and Accoya Color products, Accsys is committed to achieving 50% electricity from renewables for its manufacturing electricity use. Accsys has a target to increase this annually by 1%.

In addition to this, Accsys has carbon credit targets, where it seeks to offset 50% of its non-electric manufacturing emissions each year. Accsys currently purchases these offsets through Pawan wind, India which is certified by the Verified Carbon Standard (VCS). Accsys is proud to meet both these renewable and offsetting targets and maintain the gold Cradle to Cradle Certified® standard for both Accoya Wood and Accoya Color.

Stakeholder Engagement

PROMOTING THE SUCCESS OF THE COMPANY FOR THE BENEFIT OF ALL ITS STAKEHOLDERS

In discharging their duty this year, the Directors (both individually and collectively) confirm that during the year under review, they acted to promote the long-term success of the Company for the benefit of its members as a whole, whilst having due regard to the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 ('Section 172(1)').

The following symbols refer to the Section 172(1) factors (a) to (f).



The likely consequences of any decision in the long term



The interests of the Company's employees



The need to foster the Company's business relationships with suppliers, customers and others



The impact of the Company's operations on the community and the environment



The desirability of the Company to maintain a reputation for high standards of business conduct



The need to act fairly as between members of the Company

The Board is regularly updated on engagement and feedback from Accsys' broad spectrum of stakeholders to enable it to consider such views during relevant decision-making processes, taking into account the impact of decisions on stakeholder groups.

As part of their induction, all Directors are briefed on their statutory duties including Section 172(1) and can access professional advice on these – either through the Company or via external advisers. During the course of the year, key duties and other corporate governance matters are reviewed at Board meetings.

The table on page 65 summarises the Group's key stakeholders and highlights the issues which matter the most to them. It goes on to further illustrate how the Board engages with each stakeholder group and ties in key decision making against the Section 172(1) (a) to (f).

Respect and value all stakeholders

Everyone we work with and encounter is important – our colleagues, customers, partners, suppliers, investors, the community and environment and more. We proactively engage with our stakeholders to understand their needs and respond to their feedback and the Board considers the needs of our stakeholders in its decision making.

➤ See more about our business activities in our Business Model | [Page 32](#)



Stakeholder group:

Shareholders and investors

WHAT MATTERS TO THIS STAKEHOLDER GROUP

- Financial and operational performance of the business
- Creation of long-term, sustainable shareholder value
- Share price and returns
- Risk management
- Board composition and succession
- Strong governance

HOW THE BOARD ENGAGES

- The Board actively seeks engagement with shareholders and investors
- The CEO and CFO engage with shareholders on financial and business performance and strategic priorities, particularly around financial results announcements
- The Board reviews and approves investor communications, including the Annual Report and RNS announcements
- Investor engagement with the brokers
- Chair engagement with shareholders

BOARD ACTIVITY AND OUTCOMES

In FY25, the Board played a pivotal role in supporting key strategic developments, including:

- The development and launch of the new FOCUS strategy at Accsys' Investor Day in January 2025, which set a clear vision for future growth.
- A thorough evaluation of all strategic and funding options for the Hull site, leading to the decision to discontinue operations there and wind up the Group's subsidiary, Tricoya UK Limited.
- Oversight of a comprehensive internally facilitated compliance risk assessment, with subsequent Board approval empowering the Executive Committee to implement recommended actions.
- Strategic leadership appointments, including the onboarding of a new Chief Financial Officer.
- Through these activities, the Board ensures that stakeholder interests are considered in critical decisions, reinforcing the Company's commitment to sustainable value creation.

a b c d e f

STRATEGIC PRIORITIES

- Fundamentally strong
- Operationally efficient
- Customer Centric and Preferred

Stakeholder Engagement continued

Stakeholder group:

Suppliers and business partners

WHAT MATTERS TO THIS STAKEHOLDER GROUP	HOW THE BOARD ENGAGES
• Business performance • Terms and conditions and payment practices • Business conduct and treatment • Compliance with regulations	• Meetings between Executive Directors and senior executives of major suppliers and partners on a regular basis to understand the strategy, expectations and performance of their businesses • Key account and relationship management
BOARD ACTIVITY AND OUTCOMES	STRATEGIC PRIORITIES
• Continued engagement with key suppliers to strengthen relationships and improve resilience and performance • Successful commercialisation of Accoya USA with our JV partner Eastman Chemical Company • Review and approval of the 2025 Modern Slavery Statement and review of supply chain and business partner risk identification and mitigation a b c d e f	• Fundamentally strong • Operationally efficient

Stakeholder group:

Distributors, customers and consumers

WHAT MATTERS TO THIS STAKEHOLDER GROUP	HOW THE BOARD ENGAGES
• Product quality and performance • Level of customer service and accountability • Product availability • Sustainability and responsible sourcing • Collaboration on sales and marketing • Standards of business conduct • Data protection	• Board members meeting with key distributors • Communication and regular dialogue with customers • Active involvement in construction panels and direct engagement • Hosting customer site visits • Media outreach to communicate product value proposition
BOARD ACTIVITY AND OUTCOMES	STRATEGIC PRIORITIES
• Board monitoring of sales metrics and product quality • Participation of Directors in key regional trade shows a c e	• Operationally efficient • Customer Centric and Preferred

Stakeholder group:

Employees

WHAT MATTERS TO THIS STAKEHOLDER GROUP	HOW THE BOARD ENGAGES
• Health and safety (and working conditions) • The Company's financial position • Learning and development opportunities • A fair and equitable workplace • Reward and benefits • Strong corporate purpose and values	• Regular updates with site HSE committees • Regular CEO and CFO updates including Townhalls and digital communications • Meet the Board events • Endorsement of Employee Share Plan • Review and approval of Code of Conduct • Ensures appropriate whistle-blowing platform in place
BOARD ACTIVITY AND OUTCOMES	STRATEGIC PRIORITIES
• Review and consideration of feedback from employee engagement survey to understand employee behaviours and expectations • Approval of share based employee incentivisation awards • Continuing the Board's commitment to building a strong culture through regular reporting of HSE matters to the Board • Introduction of a Learning Management System a b c d e	• United Team • Safe and Sustainable • Fundamentally Strong

Stakeholder group:

Community and the environment

WHAT MATTERS TO THIS STAKEHOLDER GROUP	HOW THE BOARD ENGAGES
• Sustainability including carbon emissions and responsible sourcing • Greater use of timber in construction • Local employment	• ESG performance is embedded into the Company's incentivisation targets • Board commitment to sourcing 100% of our wood from certified sustainable and well managed sources (FSC® (CO12330, PEFC, or equivalent)) • Participation in trade bodies supporting timber based construction e.g. Timber Development UK
BOARD ACTIVITY AND OUTCOMES	STRATEGIC PRIORITIES
• The Board reviewed and approved an updated Environmental and Climate Change Policy and Code of Conduct a b d e	• Safe and sustainable

Stakeholder Engagement continued

Long-term view

The Directors aim to ensure that the business, guided by its values-led vision, achieves both short-term commercial success and long-term sustainability. This includes carefully considering the long-term impact of decisions, with the Board committed to responsible management as Accsys continues to develop technologies and solutions. The Directors hold a strong belief that the Company has a collective social responsibility to use and develop its technology to make the world a better, more sustainable place. This belief, together with health and safety, remains a priority of the business.

To assess the likely long-term impact of decisions, the Directors focus on Accsys' core values and stated purpose: 'Changing Wood to Change the World', to ensure that strategic objectives deliver long-term benefits and success for the business and its stakeholders.

Good business conduct

Accsys is committed to a policy of minimising any negative social and environmental impact that may flow from its activities. Such expectations are clearly communicated in its various policies, for example, its Human Rights Policy and Modern Slavery Statement. The Board periodically reviews and approves such policies and statements (where relevant) to ensure that its high standards are maintained both within the business and by business partners, with training rolled out across the Group, to ensure understanding and compliance with key principles.

Statement of engagement with other business relationships

Delivering our strategy requires strong relationships and alignment with suppliers, customers, distributors, licensees and business partners, as well as investors and other business relationships. The Company has developed a strong network of global distributors which has seen Accoya being sold into all continents of the world. Important relationships with suppliers in the wood and acetyls industries have been fostered over more than a decade to mitigate risk and promote success. Accsys provides training to its end-users (most frequently joineries) and distributors in relation to Accoya, including information for usage applications, manufacturing, environmental and social benefits. Accsys also maintains frequent contact with and, when possible, visits customers to ensure regular and open dialogue.

The Company's relationships with suppliers, and with business partners such as Eastman Chemical Company in relation to Accoya USA, are key elements of the success of its business. These relationships and ventures also create value for our partners, creating long-term demand and supply opportunities for their businesses where the sustainable nature of the finished products that they contribute to also supports their own sustainable development. We believe that our Accoya and Tricoya products will serve a long-term role in replacing non-renewable hardwoods and environmentally damaging man-made products while crucially being able to offer all of the attributes desired of a high-performance product.

Statement of engagement with employees

The Directors recognise that our people are key to the success of our business.

To ensure strong and positive employee engagement, Accsys holds regular communication updates in different forms, from in-person meetings to video conferences on a wide range of topics, including: health and safety; the Company's financial position; strategy; and updates on project progress and team activities. Employee feedback and questions are also actively encouraged. These communication forums combine a strong structure with an informal environment to facilitate and promote real engagement and open dialogue throughout all levels and functions of the organisation.

The Company intends to ensure that we remain a responsible and well-regarded employer, by considering factors from health and safety, skills and competency development to pay and benefits, and the implications of decisions on employees.

This Strategic Report was approved by the Board of Directors on 23 June 2025 and is signed on its behalf by:

Dr Jelena Arsic van Os
Chief Executive Officer

Dr Trudy Schoolenberg
Chair



Arc Polo Farm, Surrey, UK.
Manufacturer: Exterior Solutions Ltd.
Architect: DROO. Photography: Henry Woide

GOVERNANCE



Accoya at the Chelsea Flower Show, London, UK. Architect: Dido Milne (CSK Architects).
Design: Sophie Parmenter. Photography: 2024 Tammy Marlar Photography.



Corporate Governance

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Board of Directors



Dr Trudy Schoolenberg

Non-Executive Chair



Appointed to the Board

1 April 2018

Background and Experience

As well as strategy and growth experience, Dr Schoolenberg has strong operational knowledge, gained both during her time at Shell and thereafter at AkzoNobel.

Trudy has nearly 30 years' experience working for blue-chip companies in the chemicals, engineering and high performance product sectors, including over 20 years with Royal Dutch Shell where she led business strategy and growth plans for Shell Chemicals, a business unit with a multi-billion dollar turnover.

External Appointments

Trudy is currently a Non-Executive Director of:

- Elementis PLC



Dr Jelena Arsic Van Os

Chief Executive Officer

Appointed to the Board

27 June 2023

Background and Experience

Dr Jelena Arsic van Os has over 20 years' experience in senior executive leadership roles in large-cap multinational companies. Prior to joining Accsys Jelena was VP Plastics, Coatings, Adhesives and Rubber Performance Minerals EMEA and at Imerys SA, a global leader in mineral-based specialty solutions. Prior to this, Jelena held a number of senior executive positions across the globe during her 17 year tenure at AkzoNobel, the large-cap, chemicals and coatings company.

Jelena has a PhD in Solid State Chemistry from Radboud University Nijmegen, Netherlands.

External Appointments

None



Sameet Vohra

Chief Financial Officer

Appointed to the Board

30 September 2024

Background and Experience

Sameet has more than 25 years' experience in finance, with over 20 years' experience working in UK listed PLCs primarily across manufacturing, engineering, and natural resources. He has a broad skillset and strengths gained in senior finance leadership roles including strategy execution, performance improvement, M&A, IT, risk management, transformation programme leadership and financial management.

Sameet most recently served as CFO of Sureserve Group PLC and has previously held positions including CFO of Science Group PLC, Group Director of Finance at Spectris PLC and Group Financial Controller at TT Electronics PLC. He qualified as a chartered accountant with KPMG and is a member of the Institute of Chartered Accountants in England and Wales.

External Appointments

None

Key to Committees

● Audit Committee ● Nomination Committee ● Remuneration Committee ● Chair of Committee

**Louis Eperjesi**

Non-Executive Director
(Senior Independent Director)



Appointed to the Board

14 June 2022

Background and Experience

Louis joined the Board following a successful 33 year career in the building materials sector.

Louis brings a strong background of manufacturing and supply of building products in international markets, together with commercial, strategy development, M&A and change management experience.

He was most recently CEO of Tyman Plc and prior to this, held senior executive roles in Kingspan Plc, Baxi Group Ltd, Lafarge SA and Caradon Plc.

External Appointments

Louis is currently a Non-Executive Director of:

- Trifast PLC
- Howden Joinery Group plc
- Ibstock Plc

**Roland Waibel**

Independent Non-Executive Director



Appointed to the Board

1 August 2023

Background and Experience

Roland joined the Accsys Board on 1 August 2023, bringing over 30 years of chemicals, pharmaceutical, textile and process industry knowledge and experience. He most recently held the position of Chief Financial Officer of Archroma Group, a leading chemical supplier to the textile and paper industry, between 2013 and 2022. Prior to Archroma, Roland was the Chief Financial Officer of Omya AG and Lonza Group AG. He also served as Non-Executive Director of Adval Tech Holding AG, an international supplier to the automotive industry, between 2005 and 2020.

External Appointments

None

**Edwin Bouwman**

Non-Independent Non-Executive Director



Appointed to the Board

12 December 2023

Background and Experience

Edwin brings over 30 years of experience in the energy and building materials industry and has held executive roles at both public and private multinational companies, including Royal Dutch Shell, Roto Smeets N.V., CRH Plc and SHV Energy. During his career, Edwin has established a track record of successful business transformation, delivering both organic and acquisitive growth strategies to enable substantial portfolio performance improvement.

Edwin was appointed pursuant to a Relationship Agreement with Teslin Participaties Coöperatief U.A. and "De Engh" B.V. dated 21 November 2023.

Edwin is currently a member of the Supervisory Board of Koninklijke Jumbo Food Groep B.V., where he was appointed on 1 May 2025.

External Appointments

Royal Jumbo Food Group

Executive Committee

The Executive Committee includes the Chief Executive Officer, the Chief Financial Officer and the following individuals:



John Alexander

Group Commercial Director

Background and Experience

John is responsible for all aspects of product sales for Accsys, managing our commercial team in Europe and North America. John has a degree in Forestry and Forest Products from the University of Wales and an MSc in Timber Engineering from the University of Maine, USA.

John's career in the wood product industry started as technical manager at Jeld-Wen, the world's largest manufacturer of windows and doors, and he subsequently moved to BSW Timber, the largest forestry and sawmilling group in the UK.

Initially joining Accsys as Head of Product Development in 2010, John became Director of Sales and Product Development in 2015 and in 2020 tightened the focus of his role on sales activities and strategy. In 2023 he took on responsibility for marketing and customer service.



Dr Pablo Steenwinkel

Group Technology and Quality Director

Background and Experience

With over 20 years of technology leadership experience in the chemicals industry, Pablo started his career at Accsys in January 2021 and is responsible for all aspects of product and process support and innovation for Accsys, leading the Global Technology Centre (GTC), a global team of experts in the fields of wood (modification) science, chemistry, process technology and intellectual property development.

Pablo has an MSc in Chemistry from the University of Leiden (NL) and a PhD in Chemistry from the University of Utrecht (NL) and previously worked at Zeneca Resins (now part of Covestro), Avery Dennison and, most recently, at Flint Group as Senior Technical Director Packaging Inks EMEA.



Hans Pauli

Managing Director, Arnhem

Background and Experience

Hans has held financial positions across the banking and biotech sectors and has significant experience in investment, manufacturing, licensing and distribution. Hans holds a BA in Business Administration and has completed an MA in Fiscal Economics from the University of Amsterdam.

Hans' commercial career began in the banking sector where he worked for various institutions including Barclays, where he gained investment and M&A experience. He has worked for a number of biotech companies as Chief Financial Officer, including Euronext-listed Pharming Group N.V.



Angus Dodwell

General Counsel

Background and Experience

Angus is responsible for the legal affairs of the Accsys Group. Angus previously worked at Accsys from 2008 to 2022, latterly as General Counsel and Company Secretary, and rejoined the Group as General Counsel and Executive Committee member in March 2025.

Angus qualified at a leading UK international law firm and has over 20 years' experience practicing as a corporate and commercial lawyer, principally advising small-mid cap companies on a broad range of commercial, corporate and other business matters.

Our Executive Committee comprises a group of leaders who are experts in their fields with a broad range of specialism and sector knowledge. Together, they drive and manage Group activities and are committed to ensuring we deliver on our plans for growth and commercial success. Their hard work, commitment and specialist advice has supported the growth of Accsys Technologies PLC.

Corporate Governance



The Board believes that sound governance is fundamental for the effective oversight and long-term success of the Company."

Dr Trudy Schoolenberg
Non-Executive Chair

Dear Shareholder,

As Chair of the Company, I have pleasure in presenting the Corporate Governance Statement for FY25. The Board is collectively responsible to the shareholders of the Company for the effective oversight and long-term success of the Company. The Board believes that sound governance is fundamental to this and has followed the QCA Corporate Governance Code since 2018. A new QCA Code was introduced in November 2023 and became effective for the Company to report against in this financial year. Details of how we comply with the new QCA code are given on page 79.

The Board recognises that corporate governance is not a static process and that there is a need to continuously review our policies and practices to ensure that the Company meets the required standards, and that this area develops in line with the growth and overall strategic plans for the Group. The Board considers that the policies, procedures and relevant systems which have been implemented to date have given us a firm foundation for our governance structure.

Composition and independence of the Board

During the financial year the Board consisted of six Directors: the Non-Executive Chair, two Executive Directors, one Non-Executive Director and two independent Non-Executive Directors.

Details of each Director's experience and background are given in their biographies on pages 72 and 73.

Corporate Governance continued

Division of responsibilities

Board Role	Responsibilities
Chair	- Leads the Board and is responsible for the overall effectiveness of Board governance - Sets the Board's agenda, with emphasis on strategy, performance and value creation - Shapes the culture of the Board
Chief Executive Officer	- Develops strategies, plans and objectives to propose to the Board - Leads the organisation to ensure the delivery of the strategy - Ensures effective communication with shareholders - Day-to-day management of Group operations
Chief Financial Officer	- Implements the Group financial strategy - Supports the Chief Executive Officer in the delivery of the strategy - Oversees financial reporting and internal controls
Non-Executive Directors	- Demonstrate independence and impartiality (INEDs only) - Bring experience and special expertise to the Board - Constructively challenge the Executive Directors - Monitor the delivery of the strategy within the risk and control framework set by the Board - Monitor the integrity and effectiveness of the Group's financial reporting, internal controls and risk management system - Promote and support the Group's values and commitment to high standards of corporate governance - Serve on the Board's Committees (as appointed)

Board responsibilities

The Board has overall responsibility for the Company's purpose, strategy, business model, performance, capital structure, approval of key contracts and major capital investment plans, the framework for risk management and internal controls, governance matters and engagement with shareholders and other key stakeholders.

The Board is notably responsible for:

- developing Group strategy, business planning, budgeting and risk management;
- monitoring performance against budget and other agreed objectives;
- setting the Group's values and standards, including policies on employment, health and safety, environment and ethics;
- relationships with shareholders and other major stakeholders;
- appointment of key advisers to the Company;
- determining the financial and corporate structure of the Group (including financing and dividend policy);
- major investment and divestment decisions, including acquisitions, and approving material contracts; and
- Group compliance with relevant laws and regulations.

How the Board operates

The Board has an established schedule of meetings throughout the year, with additional meetings convened when required. The Board addresses several recurring items at each Board meeting, including operational and financial performance updates and management presentations. The Directors maintain a dialogue between Board meetings on a variety of matters.

The table below sets out the attendance record of individual Directors at Board and Committee meetings held during the financial year:

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee
	Attended	Attended	Attended	Attended
Dr Geertrui 'Trudy' Schoonenberg	13/13	3/3	6/6	5/5
Dr Jelena Arsic van Os	13/13	n/a	n/a	n/a
Sameet Vohra (appointed 30 September 2024)	4/4	n/a	n/a	n/a
Hans Pauli	4/5	n/a	n/a	n/a
Steven Salo	1/1	n/a	n/a	n/a
Louis Eperjesi	13/13	3/3	6/6	5/5
Roland Waibel	13/13	3/3	6/6	5/5
Edwin Bouwman	11/13	3/3	6/6	n/a

The Board retains control of certain key decisions through the schedule of matters reserved for the Board.

It has delegated other responsibilities to its Board Committees, details of which are stated in each of the Committee reports contained within this Annual Report. Anything falling outside of the schedule of matters reserved for the Board or the Committees Terms of Reference falls within the responsibility and authority of the Chief Executive, including all executive management matters.

A meeting agenda and accompanying detailed papers, covering key business and governance issues are circulated to the Board and Committee meetings well in advance of each meeting. At each meeting, the Board reviews comprehensive financial and trading information produced by the management team and considers the trends in the Company's business and its performance against strategic objectives and plans.

All Directors are expected to attend each meeting of the Board and any Committees of which they are members, and to devote sufficient time to the Company's affairs to fulfil their duties as Directors. Where Directors are unable to attend a meeting, they are encouraged to submit any comments to be considered at the meeting to the Chair in advance to ensure that their views are recorded and taken into account during the meeting. Directors are encouraged to question and voice any concerns they may have on any topic put to the Board for debate.

The minutes of the Board and Committee meetings record the discussions, decisions made and any matters arising.

The Chief Executive Officer and Chief Financial Officer, being the executive members of the Board, implement the decisions of the Board and may delegate any decisions made to the Executive Committee as appropriate.

The main activities of the Board during the year

There are a number of standing and routine items included for review on each Board agenda. These include operational reports, including HSE reports, financial reports, governance and investor relations updates.

In addition, key areas put to the Board for consideration and review included:

- approval of annual and half-year reports and financial statements;
- review and approval of budget;
- review of the company strategy and strategy implementation;
- approval to close the Group's manufacturing plant in Hull; and
- review and appointment of a new Nominated Advisor.

Board Committees

The Board delegates certain responsibilities to its three main Committees, so that it can operate efficiently and give an appropriate level of attention and consideration to relevant matters. The Company has an Audit Committee, a Remuneration Committee, and a Nomination Committee, all of which operate within a scope and remit defined by specific terms of reference determined by the Board. Details of the operation of the Board Committees are set out in their respective reports later within this Annual Report. All of the Board Committees are authorised to obtain, at the Company's expense, professional advice on any matter within their Terms of Reference and to have access to sufficient resources in order to carry out their duties.

The Board Chair also chairs the Nomination Committee, whilst both independent Non-Executive Directors each chair one Committee, being the Audit Committee and the Remuneration Committee.

Appointments to the Board and re-election

The Board has delegated the tasks of reviewing Board composition, searching for appropriate candidates and making any Board or Committee appointment recommendations to the Nomination Committee. Further details on the role of the Nomination Committee may be found on page 82.

Corporate Governance continued

Non-Executive Directors

Each of the Non-Executive Directors has entered into a letter of appointment with the Company, which sets out the duties of the Director and commitment expected. They are expected to commit at least 20 days per annum to their role and are specifically tasked with:

- bringing independent judgement to bear on issues put to the Board;
- applying their knowledge and experience in considering matters such as strategy, company performance, use of resources and standards of conduct; and
- ensuring high standards of financial probity and corporate governance.

All Directors will offer themselves for annual re-election at the AGM, in accordance with best practice in corporate governance. This year Sameet Vohra will be offering himself for election for the first time having been appointed as an Executive Director at the end of September 2024.

Board and Committee Performance Reviews

I consider the operation of the Board and the performance of the Directors on an ongoing basis as part of my duties and will bring any areas of improvement I consider needed to the attention of the Board.

Principle 8 of the new QCA Code recommends that an external evaluation of the Board and its Committees be undertaken on a periodic basis. Accordingly, in the last quarter of the financial year, a Board evaluation took place by an external facilitator by means of reviewing Board papers, minutes, attending meetings and interviewing each Director individually. A comprehensive report was produced which is currently being reviewed and considered by the Board. Further details on the evaluation, its recommendations and actions to address those recommendations will be provided in the FY26 Annual Report.

Change in Nominated Advisor

Being an AIM listed company, the Company is required to have a Nominated Advisor ('NOMAD') according to the AIM listing rules. The NOMAD is also the Company's UK corporate broker.

On the 1st April 2025, Panmure Liberum replaced Deutsche Numis in these roles. The Board would like to thank Deutsche Numis for their advice and support during their tenure as NOMAD.

Conflicts of interest

Under the Company's Articles, the Directors may authorise any actual or potential conflict of interest a Director may have and may impose any conditions on the Director that are felt to be appropriate. Directors are not able to vote in respect of any contract, arrangement or transaction in which they have a material interest, and they are not counted in the quorum. A process is in place to identify any of the Directors' potential or actual conflicts of interest.

