



Sulphur Mountain, Canada

PRELIMINARY RESULTS PRESENTATION

For the year ended
31 March 2021

Accoya® decking at the Banff Gondola Building in the Canadian Rocky Mountains



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22 JUNE 2021

AGENDA

1 Results Overview

2 Financial Results

3 Hull Tricoya Update

4 Business Review & Outlook

OVERVIEW

STRONG FY21 RESULTS

- **Good revenue performance, despite capacity constraints**
- **Strong profitability progression, cash generation & robust balance sheet**
- **Continuing strong market demand, COVID-19 resilience**
- **Strategic progress on 2025 5x growth target**
- **Building organisation for sustainable growth**

SALES VOLUME¹
60,466m³ **+4.5%**

REVENUE²
€99.8m **+10%**

GROSS MARGIN³
33% **+290bps**

EBITDA⁴
€10.1m **+44%**

1 FY21 Accoya® sales volume. 2. FY21 Underlying Group Revenue. 3. FY21 Underlying Gross Margin. 4. FY21 Underlying Group EBITDA

FINANCIAL RESULTS

Will Rudge,
Finance Director



Bespoke Accoya® floating boat dock, British Columbia, Canada

FINANCIAL HIGHLIGHTS

€ million	FY21	FY20	Change %
Accoya® sales volume (m ³)	60,466	57,842	4.5%
Underlying Group Revenue	99.8	90.9	10%
Underlying Gross Profit	33.1	27.5	20%
Underlying Gross Margin	33%	30%	3%
Underlying EBITDA ¹	10.1	7.0	44%
Underlying EBIT ¹	4.4	1.4	214%
Underlying profit/ (loss) before tax	1.1	(2.2)	
Period end net (debt) balance	(12.2)	(25.2)	
Group operating cashflow ³	11.8	7.3	61%

¹ Underlying results include results relating to Accoya USA

² Exceptional item recognised in Half year results reversed following decision to repay COVID-19 related Government grants received from UK and Netherlands government - €0.6m.
Exceptional items in the prior year include €3.2m Cerdia licence termination fee.

³ Group operating cashflow is Cash inflows from operating activities before changes in working capital and exceptional items.

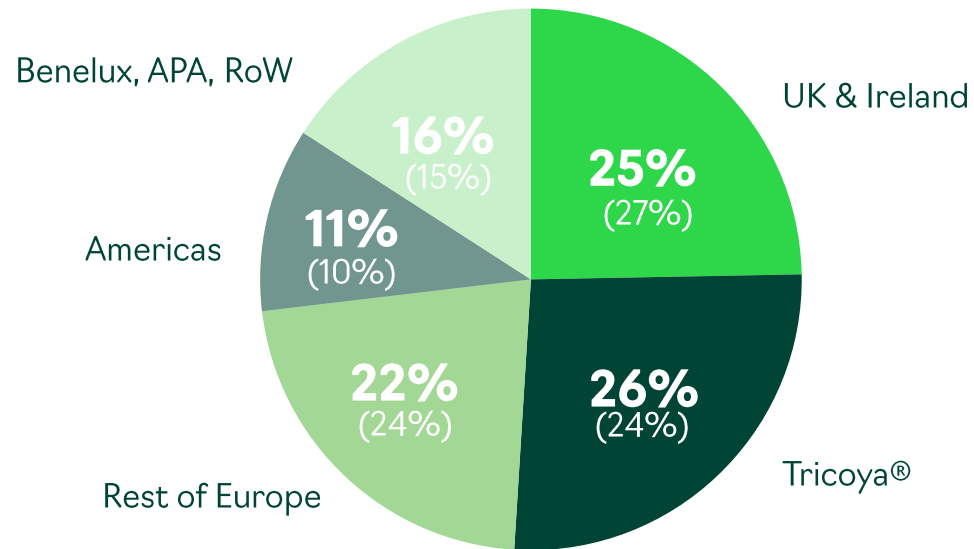
61% increase in Group operating cashflow