Accountability

The Company has in place a system of internal financial controls commensurate with its current size and activities, which is designed to ensure that the possibility of misstatement or loss is kept to a minimum. These procedures include the preparation of management accounts, forecast variance analysis and other ad-hoc reports. There are clearly defined authority limits throughout the Group, including matters reserved specifically for the Board.

Risk management and internal control

Risks throughout the Group are considered and reviewed on a regular basis. Risks are identified and mitigating actions put into place as appropriate. Principal risks identified are set out in the Strategic Report on pages 40 to 44. Internal control and risk management procedures can only provide reasonable and not absolute assurance against material misstatement. The internal control procedures were in place throughout the financial year and up to the date of approval of this report.

Financial and business reporting

The Board seeks to present a fair, balanced and understandable assessment of the Group's position and prospects in all half-year, final and any other ad-hoc reports, and other information as may be required from time to time. The Board receives a number of reports, including those from the Audit Committee, to enable it to monitor and clearly understand the Group's financial position.

Annual General Meeting (AGM)

This year's AGM will be held on 24 September 2025. The Notice of Annual General Meeting is available on the Company's website at www.accsysplc.com. Separate resolutions are provided on each issue so that they can be given proper consideration, and all shareholders are encouraged to submit their votes.

Dr Trudy Schoolenberg

Chair

23 June 2025

The QCA Corporate Governance Code 2023 ('QCA Code')

The new QCA Code which was introduced in November 2023 and which became effective for the Company to report against in this financial year. The QCA Code is split into three sections and ten principles and how the Company has complied with it is set out in the table below:

Principles of the QCA Code	How the Company has complied
Deliver Growth	
1. Establish a purpose, strategy and business model which promotes long-term value for shareholders.	The Board has collective responsibility for setting the strategic aims and objectives of the Group. Our strategy is articulated on pages 34 to 37 and on our website.
2. Promote a corporate culture that is based on ethical values and behaviours.	The Company operates an open and inclusive culture and this is reflected in the way that the Board conducts itself.
3. Seek to understand and meet shareholder needs and expectations.	In the course of implementing our strategic aims, the Board takes into account expectations of the Company's shareholders by meeting with them on a regular basis.
4. Take into account wider stakeholder and social and environmental responsibilities, and their implications for long-term success.	How we engage with our key stakeholder groups is stated on pages 64 to 68. The Company's website has an ESG page which gives further details. This can be found at www.accsysplc.com .
5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.	The Board has responsibility for the Group's internal control and risk management systems. Further detail on risk management is included on pages 40 to 44.
Maintain a dynamic management framework	
6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair.	The Chair considers the operation of the Board as a whole and the performance of the Directors individually. All appointments to the Board are on merit, but with due consideration to the need for diversity on the Board. Such appointments are made to complement the existing balance of skills and experience on the Board.
7. Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities.	The Directors have the necessary up-to-date experience, skills and capabilities required for the Board and to oversee the management of the Company. Directors keep their skillset up to date with a combination of attendance at industry events, governance updates by the NOMAD individual reading and study, and experience gained from other Board roles. Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.
8. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	An internal evaluation of the Board is normally undertaken each year and the feedback shared with the Board. In March 2025, an external Board evaluation was initiated in accordance with the new QCA Code.
9. Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture.	Whilst the requirement to establish a remuneration policy is new to the QCA Code, under Sections 385, 420, and 439A of the Companies Act 2006 it has been a requirement for companies that have a listing in any EEA country to produce a full Directors' Remuneration Report and to have a Remuneration Policy for which approval must be sought from shareholders. Accordingly, given the Company's cross listing on Euronext Amsterdam since 2007, the Company has legally been required to have a Remuneration Policy in place for a number of years. The policy is put to shareholders for approval every three years and was last approved at the 2024 AGM. It received over 99% of the votes in favour.
Build trust	
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	The Board will continue to monitor its application of the QCA Code and revise its governance framework as appropriate as the Group evolves. The Board recognises the importance of maintaining regular dialogue with institutional (both existing and potential) and retail shareholders to ensure that the Group's strategy is communicated and to understand the expectations of our shareholders.

Audit Committee Report



The Committee's primary responsibility is to monitor the quality of internal controls and ensure the financial performance of the Company is properly measured and reported on."

Roland Waibel

Chair of the Audit Committee

Membership

Roland Waibel (Chair of the Audit Committee)

Dr Trudy Schoolenberg

Louis Eperjesi

Edwin Bouwman

Responsibilities

- Financial reporting
- Narrative reporting
- Risks and controls
- External auditors
- Internal Audit
- External corporate financial and tax advisors

In exercising its role, the Directors have regard to the recommendations put forward in the QCA Corporate Governance Code. Roland Waibel is the Committee member with recent and relevant audit experience.

Dear Shareholder,

As Chair of the Audit Committee (the Committee), I am pleased to present this report for the financial year ended 31 March 2025. This report provides a summary of the Committee and its focus and activities during the course of FY25.

Role of the Committee

The Committee's role is to act on behalf of the Board of Directors and oversee all material aspects of the Group's financial reporting, internal control and audit functions. The Committee's role includes a particular process on the qualitative aspects of financial reporting to shareholders and on Group processes for the management of business/financial risk and for compliance with significant applicable legal, ethical and regulatory requirements.

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. The responsibilities of the Audit Committee include approving certain related party transactions and identifying any irregularities in the management of the Company's business, through consultation with the Company's external auditor and by proposing remedial measures where necessary to the Board of Directors.

The Audit Committee meets at least three times a year.

➤ For attendance at Audit Committee meetings see Directors' attendance record | [Page 77](#)



The Terms of Reference for the Audit Committee are available on the Company's website |

www.accsysplc.com/investors/corporate-governance

The Audit Committee considers the independence and objectivity of the external auditor on an annual basis with particular regard to non-audit services. The Audit Committee is entitled to obtain, at Accsys' expense, independent legal, accounting or other professional advice on any matter it believes is necessary to do so.

Key matters addressed by the Committee during the year

Financial reporting

- Reviewed the integrity of key financial announcements (including the interim results)
- Reviewed the Annual Report and Financial Statements to confirm the report as a whole was fair, balanced and understandable
- Reviewed and discussed the External Auditor's reports to the Committee
- Reviewed the going concern basis of accounting and the longer-term forecasts
- Reviewed the Key Accounting and Financial reporting issues

External audit matters

- Recommended the reappointment of PwC as external auditor for FY25
- Reviewed the independence, objectivity and effectiveness of the external auditor
- Reviewed the external audit plan taking account of the scope, materiality and audit risks and agreeing the audit fees
- Monitored the value of non-audit services provided by the external auditor, ensuring the services do not affect the auditors' objectivity and independence

Risk management

- Undertook detailed reviews of the Group's risk register and the related mitigations, ensuring that risks are appropriately identified, evaluated and mitigated, as appropriate. See Risk section from page 40
- Ensured appropriate scrutiny of the Company's IT and cybersecurity arrangements, recognising that Roland Waibel (Board member and Committee Chair) and Sameet Vohra (CFO) both have past experience in the implementation of IT, information security and cybersecurity

Other areas of focus

- Reviewing the plan and roadmap for the Group's proposed SAP upgrade project
- Reviewed and approved updated Terms of Reference for the Committee

Roland Waibel

Chair of the Audit Committee
23 June 2025

Corporate governance

- Reviewed changes in the field of corporate governance

Nomination Committee Report



The Committee is responsible for the orderly succession of both the Board and Executive Committee positions and for overseeing the development of a diverse pipeline."

Dr Trudy Schoolenberg

Chair of the Nomination Committee

Membership

Dr Trudy Schoolenberg (Chair of the Nomination Committee)

Louis Eperjesi

Roland Waibel

Responsibilities

- Ensures there is a formal, rigorous and transparent procedure for appointments to the Board;
- Leads the process for appointments and makes recommendations to the Board;
- Assists the Board in ensuring its composition is regularly reviewed and refreshed, taking into account the length of service of the Board as a whole, so that it is effective and able to operate in the best interests of shareholders;
- Ensures plans are in place for orderly succession to positions on the Board and the Executive Committee;
- Oversees the development of a diverse pipeline for succession; and
- Works and liaises with other Board committees, as appropriate, including the Remuneration Committee in respect of any remuneration package to be offered to new appointees of the Board.

In exercising its role, the Committee has regard to the recommendations put forward in the QCA Corporate Governance Code.

The Committee's Terms of Reference state that a majority of Committee members should be Independent Non-Executive Directors. During FY25 and as at the date of this report, all serving members of the Committee are Independent Non-Executive Directors.

Dear Shareholder,

As Chair of the Nomination Committee (the Committee), I am pleased to present its report for the year ended 31 March 2025. This report provides a summary of the Committee's activities during the course of the year.

During the year, we welcomed Sameet Vohra to the Board as Chief Financial Officer on 30 September 2024.

In addition to the above, the main focus of the Committee this year has been on succession planning and providing support to the Chief Executive Officer in reshaping the Company's leaner Executive Committee.

Role of the Committee

The Committee is responsible for the orderly succession of both the Board and Executive Committee positions and for overseeing the development of a diverse pipeline for succession of critical roles.

➤ For attendance at Nomination Committee meetings see Directors' attendance record | **Page 77**



The Terms of Reference for the Nomination Committee are available on the Company's website |

www.accsysplc.com/investors/corporate-governance

Key matters discussed during the year

During FY25 the Committee led the process for the appointment of a Chief Financial Officer, including the appointment of Hans Pauli as Interim Chief Financial Officer whilst the search was underway.

Succession planning and talent development continued to be a core focus of discussion for the Committee during the year, particularly relating to attraction, retention and motivation of colleagues. This was reviewed through the lenses of compensation and benefits, learning and development and employee engagement. The Committee received updates from the Executive Directors on initiatives taken to engage employees and the opportunities available as part of their compensation packages.

Appointment of Chief Financial Officer

The Board appointed Hans Pauli as Interim Chief Financial Officer on 15 May 2024, Hans having previously served as Group CFO between 2010 and 2012. While the external search for a permanent appointment was ongoing, and in his capacity as Interim CFO, Hans joined the Board as an Executive Director on 4 July 2024, on the recommendation of the Nomination Committee.

Following an extensive search and review of the shortlisted candidates, Sameet Vohra was identified as the preferred candidate and his appointment as Chief Financial Officer and Executive Director of the Company was recommended to the Board by the Nomination Committee. Sameet has more than 25 years' experience in finance, with over 20 years' experience working in UK listed PLCs primarily across manufacturing, engineering and natural resources. He has a broad skillset and strengths gained in senior finance leadership roles including strategy execution, performance improvement, M&A, IT, risk management, transformation programme leadership, and financial management. These will be of great benefit to the Company as the new FOCUS strategy is rolled out.

Upon Sameet Vohra's appointment to the Board of Accsys on 30 September 2024 as Chief Financial Officer, Hans Pauli stepped down and was appointed Managing Director of the Arnhem plant. The Committee thanks Hans for his adaptability and professional support.

Executive Director appointment process



2025 Board and Committee Performance Reviews

In accordance with best practice and the requirements of the QCA Code, the Board undertakes annual reviews of the performance of the Board and its Committees. In line with the 2023 QCA Code, an externally facilitated review should take place on a periodic basis, with internal reviews conducted in the interim years.

During the year, the Board made good progress against the recommendations made in the 2024 Board Performance Review, which was carried out internally by means of a questionnaire, including:

- Enhanced Board involvement in the Company's objectives and strategy by holding two Strategy days held with the Executive Committee and the Board with a new Strategy detailed in January 2025.
- Board external evaluation took place in March 2025. Further details on the following page.
- Implemented measures to improve Board and Committee meetings, including acting on feedback to improve financial reporting to the Audit Committee.
- Continued focus on succession planning at Board and Executive Committee level.

Nomination Committee Report continued

For the FY25 review, the Board appointed an external facilitator, in accordance with the new QCA Code, who undertook a review in March 2025 of the Board and its Committees. The external facilitator had no prior affiliation with the Company or its Directors before the review.

Board gender



● Male 4
● Female 2

Board Independence



● Independent 3
● Non-Independent 3

Executive Committee gender



● Male 5
● Female 1

Length of Tenure of Directors¹



● 0-3 years 5
● 4-6 years 0
● 6-9 years 1

The review took the form of a detailed review of Board and Committee papers; observation of the March 2025 Board and Committee meetings; and one-to-one interviews with the Directors. A comprehensive report was produced which is currently being reviewed and considered by the Board. Further details on the evaluation, its recommendations and actions to address those recommendations will be provided in the FY26 Annual Report.

Dr Trudy Schoolenberg
Chair of the Nomination Committee
23 June 2025

¹ Tenure is calculated on number of complete years to 31 March 2025.

Remuneration Report



Our Policy is designed to be simple and transparent, aligned with delivering our purpose led strategy, and ultimately supporting the creation of long-term sustainable shareholder value. Our aim is to always consider the wider workforce, our shareholders, and other stakeholders by taking a fair, prudent, and balanced approach to remuneration."

Louis Eperjesi

Chair of the Remuneration Committee

Membership

Louis Eperjesi (Chair of the Remuneration Committee)
Dr Trudy Schoolenberg
Edwin Bouwman
Roland Waibel

On behalf of the Board, I am pleased to present our Remuneration Report for the year ended 31 March 2025.

We were delighted with the strong support from shareholders at the 2024 AGM, at which the Directors' Remuneration Policy was approved with over 99% of votes cast in favour. The Committee continues to believe that that Policy is aligned with our purpose-led strategy, reflects best practice and that the remuneration structure aligns Executive Director interests with the creation of long-term sustainable value for all our stakeholders.

This report describes the work of the Remuneration Committee and how it has applied the Directors' Remuneration Policy ('the Policy') for the year ended 31 March 2025 and how we intend to implement the Policy for the year ahead. The report (other than the Directors' Remuneration Policy) will be subject to an advisory vote at our upcoming AGM.

Remuneration in the context of our business performance and outcomes for our key stakeholders

FY25 has been a year of significant progress and delivery for Accsys, following a challenging FY24. We have successfully delivered full year results in line with upgraded guidance, demonstrating strong growth momentum and improved profitability. There has been robust product demand with double digit sales volume growth across all of our Accoya sales regions. Arnhem has already fully replaced the sales transferred to the JV, with the demand coming from Europe and other regions.

The launch of our new FOCUS strategy provides a clear roadmap for sustainable long-term growth. The Investor Strategy Day in January 2025 provided our shareholders and investors with a detailed overview of our strategic ambitions and phased approach to achieving them.

➤ For attendance at Remuneration Committee meetings see Directors' attendance record | [Page 77](#)



The Terms of Reference for the Remuneration Committee are available on the Company's website | www.accsysplc.com/investors/corporate-governance

Remuneration Report continued

Over the year we have delivered on a number of strategic and financial priorities, including successfully commencing commercial operations at Accoya USA. This new facility in one of the world’s most attractive wood markets opens up a huge growth opportunity. The 16% year on year sales volume growth in North America is testament to the strong market potential.

Alongside our US expansion, we have continued to drive operational efficiencies and successfully delivered €4.6m of cost savings. The business is significantly de-risked with Accoya USA completed and the decision taken to discontinue the Hull site.

Further information on our growth ambitions and progress against our strategic priorities for growth are set out in our Strategic Report from page 12.

Board changes

As noted in the FY24 Annual Report, Steven Salo stepped down from his role as Chief Financial Officer with effect from 15 May 2024. Details of his remuneration earned in respect of FY25 are set out in the table on page 89 and information on his remuneration upon leaving the business are summarised on page 101 of the FY24 Annual Report.

We were very pleased to welcome Sameet Vohra to Accsys as our new Chief Financial Officer with effect from 30 September 2024. With a proven track record as a CFO of publicly listed companies, he brings a wealth of experience in accelerating growth and enhancing business performance. I have summarised below the remuneration package agreed with Sameet in connection with his joining the business.

Salary	£265,000, with an agreed 3% increase for FY26.
Pension	8% of salary, aligned with other employees in the business in the UK.
Bonus	Up to 125% of salary, pro-rated for FY25 to reflect time in service.
LTIP	100% of salary, with the FY25 grant pro-rated to reflect time in service.
Notice	6 months.

As we announced on 5 July 2024 Hans Pauli was appointed as Interim Chief Financial Officer and an Executive Director of the Company with effect from 4 July 2024. His remuneration earned from this date until he stepped down from the Board on 30 September is included in the table on page 89.

Executive remuneration outcomes FY25

For the year ended 31 March 2025, the maximum annual bonus opportunity for Dr Jelena Arsic van Os and Sameet Vohra was 125% of salary, pro-rated in the case of Sameet Vohra to reflect his period of service.

Hans Pauli’s maximum annual bonus opportunity in respect of the period for which he served as Interim Chief Financial Officer was 125% of salary, pro-rated to reflect the period of service as Interim Chief Financial Officer.

Information in relation to the performance conditions is set out on page 90. Reflecting the financial performance of the Group in the year and delivery against non-financial objectives, Dr Jelena Arsic van Os and Sameet Vohra earned a bonus of 69.30% of the maximum, equivalent to 86.62% of salary for the year (pro-rated to reflect his period of service in the case of Sameet Vohra). In respect of the period for which he served on the Board as Interim Chief Financial Officer, Hans Pauli earned a bonus of 67.92% of maximum.

The Committee believes this outcome is an appropriate reflection of performance against objectives in the year and no discretion was exercised in respect of the bonus outcome. In line with the approach adopted in FY24, the Committee has again exercised its discretion and decided that all of the FY25 bonus earned should be paid in ordinary shares. None of the bonus earned for FY25 will therefore be paid in cash. The Executive Directors will instead be paid the bonus earned in shares, of which 80% will vest on grant and 20% will vest at the end of a two year deferral period.

No Executive Director held an LTIP award granted in respect of their service as an Executive Director and which vests in respect of performance to FY25.

LTIP awards – grant 2024

2024 LTIP awards were granted to Dr Jelena Arsic van Os and Hans Pauli, and other participants on 18 July 2024. The LTIP awards are nil priced options over ordinary shares of €0.05 each in the Company. Awards for FY25 were granted at the level of 125% of salary to Dr Jelena Arsic van Os, and 40% of salary to Hans Pauli. Sameet Vohra was granted a 2024 LTIP award on 27 November 2024 at the level of 100% of salary, pro-rated to reflect his period of service during the three-year performance period ending 31 March 2027.

Further details of the performance conditions are set out on page 91.

Remuneration – at a glance and implementation of the Remuneration Policy for the year ending 31 March 2026

We operate a simple and transparent overall structure. The key components and features of our framework are summarised in the table below together with a summary of how we propose to implement the Policy for the financial year ending 31 March 2026.

Salary	- Salaries are normally reviewed annually by the Committee. Our approach is to set base salaries to reflect the individual's skills and experience, with increases for Executive Directors normally in line with those awards to the wider workforce, although we have flexibility to award higher increases in appropriate circumstances. - For FY26 the average salary increase for the wider workforce is 2.5%, effective 1 April 2025. The base salary increase for Dr Jelena Arsic van Os will be 2.5% in line with the wider workforce. Sameet Vohra will receive an increase of 3% as agreed upon joining Accsys and within the range of increases awarded to other employees.																					
Benefits and pension	- Benefits consist of private medical insurance and life insurance. - The CEO's housing allowance of £3,500 per month (net of tax) which was to be provided up to July 2025, as described in the FY24 Directors' Remuneration Report and consistent with our approach for other employees ceased to apply with effect from 1 October 2024 and we instead pay the costs of accommodation (and tax due) when the CEO is in the UK. - Pension allowance of 8% of salary, aligned with other employees in the business in the UK.																					
Annual bonus	- Maximum annual bonus opportunity of 125% of base salary. - Target opportunity of 62.5% of salary. - Based on a mix of financial, strategic and operational objectives, with stretching targets. 20% deferral into fixed number of shares for two years, strengthening alignment of executive and shareholder interests. No leaver provisions. - Malus and clawback provisions apply. For the year ending 31 March 2026, payouts will be determined based on the delivery of stretching financial, operational, and personal objectives with the weightings for the various components as set out in the following table. <table><tr><th>Measure</th><th>Group scorecard weighting</th><th>Weighting as % of maximum</th></tr><tr><td>Total sales volumes</td><td>30%</td><td>27%</td></tr><tr><td>Adjusted Group EBITDA</td><td>30%</td><td>27%</td></tr><tr><td>Cash flow generation</td><td>30%</td><td>27%</td></tr><tr><td>ESG</td><td>10%</td><td>9%</td></tr><tr><td>Sub-total – Group objectives:</td><td>100%</td><td>90%</td></tr><tr><td>Personal objectives</td><td></td><td>10%</td></tr></table> The Committee believes that the underlying targets are commercially sensitive and cannot be disclosed at this stage.	Measure	Group scorecard weighting	Weighting as % of maximum	Total sales volumes	30%	27%	Adjusted Group EBITDA	30%	27%	Cash flow generation	30%	27%	ESG	10%	9%	Sub-total – Group objectives:	100%	90%	Personal objectives		10%
Measure	Group scorecard weighting	Weighting as % of maximum																				
Total sales volumes	30%	27%																				
Adjusted Group EBITDA	30%	27%																				
Cash flow generation	30%	27%																				
ESG	10%	9%																				
Sub-total – Group objectives:	100%	90%																				
Personal objectives		10%																				

Remuneration Report continued

Long-term incentive plan

- For FY26 Dr Jelena Arsic van Os and Sameet Vohra will be granted an award of options at the level of 125% and 100% of salary respectively.
- The number of shares that vest will be subject to performance measured over a period of three years. Details of the targets and weightings are set out below.
- Vested awards will be subject to an additional two-year holding period, aligned with best practice for UK-listed and Dutch companies and in excess of typical practice for AIM-listed companies.
- Malus and clawback provisions apply.

The performance conditions for the LTIP awards to be granted in FY26 are set out below.

	Weighting (% of award)	Threshold	Maximum
Vesting (% of maximum)		25%	100%
Adjusted EPS ¹	30%	2.7 cents	3.6 cents
FY28 adjusted EBITDA	30%	€34.0m	€45.4m
Cumulative free cash flow generation ²	40%	€41.3m	€55.1m

1. The number of shares in issue for the purposes of the EPS performance condition will be adjusted for any equity raise share issuance and CLN interest payments by equity.

2. Cumulative cash generation is calculated on net cash flow excluding loan and interest payments.

The Committee also has the ability to exercise discretion to make adjustments to the formulaic vesting outcome if it considers it appropriate to do so, including if the formulaic outcome: does not reflect performance during the vesting period; is not appropriate in the context of circumstances that were unexpected or unforeseen at the grant date; materially deviates from the intention of the Directors' Remuneration Policy.

Shareholding guidelines

Executive Directors are expected to build up and retain a shareholding of at least 250% of salary for the CEO and 225% of salary for the CFO.

Our Policy retains the flexibility to offer incentive award opportunities exceeding those set out above if appropriate in the circumstances. It retains the discretions for the Committee to provide a maximum bonus opportunity up to the formal cap of 200% of salary in respect of a particular financial year or to make annual LTIP awards of up to 300% of salary.

Non-Executive Directors

The fees for the Non-Executive Directors (NED) for FY25 and proposed fees for FY26 are set out in the table below. The Chair and base NED fee, which have not been changed since FY23, have been increased taking into account the time requirements of the role and appropriate market data.

Metric	Year ending March 2026	Year ended March 2025
Chair fee	£107,000	£97,000
Base NED fee	£47,100	£45,000
Additional fees:		
Non-UK Resident Non-Executive Director Fee	£4,000	£4,000
Senior Independent Director	£8,400	£8,400
Committee chair per Committee	£8,000	£8,000

With effect from 17 September 2021, Base NED fees are supplemented by an additional Non-UK Resident Non-Executive Director Fee of £4,000 p.a. to take account of the additional time commitment required by non-UK resident Accsys Non-Executive Directors (including but not limited to travelling to Board meetings). Dr Trudy Schoolenberg receives this fee in addition to her Chair fee (on the same basis as other non-UK resident Accsys Non-Executive Directors).

2025 AGM

The Remuneration Committee remains committed to operating remuneration arrangements which align with our strategic priorities and the best interests of our stakeholders. We believe the approach we have adopted is appropriate and responsible and I look forward to receiving your support at our AGM.

Yours sincerely

Louis Eperjesi

Chair of the Remuneration Committee

23 June 2025

Remuneration received by Directors in the year ended 31 March 2025 (audited)

Directors' remuneration for FY25 for those who served as Directors in that financial year (and the remuneration of any such Director for FY24) is shown in the following tables. Therefore, in line with the UK reporting regulations, those Directors who served during FY24 but not during FY25 (Sean Christie, Sue Farr, Stephen Odell, and Alexander Wessels) are not included in the table for FY24 included below.

	Currency	Salary / Fees	Benefits in Kind ¹	Pension	Buy-out award	Total Fixed Remuneration	Annual Bonus	LTIPs Vested / Expected to Vest ³	Total Variable Remuneration	FY25 Total Remuneration	FY25 Total Remuneration EUR
Executive Directors											
Dr Jelena Arsic van Os	£	390	63	31	-	484	338	-	338	822	977
Steven Salo	£	34	1	2	-	37	-	-	-	37	43
Hans Pauli ³	£	59		4	-	63	50	-	50	113	134
Sameet Vohra ⁴	£	133	9	11	-	153	115	-	115	268	320
Non-Executive Directors											
Dr Trudy Schoolenberg	£	101	-	-	-	101	-	-	-	101	120
Louis Eperjesi	£	60	-	-	-	60	-	-	-	60	71
Edwin Bouwman	£	49	-	-	-	49	-	-	-	49	58
Roland Waibel	£	56	-	-	-	56	-	-	-	56	67

	Currency	Salary / Fees	Benefits in Kind ¹	Pension	Buy-out award ²	Total Fixed Remuneration	Annual Bonus	LTIPs Vested / Expected to Vest ³	Total Variable Remuneration	FY24 Total Remuneration	FY24 Total Remuneration EUR
Executive Directors											
Dr Jelena Arsic van Os ⁴	£	292	40	23	137	492	77	-	77	569	664
Steven Salo ⁵	£	265	11	21	-	297	70	-	70	367	426
Non-Executive Directors											
Dr Trudy Schoolenberg ⁸	£	80	-	-	-	80	-	-	-	80	92
Louis Eperjesi	£	48	-	-	-	48	-	-	-	48	55
Edwin Bouwman ⁹	£	15	-	-	-	15	-	-	-	15	17
Roland Waibel ¹⁰	£	36	-	-	-	36	-	-	-	36	41

Figures are shown in thousands. Figures are shown in the currency in which the majority of remuneration is received. The final column converts remuneration into the Company's reporting currency using the monthly exchange rate when the costs are incurred.

1. Taxable benefits for the Executive Directors in the year included car allowance, private medical insurance, life insurance, and accommodation benefits for the CEO including a £3,500 per month housing allowance (net of tax) up to 1 October 2024. The gross (before tax) values are shown in the table above in line with the UK reporting regulations.
2. Neither Dr Jelena Arsic van Os nor Steven Salo received an LTIP award which vested in respect of performance to FY24. No Executive Director held an LTIP award granted in respect of their service as an Executive Director and which vests in respect of performance to FY25.
3. Hans Pauli was appointed to the Board as Interim Chief Financial Officer with effect from 4 July 2024. He stepped down from the Board on 30 September 2024. His remuneration in respect of FY25 included in the table above is his remuneration for the period from 4 July to 30 September 2024, this includes a monthly responsibility allowance payment of €6,125 as a supplement to salary, which is included in the 'salary' column.
4. Sameet Vohra was appointed to the Board with effect from 30 September 2024.
5. The Buy-Out Award reflects an award granted to Dr Jelena Arsic van Os in respect of remuneration at her former employer that she forfeited as a result of joining Accsys as described in the Directors' Remuneration Report for the 2023 financial year and being an award over 131,557 shares in respect of forfeited performance shares which had vested, with a value of €160,236 calculated by reference to the closing share price of €1.22 on 26 July 2023.
6. Dr Jelena Arsic van Os was appointed to the Board with effect from 27 June 2023.
7. Steven Salo was appointed to the Board with effect from 1 April 2023. He stepped down from the Board on 15 May 2024.
8. Dr Trudy Schoolenberg assumed the role of Interim Chair at the conclusion of the AGM on 20 September 2023 and was appointed as permanent Non-Executive Chair with effect from 12 December 2023.
9. Edwin Bouwman was appointed to the Board with effect from 12 December 2023.
10. Roland Waibel was appointed to the Board with effect from 1 August 2023.

Remuneration Report continued

Annual bonus for the year ended 31 March 2025 (audited)

For the year ended 31 March 2025, the maximum annual bonus opportunity for Dr Jelena Arsic van Os and Sameet Vohra was 125% of salary, pro-rated in the case of Sameet Vohra to reflect his period of service. Hans Pauli's maximum annual bonus opportunity in respect of his service as interim Chief Financial Officer was 125% of salary pro-rated to reflect his period of service as interim Chief Financial Officer. Steven Salo was not eligible to earn an annual bonus for the part of the 2025 financial year for which he remained with the business. The payout was determined based on performance, taking into account the delivery of stretching financial and operational objectives with the weightings for the various components as set out in the table below.

	Group scorecard weightings	Out-turn for Group scorecard	Weighting as % of maximum	Out-turn for CFO	Out-turn for CEO
Group objectives:					
Total Sales Volumes	30%	11.6%	27%	10.44%	10.44%
Adjusted Group EBITDA	30%	24.9%	27%	22.41%	22.41%
Cash flow generation	30%	21.1%	27%	18.99%	18.99%
ESG	10%	10.0%	9%	9%	9%
Sub-total – Group objectives:	100%	67.55%	90%	60.0%	60.0%
Personal objectives:			10%	8.5%	8.5%
Final bonus outcome (% of maximum)				69.30%	69.30%
Final bonus outcome (% of salary)				86.62%	86.62%
Bonus £ value – paid 100% in shares				£114,770	£337,813

The detailed performance targets remain commercially sensitive and cannot be disclosed at this time.

Overall, the bonus outcome was 69.30% of the maximum (125% of salary) equivalent to 86.62% and 86.62% of salary for Dr Jelena Arsic van Os and Sameet Vohra respectively. The Committee believes this outcome is an appropriate reflection of performance against objectives in the year and no discretion was exercised in respect of the bonus outcome. In line with the approach adopted in FY24, the Committee has again exercised its discretion and decided that all of the FY25 bonus earned should be paid in shares. None of the bonus earned for FY25 will therefore be paid in cash. The Executive Directors will instead be paid the bonus earned in shares, of which 20% will be delivered in deferred shares that would be expected to vest in July 2027, with the remainder vesting immediately on grant.

Hans Pauli's FY25 annual bonus in respect of the period for which he served on the Board as Interim Chief Financial Officer was subject to the same group scorecard set out above with a 85% weighting, and a 15% weighting on personal objectives. His personal objectives outcome for this period was 85%. Bonus deferral in respect of his bonus earned for this period will apply in the same way as for Dr Jelena Arsic van Os and Sameet Vohra.

LTIP vesting in respect of performance to the year ended 31 March 2025 (audited)

No Executive Director held an LTIP award granted in respect of their service as an Executive Director and which vests in respect of performance in FY25.

Scheme interests awarded during the year (audited)

In line with the Policy, 2024 awards were made to Dr Jelena Arsic van Os and Hans Pauli on 27 July 2023 and to Sameet Vohra on 27 November 2024, as set out below. Sameet Vohra's award was pro-rated to reflect his period of service during the three-year performance period.

Type of award	Basis of award granted	Number of shares under award	Face value of award £000s ¹	% of maximum vesting for threshold performance	Performance period
Dr Jelena Arsic van Os	Nil cost options	125%	886,364	£487.5	25% Three years to 31 March 2027
Sameet Vohra		100%	401,516	£221	25% Three years to 31 March 2027
Hans Pauli		40%	143,092	£78.7	25% Three years to 31 March 2027

1. Face value based on share price of £0.55 being the average closing price of a share on AIM on the four days preceding the grant of awards in July 2023, which was agreed as the price for the grant of the award in November.

The performance targets for these awards are as follows:

	Weighting (% of award)	Threshold	Maximum
Vesting (% of maximum)		25%	100%
Relative Total Shareholder Return (TSR) ¹	30%	Median	Upper quartile
Adjusted EBITDA per share in FY27	40%	€0.07	€0.13
Cumulative Cash Generation ²	30%	€0m cash inflow	€10m cash inflow

1. TSR measured based on Relative TSR performance compared to companies in the AIM Index excluding financial services and natural resources companies with opening TSR based on average TSR for one month to 31 March 2024 and end TSR based on one month average to 31 March 2027.

- Vesting is on a straight-line basis between the above points.
- Appropriate adjustments may be made to ensure fair and consistent performance measurement over the performance period in line with the business plan and intended stretch of the targets at the point of award.

2. Cumulative cash generation is calculated on net cash flow excluding loan and interest payments.

The Committee also has the ability to exercise discretion to make adjustments to the formulaic vesting outcome if it considers it appropriate to do so, including if the formulaic outcome: does not reflect performance during the vesting period; is not appropriate in the context of circumstances that were unexpected or unforeseen at the grant date; materially deviates from the intention of the Directors' Remuneration Policy.

Payments to past Directors and payments for loss of office (audited)

The only payments for loss of office or payments to past Directors made during FY25 were to Steven Salo as described on page 101 of the FY24 Directors' Remuneration Report. There are no other payments for loss of office or payments to former Directors to be disclosed.

Statement of Directors' shareholdings and share interests (audited)

	Shares beneficially held ¹ as at 31 March 2025 (or if earlier the date on which they ceased employment)	Vested but unexercised LTIPs ²	Unvested LTIP awards ³	Unvested Deferred bonus awards
Dr Jelena Arsic van Os	88,250	131,557	1,385,852	28,210
Steven Salo	–	–	93,091	25,476
Hans Pauli	596,866	148,295	187,677	–
Sameet Vohra	–	–	401,516	–
Dr Trudy Schoonenberg	88,888	–	–	–
Louis Eperjesi	21,000	–	–	–
Edwin Bouwman	–	–	–	–
Roland Waibel	–	–	–	–

1. Includes shares held by connected persons.

2. This is the Buy-Out Award granted to Jelena Arsic van Os as disclosed in the FY23 and FY24 Directors' Remuneration Reports.

3. The unvested LTIP awards consist of the 2023 LTIP awards and 2024 LTIP awards. The performance conditions for the 2023 LTIP awards are set out in the FY24 Annual Report and the performance conditions for the 2024 LTIP awards are summarised earlier in this report. As set out in the FY24 annual report, Mr Salo retained the LTIP awards granted on 27 July 2023, which will vest subject to the satisfaction of the performance conditions and a time based reduction to reflect the cessation of employment before the end of the vesting period; the number of shares above reflects that time based reduction. To the extent the awards vest, they will remain subject to the two year post-vesting holding period.

In accordance with the Policy, Executive Directors are expected to build up and retain a shareholding of at least 250% of salary in the case of the CEO and 225% of salary in the case of the CFO. At the end of FY25, the CEO and CFO had holdings for these purposes equal to 9.8% and 0% of salary respectively. As each has been a Director for only a short period, they will build up their shareholdings over time.

There have been no other changes in the beneficial holdings of the Directors between the year end and the date of this report.

Remuneration Report continued

Relative importance of spend on pay

During the year ended 31 March 2025, the total pay for all Group employees decreased by 17% to €15,402,000 (2024: €18,508,000). There were no dividends or share buybacks in either year.

	FY25	FY24	Difference as a percentage vs FY24
Remuneration for all employees	€15,402,000	€18,508,000	(17)%

Annual percentage change in remuneration of Directors and employees

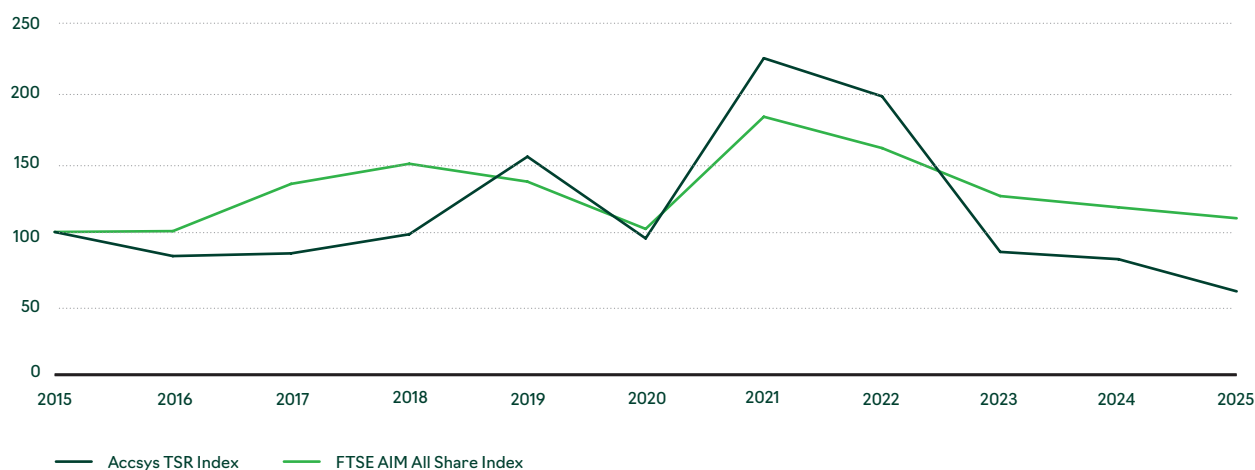
The following table has been prepared in accordance with the UK reporting regulations. Hans Pauli and Sameet Vohra are not included in the table below as neither has remuneration as an Executive Director in the relevant period and prior to FY25 such that a meaningful comparison cannot be made.

	% change 2024/2025			% change 2023/2024			% change 2022/23			% change 2021/2022			% change 2020/2021		
	Salary / fees	Bene- fits	Annual bonus	Salary / fees	Bene- fits	Annual bonus	Salary / fees	Bene- fits	Annual bonus	Salary / fees	Bene- fits	Annual bonus	Salary / fees	Bene- fits	Annual bonus
Executive Directors															
Dr Jelena Arsic Van Os ¹	-	-	228%	-	-	-	-	-	-	-	-	-	-	-	-
Steven Salo ²	-	-	N/A	-	-	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors															
Dr Trudy Schoolenberg ³	27%	-	-	49%	-	-	9%	-	-	12%	-	-	(6%)	-	-
Louis Eperjesi ⁴	25%	-	-	6%	-	-	-	-	-	-	-	-	-	-	-
Edwin Bouwman	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roland Waibel	5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average UK employee	4%	(19%)	67%	16%	14%	4%	11%	37%	68%	(13%)	(14%)	(63%)	(1%)	10%	14%

1. Dr Jelena Arsic van Os was appointed to the Board on 27 June 2023. Her 2023/24 remuneration has been annualised for comparison purposes.
2. Steven Salo stepped down from the Board with effect from 15 May 2024. His 2024/2025 remuneration has been annualised for comparison purposes.
3. Dr Trudy Schoolenberg assumed the role of Interim Chair at the conclusion of the AGM on 20 September 2023 and was appointed as permanent Non-Executive Chair with effect from 12 December 2023. The increase in remuneration in 2023/2024 reflects her role change and the increase in 2024/2025 reflects that she was Chair for the whole of 2025 but only a part of 2024.
4. Louis Eperjesi was appointed to the Board on 14 June 2022. His 2022/2023 remuneration has been annualised for comparison purposes. The increase in 2024/2025 reflects that he was Senior Independent Director for the majority of 2025.

Performance graph and CEO remuneration

The following graph shows the Company's performance for the past ten years on the London Stock Exchange AIM compared with the performance of the FTSE AIM All Share Index. The FTSE AIM All Share Index has been selected for this comparison as it is a broad-based index which the Directors believe closely reflects the performance of other companies with similar characteristics to the Company.



The CEO's total remuneration together with the proportion attributable to bonus or vested incentives is as set out in the table below:

	2016	2017	2018	2019	2020	2020	2021	2022	2023	2024	2024	2025
	€'000	€'000	€'000	€'000	(P.Clegg)	(R.Harris)	€'000	€'000	€'000	(S. Odell)	(Dr J. Arsic van Os)	€'000
Total remuneration	613	1,632	502	809	477	216	579	519	688	90	503	977
% of Bonus of Total	36%	18%	32%	26%	16%	38%	43%	27%	37%	N/A	18%	41%
% of Bonus Cap	33%	48%	28%	36%	17%	33%	41%	21%	36%	N/A	21%	69%
% of vested LTIPs maximum	N/A	58%	N/A	50%	45%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Consideration of matters relating to Directors' remuneration

The Remuneration Committee consists of Louis Eperjesi (as Committee Chair), Dr Trudy Schoolenberg, Roland Waibel and Edwin Bouwman. Excluding Edwin Bouwman, all members of the Remuneration Committee (including the Chair on appointment) are considered to be independent. No individual was present when their own remuneration was being discussed.

Following appointment in 2018, Deloitte LLP (Deloitte) continues to be engaged as independent adviser to the Committee. The Committee is satisfied that Deloitte remains independent of the Company and that the advice provided is impartial and objective. Deloitte is a founding member and signatory of the Code of Conduct for Remuneration Consultants, details of which can be found at www.remunerationconsultantsgroup.com. Their total fees charged on a time and materials basis for the provision of remuneration services to the Committee during the financial year to 31 March 2025 were £22,500 (plus VAT).

Statement of voting at general meeting

The Directors' Remuneration Policy and the FY24 Directors' Remuneration Report were approved by shareholders as set out below.

Resolution	AGM	Votes for	Votes against	Votes withheld
Directors' Remuneration Policy	25 September 2024	89,874,662 (99.84%)	135,484	10,531
FY24 Directors' Remuneration Report (excluding the Directors' Remuneration Policy)	25 September 2024	89,865,107 (99.83%)	142,453	13,117

Directors' Remuneration Policy

Our Policy was approved by shareholders at our AGM on 25 September 2024, supported by over 99% of the votes cast. We have set out below a summary of the Policy, with date specific references removed. Our full Remuneration Policy is set out in the FY24 Annual Report available in the Investors section of the Company's website at www.acsysplc.com.

Remuneration Report continued

Directors' Remuneration Policy

Element	Purpose and operation	Maximum	Performance measures
Base salary	An appropriate level of fixed remuneration to reflect the individual's skills and experience. Salaries are normally reviewed annually by the Committee, taking into account relevant factors that may include: individual performance, corporate performance, changes to an individual's role and responsibilities, and appropriate market data.	There is no prescribed maximum. Any percentage increase to a salary would normally be within or below the range of increases awarded to the wider workforce. Larger increases may be awarded in circumstances considered appropriate by the Committee, such as an increase in the size of the business or the responsibilities of the role, or changes in the competitive marketplace.	N/A
Benefits	To provide a market competitive benefits package. Benefits may comprise a car allowance, private medical insurance (including for the Executive Director's spouse or civil partner and dependent children), dental insurance, life insurance, income protection and reimbursed business expenses (including any associated tax liability) incurred in performance of duties. The Committee may determine that other benefits be provided where appropriate (for example – relocation costs).	There is no prescribed maximum. The level of benefits is set at an appropriate market rate.	N/A
Pension	Contributions to a defined contribution pension scheme. Executive Directors may be permitted to take a cash supplement instead of some or all of the contributions to a pension scheme.	The maximum level of pension contribution (or cash allowance in lieu, or combination of pension contribution and cash allowance) for Executive Directors will be aligned with the contribution level for the wider workforce in the relevant country as determined by the Committee. Current contributions are 8% of salary for the Executive Directors.	N/A
Annual Incentive Plan	To drive and reward the delivery of business objectives for the financial year. The bonus is discretionary and any payout is determined by the Committee following assessment of the performance conditions. Targets are set and assessed by the Committee each year. Normally no more than 80% of any bonus will be paid in cash, with the balance paid in deferred shares. The Committee may permit the deferral of a greater proportion of any bonus earned. Deferred shares typically vest after two years with no further performance conditions. Malus and clawback and dividend equivalent provisions apply (see notes to the table). Amounts may be satisfied in cash, or at the Committee's discretion, shares (or instruments related to the value of shares).	The ordinary maximum annual opportunity for an Executive Director is 125% of salary. The Committee retains discretion to provide a maximum opportunity of up to 200% of salary in respect of a particular financial year. The Committee does not currently intend to award a bonus opportunity in respect of FY25 in excess of 125% of salary.	Awards will normally be based on a combination of financial and non-financial goals measured over one financial year, with at least 50% of the maximum annual opportunity normally assessed against financial metrics.

Element	Purpose and operation	Maximum	Performance measures
Long Term Incentive Plan (LTIP)	To reward Executive Directors for the delivery of long-term performance and align their interests with shareholders. Awards may be in the form of nil or nominal cost options, or any other form which the Committee considers has an equivalent economic effect. Awards vest following assessment of the performance conditions, which are ordinarily measured over a period of at least three years. Awards are subject to an additional holding period of at least two years following the end of the three year performance period. The holding period will be structured either on the basis that: (1) the Executive Director is not entitled to acquire shares until the end of it; or (2) the Executive Director is entitled to acquire shares following vesting but that (other than as regards sales to cover tax liabilities and any exercise price) the Executive Director is not able to dispose of those shares until the end of it. Malus, clawback and dividend equivalent provisions apply (see notes to the table).	The ordinary maximum value (as determined by the Committee) of shares over which an Award may be granted to an Executive Director in respect of a financial year is: • 125% of salary for the CEO; and • 100% of salary for an Executive Director other than the CEO. The Committee retains discretion to make an award to any Executive Director in respect of a financial year over shares with a value (as determined by the Committee) of up to 300% of salary.	Performance targets are ordinarily measured over a period of at least three financial years, using performance measures aligned to the delivery of the strategy and long-term shareholder value. Subject to the Committee's discretion to amend the formulaic outturn, 25% of awards vests for attaining a threshold level of performance. Non-financial performance measures will normally be subject to a financial underpin.

Notes to the Policy table:

- Deferred shares and LTIP awards which vest under this Policy may benefit from the right to receive an amount equal to the value of any dividends which would have been paid on vested shares up to the time of vesting (or where the award is subject to a holding or deferral period, up to the time of release). These dividend equivalents may assume the reinvestment of dividends into shares on such basis as the Committee determines.
- The Annual Incentive Plan and LTIP contain malus and clawback provisions in the event of a material misstatement of results, censure by a regulatory authority or any other serious damage to the Company reputation, or fraud or gross misconduct. The cash and, if applicable, share elements of the Annual Incentive Plan may be clawed back for a period of three years from the date on which the Annual Incentive Plan payment is made. Awards under the LTIP may be cancelled or reduced (prior to vesting), or clawed back for a period of three years post vesting.
- The remuneration framework for other employees is based on broadly consistent principles used to determine the policy for Executive Directors. All executives and senior managers are generally eligible to participate in some form of annual incentive arrangement. Participation in the LTIP is extended to executives, senior managers and other key staff, with LTIP performance conditions generally consistent across all levels. Individual salary and pension levels and incentive award sizes vary according to the level of seniority and responsibility.
- The choice of the performance measures applicable to the Annual Incentive Plan and LTIP reflects the Committee's view that incentives should be aligned to the Group's key financial and strategic objectives. For both the Annual Incentive Plan and the LTIP, the Committee sets challenging targets taking into account the Board's objectives for the business.
- Performance conditions may be amended or substituted by the Committee if the Committee considers that an amended or substituted performance condition is reasonable, appropriate and would not be materially less difficult to satisfy.
- The Committee may use its discretion to adjust formulaic outturns under the Annual Incentive Plan and LTIP, within the range of the minimum to maximum opportunity, including reducing an outturn to zero. The circumstances in which the Committee may exercise such discretion include if the Committee believes that the vesting outturn that would otherwise apply does not reflect the underlying financial performance of the Group or Executive Director; that vesting outturn is not appropriate in the context of circumstances that were unexpected or unforeseen, and if that vesting level would materially deviate from the intention of this Policy.
- The terms of any deferred shares or LTIP shares may be adjusted to take account of a Company reorganisation, such as a variation of capital, rights issue, demerger or special dividend. All discretions available under the rules of any share plan operated by the Group will be available under this Policy, except where expressly limited under this Policy. This includes that awards may be granted as cash based awards over a notional number of shares, and that share awards may be settled in whole or in part in cash at the election of the Remuneration Committee; the Remuneration Committee would only use these cash provisions for operational flexibility, for example if a regulatory restriction in any territory prevented the Company from offering shares to an Executive Director.

This report was approved by the Board and signed on its behalf by:

Louis Eperjesi

Chair of the Remuneration Committee

23 June 2025

Remuneration Report continued

Shareholding guideline

To increase long term alignment between executives and shareholders, Executive Directors are expected to build up and retain a beneficial holding of at least 250% of salary for the CEO and 225% of salary for the CFO. The Committee retains discretion to vary the application of these guidelines in exceptional circumstances. Vested but unexercised LTIP shares and shares representing any bonus which has been earned and has been delivered in shares will count towards the guideline (on a net of assumed tax basis). It is anticipated that the level of shareholding set out in the guideline will normally be met within five years of appointment as an Executive Director. The Committee will take into account LTIP vesting levels and personal circumstances when assessing progress against the guideline.