SALES MIX

GLOBAL DISTRIBUTION SUPPORTING RESILIENCE

Leveraged regional mix to mitigate COVID-19 disruption

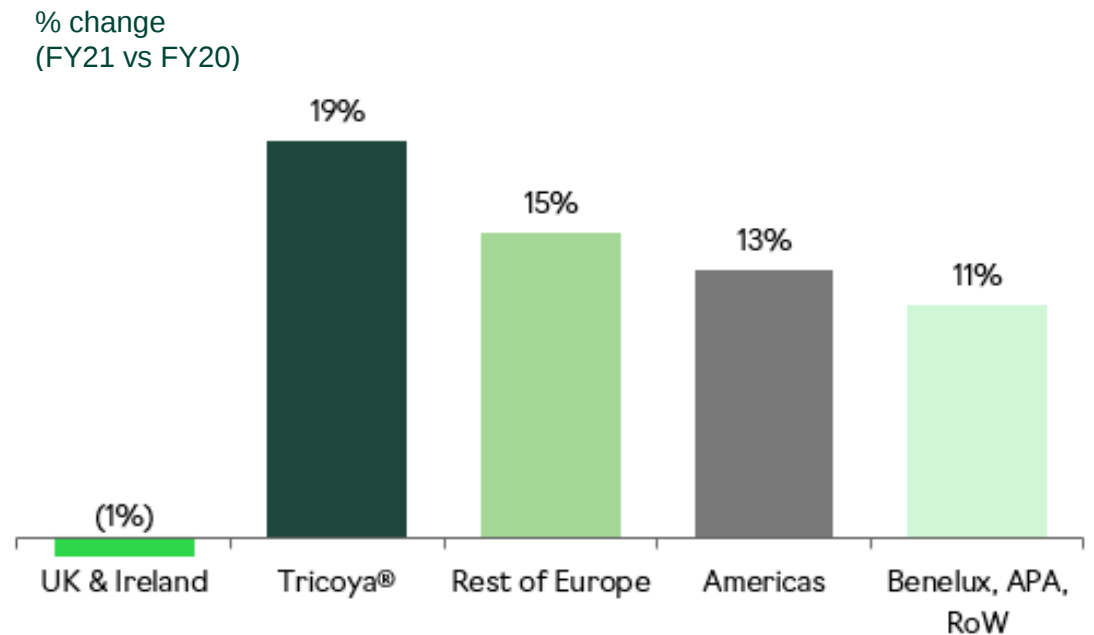
Sales volume by end market



Numbers in brackets represent prior year volume by end market

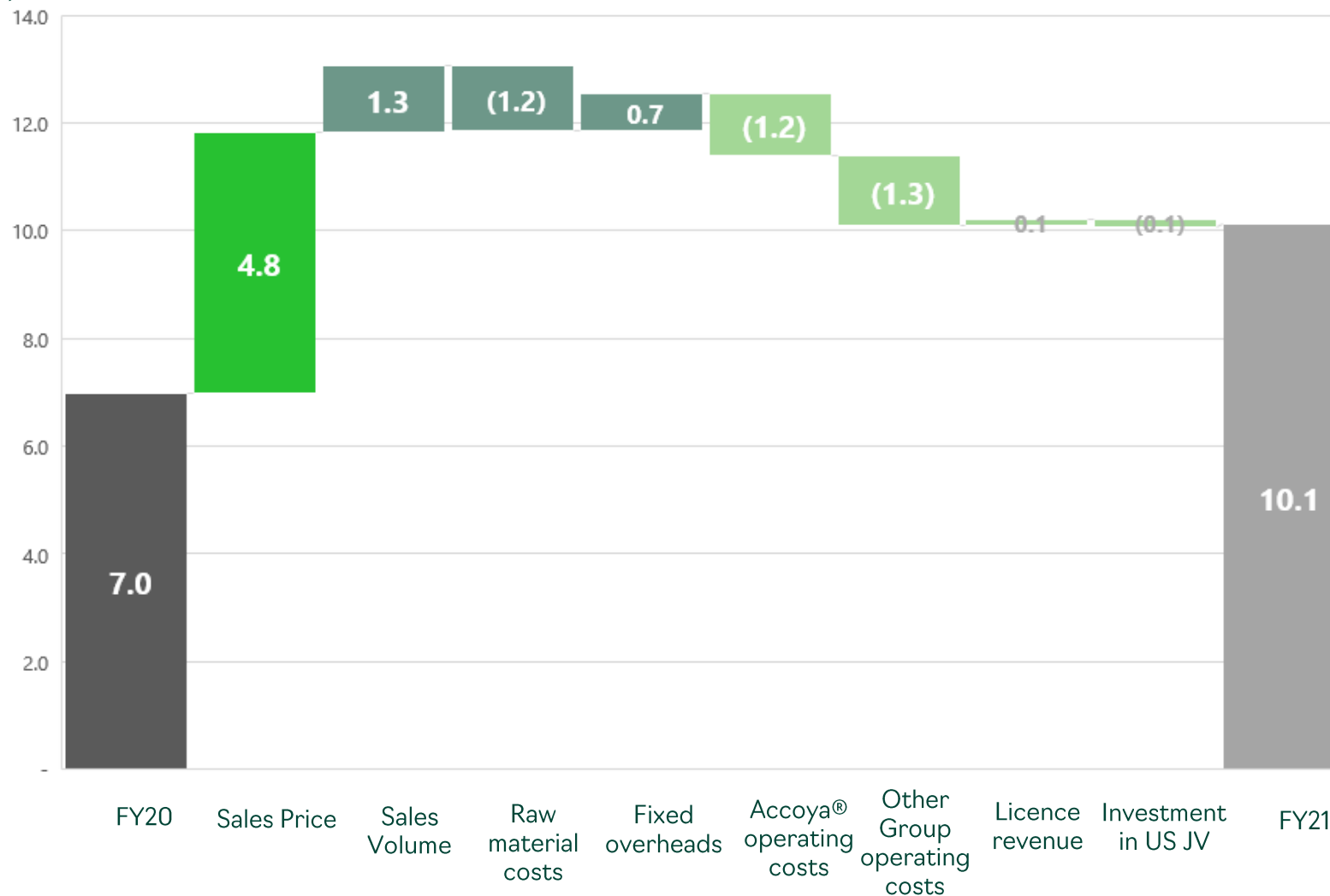
Total Accoya® volume sold 60,466m³ (FY20: 57,842 m³)