Policy Table for Non-Executive Directors (NEDs)

Element	Purpose and operation	Maximum	Performance measures
Chair and NEDs	Fees for the Chair and for the NEDs are set by the Board (excluding the NEDs). Fees are based on the responsibilities and time commitment of the role. Fees include a base fee and may include additional fees for other Board or Committee duties. Supplementary fees may be paid for other responsibilities or time commitments. Fees are paid in cash. NEDs are not eligible to participate in incentive arrangements or receive pension provision or other benefits. Non-Executive Directors may be reimbursed for business expenses (and any associated tax liabilities) incurred in performance of duties and may be eligible to receive benefits such as the use of secretarial support, assistance with the preparation of tax returns, or other benefits that may be appropriate.	There is no prescribed maximum annual increase or fee level. Fee levels are reviewed on a periodic basis, with reference to the time commitment of the role and market levels in companies of comparable size and complexity.	N/A

Directors' Report

for the year ended 31 March 2025

Registered number: 05534340

Registered office address: 4th Floor, 3 Moorgate Place, London, EC2R 6EA

Incorporated in: United Kingdom

Type: Public Limited Company

Accsys Technologies PLC has securities admitted to trading on the London Stock Exchange AIM segment and listed and admitted to trading on Euronext Amsterdam.

The Directors are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2025.

The Company has chosen, in accordance with s414C (11) of the Companies Act 2006, to provide disclosures and information in relation to a number of matters which are covered elsewhere in this Annual Report and Accounts. The Corporate Governance Report approved by the Board is provided on pages 75 to 79 and the Sustainability Report on pages 46 to 63 are incorporated by reference into this Directors' Report. The Company elects to report under the Quoted Companies Alliance Corporate Governance Code.

Statutory information

Information required to be part of the Directors' Report can be found elsewhere in this document, as indicated in the table below, and is incorporated into this report by reference:

Topic	Section of Annual Report	Page number
Stakeholder engagement	Stakeholder Engagement	64
• Statement of engagement with employees		
• Statement of engagement with other business relationships		
Financial instruments	Note 31 of the financial statements	150
Greenhouse gas emissions ('GHG')	Sustainability Report	50
Corporate Governance Statement 2025	Corporate Governance Report	75
Environmental matters	Sustainability Report	48
Social and community issues	Sustainability Report	52
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Principal activities

The principal activities of the Group are the production and sale of Accoya solid wood and Tricoya wood elements, technology and product development, as well as the licensing of technology for the production and sale of Accoya and Tricoya.

Manufactured through the Group's proprietary acetylation processes, these products exhibit superior dimensional stability and durability compared with alternative natural, treated and modified woods as well as more resource intensive man-made materials.

The principle activities of the Group are carried out via the Company's subsidiaries: Titan Wood Limited, Titan Wood B.V., Titan Wood Technology B.V., Titan Wood Inc., Accoya Color UK Limited, Tricoya Technologies Limited, Accsys Jersey Limited, Accsys (Accoya USA) Holdings LLC, Accsys USA Holdings Inc and its joint venture Accoya USA, LLC (collectively the 'Group'). The Group does not have any UK branches in the EU.

Strategic Report

A review of the business is set out in the Chair's Statement on page 6 and the CEO's Review on page 14.

The Strategic Report, which can be found on pages 12 to 69, sets out the Group's strategy, business model, key performance indicators; and a description of the principal risks and uncertainties; and the main trends and factors likely to affect the future development, performance and position of the Group's business.

Board of Directors

The Directors of the Company during the year and up to the date of signing the financial statements were:

Dr Jelena Arsic van Os

Edwin Bouwman

Louis Eperjesi

Dr Geertrui Schoolenberg (known as Dr Trudy Schoolenberg)

Sameet Vohra (appointed a Director on 30 September 2024)

Roland Waibel

Johannes Pauli (appointed Director on 4 July 2024, ceased being a Director on 30 September 2024)

Steven Salo (ceased being a Director on 15 May 2024)

All current Directors will stand for election or re-election at the 2025 AGM.

➤ For more information on the Board of Directors, including their biographies, | [see pages 72 to 73](#)

Directors' Report continued

for the year ended 31 March 2025

Directors' indemnities

The Company maintains Directors' and Officers' liability insurance which gives appropriate cover for legal action brought against its Directors. The policy was in force throughout the period and at the date of the approval of these financial statements.

Employment policies

The Group promotes diversity and inclusion with respect to recruitment and selection, from training and development, through appraisal and promotion and to retirement. It is our policy to promote an environment free from discrimination, harassment and victimisation, where everyone receives equal treatment regardless of gender, race, religion or belief, disability, age, marital status, pregnancy or maternity or sexual orientation. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

➤ Information on the gender ratio of our employees is available in the Sustainability section | [on Page 52](#)

Disabled employees

The Group gives full consideration to applications for employment from disabled persons when the requirements of the role can be adequately fulfilled. Where existing employees become disabled, it is the Group's policy to provide continuing employment under normal terms and conditions whenever possible.

Likely future developments

Details of likely future developments can be found in the section marked 'Looking ahead', contained in the Chair's Statement on page 8.

Political donations

There were no political donations made during the year or the previous year.

Subsequent events

There have been no material events since 31 March 2025 and the date of this report.

Share capital

The Company's issued share capital comprises ordinary shares of €0.05 each which are admitted to trading on London Stock Exchange AIM and listed and admitted to trading on Euronext Amsterdam. As at 31 March 2025, the Company's issued share capital comprised 240,445,567 ordinary shares. There are no restrictive voting rights attached to these shares.

The Company did not purchase any of its own shares during FY25. The Company will seek to renew Directors' authority at its 2025 Annual General Meeting to buy back shares should the Company believe it to be in the best interests of the Company and its shareholders. Further details can be found in the Notice of Annual General Meeting.

➤ For more information on the Company's share capital, see note 24 to the financial statements | [see page 145](#)

Results and dividends

The consolidated statement of comprehensive income for the year is set out on page 113.

The Directors do not recommend the proposal of a final dividend in respect of the current year, consistent with the prior year.

Principal risks and uncertainties

The business, financial condition or results of operations of the Group could be adversely affected by any of the risks set out in the Strategic Report. The Group's systems of control and protection are designed to help manage and control risks to an appropriate level rather than to eliminate them.

The principal risks to achieving the Group's objectives are set out in the Strategic Report.

Health and safety ('H&S')

Health and safety is a priority at all levels of the Group, in particular taking into account the chemical industry in which Accsys operates. Group companies have a responsibility to ensure that all reasonable precautions are taken to provide and maintain working conditions for employees and visitors alike, which are safe, healthy and in compliance with statutory requirements and appropriate codes of practice.

The avoidance of occupational accidents and illnesses is given a high priority. Detailed policies and procedures are in place to minimise risks and ensure appropriate action is understood in the event of an incident. Dedicated health and safety personnel are retained at the Group's manufacturing facilities.

The Board oversees health and safety operations and activities through receiving regular updates from the Executive Committee on H&S matters.

Significant shareholders

Following an analysis of the share register as at 30 April 2025, being the latest practicable date for such an analysis, the following shareholders were shown to be holding more than 3% of the issued share capital in the Company:

Shareholder	Number of ordinary shares	Percentage of ordinary shares
De Engh B.V.	37,400,000	15.55
Teslin Capital Management	36,073,481	15.00
BGF Investments	19,061,806	7.93
VP Capital NV	15,000,000	6.24
Decico (Masagard) BV	12,549,473	5.22
Rabobank	11,527,771	4.79
London & Amsterdam Trust Company	10,844,095	4.51
Stichting DeGiro	10,166,765	4.23
Janus Henderson Investors	9,812,655	4.08
Saxo Bank	9,079,159	3.78
ING Bank	8,721,153	3.63
ABN AMRO Bank	8,367,506	3.48
Ineos Acetyls Investments Limited	7,500,000	3.12

There are no restrictions in respect of voting rights.

Going concern

The Directors have formed a judgement, at the time of approving the financial statements that there is a reasonable expectation that the Group has access to adequate resources to continue in operational existence for at least the next 12 months. Further details are set out in note 1 to these financial statements.

Independent auditors

PricewaterhouseCoopers LLP (PwC) has been the external auditor of the Company since April 2011.

Approved by the Board and signed by order of the Board by the Company Secretary.

Prism Cosec Limited
Company Secretary

23 June 2025

Statement of Directors' Responsibilities

in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

The Group has also prepared financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and the Dutch Financial Markets Supervision Act.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for presenting the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ('ESEF Regulation').

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed under Board of Directors on pages 72 to 73 confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group;

- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report (including but not limited to the Chief Executive Officer's statement, Business Review and Finance Review) includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This responsibility statement was approved by the Board of Directors on 23 June 2025 and is signed on its behalf by:

Jelena Arsic van Os
Chief Executive Officer

Sameet Vohra
Chief Financial Officer

FINANCIAL STATEMENTS



Oakencroft Farm and Winery, USA.
Photography: Ansel Olsen, Sutphin Architecture

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Independent Auditors' Report to the members of Accsys Technologies PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- Accsys Technologies PLC's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and the Dutch Financial Markets Supervision Act.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2025; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flow, and the Consolidated and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 1 to the financial statements, the Group, in addition to applying UK-adopted international accounting standards, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the Group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("ISAs") and applicable law. Our responsibilities under ISAs (UK) and ISAs are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by either the FRC's Ethical Standard or Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Other than those disclosed in note 8, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We performed full scope audits over five reporting units, audit work over material financial statement line items for two reporting units as well as the joint venture entity in North America which cumulatively accounted for 100% (2024: 100%) of the Group's revenue.
- The UK based Group audit team maintained regular contact with our component team in the Netherlands and the USA throughout the planning and execution of their work.

Key audit matters

- Impairment of non-current assets (Group).
- Recoverability of investments in subsidiary undertakings (Company).

Materiality

- Overall Group materiality: €1,366,000 EUR (2024: €1,350,000 EUR) based on 1% of Total Revenue.
- Overall Company materiality: €2,895,000 EUR (2024: €1,280,000 EUR) based on 1% of Total Assets (2024: 1% of Total Assets capped at 95% of Group materiality).
- Performance materiality: €1,024,500 EUR (2024: €1,012,500 EUR) (Group) and €2,171,250 EUR (2024: €960,000 EUR) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Independent Auditors' Report continued

Key audit matter	How our audit addressed the key audit matter
Impairment of non-current assets (Group) At 31 March 2025 the Group carried €4.2m of goodwill (2024: €4.2m), €1.9m of other intangible assets (2024: €5.8m), and €73.6m of tangible fixed assets (2024: €93.5m) all of which are material. Refer to note 14 & 15. Management is required to perform an annual impairment review of goodwill and perform an impairment assessment when a trigger has been identified in accordance with IAS 36. The carrying value of non-current assets are contingent on future cashflows of the underlying cash generating units ('CGUs') and if there is a risk that these cash flows do not meet the Directors' expectations, the non-current assets will be impaired. The assessment over the recoverable amount of the underlying CGUs is judgemental and includes a number of key assumptions, changes to which could result in a materially different outcome. The key assumptions underpinning this assessment include discount rate, long term growth rate, production and sales volumes and price. We focussed on this area because of the inherent judgement and estimation uncertainty involved in determining the key assumptions.	In respect of the Group, we assessed the methodology for determining the recoverable amount of the CGUs. We assessed the appropriateness of the discount rate and assumptions applied. We assessed the reasonableness of the impairment charge calculated. We satisfied ourselves that it was appropriate. The headroom in the Accoya CGU was significant. We satisfied ourselves that the forecasts were reasonable and had been prepared with appropriate Board involvement and represented the Directors' current view of likely outcome. With the assistance of our valuation experts we tested the value-in-use models, including challenging management forecasts and key assumptions such as production and sales volume, price and discount rate, and found that these assumptions were reasonable. We assessed the mathematical accuracy and integrity of the impairment models and determined that the impairment charge had been appropriately calculated. We are satisfied that the financial statements adequately disclose the potential risk of future impairment. We satisfied ourselves that any reasonable possible change that results in a material adjustment to the impairment charge had been considered.
Recoverability of investments in subsidiary undertakings (Company) Refer to note 4 in the Parent Company financial statements. The Parent Company had €29.6m of investments in subsidiary undertakings. There is a risk that the performance of the subsidiary undertakings is not sufficient to support their carrying value and the assets may be impaired. As part of their considerations the Directors compared the carrying amount of the investment to their recoverable amount using a value in use model. Having performed this assessment, no impairment was recognised.	We evaluated management's assessment and considered the consistency with other audit procedures performed. We verified that the inputs to the assessment were mathematically accurate and compared the carrying value of the investments to the recoverable amounts determined by the value in use model. Based on our work we found that the Directors' view that there was no impairment to recognise was appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's accounting process is structured around a central finance function based in the UK. The accounting records for each of the territories in which the Group operates is managed through the central finance function except for the Netherlands entity and US joint venture which maintains their own accounting records and reports to the central finance function through the submission of management reporting packs. We used our component auditor's, who are familiar with the local laws and regulations, to perform an audit of the complete financial information in respect of the subsidiary. In order to direct and supervise the component audit, the Group engagement team sent detailed instructions to the local audit teams. These included communication of the areas of focus and other required communications. The consolidation, financial statement disclosures and a number of complex items were audited by the Group engagement team in the UK. These areas included the going concern assessment, share based payments, tax accounting and impairment assessment in respect of non-current assets. Taken together, these procedures gave us the evidence we needed for our opinion on the financial statements as a whole.

The impact of climate risk on our audit

We made enquiries of management to understand their process to assess the extent of the potential impact of climate change risks on the Group and its financial statements. We used our knowledge of the Group to consider the completeness of the risk assessment, giving consideration to both physical and transition risks. Management has outlined within their Strategic Report their sustainability goals, highlighting a focus on producing sustainable wood products that are responsibly sourced from certified sustainable, well managed and fast growing forests. This has been factored into their strategy and future business plans. Whilst the impact of climate change is uncertain there were no indications that the useful lives of the assets are currently impacted by climate change. We also read the disclosures made in relation to climate change, in the other information within the Annual Report, and considered their consistency with the financial statements and our knowledge from our audit.

Independent Auditors' Report continued

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	€1,366,000 EUR (2024: €1,350,000 EUR).	€2,895,000 EUR (2024: €1,280,000 EUR).
How we determined it	1% of Total Revenue	1% of Total Assets (2024: 1% of Total Assets capped at 95% of Group materiality).
Rationale for benchmark applied	Given that the business is in a growth stage, revenue was considered the most appropriate measure to use and is a generally accepted benchmark.	The Company is a non-trading holding Company and accordingly we conclude that total assets is an appropriate benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was €113,480 EUR to €1,297,700 EUR. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to €1,024,500 EUR (2024: €1,012,500 EUR) for the Group financial statements and €2,171,250 EUR (2024: €960,000 EUR) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €68,300 EUR (Group audit) (2024: €67,500 EUR) and €144,750 EUR (Company audit) (2024: €64,000 EUR) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Understanding of the approach adopted by management through discussions with appropriate individuals within and outside the finance function and in particular with the Group CFO.
- Tested the integrity of the model used for the going concern assessment covering the period through to 30 September 2026, by recalculating certain outputs and checking the mathematical accuracy of the formulas within the model. We also agreed the forecasts used to the FY26 board approved budget, tested the accuracy of the inputs of the model by agreeing back to source documentation and obtained the loan agreements and recomputed the financial covenants in the models.
- Using our knowledge from the audit and the assessment of management's ability to forecast accurately, we applied our own stress test to management's severe but plausible downside and in particular to the expected sales volumes as well as funding required into the US joint venture.
- We have assessed the appropriateness of disclosures within the Annual Report in note 1 of the Group financial statements and note 1 of the Company financial statements in respect of going concern and are satisfied that they are appropriate and disclose the risks associated with the Group's future financial performance and its impact on loan covenant compliance.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors Report for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors Report.

Directors Remuneration

In our opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report continued

The directors are responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK corporate tax legislation, UK employment legislation and equivalent local laws and regulations applicable to the component team, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to achieve desired financial results and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Gaining an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considering the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud. We held discussions with Group management and the Group's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation, that could give rise to a material misstatement in the Group and Company financial statements.
- Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to the going concern assessment, the refinance of Group finance facilities and impairment of assets.
- We did not identify any key audit matters relating to irregularities, including fraud. We also addressed the risk of management override of internal controls, including testing journals, and evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements in accordance with ISAs (UK) is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group and Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

It is also our responsibility to assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report continued

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 8 September 2011 to audit the financial statements for the year ended 31 March 2011 and subsequent financial periods. The period of total uninterrupted engagement is 15 years, covering the years ended 31 March 2011 to 31 March 2025.

Report on other legal and regulatory requirements

We have checked the compliance of the consolidated financial statements of the Company as at 31 March 2025 with the relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements. That is, for the Company:

- The consolidated financial statements are prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.
- In our opinion, the consolidated financial statements of the Company as at 31 March 2025, identified as 213800HKRKF8PNUNV581-2025-03-31-0-en.zip have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation as described in the Directors' Report.

Jonathan Lambert (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 June 2025

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2025

		2025 €'000	2025 €'000	2025 €'000	2024 €'000	2024 €'000	2024 €'000
	Note	Underlying	Exceptional items*	Total	Underlying	Exceptional items*	Total
Accoya wood revenue		124,047	–	124,047	123,139	–	123,139
Tricoya panel revenue		3,698	–	3,698	4,134	–	4,134
Licence revenue		375	–	375	77	–	77
Other revenue		8,512	–	8,512	8,820	–	8,820
Total revenue	3	136,632	–	136,632	136,170	–	136,170
Cost of sales		(95,205)	–	(95,205)	(95,287)	–	(95,287)
Gross profit		41,427	–	41,427	40,883	–	40,883
Other operating costs	4	(33,778)	(12,030)	(45,808)	(41,927)	(8,200)	(50,127)
Operating profit/(loss)	8	7,649	(12,030)	(4,381)	(1,044)	(8,200)	(9,244)
Finance income	9	304	–	304	138	–	138
Finance expense	10	(5,960)	1,102	(4,858)	(4,418)	530	(3,888)
Share of net loss from joint venture	27	(11,871)	–	(11,871)	(4,100)	–	(4,100)
Loss before taxation		(9,878)	(10,928)	(20,806)	(9,424)	(7,670)	(17,094)
Tax expense	11	(2,044)	–	(2,044)	(765)	–	(765)
Loss from continuing operations		(11,922)	(10,928)	(22,850)	(10,189)	(7,670)	(17,859)
Items that may be reclassified to profit or loss							
(Loss)/gain arising on translation of foreign operations		(62)	–	(62)	2	–	2
Total other comprehensive (loss)/gain		(62)	–	(62)	2	–	2
Total comprehensive loss for the year		(11,984)	(10,928)	(22,912)	(10,187)	(7,670)	(17,857)
Total comprehensive loss for the year is attributable to:							
Owners of Accsys Technologies PLC		(11,984)	(10,928)	(22,912)	(10,187)	(7,670)	(17,857)
Total comprehensive loss for the year		(11,984)	(10,928)	(22,912)	(10,187)	(7,670)	(17,857)
Basic loss per ordinary share	12	€(0.05)	–	€(0.10)	€(0.04)	–	€(0.08)
Diluted loss per ordinary share	12	–	–	–	–	–	–

The notes on pages 117 to 152 form an integral part of these financial statements.

* See note 5 for details of exceptional items.

Consolidated Statement of Financial Position

as at 31 March 2025

Registered Company 05534340

	Note	2025 €'000	2024 €'000
Non-current assets			
Intangible assets	14	6,158	10,048
Investment in joint venture	27	33,854	31,685
Property, plant and equipment	15	73,593	93,474
Right of use assets	16	3,561	3,736
Financial asset at fair value through profit or loss	17	–	–
		117,166	138,943
Current assets			
Inventories	20	30,763	25,743
Trade and other receivables	21	15,601	17,612
Cash and cash equivalents	28	17,423	27,427
Corporation tax receivable		–	250
		63,787	71,032
Current liabilities			
Trade and other payables	23	(16,590)	(18,797)
Obligation under lease liabilities	16	(961)	(690)
Short term borrowings	28	(5,625)	–
Corporation tax payable		(7,058)	(6,719)
		(30,234)	(26,206)
Net current assets		33,553	44,826
Non-current liabilities			
Obligation under lease liabilities	16	(3,322)	(3,648)
Other long term borrowings	28	(50,075)	(60,204)
Financial guarantee	30	–	–
Financial liability at amortised cost	22	–	(1,102)
		(53,397)	(64,954)
Net assets		97,322	118,815
Equity			
Share capital	24	12,022	11,976
Share premium account		262,938	262,394
Other reserves	25	114,406	114,743
Accumulated loss		(292,105)	(270,421)
Own shares		(8)	(8)
Foreign currency translation reserve		69	131
Capital value attributable to owners of Accsys Technologies PLC		97,322	118,815
Non-controlling interest in subsidiaries	26	–	–
Total equity		97,322	118,815

The financial statements on pages 113 to 152 were approved by the Board of Directors on 23 June 2025 and signed on its behalf by:

Sameet Vohra
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended 31 March 2025

	Share capital Ordinary €000	Share premium €000	Other reserves €000	Own Shares €000	Foreign currency translation reserve €000	Accumulated Loss €000	Total equity attributable to equity shareholders of the Company €000	Non-Controlling interests €000	Total Equity €000
Balance at 1 April 2023	10,963	250,717	114,743	(8)	129	(254,042)	122,502	–	122,502
Loss for the year	–	–	–	–	–	(17,859)	(17,859)	–	(17,859)
Other comprehensive gain for the year	–	–	–	–	2	–	2	–	2
Share based payments	–	–	–	–	–	1,480	1,480	–	1,480
Shares issued	1,013	–	–	–	–	–	1,013	–	1,013
Premium on shares issued	–	12,319	–	–	–	–	12,319	–	12,319
Share issue costs	–	(642)	–	–	–	–	(642)	–	(642)
Balance at 31 March 2024	11,976	262,394	114,743	(8)	131	(270,421)	118,815	–	118,815
Loss for the year	–	–	–	–	–	(22,850)	(22,850)	–	(22,850)
Other comprehensive loss for the year	–	–	–	–	(62)	–	(62)	–	(62)
Share based payments	–	–	–	–	–	1,747	1,747	–	1,747
Shares issued	46	–	–	–	–	(46)	–	–	–
Premium on shares issued	–	535	–	–	–	(535)	–	–	–
Share issue costs	–	9	–	–	–	–	9	–	9
Foreign exchange hedge movement	–	–	(337)	–	–	–	(337)	–	(337)
Balance at 31 March 2025	12,022	262,938	114,406	(8)	69	(292,105)	97,322	–	97,322

Share capital is the amount subscribed for shares at nominal value (note 24).

Share premium account represents the excess of the amount subscribed for share capital over the nominal value of these shares, net of Share issue expenses. Share issue expenses comprise the costs in respect of the issue by the Company of new shares.

See note 25 for details concerning Other reserves.

Non-controlling interests relate to the previous investment of various parties into Tricoya Technologies Limited and Tricoya UK Limited (see note 26).

Foreign currency translation reserve arises on the re-translation of the Group's USA subsidiary's net assets which are denominated in a different functional currency, being US dollars.

Accumulated losses represent the cumulative loss of the Group attributable to the owners of the parent.

The notes on pages 117 to 152 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

	Note	2025 €'000	2024 €'000
Loss before taxation		(20,806)	(17,094)
<i>Adjustments for:</i>			
Amortisation of intangible assets	8	1,048	828
Depreciation of property, plant and equipment, and right of use assets	8	8,171	8,751
Loss from liquidation of Tricoya UK Ltd	5	12,030	7,000
Net finance expense	10	4,554	3,750
Equity-settled share-based payment expenses	13	1,747	1,480
Accsys portion of Licence fee received from joint venture	27	450	-
Share of net loss of joint venture	27	11,871	4,100
Currency translation losses		129	108
Cash inflows from operating activities before changes in working capital		19,194	8,923
(Increase)/decrease in trade and other receivables	21	(903)	393
(Increase)/decrease in inventories	20	(5,020)	4,203
Decrease in trade and other payables	23	(1,108)	(6,403)
Net cash generated from operating activities before tax		12,163	7,116
Tax (paid)/received	11	(1,443)	81
Net cash generated from operating activities		10,720	7,197
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		14	-
Investment in property, plant and equipment	15	(1,755)	(3,090)
Cash disposed of from liquidation of Tricoya UK Ltd		(268)	-
Investment in intangible assets	14	(134)	(385)
Investment in joint venture	27	(14,490)	(4,926)
Net cash used in investing activities		(16,633)	(8,401)
Cash flows from financing activities			
Proceeds from loans		-	9,901
Other finance costs		(964)	(36)
Interest paid		(1,976)	(2,774)
Interest received		304	-
Repayment of lease liabilities	16	(864)	(1,044)
Repayment of loans/rolled up interest		-	(17,000)
Proceeds from issue of share capital		-	13,332
Share issue costs		(467)	(642)
Net cash (used in)/generated from financing activities		(3,967)	1,737
Net (decrease)/increase in cash and cash equivalents		(9,880)	533
Effect of exchange rate changes on cash and cash equivalents		(124)	301
Opening cash and cash equivalents		27,427	26,593
Closing cash and cash equivalents		17,423	27,427

The notes on pages 117 to 152 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2025

1. Accounting Policies

Basis of accounting

The Group's financial statements have been prepared under the historical cost convention (except for certain financial instruments and equity investments which are measured at fair value), in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. In addition, the financial statements are also prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and the Dutch Financial Markets Supervision Act.

Going Concern

The consolidated financial statements are prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future, and at least for the 12 months from the date these financial statements are approved (the 'going concern period'). As part of the Group's going concern review, the Directors have assessed the Group's trading forecasts, working capital and liquidity requirements, and bank facility covenant compliance for the going concern period under a base case scenario and a severe but plausible downside scenario.

The cash flow forecasts used for the going concern assessment represent the Directors' best estimate of trading performance and cost implications in the market based on current agreements, market experience and consumer demand expectations. These forecasts indicate that, in order to continue as a going concern, the Group is dependent on achieving a certain level of performance relating to the production and sale of Accoya, and the management of its working capital.

The Directors' have also considered the possible quantum and timing of funding required to fund the ramp up of Accoya USA's operations. Accsys has a contractual obligation to fund its 60% share of Accoya USA LLC on a pro rata basis with its joint venture partner (Eastman Chemical Company). This funding has been considered in both scenarios.

The Group is also dependent on the Group's financial resources including its existing cash position, banking and finance facilities (see note 28 for details).

The Directors considered a severe but plausible downside scenario against the base case with reduced Accoya sales volumes and increased funding into Accoya USA LLC and a reverse stress test was performed to determine the decrease in Accoya sales volume from the Arnhem plant required to breach banking covenants, or reduce liquidity below minimum operating level. The Directors do not expect the assumptions in the severe but plausible downside scenario or the reverse stress test scenario to materialise, but should they unfold, the Group has several mitigating actions it can implement to manage its going concern risk, such as deferring discretionary capital expenditure and implementing further cost reductions to maintain a sufficient level of liquidity and covenant headroom during the going concern period. The combined impact of the above downside scenarios and mitigations does not trigger a minimum liquidity breach or covenant breach at any point in the going concern period. In the reverse stress test, a decrease of approximately 14% on Accoya sales volume from the Arnhem plant compared to an equivalent prior year period or a decrease of approximately 24% compared to the equivalent base scenario period was required to reach the minimum liquidity breach point.

The Directors believe that while some uncertainty always inherently remains in achieving the forecasts, in particular in relation to market conditions outside of the Group's control, after carefully considering all the factors explained in this statement, there is sufficient liquidity and covenant headroom such that there is no material uncertainty with respect to going concern and have prepared the financial statements on this basis.

Exceptional Items

Exceptional items are events or transactions that fall outside the ordinary activities of the Group and which by virtue of their size or incidence, have been separately disclosed in order to improve a users' understanding of the financial statements. These include impairment losses (or the reversal of previously recorded exceptional impairments), restructuring costs following the disposal of an investment, significant gains following the disposal of an investment and other one-off events or transactions, such as re-financing of Group borrowings. See note 5 for details of exceptional items.

Notes to the Financial Statements continued

for the year ended 31 March 2025

1. Accounting Policies continued

Business combinations

A subsidiary is an entity over which the Group has control. Control is evident where the Group is exposed to, or has rights to, variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity. The consolidated financial statements present the results of the Group including the results of Accsys Technologies plc and its subsidiaries and joint venture. All Intra-group transactions and balances are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquirer's identifiable assets, liabilities, and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of operations acquired or disposed are included in the consolidated statement of comprehensive income from the effective date of acquiring control or up to the effective date of disposal.

As allowed under IFRS 1, some business combinations effected prior to transition to IFRS, were accounted for using the merger method of accounting. Under this method, assets and liabilities are included in the consolidation at their book values, not fair values, and any differences between the cost of investment and net assets acquired were taken to the merger reserve. The majority of the merger reserve arose from a corporate restructuring in the year ended 31 March 2006 which introduced Accsys Technologies PLC as the new holding Company.

Non-controlling interests are measured, at initial recognition, as the non-controlling proportion of the fair values of the assets and liabilities recognised at acquisition.

After initial recognition, non-controlling interests are measured as the aggregate of the value at initial recognition and their subsequent proportionate share of profits and losses less any distributions made. Changes in the Group's interests in subsidiaries that do not result in a change in control are accounted for as equity transactions. Any resulting difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration payable or receivable is recognised directly in equity and attributed to the shareholders.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss.

After Tricoya UK Ltd was placed into voluntary liquidation on 17 December 2024, the Group lost control over the entity. The subsidiary was de-consolidated as at this date. The impact as a result of this loss in control has been disclosed in exceptional costs. See note 5.

Revenue from contracts with customers

Revenue is measured at the fair value of the consideration receivable. Revenue is recognised to the extent that it is highly probable that a significant reversal will not occur based on the consideration in the contract. The following specific recognition criteria must also be met before revenue is recognised.

Manufacturing revenue

Revenue is recognised from the sale of goods at a point in time and is measured at the amount of the transaction price received in exchange for transferring goods. The transaction price is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in the future. Revenue is recognised when the Group's performance obligations under the relevant customer contract have been satisfied when the customer collects the goods. Manufacturing revenue includes the sale of Accoya wood and Tricoya panels.

Licensing fees

Licence fees are recognised over the period of the relevant agreements according to the specific terms of each agreement or the quantities and/or values of the licensed product sold. The accounting policy for the recognition of licence fees is based upon satisfaction of the performance obligations set out in the contract such as an assessment of the work required before the licence is signed and subsequently during the design, construction and commissioning of the licensees' plant, with an appropriate proportion of the fee recognised upon signing and the balance recognised as the project progresses to completion. The amount of any cash received but not recognised as income is included in the financial statements as deferred income and shown as a liability.

Other revenue

Included within other revenue are raw wood and acetic acid sales. Revenue is recognised from the sale of goods at a point in time and is measured at the amount of the transaction price received in exchange for transferring goods. Revenue is recognised when the Group's performance obligations have been satisfied.

Finance income

Interest accrues using the effective interest method, i.e. the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Finance expenses and borrowing costs

Finance expenses include the fees, interest and other finance charges associated with the Group's loan notes, credit facilities and leases, which are expensed over the period that the Group has access to the loans, facilities and leases.

Foreign exchange gains or losses on the loan notes and borrowings are included within finance expenses.

Interest on borrowings directly relating to the construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. Where funds have been borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred.

Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the construction period. The capitalisation of borrowing costs is suspended during extended periods in which it suspends active development of a qualifying asset.

Share based payments

The Company awards nil cost options to acquire ordinary shares in the capital of the Company to certain Directors and employees. The Company has also previously awarded bonuses to certain employees in the form of the award of deferred shares of the Company.

In addition the Company has established an Employee Share Participation Plan under which employees subscribe for new shares which are held by a trust for the benefit of the subscribing employees. The shares are released to employees after one year, together with an additional, matching share on a one for one basis.

The fair value of options and deferred shares granted are recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and is charged to the consolidated statement of comprehensive income over the vesting period during which the employees become unconditionally entitled to the options or shares.

The fair value of share options granted is measured using a modified Black Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest only where vesting is dependent upon the satisfaction of service and non-market vesting conditions.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options which eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Notes to the Financial Statements continued

for the year ended 31 March 2025

1. Accounting Policies continued

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Pensions

The Group contributes to certain defined contribution pension and employee benefit schemes on behalf of its employees. These costs are charged to the consolidated statement of comprehensive income on an accruals basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date together with any adjustment to tax payable in respect of previous years. Current tax includes the expected impact of claims submitted by the Group to tax authorities in respect of enhanced tax relief for expenditure on research and development.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Recognition of deferred tax assets is restricted to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (the functional currency). For the purposes of the consolidated financial statements, the results and financial position of each Group company are expressed in Euro, which is the functional currency of the parent Company, and the presentation currency of the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currencies are recognised at the rates of exchange prevailing on the date of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average monthly exchange rates prevailing in the month in which the transaction took place. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. Such translation differences are reclassified to profit and loss only on disposal or partial disposal of the overseas operation.

Foreign exchange hedging

The Group has adopted IFRS 9 hedge accounting in respect of the cash flow hedging instruments that it uses to manage the risk of foreign exchange movements impacting on future cash flows and profitability.

The Group has prospectively assessed the effectiveness of its cash flow hedging using the 'hedge ratio' of quantities of cash held in the same currency as future foreign exchange cash flow quantities related to committed investment in plant and equipment. The Group has undertaken a qualitative analysis to confirm that an 'economic relationship' exists between the hedging instrument and the hedged item. It is also satisfied that credit risk will not dominate the value changes that result from that economic relationship.

At the end of each reporting period the Group measures the effectiveness of its cash flow hedging and recognises the effective cash flow hedge results in Other Comprehensive Income and the Hedging Effectiveness Reserve within Equity, together with its ineffective hedge results in Profit and Loss. Amounts are reclassified from the Hedging Effectiveness Reserve to property, plant and equipment once construction has been completed or Profit and Loss when the associated hedged transaction affects Profit and Loss. Further details are included in note 5.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with the attached conditions. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset they are credited to a deferred income account and released to the statement of comprehensive income over the expected useful life of the relevant asset on a straight line basis.

Goodwill

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the identifiable assets and liabilities acquired. It is capitalised, and is subject to annual impairment reviews by the Directors. Any impairment arising is charged to the consolidated statement of comprehensive income. Where the fair value of the identifiable assets and liabilities acquired is greater than the fair value of consideration paid, the resulting amount is treated as a gain on a bargain purchase and is recognised in the consolidated statement of comprehensive income.

Joint venture

The Group has entered into a joint venture agreement with Eastman Chemical Company, forming Accoya USA LLC. The Group applies IFRS 11 for this joint arrangement, and following assessment of the nature of this joint arrangement, has determined it to be a joint venture. Interest in the joint venture is accounted for using the equity method, after initially being recognised at cost.

Further details concerning the Accoya USA LLC joint venture with Eastman Chemical Company are included in note 27.

Other intangible assets

Intellectual property rights, including patents, which cover a portfolio of novel processes and products, are shown in the financial statements at cost less accumulated amortisation and any amounts by which the carrying value is assessed during an annual review to have been impaired. At present, the useful economic life of the intellectual property is considered to be 20 years. The amortisation charge in the year is within other operating costs in the statement of comprehensive income.

Internal development costs are incurred as part of the Group's activities including new processes, process improvements, identifying new species and improving the Group's existing products. Research costs are expensed as incurred. Development costs are capitalised when all of the criteria set out in IAS 38 'Intangible Assets' (including criteria concerning technical feasibility, ability and intention to use or sell, ability to generate future economic benefits, ability to complete the development and ability to reliably measure the expenditure) have been met. These internal development costs are amortised on a straight line basis over their useful economic life, between eight and 20 years.

Notes to the Financial Statements continued

for the year ended 31 March 2025

1. Accounting Policies continued

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment charged. Cost includes the original purchase price of the asset as well as costs of bringing the asset to the working condition and location of its intended use. The capitalisation of costs is suspended during extended periods in which it suspends active development of a qualifying asset. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset, except freehold land, over its expected useful life on a straight line basis, as follows:

Plant and machinery	These assets comprise pilot plants and production facilities. These facilities are depreciated from the date they become available for use over their useful lives of between five and 20 years
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Office equipment	Useful life of between three and five years
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Leased land and buildings	Land held under a finance lease is depreciated over the life of the lease
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Impairment of non-financial assets

The carrying amount of non-current non-financial assets of the Group is compared to the recoverable amount of the assets whenever events or changes in circumstances indicate that the net book value may not be recoverable, or in the case of goodwill, annually. The recoverable amount is the higher of value in use and the fair value less cost to sell. In assessing the value in use, the expected future cash flows from the assets are determined by applying a discount rate to the anticipated pre-tax future cash flows. An impairment charge is recognised in the consolidated statement of comprehensive income to the extent that the carrying amount exceeds the assets' recoverable amount. The revised carrying amounts are amortised or depreciated in line with Group accounting policies. A previously recognised impairment loss, other than on goodwill, is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in the consolidated statement of comprehensive income and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. Assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) for purposes of assessing impairment.

Leases

To the extent that a right-of-control exists over an asset subject to a lease, a right-of-use asset, representing the Group's right to use the underlying leased asset, and a lease liability, representing the Group's obligation to make lease payments, are recognised in the consolidated statement of financial position at the commencement of the lease.

The right-of-use asset is measured initially at cost and includes the amount of initial measurement of the lease liability, any initial direct costs incurred, including advance lease payments, and an estimate of the dismantling, removal and restoration costs required in terms of the lease. Depreciation is charged to the consolidated income statement so as to depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

The lease liability is measured at the present value of the future lease payments, including variable lease payments that depend on an index and the exercise price of purchase options where it is reasonably certain that the option will be exercised, discounted using the interest rate implicit in the lease, if readily determinable. If the implicit interest rate cannot be readily determined, the lessee's incremental borrowing rate is used. Finance charges are recognised in the consolidated statement of comprehensive income over the period of the lease.

Lease expenses for leases with a duration of one year or less and low-value assets are not recognised in the consolidated statement of financial position, and are charged to the consolidated income statement when incurred. Low-value assets are determined based on quantitative criteria.

The Group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Inventories

Raw materials, which consist of unprocessed timber and chemicals used in manufacturing operations, are valued at the lower of cost and net realisable value. The basis on which cost is derived is a first-in, first-out basis.

Finished goods, comprising processed timber, are stated at the lower of weighted average cost of production or net realisable value. Costs include direct materials, direct labour costs and production overheads (excluding the depreciation/depletion of relevant property and plant and equipment) absorbed at an appropriate level of capacity utilisation. Net realisable value represents the estimated selling price less all expected costs to completion and costs to be incurred in selling and distribution.

Fair value measurement

Assets and liabilities that are measured at fair value, or where the fair value of financial instruments has been disclosed in notes to the financial statements, are based on the following fair value measurement hierarchy:

- level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Specific valuation methodologies used to value financial instruments include other techniques, including discounted cash flow analysis, are used to determine the fair values of other financial instruments.

Financial assets

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value and in the case of investments not at fair value through profit or loss, fair value plus directly attributable transaction costs.

Except where a reliable fair value cannot be obtained, unlisted shares held by the Group are classified as fair value through other comprehensive income and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, with dividends recognised in profit or loss. Where it is not possible to obtain a reliable fair value, these investments are held at cost less provision for impairment.

Loans and receivables, which comprise non-derivative financial assets with fixed and determinable payments that are not quoted on an active market, are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Trade and other receivables

Trade receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairments. The Group has elected to apply the IFRS 9 practical expedient option to measure the value of its trade receivables at transaction price, as they do not contain a significant financing element. The Group applies IFRS 9's 'simplified' approach that requires companies to recognise the lifetime expected losses on its trade receivables. At the date of initial recognition, the credit losses expected to arise over the lifetime of a trade receivable are recognised as an impairment and are adjusted, over the lifetime of the receivable, to reflect objective evidence reflecting whether the Group will not be able to collect its debts.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits, including liquidity funds, with an original maturity of three months or less. For the purpose of the statement of consolidated cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. In the prior year, Cash and cash equivalents included cash pledged to ABN Amro as collateral for the \$20 million Letter of credit provided to FHB. See note 30.

Notes to the Financial Statements continued

for the year ended 31 March 2025

1. Accounting Policies continued

Financial liabilities

Other financial liabilities

Trade payables and other financial liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Loans and other borrowings are initially recognised at the fair value of amounts received net of transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The liability is initially measured at fair value, which is determined based on the present value of the difference in cash flows between the contractual payments required under the FHB borrowing (provided to the Company's joint venture – Accoya USA) and the payments that are estimated to be required without the guarantee being provided by Accsys to FHB. To calculate the fair value of the guarantee, the present value calculation is then weighted by the probability of the guarantee being called by FHB.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's shares are classified as equity instruments.

Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Accsys Technologies PLC, the chief operating decision makers (CODM). The Board are responsible for allocating resources and assessing performance of the operating segments and has been identified as steering the committee that makes strategic decisions.

Alternative Performance Measures

The Group presents certain measures of financial performance, position or cash flows in the Annual Report and Financial Statements that are not defined or specified according to IFRS (International financial reporting standards). These measures, referred to as Alternative Performance Measures (APMs), are prepared on a consistent basis for all periods presented in this report.

The most significant APMs are:

Net debt

A measure comprising short term and long-term borrowings (including lease obligations) less cash and cash equivalents. Net debt provides a measure of the Group's net indebtedness or overall leverage.

Underlying EBITDA

Operating profit/(loss) before Exceptional items, depreciation and amortisation. Underlying EBITDA provides a measure of the cash-generating ability of the business that is comparable from year to year.

Underlying EBIT

Operating profit/(loss) before Exceptional items. Underlying EBIT provides a measure of the operating performance that is comparable from year to year.

Adjusted EBITDA

Underlying EBITDA plus the Group's attributable share of the Accoya USA joint venture's underlying EBITDA. Adjusted EBITDA provides a measure of the cash-generating ability of the business that is comparable from year to year.

Adjusted EBIT

Underlying EBIT plus the Group's attributable share of the Accoya USA joint venture's underlying EBIT. Adjusted EBIT provides a measure of the operating performance that is comparable from year to year.

Free cash flow

Net cash from operating activities less investment in property, plant and equipment. See note 28.

2. Accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates**Goodwill**

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of judgements in relation to discount rates and future forecasts (See note 14 & 15). The recoverability of these balances is dependent upon the level of future licence fees and manufacturing revenues. While the scope and timing of the production facilities to be built under the Group's existing and future agreements remains uncertain, the Directors remain confident that revenue from own manufacturing, existing licensees, new licence or consortium agreements will be generated, demonstrating the recoverability of these balances.

Intellectual property rights (IPR) and property, plant and equipment

The Group tests the carrying amount of the intellectual property rights and property, plant and equipment whenever events or changes in circumstances indicate that the net book value may not be recoverable. These calculations require the use of estimates in respect of future cash flows from the assets by applying a discount rate to the anticipated pre-tax future cash flows. Within this process, the Group makes a number of key assumptions including operating margins, production volumes, discount rates, terminal growth rates and forecast cash flows. Additional information is disclosed in note 14 & 15, which highlights the estimates applied in the value-in-use calculations for those CGUs that are considered most susceptible to changes in key assumptions and the sensitivity of these estimates. The Group also reviews the estimated useful lives at the end of each annual reporting period (See note 14 & 15). The price of Accoya wood and the raw materials and other inputs vary according to market conditions outside of the Group's control. Should the price of the raw materials increase greater than the sales price or in a way which no longer makes Accoya competitive, then the carrying value of the property, plant and equipment or IPR may be in doubt and become impaired. The Directors consider that the current market and best estimates of future prices mean that this risk is limited.

Fair value of financial derivative

The Group has convertible loan notes with an embedded conversion option. The Group revalues the financial derivative based upon assumptions around the likelihood of conversion and the volatility of the share price to determine the fair value of the derivative. Any movements in the fair value of the derivative are recognised through the profit and loss. See note 28 for further details.

Notes to the Financial Statements continued

for the year ended 31 March 2025

2. Accounting judgements and estimates continued

Accounting judgements

In preparing the Consolidated Financial Statements, management has to make judgments on how to apply the Group's accounting policies and make estimates about the future. The critical judgements that have been made in arriving at the amounts recognised in the Consolidated Financial Statements and the key sources of uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year are discussed below:

Financial asset at fair value through profit or loss

The Group has an investment in listed equity shares carried at nil fair value as a reliable fair value cannot be obtained since there is no active market for the shares and there is currently uncertainty around the future funding of the business. The Group makes appropriate enquiries and considers all of the information available to it in order to determine the fair value (See note 17).

Recovery of investment in joint venture

The Group, together with Eastman Chemical Company LLC formed Accoya USA LLC, 60% owned by the Group and 40% owned by Eastman. The two parties are assessed to jointly control the entity, due to the operating agreement requiring both joint venture partners to approve key business decisions. The Group performs an impairment assessment on its investment in Accoya USA LLC whenever events or changes in circumstances indicate that the carrying value may not be recoverable. This requires the Group to make an estimate and assumptions of the expected cash flows, sales volumes and choose a suitable discount rate in order to calculate the present value of those cash flows.

New standards and interpretations in issue at the date of authorisation of these financial statements:

New standards, amendments and interpretations

The following amendments to Standards and a new Interpretation have been adopted for the financial year beginning on 1 April 2024:

- Amendments to IAS 1;
- Amendments to IFRS 16; and
- Amendments to IAS 7 and IFRS 7.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards, amendments and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2025 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Segmental reporting

The Group's business is the manufacturing of and development, commercialisation and licensing of the associated proprietary technology for the manufacture of Accoya wood, Tricoya wood elements and related acetylation technologies. Segmental reporting is divided between corporate activities and activities directly attributable to Accoya (prior year, Accoya, Tricoya, Corporate and R&D). The Group has changed its basis of segmental reporting following the decision to close the Tricoya Hull plant.

Following the change in way the business is viewed, the prior year comparatives have been restated to reflect this change.

Accoya

	Accoya Segment					
	Year ended 31 March 2025	Year ended 31 March 2025	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2024	Year ended 31 March 2024
	Underlying €'000	Exceptional items €'000	TOTAL €'000	Underlying €'000	Exceptional items €'000	TOTAL €'000
Accoya wood revenue	124,047	–	124,047	123,139	–	123,139
Tricoya panel revenue	3,698	–	3,698	4,134	–	4,134
Licence revenue	375	–	375	77	–	77
Other revenue	8,512	–	8,512	8,820	–	8,820
Total Revenue	136,632	–	136,632	136,170	–	136,170
Cost of sales	(95,205)	–	(95,205)	(95,287)	–	(95,287)
Gross profit	41,427	–	41,427	40,883	–	40,883
Other operating costs	(30,084)	(12,030)	(42,114)	(37,310)	(8,200)	(45,510)
Operating profit/(loss)	11,343	(12,030)	(687)	3,573	(8,200)	(4,627)
Operating profit/(loss)	11,343	(12,030)	(687)	3,573	(8,200)	(4,627)
Depreciation and amortisation	9,219	–	9,219	9,579	–	9,579
Profit on disposal of assets	–	(12)	(12)	–	–	–
Impairment	–	18,320	18,320	–	7,000	7,000
Gain on disposal of investment	–	(10,382)	(10,382)	–	–	–
EBITDA	20,562	(4,104)	16,458	13,152	(1,200)	11,952

Reconciliation of Accoya Adjusted EBIT and EBITDA

	Year ended 31 March 2025 €'000	Year ended 31 March 2024 €'000
Operating profit	11,343	3,573
Share of Accoya USA EBIT	(9,621)	(3,993)
Adjusted EBIT	1,722	(420)
	Year ended 31 March 2025 €'000	Year ended 31 March 2024 €'000
Underlying EBITDA	20,562	13,152
Share of Accoya USA EBITDA	(6,045)	(3,724)
Adjusted EBITDA	14,517	9,428

Revenue includes the sale of Accoya, licence income and other revenue, principally relating to the sale of acetic acid. Revenue also includes sales of lower visual grade Accoya to Tricoya customers for the purposes of producing Tricoya panels.

Notes to the Financial Statements continued

for the year ended 31 March 2025

3. Segmental reporting continued

Reconciliation of Accoya Adjusted EBIT and EBITDA continued

All costs of sales are allocated against manufacturing activities in Arnhem and in Barry (Wales) unless they can be directly attributable to a licensee. Other operating costs include all costs associated with the operation of the Arnhem and Barry manufacturing sites, including directly attributable administration, sales and marketing costs.

See note 5 for explanation of Exceptional items.

Corporate

	Corporate Segment					
	Year ended 31 March 2025	Year ended 31 March 2025	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2024	Year ended 31 March 2024
	Underlying €'000	Exceptional items €'000	TOTAL €'000	Underlying €'000	Exceptional items €'000	TOTAL €'000
Accoya wood revenue	-	-	-	-	-	-
Licence revenue	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross result	-	-	-	-	-	-
Other operating costs	(3,694)	-	(3,694)	(4,617)	-	(4,617)
Operating profit/(loss)	(3,694)	-	(3,694)	(4,617)	-	(4,617)
Operating profit/(loss)	(3,694)	-	(3,694)	(4,617)	-	(4,617)
Depreciation and amortisation	-	-	-	-	-	-
EBITDA	(3,694)	-	(3,694)	(4,617)	-	(4,617)

Corporate costs are those costs not directly attributable to Accoya activities. This includes management and the Group's corporate and general administration costs including the head office in London. See note 5 for explanation of Exceptional items.