Accoya® wood revenue (FY21 vs FY20)



EBITDA PROGRESSION

Group underlying EBITDA
(€ million)



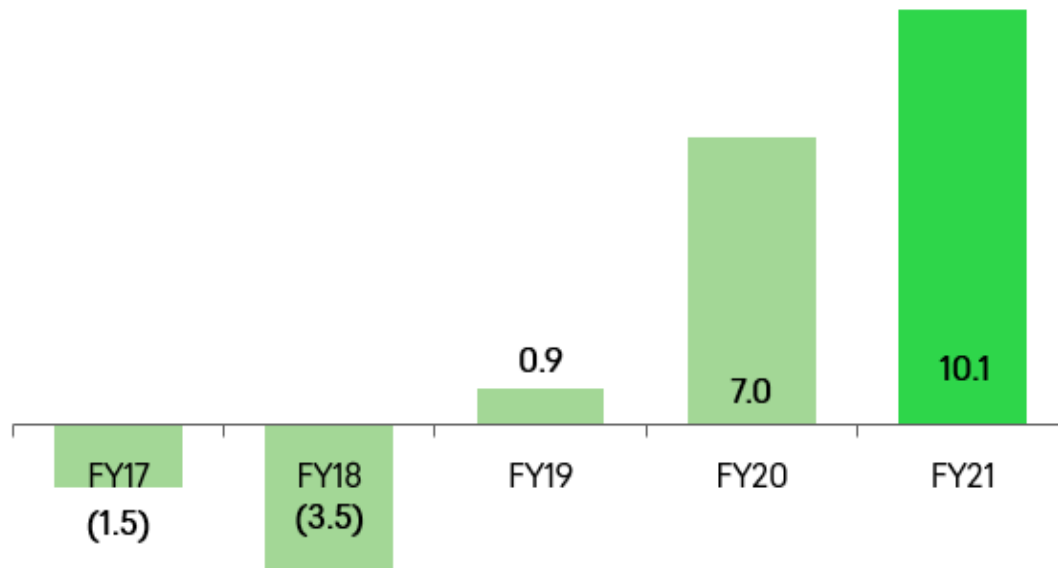
- Accoya® profit growth:
 - Manufacturing margin +340bps to 33.4%
 - Higher average selling prices, partially offset by higher costs
- Operating costs:
 - Increased staff and organisational capability investment
- Licence revenue:
 - €0.4m from new US Accoya® JV vs €0.3m Tricoya® licence revenue FY20