Total

	Total					
	Year ended 31 March 2025	Year ended 31 March 2025	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2024	Year ended 31 March 2024
	Underlying €'000	Exceptional items €'000	TOTAL €'000	Underlying €'000	Exceptional items €'000	TOTAL €'000
Accoya wood revenue	124,047	-	124,047	123,139	-	123,139
Tricoya panel revenue	3,698	-	3,698	4,134	-	4,134
Licence revenue	375	-	375	77	-	77
Other revenue	8,512	-	8,512	8,820	-	8,820
Total Revenue	136,632	-	136,632	136,170	-	136,170
Cost of sales	(95,205)	-	(95,205)	(95,287)	-	(95,287)
Gross profit	41,427	-	41,427	40,883	-	40,883
Other operating costs	(33,778)	(12,030)	(45,808)	(41,927)	(8,200)	(50,127)
Operating profit/(loss)	7,649	(12,030)	(4,381)	(1,044)	(8,200)	(9,244)
Finance income	304	-	304	138	-	138
Finance expense	(5,960)	1,102	(4,858)	(4,418)	530	(3,888)
Investment in joint venture	(11,871)	-	(11,871)	(4,100)	-	(4,100)
Loss before taxation	(9,878)	(10,928)	(20,806)	(9,424)	(7,670)	(17,094)

See note 5 for details of Exceptional items.

Reconciliation of Underlying EBIT and EBITDA

	Year ended 31 March 2025	Year ended 31 March 2025	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2024	Year ended 31 March 2024
		Exceptional items	TOTAL		Exceptional items	TOTAL
	€'000	€'000	€'000	€'000	€'000	€'000
Operating profit/(loss)	7,649	(12,030)	(4,381)	(1,044)	(8,200)	(9,244)
Depreciation and amortisation	9,219	-	9,219	9,579	-	9,579
Profit on disposal of assets	-	(12)	(12)	-	-	-
Impairment	-	18,320	18,320	-	7,000	7,000
Gain on disposal of investment	-	(10,382)	(10,382)	-	-	-
EBITDA	16,868	(4,104)	12,764	8,535	(1,200)	7,335

Reconciliation of Adjusted EBIT and EBITDA

	Year ended 31 March 2025 €'000	Year ended 31 March 2024 €'000
Operating profit/(loss)	7,649	(1,044)
Share of Accoya USA EBIT	(9,621)	(3,993)
Adjusted EBIT	(1,972)	(5,037)
	Year ended 31 March 2025 €'000	Year ended 31 March 2024 €'000
Underlying EBITDA	16,868	8,535
Share of Accoya USA EBITDA	(6,045)	(3,724)
Adjusted EBITDA	10,823	4,811

Analysis of Revenue by geographical area of customers:

	2025 €'000	2024 €'000
UK and Ireland	54,103	46,903
Rest of Europe	51,276	47,364
Americas	15,921	28,878
Rest of World	15,332	13,025
	136,632	136,170

Revenue generated from two customers exceeded 10% of Group revenue of 2025. These two customers represented 32% (€17,302,000) and 37% (€20,263,000) of the revenue from the United Kingdom and Ireland, relating to Accoya revenue. Revenue generated from two customers exceeded 10% of Group revenue of 2024. This included 36% (€16,717,000) and 33% (€15,461,000) of the revenue from the United Kingdom and Ireland, relating to Accoya revenue.

Notes to the Financial Statements continued

for the year ended 31 March 2025

3. Segmental reporting continued

Assets and liabilities on a segmental basis:

	Accoya 2025 €'000	Corporate 2025 €'000	TOTAL 2025 €'000	Accoya 2024 €'000	Corporate 2024 €'000	TOTAL 2024 €'000
Non-current assets	115,505	1,661	117,166	137,927	1,016	138,943
Current assets	52,142	11,645	63,787	52,321	18,711	71,032
Current liabilities	(20,455)	(9,779)	(30,234)	(22,105)	(4,101)	(26,206)
Net current assets/(liabilities)	31,687	1,866	33,553	30,216	14,610	44,826
Non-current liabilities	(2,663)	(50,734)	(53,397)	(9,817)	(55,137)	(64,954)
Net assets/(liabilities)	144,529	(47,207)	97,322	158,326	(39,511)	118,815

The Investment accounted for using the equity method (Investment into Accoya USA) is included in the Accoya segment. See note 27.

Analysis of non-current assets (other than financial assets and deferred tax):

	2025 €'000	2024 €'000
UK	4,169	23,129
Other countries	108,766	111,583
Un-allocated – Goodwill	4,231	4,231
	117,166	138,943

The segmental assets in the current year were predominantly held in the UK, USA and mainland Europe. Additions to property, plant, equipment and intangible assets in the current year were predominantly incurred in the UK and mainland Europe. The increase in Investment accounted for using the equity method (investment into Accoya USA) incurred in USA. There are no significant intersegment revenues.

4. Other operating costs

Other operating costs consist of the operating costs, other than the cost of sales, associated with the operation of the plant in Arnhem, Barry, the offices in Dallas and London and certain pre-operating costs associated with the plant in Hull before it was disposed of:

	2025 €'000	2024 €'000
Sales and marketing	4,805	6,044
Research and development	1,190	1,490
Other operating costs	4,392	11,731
Administration costs	14,172	13,083
Exceptional items*	4,092	1,200
Other operating costs excluding depreciation, amortisation, impairment and gains on disposals	28,651	33,548
Depreciation and amortisation	9,219	9,579
Impairment loss – exceptional items*	18,320	7,000
Gain on disposal of investment*	(10,382)	–
Total other operating costs	45,808	50,127

Administrative costs include costs associated with Business Development and Legal departments, Intellectual Property as well as Human Resources, IT, Finance, Management and General Office and includes the costs of the Group's head office costs in London and the US Office in Dallas.

Other operating costs are those costs directly attributable to Accoya. This includes staff costs for the Arnhem and Barry sites and support functions not captured in Corporate, Sales and Marketing or general administrative costs for the Arnhem and Barry sites.

During the period, €134,000 (2024: €385,000) of internal development and patent-related costs were capitalised and included in intangible fixed assets. No internal costs have been capitalised in relation to strategic capex projects in the current or prior year.

*Refer to note 5 for description of exceptional costs.

The impairment loss is in relation to Tricoya assets, refer to note 5 and 15.

5. Exceptional items

	2025 €'000	2024 €'000
Impairment of the Tricoya segment assets	(18,320)	(7,000)
Hull closure costs	(4,092)	-
Gain on disposal of investment	10,382	-
Restructuring costs	-	(1,200)
Total exceptional operating costs	(12,030)	(8,200)
Foreign exchange differences on Corporate USO cash held for investment in to USA JV	-	249
Revaluation/recognition of Valuation Recovery Instrument 'VRI' liability	1,102	281
Total exceptional financing	1,102	530
Total exceptional items	(10,928)	(7,670)

Exceptional Items

In the year:

- An impairment loss (non-cash item) of €18.3m has been recognised in the year reflecting the full remaining impairment of the Tricoya segment assets related to the Hull plant (2024: €7.0m).
- A restructuring cost of €4.1m has been recognised for the costs related to discontinuing and winding-up the Hull plant.
- An exceptional gain of €10.4m (non-cash item) has been recognised in the year reflecting the deconsolidation of Tricoya UK Ltd following the loss of control from the Group. The majority of this gain relates to the removal of the non-recourse NatWest facility of €7.1m and the lease liability on the land of €1.2m. See note 28 for further details.
- The financial liability previously raised to account for the Value Recovery Instrument ('VRI') of €1.1m has been released. See note 22 for further details.

In the prior year:

- An exceptional operating cost of €1.2m (€1m in Accoya and €0.2m in Tricoya) has been recognised for Restructuring costs relating to decreasing the Group's Administrative operating cost base.
- An impairment loss (non-cash item) of €7.0m has been recognised in the year relating to the Tricoya segment (FY23: €86.0m) due to an increase in the discount rate to 14.25% used following an increase in market interest rates and the Company-specific market volatility factor. In the prior year, an impairment of the Tricoya segment assets was recognised, due to identification of additional time and costs (€35m) to complete the plant; a decrease in the estimated maximum production capacity of the plant once commercially operational from 30,000MT to 24,000MT; and the discount rate applied was updated to 13.5%.
- Foreign exchange differences were recognised due to US dollars held for investment into Accoya USA LLC. Following the November 2023 capital raise (and in the prior year, following the May 2021 capital raise), the amount raised to invest into Accoya USA was translated into US dollars and held in cash ensuring that foreign exchange movements did not decrease the amount raised below the US dollar investment into Accoya USA. This treatment did not meet the requirements for hedge accounting under IFRS 9, Financial Instruments, and therefore the foreign exchange gain on the revaluation of the US dollars has been accounted for in Finance expenses.
- €0.3m relates to the revaluation of the Value Recovery Instrument ('VRI').

Notes to the Financial Statements continued

for the year ended 31 March 2025

6. Employees

	2025 €'000	2024 €'000
Staff costs (including Directors) consist of:		
Wages and salaries	15,402	18,508
Social security costs	2,407	3,044
Other pension costs	1,101	1,357
Share based payments	1,734	1,494
	20,644	24,403

Pension costs relate to defined contribution plan contributions.

The average monthly number of employees, including Executive Directors, during the year was as follows:

	2025	2024
Sales and marketing, administration, research and engineering	120	137
Operating	95	99
	215	236

The 2024 information above has been re-presented to better represent the classification of employees. 'Operating' has been reduced by 15, whilst 'sales, marketing, administration, research and engineering' has increased by 15 for 2024.

7. Directors' remuneration

	2025 €'000	2024 €'000
Directors' remuneration consists of:		
Directors' emoluments	1,867	1,450
Company contributions to money purchase pension schemes	57	52
	1,924	1,502

Compensation of key management personnel included the following amounts:

	2025 Salary, bonus and short term benefits €'000	2025 Pension €'000	2025 Share based payments charge €'000	2025 Total €'000	2024 Salary, bonus and short term benefits €'000	2024 Pension €'000	2024 Share based payments charge €'000	2024 Total €'000
Jelena Arsic van Os	916	37	129	1,082	477	27	171	675
Steven Salo	196	3	22	221	401	25	27	453
Sameet Vohra	309	13	44	366	-	-	-	-
Hans Pauli	130	4	4	138	-	-	-	-
	1,551	57	199	1,807	878	52	198	1,128

The Group made contributions to two (2024: one) Director's personal pension plan, with Jelena Arsic van Os and Sameet Vohra receiving cash in lieu of pension.

The figures in the above table are impacted by foreign exchange noting that the remuneration for Jelena Arsic van Os, Sameet Vohra and Steven Salo are denominated in Pounds Sterling.

The compensation in the above table for Sameet Vohra, Steven Salo and Hans Pauli represents the period in which they are appointed as a Director and not a full year. In the prior year, Jelena Arsic Van Os represents the period in which she was appointed as a Director and not a full year.

In the prior year, the compensation of Jelena Arsic Van Os also includes a LTIP buy-out award in respect of remuneration at her former employer that she forfeited as a result of joining Accsys, of 131,557 shares which vested on 27 June 2024.

Key management personnel includes the Executive Directors. For further details on all Director's remunerations, see the Remuneration Report on page 85.

8. Operating profit/(loss)

	2025 €'000	2024 €'000
This has been arrived at after charging:		
Staff costs (note 6)	20,644	24,403
Depreciation of property, plant and equipment, and right of use assets	8,171	8,751
Impairment	18,320	7,000
Amortisation of intangible assets	1,048	828
Short term lease rentals	91	40
Foreign exchange losses	129	108
Research & development (excluding staff costs)	452	700
Fees payable to the Company's auditors for the audit of the Group's annual financial statements	295	193
Fees payable to the Company's auditors for other services:		
• audit of the Company's subsidiaries pursuant to legislation	104	212
• other assurance services	53	-
Fees payable to Component auditors for audit of subsidiaries	201	190
Fees payable to Component auditors for audit of joint ventures	134	-
Total audit and audit related services:	787	595

9. Finance income

	2025 €'000	2024 €'000
Interest receivable on bank and other deposits	304	138

10. Finance expense

	2025 €'000	2024 €'000
Interest on loans	4,667	3,536
Interest on lease liabilities	356	292
Other finance expenses	937	590
Total underlying finance expenses	5,960	4,418
Exceptional items		
Foreign exchange (gain) on Corporate USD cash held for investment in to USA JV	-	(249)
Revaluation/recognition of Valuation Recovery Instrument 'VRI'	(1,102)	(281)
Total Finance expense/(income)	4,858	3,888

Notes to the Financial Statements continued

for the year ended 31 March 2025

11. Tax expense

	2025 €'000	2024 €'000
(a) Tax recognised in the statement of comprehensive income comprises:		
Current tax charge		
UK corporation tax on losses for the year	653	–
Research and development tax expense in respect of prior years	–	121
	653	121
Overseas tax at rate of 15%	8	8
Overseas tax at rate of 25%	1,383	636
Deferred Tax		
Utilisation of deferred tax asset	–	–
Total tax charge reported in the statement of comprehensive income	2,044	765

	2025 €'000	2024 €'000
(b) The standard rate of corporation tax applied to the UK reported profit is 25%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The tax charge for the period is higher than the standard rate of corporation tax in the UK (2025: 25%, 2024: 25%) due to:		
Loss before tax	(20,806)	(17,094)
Expected tax credit at 25% (2024 – 25%)	(5,201)	(4,273)
Expenses not deductible in determining taxable profit	699	–
ECL impairment (not deductible for tax purposes)	7,295	–
Tricoya segment assets impairment	878	1,750
Income not taxable from gain on investment disposal	(2,595)	–
Tax (income)/losses for which no deferred income tax asset was (utilised)/recognised	(1,197)	3,159
Irrecoverable losses due to deconsolidation	1,035	–
Corporate interest restriction	481	–
Adjustments in relation to prior periods	641	–
Effects of overseas taxation	8	8
Research and development tax charge/(credit) in respect of prior years	–	121
Research and development tax (credit) in respect of current year	–	–
Total tax charge reported in the statement of comprehensive income	2,044	765

€'000	Deferred tax assets		Deferred tax liabilities	
	2025	2024	2025	2024
At 1 April	509	621	(509)	(621)
Credited/(charged) to the consolidated income statement	(98)	(112)	98	112
At 31 March	411	509	(411)	(509)

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. See note 18.

12. Basic and diluted loss per ordinary share

The calculation of loss per ordinary share is based on loss after tax and the weighted average number of ordinary shares in issue during the year.

	2025 Underlying	2025 Total	2024 Underlying	2024 Total
Basic earnings per share				
Weighted average number of ordinary shares in issue ('000)	240,086	240,086	227,911	227,911
Loss for the year attributable to owners of Accsys Technologies PLC (€'000)	(11,922)	(22,850)	(10,189)	(17,859)
Basic loss per share	€ (0.05)	€ (0.10)	€ (0.04)	€ (0.08)
Diluted earnings per share				
Weighted average number of ordinary shares in issue ('000)	-	-	-	-
Number of equity options attributable to BGF (see note 29)	-	-*	-	-*
Number of equity options attributable to convertible loan note issued (see note 28)	-	-	-	-
Weighted average number of ordinary shares in issue and potential ordinary shares ('000)	-	-	-	-
Loss for the year attributable to owners of Accsys Technologies PLC (€'000)	-	-	-	-
Diluted loss per share	-	-*	-	-*

* Diluted loss per share is not disclosed for Total diluted loss per share. IAS 33 'Earning per share' defines Dilutive share options as share options which would decrease profit per share or increase loss per share. Equity options to BGF are disclosed in note 29 and convertible loan notes in note 28, which if exercised, would decrease Total loss per share. As a result, these are anti-dilutive and therefore shown as nil.

13. Share based payments

The Group operates a number of share schemes which give rise to a share-based payment charge. The Group operates a Long-Term Incentive Plan ('LTIP') in order to reward certain members of staff including the Senior Leadership team and the Executive Directors.

Options – total

The following figures take into account options awarded under the LTIP, together with share options awarded in previous years under the 2008 Share Option schemes.

Outstanding options granted are as follows:

Date of grant	Number of outstanding options at 31 March		Weighted average remaining contractual life, in years	
	2025	2024	2025	2024
24 June 2016 (LTIP)	93,188	130,099	1.3	2.3
20 June 2017 (LTIP)	72,999	100,651	2.3	3.3
18 June 2018 (LTIP)	45,154	61,407	3.3	4.3
23 June 2021 (LTIP) ¹	42,914	415,079	6.3	7.3
12 July 2022 (LTIP)	180,530	263,182	7.3	8.3
28 July 2023 (LTIP)	776,192	1,343,091	8.3	9.3
18 July 2024 (LTIP)	1,265,716	-	9.3	-
27 November 2024 (LTIP)	401,516	-	9.3	-
Total	2,878,209	2,313,509	8.3	8.0

1 180,530 nil cost options are outstanding in the 2022 LTIP award at 31 March 2025 but 61,521 options are estimated to vest on the vesting date in the 2025 calendar year.

Notes to the Financial Statements continued

for the year ended 31 March 2025

13. Share based payments continued

Options – total continued

Movements in the weighted average values are as follows:

	Weighted average exercise price	Number
Outstanding at 01 April 2023	€ 0.00	2,574,403
Granted during the year	€ 0.00	1,438,216
Forfeited during the year	€ 0.00	(1,131,001)
Exercised during the year	€ 0.00	(568,109)
Expired during the year	€ 0.00	–
Outstanding at 31 March 2024	€ 0.00	2,313,509
Granted during the year	€ 0.00	1,963,768
Forfeited during the year	€ 0.00	(1,318,252)
Exercised during the year	€ 0.00	(80,816)
Expired during the year	€ 0.00	–
Outstanding at 31 March 2025	€ 0.00	2,878,209

The exercise price of options outstanding at the end of the year was €nil (for LTIP options) (2024: €nil) and their weighted average contractual life was 8.3 years (2024: 8.0 years).

Of the total number of options outstanding at the end of the year 254,255 (2024: 292,157) had vested and were exercisable at the end of the year.

The Group recognised a total share-based payment charge of €1,747,000 in the year (2024: €1,480,000).

Long Term Incentive Plan ('LTIP')

In 2013, the Group established a Long-Term Incentive Plan, the participants of which are key members of the Senior Management Team, including Executive Directors. The establishment of the LTIP was approved by the shareholders at the AGM in September 2013.

2016 LTIP Award performance conditions and 2019 outcome

The LTIP in 2016 awarded 1,070,255 nil cost options and 494,433 vested in the financial year ended 31 March 2020. 93,188 nil cost options remain as at 31 March 2025 after allowing for forfeitures and options exercised in the year.

2017 LTIP Award performance conditions and 2020 outcome

The LTIP in 2017 awarded 1,087,842 nil cost options and 326,999 vested in the financial year ended 31 March 2021. 72,999 nil cost options remain as at 31 March 2025 after allowing for forfeitures and options exercised in the year.

2018 LTIP Award performance conditions and 2021 outcome

The LTIP in 2018 awarded 1,170,160 nil cost options and 185,840 vested in the financial year ended 31 March 2022. 45,154 nil cost options remain as at 31 March 2025 after allowing for forfeitures and options exercised in the year.

2021 LTIP Award performance conditions and 2024 outcome

The LTIP in 2021 awarded 918,659 nil cost options and 42,914 vested in the financial year ended 31 March 2024. 42,914 nil cost options remain as at 31 March 2025 after allowing for forfeitures and options exercised in the year.

Awards made in July 2022 and LTIP Award performance conditions

During the prior year, a total of 620,698 LTIP awards were made to members of the Senior Leadership team including the Executive Directors:

The performance targets for these awards are as follows:

Metric	Weighting (% of award)	Threshold	Maximum
Vesting (% of maximum)		25%	100%
Cumulative Sales Volume (FY23 to FY25) (m ³)	25%	206,000	232,000
Average Gross contribution (%)	25%	49.60%	55%
Share performance compared to AIM Index	40%	Median	Upper quartile
ESG – improvement in reporting ratings	10%	15% improvement in S&P ESG score over the three-year period	20% improvement in S&P ESG score over the three-year period

- Vesting is on a straight-line basis between points in the schedule.
- Appropriate adjustments may be made to ensure fair and consistent performance measurement over the performance period in line with the business plan and intended stretch of the targets at the point of award.
- Gross contribution defined as Revenue from sale of Accoya/Tricoya less Net acetyls and raw wood cost.
- Sales Volume is defined as combined sales volume (in cubic metres, or equivalent) of Accoya and Tricoya.
- Share performance is compared to AIM Index performance excluding Financial services and natural resource stocks.

Element	Element A (Sales volume growth)	Element B (Gross Contribution %)	Element C (Share price growth)	Element D (ESG Reporting Metrics)
Grant date	12 Jul 22	12 Jul 22	12 Jul 22	12 Jul 22
Share price at grant date (€)	1.21	1.21	1.21	1.21
Exercise price (€)	0.00	0.00	0.00	0.00
Expected life (years)	3	3	3	3
Contractual life (years)	10	10	10	10
Vesting conditions (Details set out above)	Sales volume	Gross Contribution %	Share price	ESG reporting metrics
Risk free rate	0.45%	0.45%	0.45%	0.45%
Expected volatility	20%	20%	20%	20%
Expected dividend yield	0%	0%	0%	0%
Fair value of option	€ 1.21	€ 1.21	€ 0.90	€ 1.21

All of the above awards, made in summer 2022, are subject to a three-year performance period (i.e. year end 31 March 2025) and a further two-year holding period. In addition, awards are also subject to malus/clawback provisions.

The volatility used for the share option grants above derive from historic volatility experienced by the Group during the period from listing.

Notes to the Financial Statements continued

for the year ended 31 March 2025

13. Share based payments continued

Awards made in July 2023 and LTIP Award performance conditions

During the year, a total of 1,438,216 LTIP awards were made to members of the Senior Leadership team including the Executive Directors:

The performance targets for 1,306,659 of these awards are as follows:

Metric	Weighting (% of award)	Threshold	Maximum
Vesting (% of maximum)		25%	100%
Cumulative Sales Revenue (FY24 to FY26) (€)	45%	€500m	€600m
Underlying EBITDA per share (€)	45%	0.18	0.20
ESG – improvement in reporting ratings	10%	6% improvement in S&P ESG score over the three-year period	9% improvement in S&P ESG score over the three-year period

- Vesting is on a straight-line basis between points in the schedule.
- Appropriate adjustments may be made to ensure fair and consistent performance measurement over the performance period in line with the business plan and intended stretch of the targets at the point of award.
- Sales Revenue excludes revenue from Accoya USA LLC.

The remaining 131,557 of these awards related to a buy-out award granted to Jelena Arsic van Os, the Group's CEO, in respect of remuneration forfeited at her former employer as a result of joining Accsys. The awards vested on 27 June 2024. The fair value of these options were €1.22 on their Grant date.

Element	Element A (Cumulative sales revenue)	Element B (Underlying EBITDA per share)	Element D (ESG Reporting Metrics)
Grant date	28 Jul 23	28 Jul 23	28 Jul 23
Share price at grant date (€)	1.24	1.24	1.24
Exercise price (€)	0.00	0.00	0.00
Expected life (years)	3	3	3
Contractual life (years)	10	10	10
Vesting conditions (Details set out above)	Sales revenue	EBITDA per share	ESG reporting metrics
Risk free rate	2.755%	2.755%	2.755%
Expected volatility	20%	20%	20%
Expected dividend yield	0%	0%	0%
Fair value of option	€ 1.24	€ 1.24	€ 1.24

All of the above awards, made in summer 2023, are subject to a three-year performance period (i.e. year end 31 March 2027) and a further two-year holding period. In addition, awards are also subject to malus/clawback provisions.

The volatility used for the share option grants above derive from historic volatility experienced by the Group during the period from listing.

Awards made in July 2024 and November 2024 and LTIP Award performance conditions

During the financial year ended 31 March 2025, a total of 1,963,768 LTIP awards were made primarily to members of the Senior Leadership team including the Executive Directors:

The performance targets for these awards are as follows:

Metric	Weighting (% of award)	Threshold	Maximum
Vesting (% of maximum)		25%	100%
Share performance compared to AIM Index	30%	Median	Top quartile
EBITDA per share in FY27	40%	€0.07	€0.13
Cumulative Cash generation	30%	€0m cash inflow	€10m cash inflow

- Vesting is on a straight-line basis between points in the schedule.
- Appropriate adjustments may be made to ensure fair and consistent performance measurement over the performance period in line with the business plan and intended stretch of the targets at the point of award.
- EBITDA per share targets exclude exceptional items and Tricoya UK but include the Company's proportion of Accoya USA results.
- Share performance is compared to AIM Index performance excluding Financial services and natural resource stocks.
- Cumulative cash generation is based on total cash generation excluding Loan and interest payments.

Element	Element A (Share price growth)	Element B (Adjusted EBITDA per share)	Element D (Cumulative Cash generation)
Grant date	18 Jul 24	18 Jul 24	18 Jul 24
Share price at grant date (€)	0.65	0.65	0.65
Exercise price (€)	0.00	0.00	0.00
Expected life (years)	3	3	3
Contractual life (years)	10	10	10
Vesting conditions (Details set out above)	Share price	EBITDA	Cash
Risk free rate	2.53%	2.53%	2.53%
Expected volatility	20%	20%	20%
Expected dividend yield	0%	0%	0%
Fair value of option	€ 0.65	€ 0.65	€ 0.65

On 27 November 2024, a total of 401,516 LTIP awards (included in the 1,963,768 LTIP awards above) were made to a new employee with the same performance targets as illustrated above. The fair value of these awards were €0.58 per option.

All of the above awards, made in July and November 2024 are subject to a three-year performance period and the awards made to the two Executive Directors include a further two-year holding period. In addition, awards are also subject to malus/clawback provisions.

The volatility used for the share option grants above derive from historic volatility experienced by the Group during the period from listing.

Notes to the Financial Statements continued

for the year ended 31 March 2025

13. Share based payments continued

Employee Benefit Trust – Share bonus award

428,689 new ordinary shares are held by an Employee Benefit Trust as part of the annual bonus, in connection with the employee remuneration and incentivisation arrangements for the period from 1 April 2023 to 31 March 2024, the beneficiaries of which are primarily senior employees. Such new ordinary shares vest if the employees remain in employment with the Company at the vesting date, being 1 July 2025 (subject to certain other provisions including regulations, good-leaver, take-over and Remuneration Committee discretion provisions). As at 31 March 2025, the Employment Benefit Trust was consolidated by the Company and the 428,689 ordinary shares are recorded as Own Shares within equity.

Employee Share Participation Plan

The Employee Share Participation Plan (the 'Plan') is intended to promote the long-term growth and profitability of Accsys by providing employees with an opportunity to acquire an ownership interest in new ordinary shares in the Company as an additional benefit of employment. Under the terms of the Plan, the Company issues these shares to a trust for the benefit of the subscribing employees. The shares are released to employees after one year, together with an additional share on a one for one matched basis provided the employee has remained in the employment of Accsys at that point in time (subject to good leaver provisions). The Plan is in line with industry approved employee share plans and the maximum amount available for subscription by any employee is €5,000 per annum. In February 2025 various employees subscribed for a total of 228,328 shares at an acquisition price of €0.59 per share.

14. Intangible assets

	Internal development costs €'000	Intellectual property rights €'000	Goodwill €'000	Total €'000
Cost				
At 1 April 2023	7,699	75,372	4,231	87,302
Additions	50	335	–	385
At 31 March 2024	7,749	75,707	4,231	87,687
Additions	–	134	–	134
At 31 March 2025	7,749	75,841	4,231	87,821
Accumulated amortisation and impairment				
At 1 April 2023	3,279	73,532	–	76,811
Amortisation	399	429	–	828
At 31 March 2024	3,678	73,961	–	77,639
Amortisation	375	673	–	1,048
Impairment loss	2,438	538	–	2,976
At 31 March 2025	6,491	75,172	–	81,663
Net book value				
At 31 March 2025	1,258	669	4,231	6,158
At 31 March 2024	4,071	1,746	4,231	10,048
At 31 March 2023	4,420	1,840	4,231	10,491

Refer to note 15 for the recoverability assessment of these intangible assets.

15. Property, plant and equipment

	Leased land and buildings €'000	Plant and machinery €'000	Office equipment €'000	Total €'000
Cost or valuation				
At 1 April 2023	17,976	208,821	4,697	231,494
Additions	-	1,779	333	2,112
Reclassification	-	(3,669)	(451)	(4,120)
At 31 March 2024	17,976	206,931	4,579	229,486
Additions	-	1,325	430	1,755
Disposals	-	(109,254)	(340)	(109,594)
Reclassification	-	-	-	-
At 31 March 2025	17,976	99,002	4,669	121,647
Accumulated depreciation and impairment				
At 1 April 2023	1,711	120,892	2,840	125,443
Charge for the year	358	6,847	482	7,687
Foreign currency translation loss	-	-	2	2
Impairment loss	-	7,000	-	7,000
Reclassification	-	(3,669)	(451)	(4,120)
At 31 March 2024	2,069	131,070	2,873	136,012
Charge for the year	379	6,203	351	6,933
Depreciation on disposals	-	(109,184)	(340)	(109,524)
Foreign exchange hedge movement	-	337	-	337
Foreign currency translation loss	-	-	3	3
Impairment loss	-	14,246	47	14,293
At 31 March 2025	2,448	42,672	2,934	48,054
Net book value				
At 31 March 2025	15,528	56,330	1,735	73,593
At 31 March 2024	15,907	75,861	1,706	93,474
At 31 March 2023	16,265	87,929	1,857	106,051

As a result of Tricoya UK Ltd going into voluntary liquidation, the Directors have determined that an impairment of €18 million (2024: €7 million) should be recognised in the Tricoya CGU in the year ended 31 March 2025 taking the overall impairment in the Tricoya CGU to €111 million (2024: €93 million). The remaining recoverable amount of the Tricoya CGU at 31 March 2025 is €nil (2024: €20 million). See note 5 for further information on the liquidation of Tricoya UK Ltd.

Impairment review

Following Tricoya UK Ltd entering voluntary liquidation, the carrying value of the property, plant and equipment, internal development costs, goodwill and intellectual property rights are all within one cash generating units (CGU), Accoya. The recoverable amount is determined based on a value in use calculation which uses cash flow projections based on Board approved financial forecasts. Cash flows have been projected for a period of 5 years plus a terminal value discounted at a pre-tax discount rate of 16.5% per annum (2024: 14.25%) and a growth rate of 2% to determine their present value (2024: 2% to 2.5%).

The key assumptions used in the value in use calculations are:

- the manufacturing revenues, operating margins and future licence fees estimated by management;
- the long term growth rate; and
- the discount rate.

Notes to the Financial Statements continued

for the year ended 31 March 2025

16. Leases

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	Right-of-use assets	
	2025 €'000	2024 €'000
Right-of-use assets		
Properties	2,424	2,762
Plant equipment	1,137	974
	3,561	3,736

Additions to the right-of-use assets during the financial year were €2,036,000 (2024: €757,000).

	Present value of minimum lease payments	
	2025 €'000	2024 €'000
Amounts payable under lease liabilities:		
Within one year	1,126	771
In the second to fifth years inclusive	2,892	2,364
After five years	1,580	3,242
Less: future finance charges	(1,315)	(2,039)
Present value of lease obligations	4,283	4,338

	Minimum lease payments	
	2025 €'000	2024 €'000
Amounts payable under lease liabilities:		
Within one year	961	690
In the second to fifth years inclusive	1,799	1,454
After five years	1,523	2,194
Present value of lease obligations	4,283	4,338

(ii) Amounts recognised in the statement of profit and loss

The statement of comprehensive income shows the following amounts relating to leases:

	2025 €'000	2024 €'000
Depreciation charge of right-of-use assets		
Properties	628	428
Plant equipment	610	636
	1,238	1,064
Interest expense (included in finance cost)	356	292
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	44	22
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	47	18

The total cash outflow for leases in 2025 was €864,000 (2024: €1,044,000).

The Group's leasing activities and how these are accounted for:

The Group leases various offices, land and, plant equipment. Rental contracts are typically made for fixed periods of one to ten years, although, if appropriate, a longer term may be entered into. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Lease extension options and lease termination options are only included in the calculation of the lease liability if there is reasonable certainty that they will be exercised. Some of the Group's leases have extension and termination options attached to them.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar economic environment within similar terms and conditions.

Right of use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Payments associated with short-term leases and leases of low value are recognised on a straight-line basis as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of small items of office furniture and equipment.

17. Financial asset at fair value through profit or loss

	2025 €'000	2024 €'000
Shares held in Cleantech Building Materials PLC	-	-

Accsys Technologies PLC has previously purchased a total of 21,666,734 unlisted ordinary shares in Diamond Wood China. On 23 December 2016, Cleantech Building Materials PLC acquired Diamond Wood China. On 19 April 2017 Cleantech Building Materials acquired the 21,666,734 shares previously owned by the Company and in return the Company has been issued with 520,001 shares in Cleantech Building Materials PLC.

There continues to be no active market for these shares as at 31 March 2025. As such a reliable fair value cannot be calculated and the investment is carried at a nil fair value (2024: nil).

A total of 498,522 shares were held at 31 March 2025 (2024: 498,522).

18. Deferred taxation

The Group has a recognised deferred tax asset of €411,000 (2024: €509,000) offsetting a recognised deferred tax liability of €411,000 (2024: €509,000). See note 11.

The Group also has an unrecognised deferred tax asset of €37,000,000 (2024: €71,000,000) which is largely in respect of trading losses of the UK subsidiaries and has been calculated using the tax rate which is expected to be applicable when the tax losses are expected to be utilised. The Group has gross tax losses of €148,000,000 (2024: €286,000,000). The deferred tax asset has been recognised only to the extent of the deferred tax liability, due to the uncertainty of the timing of future expected profits of the related legal entities which is dependent on the profits attributable to licensing and future manufacturing income.

19. Subsidiaries

A list of subsidiary investments, including the name, country of incorporation and proportion of ownership interest is given in note 4 to the Company's separate financial statements.

Notes to the Financial Statements continued

for the year ended 31 March 2025

20. Inventories

	2025 €'000	2024 €'000
Raw materials and work in progress	18,822	18,214
Finished goods	11,941	7,529
	30,763	25,743

The amount of inventories recognised as an expense during the year was €78,616,000 (2024: €75,018,000).

21. Trade and other receivables

	2025 €'000	2024 €'000
Trade receivables	12,881	14,044
Other receivables	509	1,616
VAT receivable	1,106	874
Prepayments	1,105	1,078
	15,601	17,612

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value. Trade and other receivables in the above table are stated net of provision for doubtful debts. The majority of trade and other receivables is denominated in Euros, with €401,000 of the trade and other receivables denominated in US Dollars (2024: €1,765,000).

The age of receivables past due but not impaired is as follows:

	2025 €'000	2024 €'000
Up to 30 days overdue	974	714
Over 30 days and up to 60 days overdue	25	117
Over 60 days and up to 90 days overdue	13	17
Over 90 days overdue	7	–
	1,019	848

Based on the current debtor profile the Group does not expect any bad debts to occur. As a result of this, no material expected credit losses are expected and therefore no ECL provision has been provided for within these financial statements.

22. Financial liability at amortised cost

	2025 €'000	2024 €'000
Value Recovery Instrument ('VRI')	–	1,102

In November 2022, NatWest agreed to restructure its Tricoya UK Ltd debt facility, reducing the principal amount by €9.4m to total €6m, under a new seven-year term (see note 28). Separate to, and in addition to the amended €6m loan, under the Value Recovery Instrument ('VRI') agreement, NatWest were entitled to obtain recovery of up to approximately €9.4m, on a contingent basis, depending on the profitability of the Tricoya Hull plant once operational. Following Tricoya UK Ltd entering voluntary liquidation, the remainder of the VRI has been released in the year. See note 5 for further information.

23. Trade and other payables

	2025 €'000	2024 €'000
Trade payables	8,436	11,824
Other taxes and social security payable	614	847
Accruals and deferred income	7,540	6,126
	16,590	18,797

24. Share capital

	2025 €'000	2024 €'000
Allotted – Equity share capital		
240,445,567 ordinary shares of €0.05 each (2024: 239,518,372 ordinary shares of €0.05 each)	12,022	11,976
	12,022	11,976

All ordinary shares are called up, allotted and fully paid.

In the year ended 31 March 2024:

Between July and February, 790,339 Shares were issued following the exercise of nil cost options, granted under the Company's 2013 Long Term Incentive Plan ('LTIP').

In November 2023, 19,144,281 ordinary shares were issued as part of the capital raise along with a debt extension package (see note 28) to allow Accsys to commence commercial operations of its North American Accoya plant in Kingsport, USA, strengthen its balance sheet and increase working capital in the face of a challenging macro trading environment.

In January 2024, following the subscription by employees in the prior year for shares under the Employee Share Participation Plan (the 'Plan'), 202,059 shares were issued as 'Matching Shares' at nominal value under the Plan.

In the year ended 31 March 2025:

In May 2024, 80,816 ordinary shares were issued following the exercise of nil cost options, granted under the Company's 2023 LTIP.

In September 2024, 809,892 ordinary shares were issued to an Employee Benefit Trust at nominal value, as part of the annual bonus, in connection with the employee remuneration and incentivisation arrangements for the period from 1 April 2023 to 31 March 2024.

In September 2024, 36,487 ordinary shares were issued following the vesting of nil cost options granted under the Company's Deferred bonus plan.

25. Other reserves

	Capital redemption reserve €000	Merger reserve €000	Hedging effectiveness reserve €000	Other reserve €000	Total other reserves €000
Balance at 1 April 2023	148	106,707	337	7,551	114,743
Total comprehensive income for the period	-	-	-	-	-
Balance at 31 March 2024	148	106,707	337	7,551	114,743
Foreign exchange hedge movement	-	-	(337)	-	(337)
Balance at 31 March 2025	148	106,707	-	7,551	114,406

The closing balance of the capital redemption reserve represents the amounts transferred from share capital on redemption of deferred shares in a previous year.

The merger reserve arose prior to transition to IFRS when merger accounting was adopted.

The hedging effectiveness reserve reflects the total accounted for under IFRS 9 in relation to the Tricoya segment (see note 1). This was a historical reserve when the Hull plant was being constructed. As part of the Tricoya UK Ltd voluntary liquidation, this reserve has also been disposed of.

The other reserve represents the amounts received for subsidiary share capital from non-controlling interests net with the carrying amount of non-controlling interests issued (see note 26).

Notes to the Financial Statements continued

for the year ended 31 March 2025

26. Transactions with non-controlling interests

The total carrying amount of the non-controlling interests in TUK (Tricoya UK Limited) and TTL (Tricoya Technologies Limited) at 31 March 2022 was €35.5m (2021: €37.2m).

In November 2022, Accsys reached agreement to acquire full ownership of TUK and TTL, from its Consortium Partners (INEOS, MEDITE, BGF & Volantis). Under the agreement Accsys acquired the remaining 38.2% holding in TUK that TTL did not already own and the 23.5% holding in TTL that it did not already own.

Consideration of 11.9 million new ordinary Accsys shares was provided to the other Tricoya Consortium Partners valued at €9.5m (€0.81 per share).

TUK and TTL were consolidated in the Group results in 2024. Following the voluntary liquidation of Tricoya UK Ltd on 17 December 2024, Tricoya UK Ltd have been de-consolidated in 2025.

27. Investment in Joint Venture

In August 2020, Accsys together with Eastman Chemical Company formed a new Company, Accoya USA LLC, 60% owned by Accsys and 40% owned by Eastman. Accoya USA LLC owns and operates an Accoya plant in Kingsport, Tennessee, USA to serve the North American market. The plant has a current capacity to initially produce approximately 43,000 cubic metres of Accoya per annum and to allow for cost-effective expansion.

Under IFRS 11 – Joint arrangements, the two parties are assessed to jointly control the entity, due to the operating agreement requiring both joint venture partners to approve key business decisions. Accoya USA is accounted for as a joint venture and equity accounted for within the financial statements.

An eight-year term loan of \$70 million has been provided by First Horizon Bank ('FHB') of Tennessee, USA. FHB are also providing a further \$15 million revolving line of credit to be utilised to fund plant commissioning costs and working capital. The FHB term loan is secured on the assets of Accoya USA and will be supported by Accoya USA's shareholders, including \$50 million through a limited guarantee provided on a pro-rata basis, with Accsys' 60% share representing \$30 million (see note 30). The interest rate varies between 1.3% to 2.1% over USD LIBOR. Principal repayments commence in January 2026, and are calculated on a ten-year amortisation period.

The carrying amount of the equity-accounted investment is as follows:

	2025 €'000	2024 €'000
Opening balance	31,685	30,859
Investment in Accoya USA	14,490	4,926
Less: Accsys proportion (60%) of Licence fee received	(450)	-
Loss for the year	(11,871)	(4,100)
Closing balance	33,854	31,685

The Group has equity accounted for the joint venture in these consolidated financial statements.

Reconciliation of investment in Accoya USA:

	2025 €'000	2024 €'000
Net assets of Accoya USA (USD)	65,003	60,002
60% of net assets of Accoya USA (Eur)	36,024	33,359
Less: Accsys proportion (60%) of Licence fee received to date	(1,950)	(1,500)
Foreign exchange movements	(220)	(174)
Closing balance	33,854	31,685

The income statement, balance sheet and cash flows for Accoya USA LLC are set out below:

	2025 €'000	2024 €'000
Accoya USA statement of comprehensive income:		
Total revenue	18,089	-
Cost of sales	(17,939)	-
Gross profit	150	-
Operating costs	(16,185)	(6,653)
Operating loss	(16,035)	(6,653)
Interest payable	(3,750)	(179)
Loss before taxation	(19,785)	(6,832)
Tax expense	-	-
Total comprehensive loss for the financial year	(19,785)	(6,832)
Accsys share (60%) of US JV EBITDA	(6,045)	(3,724)
Accsys share (60%) of US JV EBIT	(9,621)	(3,993)
Accsys share (60%) of US JV total loss from operations	(11,871)	(4,100)

Statement of financial position:

	2025 €'000	2024 €'000
Non-current assets		
Property, plant and equipment	126,542	122,662
Right of use assets	6,328	6,919
	132,870	129,581
Current assets		
Inventories	9,021	1,201
Trade and other receivables	1,162	114
Cash and cash equivalents	1,675	6,089
	11,858	7,404
Current liabilities		
Trade and other payables	(2,879)	(10,508)
Obligation under lease liabilities	(6,560)	(491)
	(9,439)	(10,999)
Net current assets/(liabilities)	2,419	(3,595)
Non-current liabilities		
Obligation under lease liabilities	-	(6,635)
Other long term borrowing	(75,249)	(63,701)
	(75,249)	(70,336)
Net assets	60,040	55,650
Value attributable to Accsys Technologies	36,024	33,390
	2025 €'000	2024 €'000
Cash flows from operating activities	(26,441)	(4,679)
Cash flows from investing activities	(7,978)	(56,553)
Cash flows from financing activities	30,004	58,620
Net decrease in cash and cash equivalents	(4,415)	(2,612)

Notes to the Financial Statements continued

for the year ended 31 March 2025

28. Commitments under loan agreements

	2025 €'000	2024 €'000
Loan obligations		
Within one year	5,625	–
In the second to fifth years inclusive	50,075	32,446
In greater than five years	–	27,758
Present value of loan obligations	55,700	60,204
Amounts payable under loan agreements – undiscounted cash flows:		
Within one year	7,285	1,646
In the second to fifth years inclusive	64,505	34,294
After five years	–	43,917
Less future finance charges	(16,090)	(19,653)
Present value of loan obligations	55,700	60,204

Loan reconciliation

	2025				2024			
	Convertible loan note with				Convertible loan note with			
	ABN debt facilities €'000	embedded derivative €'000	NatWest facility €'000	Total €'000	ABN debt facilities €'000	embedded derivative €'000	NatWest facility €'000	Total €'000
Loan balance	32,479	22,608	–	55,087	32,446	21,084	6,674	60,204
Fair value of embedded derivative	–	613	–	613	–	–	–	–
Loan balance as at 31 March	32,479	23,221	–	55,700	32,446	21,084	6,674	60,204

ABN Debt Facilities

In March 2025, Accsys and ABN Amro agreed to amend and extend the Company's main borrowing facilities by 18 months to a maturity date of 30 September 2027. The facilities agreement with ABN Amro comprise a:

- €33m remaining Term Loan Facility.
- €22.5m Revolving Credit Facility ('RCF').
- The Term Loan has capital repayments commencing on 1 April 2025 of €1.125m and then, quarterly payments of €1.125m thereafter.
- Term Loan interest varies between 4.34% and 5.34%.
- RCF interest rate varies between 3.0% and 4% above EURIBOR.

Approximately €20m (2024: €20m) of the RCF has been utilised to provide a letter of credit to FHB in support of the Accoya USA JV funding arrangements, and the remaining €2.5m (2024: €5m) was undrawn at 31 March 2025.

The facilities are secured against the assets of the Group which are 100% owned by the Company and include covenants such as net leverage, interest cover which is based upon the results and assets which are 100% owned by the Company and minimum liquidity covenants.

Convertible Loan notes

In the November 2023 capital raise, new unsecured, non-transferable convertible loan notes were issued totalling €21 million (including the refinancing and discharge of the existing €10 million 2022 Convertible Loan).

The convertible loans have a six year term and carry a fixed rate coupon of 9.5%. For the first 2.5 years the coupon is rolled up and deferred and following the 2.5 year period, the deferred interest can either be converted into ordinary shares of the Company or paid in cash over the remaining 3.5 years at the option of the holders of the convertible loan notes. Following that 2.5 year period, interest shall be payable in cash.

The convertible loan note holders will have the right to convert the convertible loan notes they hold into ordinary shares of the Company at a price of 83.22 Euro cents per share, giving rise to an embedded derivative in the current year.

A Monte-Carlo valuation method has been used to calculate the fair value of the embedded derivative. The following assumptions were used when calculating the fair value of the embedded derivative:

Metric	Value used 2025	Input level
Share price	€0.52	Level 1
Volatility rate	30.25%	Level 2
Interest rate	9.5% per annum	Level 2
Risk free rate	2.4% per annum	Level 2
Discount rate	16.5%	Level 3

Level 1 inputs:

Share price – the share price on each reporting date has been taken and used in the valuation model.

Level 2 inputs:

Volatility rate – the rate of volatility is based upon the historical movement in the share price.

Interest rate – the convertible loan notes have a 9.5% interest rate attached to them and this rate has been applied in the valuation.

Risk free rate – the Euribor forward rate at the valuation date has been applied within the model.

Level 3 inputs:

Discount rate – the group uses its WACC of 16.5% as the discount rate.

Accoya USA facility:

In March 2022 the Company's joint venture, Accoya USA agreed an eight-year \$70 million loan from First Horizon Bank ('FHB') of Tennessee, USA in respect of the construction and operation of the Accoya USA plant. FHB are also providing a further \$15 million revolving line of credit to be utilised to fund plant commissioning costs and working capital. The FHB term loan is secured on the assets of Accoya USA and is supported by Accoya USA's shareholders, including \$50 million through a limited guarantee provided on a pro-rata basis, with Accsys' 60% share representing \$30 million (see note 27 and 30). The interest rate varies between 1.3% to 2.1% over USD LIBOR. Principal repayments commence in January 2026, and are calculated on a ten-year amortisation period. Accoya USA is equity accounted for in these financial statements, therefore this Borrowing is not included in the Group's borrowings (See note 27).

To support Accsys' limited guarantee, Accsys provided a \$20 million Letter of Credit ('LC') to FHB. The LC is issued by ABN Amro, utilising part of the revolving credit facility.

Reconciliation to net debt:

	2025 €'000	2024 €'000
Cash and cash equivalents	17,423	27,427
Less:		
Amounts payable under loan agreements	(55,700)	(60,204)
Amounts payable under lease liabilities (note 16)	(4,283)	(4,338)
Net debt	(42,560)	(37,115)

Reconciliation of free cash flow:

	2025 €'000	2024 €'000
Net cash from operating activities	10,720	7,197
Investment in property, plant and equipment and intangible assets	(1,889)	(3,475)
Free cash flow	8,831	3,722

Notes to the Financial Statements continued

for the year ended 31 March 2025

28. Commitments under loan agreements continued

	Liabilities from financing activities			Other assets	Total €'000
	Borrowings €'000	Leases €'000	Sub-total €'000	Cash €'000	
Net debt as at 1 April 2023	(65,920)	(4,735)	(70,655)	26,593	(44,062)
Cash flows	17,000	1,044	18,044	533	18,577
New leases	–	(757)	(757)	–	(757)
Foreign exchange adjustments	–	40	40	301	341
New loans	(9,901)	–	(9,901)	–	(9,901)
Other changes	(1,383)	70	(1,313)	–	(1,313)
Net debt as at 31 March 2024	(60,204)	(4,338)	(64,542)	27,427	(37,115)
Cash flows	1,728	864	2,592	(9,880)	(7,288)
New leases	–	(1,532)	(1,532)	–	(1,532)
Foreign exchange adjustments	–	(139)	(139)	(124)	(263)
Disposal of loans	7,055	–	7,055	–	7,055
Disposal of leases	–	1,218	1,218	–	1,218
Other changes	(4,279)	(356)	(4,635)	–	(4,635)
Net debt as at 31 March 2025	(55,700)	(4,283)	(59,983)	17,423	(42,560)

Other changes relate to accrued interest and other financing costs. In the prior year, the majority of other changes related to the Tricoya restructure which has been detailed above within this note and has accrued interest.

29. Equity options

On the 29 March 2017, the Company announced the formation of the Tricoya Consortium and as part of this, funding was agreed with BGF Business Growth Fund. In addition to the issue of the Loan Notes, which have since been repaid as part of the Group re-finance in October 2021, the Company issued 8,449,172 options over ordinary shares of the Company to BGF, exercisable at a price of £0.62 per ordinary share at any time until 31 December 2026 (the 'Options').