PROFITABILITY PROGRESSION

5 YEAR PERFORMANCE

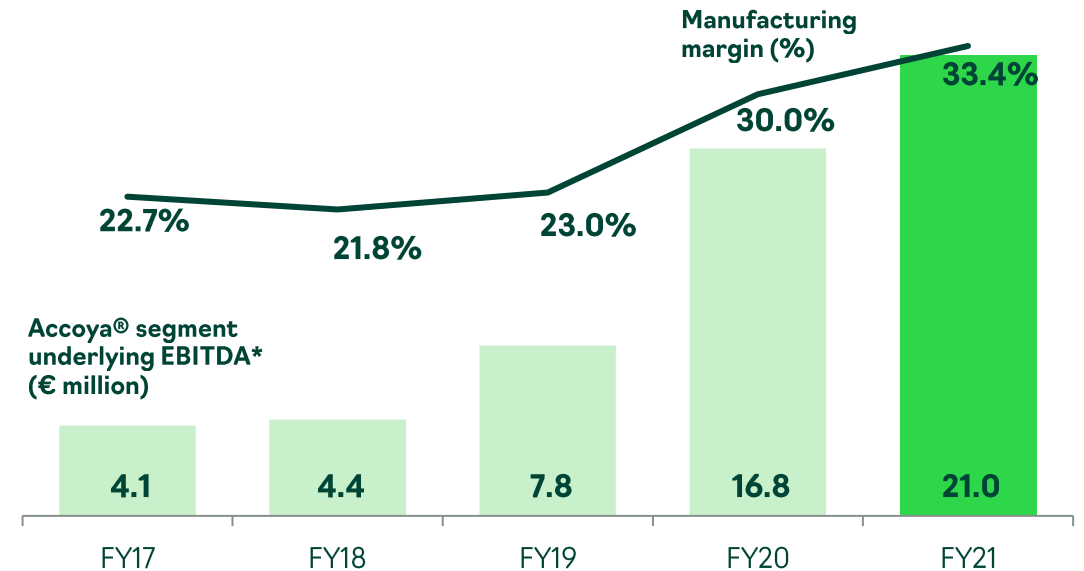
Group EBITDA 2017-2021

€ million



- Group EBITDA driven by Accoya® business growth
- EBITDA growth continuing over time with economies of scale, pricing, and capacity
- FY21 second consecutive year of positive EBIT