At 31 March 2025 a total 8,449,172 (2024: 8,449,172) options exist attributable to BGF. This represents 3.5% (2024: 3.5%) of the issued share capital of the Company as at 31 March 2025.

See note 28 for details on the convertible loan notes issued during the November 2023 capital raise.

30. Financial guarantee

In March 2022 the Company's joint venture, Accoya USA agreed an eight-year \$70million loan from First Horizon Bank ('FHB') of Tennessee, USA in respect of the construction and operation of the Accoya USA plant and a further \$15 million revolving line of credit to be utilised to fund plant commissioning costs and working capital (see note 27 and 28). The FHB term loan is supported by Accoya USA's shareholders, including \$50 million through a limited guarantee provided on a pro-rata basis, with Accsys' 60% share representing \$30 million (see note 27).

To support Accsys' limited guarantee, Accsys provided a \$20 million Letter of Credit, issued by ABN Amro, to FHB (see note 28).

The \$30 million limited guarantee provided to FHB is accounted for under IFRS 9 'Financial instruments' and held at a fair value of € nil (2024: € nil), representing a present value calculation of €8.6 million (2024: €8.6 million) weighted by the estimated probability of FHB calling on the guarantee being close to 0%, and therefore any remaining value being close to € nil. This probability has been assessed due the requirements in place under the joint venture operating agreement for the joint venture shareholders to fund Accoya USA.

31. Financial instruments

Financial instruments

Lease liabilities

Lease creditors of €4,283,000 as at 31 March 2025 (2024: €4,338,000) relates to various offices, land, plant and equipment that the Group leases (see note 16).

Capital risk management

The Group manages its capital base to ensure that entities in the Group will be able to continue as a going concern and to maintain investor, creditor and market confidence in sustaining the future development of the Group.

The capital structure of the Group consists of equity attributable to owners of the parent Company, comprising share capital, reserves and accumulated losses, together with undrawn committed debt facilities.

The Board reviews the capital structure on a regular basis. The Group's strategy is to de-leverage the balance sheet. As at 31 March 2025, the leverage ratio (net debt/underlying EBITDA) was 2.5x (2024: 4.4x).

The Group's primary debt facilities with ABN Amro include covenants on leverage and interest cover. The Group has fully complied with these covenants during the year, and there are no indications that the Group would have difficulty complying with the covenants when they will be next tested on 30 June 2025.

No final dividend is proposed in 2025 (2024: €nil). The Board deems it prudent for the Group to maintain a strong statement of financial position during phase one and two of the Group's FOCUS strategy.

Financial Instruments by category

2025/€ '000	Fair value hierarchy	At amortised cost	At fair value through profit or loss	At fair value through OCI	Total
Financial assets					
Trade and other receivables		13,390	–	–	13,390
Cash and cash equivalents		17,423	–	–	17,423
Total		30,813	–	–	30,813
2024/€ '000	Fair value hierarchy	At amortised cost	At fair value through profit or loss	At fair value through OCI	Total
Financial assets					
Trade and other receivables		15,660	–	–	15,660
Cash and cash equivalents		27,427	–	–	27,427
Total		43,087	–	–	43,087
2025/€ '000	Fair value hierarchy	At amortised cost	At fair value through profit or loss	At fair value through OCI	Total
Financial liabilities					
Borrowings – loans		(55,700)	–	–	(55,700)
Lease liabilities		(4,283)	–	–	(4,283)
Trade and other payables		(8,436)	–	–	(8,436)
Total		(68,419)	–	–	(68,419)
2024/€ '000	Fair value hierarchy	At amortised cost	At fair value through profit or loss	At fair value through OCI	Total
Financial liabilities					
Borrowings – loans		(60,204)	–	–	(60,204)
Lease liabilities		(4,338)	–	–	(4,338)
Trade and other payables		(11,824)	–	–	(11,824)
Value Recovery Instrument ('VRI')	Level 2	(1,102)	–	–	(1,102)
Total		(77,468)	–	–	(77,468)

All assets and liabilities mature within one year except for the lease liabilities, for which details are given in note 16 and loans, for which details are given in note 28.

Trade payables are payable on various terms, typically not longer than 30 to 60 days.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Financial risk management objectives

The Group's treasury policy is structured to ensure that adequate financial resources are available for the development of its business whilst managing its currency, interest rate, counterparty credit and liquidity risks. The Group's treasury strategy and policy are developed centrally and approved by the Board.

Notes to the Financial Statements continued

for the year ended 31 March 2025

31. Financial instruments continued

Financial instruments continued

Foreign currency risk management

The Group's functional currency is the Euro with the majority of operating costs and balances denominated in Euros. Equity contributions into Accoya USA and a smaller proportion of revenue and expenditure are incurred in US dollars and expenditure is also incurred in pounds sterling. In addition some raw materials, while priced in Euros, are sourced from countries which are not within the Eurozone. The Group monitors any potential underlying exposure to other exchange rates.

If exchange rates changed by 5% from exchange rates at 31 March 2025, the effect on the P&L from the revaluation of:

- Trade Receivables – P&L impact would not be material (2024: not material). The details of the Trade receivables per Currency is disclosed in note 21 with the US Dollar receivables held in Titan Wood Inc, which has a US Dollar reporting currency.
- Trade payables – P&L impact would be approximately €104,000 (2024: €144,000).

Interest rate risk management

Up to the disposal of Tricoya UK Ltd, some of the Group's borrowings had variable interest rates based on a relevant benchmark (ie. EURIBOR) plus an agreed margin. Surplus funds are invested in short term interest rate deposits to reduce exposure to changes in interest rates. The Group does not currently enter into any interest rate hedging arrangements. Following the disposal of Tricoya UK Ltd, interest rates on loans are fixed and therefore no variance interest rate risk is encountered within the Group.

In the prior year, if the interest rate change by 5% on loans which had a variance interest element, the P&L impact would have been approximately €341,000.

Credit risk management

The Group is exposed to credit risk due to its trade receivables from customers and cash deposits with financial institutions. The Group's maximum exposure to credit risk is limited to their carrying amount recognised at the balance sheet date.

The Group ensures that sales are made to customers with an appropriate credit history to reduce the risk where this is considered necessary. The Directors consider the trade receivables at year end to be of good credit quality including those that are past due (see note 21). The Group is not exposed to any significant credit risk exposure in respect of any single counterparty or any group of counterparties with similar characteristics other than the balances which are provided for as described in note 21.

The Group has credit risk from financial institutions. Cash deposits are placed with a group of financial institutions with suitable credit ratings in order to manage credit risk with any one financial institution. All financial institutions utilised by the Group, and with which the Group holds cash balances have investment grade credit ratings.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. See note 16 and 28.

Fair value of financial instruments

In the opinion of the Directors, there is no material difference between the book value and the fair value of all financial assets and financial liabilities.

32. Capital Commitments

	2025 €'000	2024 €'000
Contracted but not provided for in respect of property, plant and equipment	–	–

33. Related party transactions

There have been no related party transactions in the year.

34. Subsequent events

There have been no other material events since 31 March 2025.

Company Statement of Financial Position

as at 31 March 2025

Registered Company 05534340

	Note	2025 €'000	2024 €'000
Non-current assets			
Investments in subsidiaries	4	29,643	27,283
Financial asset at fair value through profit or loss	5	-	-
		29,643	27,283
Current assets			
Debtors	6	285,928	291,756
Cash at bank and in hand		272	21
		286,200	291,777
Creditors: amounts falling due within one year	7	(18,264)	(12,916)
Net current assets		267,936	278,861
Creditors: amounts falling due after more than one year	8/10	(50,688)	(53,529)
Net assets		246,891	252,615
Capital and reserves			
Called up Share capital	11	12,022	11,976
Share premium account		262,938	262,394
Reserve for own shares		(8)	(8)
Capital redemption reserve		148	148
Profit and loss account		(28,209)	(21,895)
Total shareholders' funds		246,891	252,615

The notes on pages 155 to 160 form an integral part of the parent Company financial statements.

The financial statements were approved by the Board and authorised for issue on 23 June 2025 and signed on its behalf by:

Sameet Vohra
Chief Financial Officer

Company Statement of Changes in Equity

for the year ended 31 March 2025

	Called up Share capital €000	Share premium account €000	Capital redemption reserve €000	Own shares €000	Profit and loss account €000	Total shareholders' funds €000
Balance at 1 April 2023	10,963	250,717	148	(8)	(17,663)	244,157
Loss for the financial year	-	-	-	-	(5,712)	(5,712)
Share based payments	-	-	-	-	1,480	1,480
Shares issued	1,013	-	-	-	-	1,013
Premium on shares issued	-	12,319	-	-	-	12,319
Share issue costs	-	(642)	-	-	-	(642)
Balance at 31 March 2024	11,976	262,394	148	(8)	(21,895)	252,615
Loss for the financial year	-	-	-	-	(7,480)	(7,480)
Share based payments	-	-	-	-	1,747	1,747
Shares issued	46	-	-	-	(46)	-
Premium on shares issued	-	535	-	-	(535)	-
Share issue costs	-	9	-	-	-	9
Balance at 31 March 2025	12,022	262,938	148	(8)	(28,209)	246,891

The profit and loss account includes €8,010,000 of non-distributable reserves arising from the liquidation of Accsys Chemicals Limited in the year ended 31 March 2007.

Notes to the Company Financial Statements

for the year ended 31 March 2025

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The separate financial statements of Accsys Technologies PLC ('the Company') have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) for the year ended 31 March 2025. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2 of the Group financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The Company has taken advantage of the exemption in FRS 101, and has not disclosed information required by the standard as the consolidated financial statements, in which the Company is included, provide equivalent disclosures for the Group under IFRS 7 'Financial instruments: disclosures'.
- The Company has taken advantage of the exemption available under FRS 101 and not disclosed related party transactions with wholly owned subsidiary undertakings.
- The Company has taken advantage of the exemption available under FRS 101 and the requirements of IAS 7 to not disclose a Statement of Cash Flows.

As permitted under section 408 of the Act the Company has elected not to present its own profit and loss account for the year. The loss for the financial year was €7,480,000 (2024: €5,712,000).

Going concern

The Company, from a going concern perspective, is inextricably linked to the Group. As explained in note 1 to the Group's consolidated financial statements, the Directors have concluded that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis. This conclusion also applies to the preparation of the Company's financial statements for the reasons set out in that note.

Investments

Except where a reliable fair value cannot be obtained, unlisted shares held by the Company are stated at historical cost less any provision for impairment.

Share based payments

When the parent entity grants options over equity instruments directly to the employees of a subsidiary undertaking, then in the parent Company financial statements the effect of the share based payment is capitalised as part of the investment in the subsidiary as a capital contribution, with a corresponding increase in equity. The fair value of the options granted is measured using a modified Black Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest only where vesting is dependent upon the satisfaction of service and non-market vesting conditions.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options which eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Notes to the Company Financial Statements continued

for the year ended 31 March 2025

1. Accounting policies continued

Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes except for deferred tax assets which are only recognised to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Financial assets

Debtors and Cash at bank and in hand

The Company follows the Group's accounting policies for debtors and cash. See note 1 to the Group financial statements.

Financial liabilities

Other financial liabilities

Trade payables and other financial liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Accounting judgements

In preparing the Financial Statements, management has to make judgments on how to apply the accounting policies and make estimates about the future. The critical judgements that have been made in arriving at the amounts recognised in the Financial Statements and the key sources of uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year are discussed below:

Financial asset at fair value through profit or loss

The Company has an investment in listed equity shares carried at €nil fair value as a reliable fair value cannot be obtained since there is no active market for the shares and there is currently uncertainty around the future funding of the business. The Company makes appropriate enquiries and considers all of the information available to it in order to determine the fair value.

Carrying value of intercompany receivables and investments in subsidiaries

The recoverable amounts of these balances have been determined based on value in use calculations. These calculations require the use of judgements in relation to discount rates and future forecasts. The recoverability of these balances is dependent upon the level of future licence fees and manufacturing revenues relating to Group companies. The Directors remain confident that revenue from own manufacturing, existing licensees, new licence or consortium agreements will be generated, demonstrating the recoverability of these balances.

2. Profit and loss account

A loss for the financial year of €7,480,000 (2024: €5,712,000) is included with in the Company financial statements. The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the Company. Fees payable to the Company's auditors for the audit of the Group's annual financial statements was €295,000 (2024: €193,000). Fees payable to the Company's auditors for the audit of the Company's subsidiaries was €104,000 (2024: €212,000), fees payable for assurance services was €54,000 (2024: €nil), fees payable to component auditors for audit of subsidiaries was €201,000 (2024: 190,000) and fees payable to component auditors for audit of joint venture was €134,000 (2024: €nil).

The information disclosed in the Group's consolidated financial statements under IFRS 2 'Share-based payment' is within note 13, providing further information regarding the Company's equity-settled share based payment arrangements.

3. Employees

The Company had no employees other than Executive Directors (2025: 2 and 2024: 2) during the current or prior year.

Non-Executive Directors received emoluments in respect of their services to the Company of €341,000 (2024: €403,000). Details have been included in the Remuneration Report. The Company did not operate any pension schemes during the current or preceding year.

4. Investments in subsidiaries

The Directors have considered the recoverability of the carrying values, taking into account the net assets as well as the long term expected performance of the subsidiaries and do not consider that any impairment is currently required. The recoverable amount is determined based on a value in use calculation which uses cash flow projections based on Board approved financial budgets. Cash flows have been projected for a period of five years plus a terminal value discounted at a pre-tax discount rate of 16.5% per annum (2024: 14.25%) and a growth rate of 2% (2024: 2% growth rate) to determine their present value. The key assumption used in the value in use calculations is the level of manufacturing revenues and future licence fees estimated by management over the budget period. These have been based on past experience and expected future revenues but are limited to existing assets and those under construction.

The following were the principal subsidiary undertakings at the end of the year and have all been included in the financial statements:

	€'000
Cost	
At 1 April 2023	30,483
Additions	-
Share based payments	1,480
At 31 March 2024	31,963
Additions	-
Share based payments	1,747
Fair value of embedded derivative	613
At 31 March 2025	34,323
Impairment	
At 1 April 2023 and 31 March 2024 and 31 March 2025	4,680
Net book value	
At 31 March 2025	29,643
At 31 March 2024	27,283
At 31 March 2023	25,803

	Class	2025 % shares and voting rights held	2024 % shares and voting rights held
Subsidiary undertakings			
Titan Wood Technology BV (Netherlands)	Ordinary	100	100
Titan Wood BV (Netherlands)	Ordinary	100	100
Titan Wood Limited (UK)	Ordinary	100	100
Titan Wood Inc (USA)	Ordinary	100	100
Accsys (Accoya USA) Holdings LLC (USA)	Ordinary	100	100
Accsys USA Holdings Inc (USA)	Ordinary	100	100
Tricoya Technologies Limited (UK)	Ordinary	100	100
Tricoya UK Limited (UK) – in liquidation	Ordinary	100	100
Accoya Color UK Limited (UK)	Ordinary	100	100
Accsys Jersey Limited (Jersey)	Ordinary	100	100
Joint venture undertakings			
Accoya USA LLC (USA)	Ordinary	60	60

The shares in Titan Wood BV, Titan Wood Inc, Accsys (Accoya USA) Holdings LLC, Accsys USA Holdings Inc, Accoya USA LLC, Accoya Color UK Limited, Tricoya Technologies Ltd and Tricoya UK Ltd are held indirectly by the Company.

Notes to the Company Financial Statements continued

for the year ended 31 March 2025

The principal activities of these companies were as follows:

Titan Wood Technology B.V. *	The provision of technical and engineering services to licensees, and the technical development of acetylation opportunities.
Titan Wood B.V. *	The manufacture and sale of Accoya® acetylated wood.
Titan Wood Limited **	Establishing global market penetration of Accoya® and Tricoya® as the premium wood and wood elements brands respectively for external applications requiring durability, stability and reliability through the licensing of the Group's proprietary process for wood acetylation.
Titan Wood Inc. ****	Provision of Sales, Marketing and Technical services.
Accsys (Accoya USA) Holdings LLC ****	Holdings company
Accsys USA Holdings Inc ****	Holdings company
Tricoya Technologies Limited **	Engaged in the commercialisation of technology for the production of Tricoya® Wood Elements around the world.
Tricoya UK Limited **	The company went into voluntary liquidation on 17 December 2024. The Company has therefore lost control of the entity but still holds 100% of the shares until the liquidation is complete.
Accoya Color UK Limited (UK) **	The manufacture of coloured acetylated wood.
Accsys Jersey Limited ***	The issuing of convertible loan notes on the Group's behalf.
Accoya USA LLC ****	The construction and operation of a manufacturing plant for Accoya® acetylated wood to serve the North American market.

Registered office of subsidiaries:

* P.O. Box 2147, 6802 CC, Arnhem, The Netherlands

** 4th Floor, 3 Moorgate Place, London, EC2R 6EA, United Kingdom

*** 22 Grenville Street, St Helier, JE4 8PX, Jersey

**** Building 470, 200 South Wilcox Drive, Kingsport, Tennessee, 37660, USA

5. Financial asset at fair value through profit or loss

	2025 €'000	2024 €'000
Shares held in Cleantech Building Materials PLC	–	–

Accsys Technologies PLC has previously purchased a total of 21,666,734 unlisted ordinary shares in Diamond Wood China. On 23 December 2016, Cleantech Building Materials PLC acquired Diamond Wood China. On 19 April 2017 Cleantech Building Materials acquired the 21,666,734 shares previously owned by the Company and in return the Company has been issued with 520,001 shares in Cleantech Building Materials PLC, a listed company trading on the Nasdaq First North market in Copenhagen.

There continues to be no active market for these shares as at 31 March 2025. As such a reliable fair value cannot be calculated and the investment is carried at a €nil fair value (2024: €nil).

A total of 498,522 shares were held at 31 March 2025 (2024: 498,522 shares).

6. Debtors

	2025 €'000	2024 €'000
Amounts owed by Group undertakings	285,793	291,691
Prepayments and accrued income	68	65
VAT recoverable	67	–
	285,928	291,756

The amounts owed by Group undertakings currently have no repayment plans in place, however the intention is for the Group's subsidiaries to repay this balance in the future. A repayment plan will be determined and commence for the loan when the subsidiaries have surplus cash and the Group requires the cash for other purposes. The Directors have considered the recoverability of the balances, taking into account the net assets as well as the long term expected performance of the subsidiaries and do not consider that any impairment is currently required. The Group will use the operational profits of the subsidiaries to flow cash around the Group thus repaying the loans. The recoverable amount is determined based on a value in use calculation which uses cash flow projections based on latest Board-approved financial budgets. Cash flows have been projected for a period of 5 years plus a terminal value discounted at a pre-tax discount rate of 16.5% (2024: 14.25%) and a 2% growth rate (2024: 2% growth rate) to determine their present value. Refer to note 15 of the Group financial statements for the key assumptions and sensitivity analysis for this calculation.

7. Creditors: amounts falling due within one year

	2025 €'000	2024 €'000
Trade creditors	435	707
Amounts owed to Group undertakings	11,567	11,677
Obligation under lease liabilities	7	6
Short term borrowings	5,625	-
VAT	-	62
Accruals and deferred income	630	464
	18,264	12,916

The amounts owed to Group undertakings are payable upon demand and are unsecured.

8. Creditors: amounts falling due after one year

	2025 €'000	2024 €'000
Amounts owed to Group undertakings	23,834	21,084

The amounts owed to Group undertakings yield a 9.5% interest per annum and are repayable in November 2029. In the prior year, the loan was classified within commitments payables under loan agreements. The prior year comparative has been restated to better represent the liabilities of the Company.

9. Commitments under lease liabilities

	Minimum lease payments	
	2025 €'000	2024 €'000
Amounts payable under lease liabilities:		
Within one year	7	6
Less: future finance charges	-	-
Present value of lease obligations	7	6

10. Commitments under loan agreements

	2025 €'000	2024 €'000
Loan obligations		
Within one year	5,625	-
In the second to fifth years inclusive	26,854	32,445
In greater than five years	-	-
Present value of loan obligations	32,479	32,445
	2025 €'000	2024 €'000
Amounts payable under loan agreements:		
Within one year	7,285	-
In the second to fifth years inclusive	28,996	35,940
After five years	-	-
Less future finance charges	(3,802)	(3,495)
Present value of loan obligations	32,479	32,445

The prior year comparative has been restated to better represent the liabilities of the Company. See note 8 for further details.

11. Called up Share capital

	2025 €'000	2024 €'000
Allotted – Equity share capital		
240,445,567 ordinary shares of €0.05 each (2024: 239,518,372 ordinary shares of €0.05 each)	12,022	11,976
	12,022	11,976

Notes to the Company Financial Statements continued

for the year ended 31 March 2025

11. Called up Share capital continued

In the year ended 31 March 2024:

Between July and February, 790,339 Shares were issued following the exercise of nil cost options, granted under the Company's 2013 Long Term Incentive Plan ('LTIP').

In November 2023, 19,144,281 ordinary shares were issued as part of the capital raise along with a debt extension package (see note 28 of the Group financial statements) to allow Accsys to commence commercial operations of its North American Accoya plant in Kingsport, USA, strengthen its balance sheet and increase working capital in the face of a challenging macro trading environment.

In January 2024, following the subscription by employees in the prior year for shares under the Employee Share Participation Plan (the 'Plan'), 202,059 shares were issued as 'Matching Shares' at nominal value under the Plan.

In the year ended 31 March 2025:

In May 2024, 80,816 ordinary shares were issued following the exercise of nil cost options, granted under the Company's 2023 LTIP.

In September 2024, 809,892 ordinary shares were issued to an Employee Benefit Trust at nominal value, as part of the annual bonus, in connection with the employee remuneration and incentivisation arrangements for the period from 1 April 2023 to 31 March 2024.

In September 2024, 36,487 ordinary shares were issued following the vesting of nil cost options granted under the Company's Deferred bonus plan.

12. Reconciliation of movements in total shareholders' funds

	2025 €'000	2024 €'000
Loss for the financial year	(7,480)	(5,712)
Share based payments charged to subsidiaries	1,747	1,480
Proceeds from issue of shares	-	13,332
Share issue costs	9	(642)
Net (decrease)/increase in shareholders' funds	(5,724)	8,458
Opening total shareholders' funds	252,615	244,157
Closing total shareholders' funds	246,891	252,615

13. Deferred taxation

The Company has an unrecognised deferred tax asset of €8,100,000 (2024: €7,000,000) which is largely in respect of trading losses and has been calculated using the tax rate which is expected to be applicable when the tax losses are expected to be utilised. The Company has gross tax losses of €32,000,000 (2024: 28,000,000). The deferred asset has not been recognised due to the uncertainty of the timing of future expected profits of the fellow subsidiary (in which the Company is in the same tax group) attributable to licensing activities.

14. Guarantee provided to FHB

In March 2022 the Company's joint venture, Accoya USA agreed an eight-year \$70 million loan from First Horizon Bank ('FHB') in respect of the construction and operation of the Accoya USA plant and a further \$10 million revolving line of credit to be utilised to fund working capital (see note 27 and 28 in the Group financial statements). The FHB term loan is supported by Accoya USA's shareholders, including \$50 million through a limited guarantee provided on a pro-rata basis, with Accsys' 60% share representing \$30 million. See note 31 in the Group financial statements for further details.

15. Guarantee provided on convertible loan notes issued by Accsys Jersey Limited

In the November 2023 fundraising, the Group issued €21 million of new convertible loans through the Company's subsidiary Accsys Jersey Limited (see note 28 in the Group financial statements for further details on these convertible loan notes). The Company has provided a guarantee to the Convertible loan holders for the obligations under the convertible loan notes and the Company is contracted to provide to the convertible loan note holders ordinary shares in the Company if the convertible loan notes are converted.

Shareholder Information

Accsys Technologies PLC is a public limited company incorporated and domiciled in the United Kingdom

Directors	Dr Jelena Arsic Van Os Sameet Vohra Edwin Bouwman Louis Eperjesi Dr Trudy Schoolenberg Roland Waibel	Chief Executive Officer Chief Financial Officer Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Company Secretary	Prism Cosec Limited	
Company Number	05534340	
Registered Office	4th Floor 3 Moorgate Place London EC2R 6EA	
Bankers	Barclays Bank One Churchill Place London E14 5HP	ABN Amro Bank Velperweg 37 6824 BM Arnhem The Netherlands
Registrars	MUFG Corporate Markets Central Square 29 Wellington Street Leeds LS1 4DL	
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory auditors 1 Embankment Place London, WC2N 6RH	
Lawyers	Slaughter & May One Bunhill Row London EC1Y 8YY	
Joint Broker and Nomad	Panmure Liberum Level 12 Ropemaker Place 25 Ropemaker Street London, EC2Y 9LY	
Corporate Access, The Netherlands	ABN Amro Bank N.V. Gustav Mahlerlaan 10 1082 PP Amsterdam Netherlands	





Accsys Technologies PLC

4th Floor
3 Moorgate Place
London
EC2R 6EA
United Kingdom
+44 (0)20 7421 4300

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