Accoya® segment profitability 2017-2021

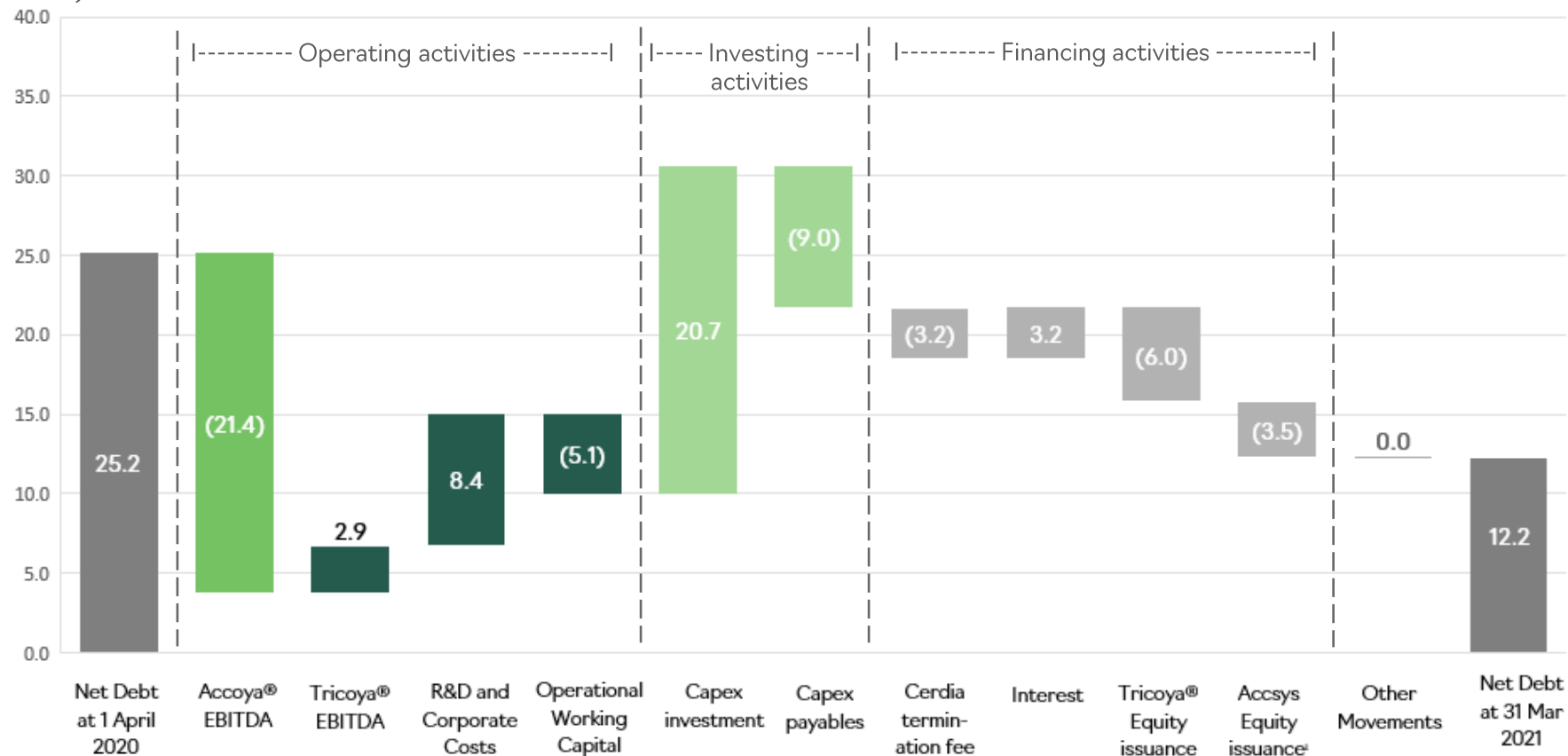


- >10% increase in Accoya® manufacturing margin since FY17
- FY 20 increase from 3rd Accoya® reactor capacity added
- 4th Accoya® reactor expected by the end of FY22
- Accoya® sales for Tricoya® to remove discount after Hull start-up

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

STRONG CASHFLOW GENERATION

Net Debt
(€ million)



- Underlying Accoya® EBITDA up 27% to €21.4m
- Tricoya® EBITDA reflects its pre-operating position
- €20.7m Capex investment includes:
 - €14.4m Tricoya, Hull construction
 - €5.0m Accoya, Arnhem expansion
- Careful working capital management during the period.
- Inventory expected to increase from low levels at 31 March 2021

¹ Accsys equity issuance includes €3.3m relating to equity options exercised by Volantis in March 2021
Other movements include tax received, investment in intangible assets, interest received, other operating cash flows and other financing costs.
The €3.2m Cerdia termination fee was offset against our ongoing Cerdia loan on 1st April 2020.

BALANCE SHEET

ROBUST FINANCIAL POSITION

Net debt

- €13.0m reduction to €12.2m

Cash

- Cash balance of €47.6m at 31 March 2021
- €13.9m undrawn bank facilities

Capital raise May 2021

- Placing and Open Offer €35m net raised, funding:
 - Accoya® North America JV to construct USA plant
 - Group growth and ongoing development

NET DEBT/EBITDA¹
1.2x

CASH²
€47.6m

MAY 21 CAPITAL RAISE³
€35m

1. Year end FY21 Net Debt to EBITDA ratio; 2. Cash balance 31 March 2021, 3. Net proceeds raised in May 2021 (post year end)

TRICOYA® HULL UPDATE

Rob Harris,
Chief Executive

Tricoya® panels enable creative exterior cladding designs



FY21 Hull construction progressed to final stages

- World-first Tricoya® plant being constructed at Hull, UK
- FY21 progress: good progress in Q2 after initial Covid-19 impact; final floors of acetylation tower lifted into place in October 2020

Ongoing recent challenges

- April 2021: Trading Update: 3-6 month delay in final construction
- 7 June 2021: Lead contractor purported to terminate lead EPC contract

Project update

- Contract now terminated, Accsys in process of taking over
- Evaluating potential to project manage final works directly - may not need another lead contractor
- Conducting gap analysis to validate remaining works, costs and timeline



TRICOYA®

OVERVIEW



World-first Tricoya® plant

Tricoya® consortium established in 2017

- €80m plant costs incurred to date
- 3 year ramp up to full capacity; break-even at ~40% capacity

High value product, Strong market opportunity

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

Plant & technology

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

Malaysia

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

A new breed of MDF

Extremely durable and stable wood panel technology



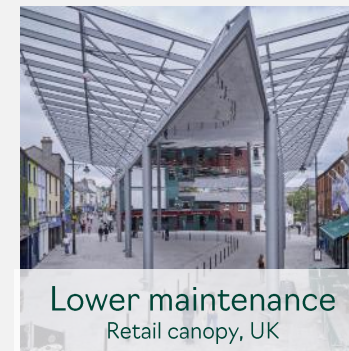
Design freedom
Cladding, Chile



Dimensionally stable
Shop fronts, UK



Durable
Long life exterior cladding, UK



Lower maintenance
Retail canopy, UK



Humidity resistant
Luxury house, Mustique



Ideal for coating
Window shutters, UK

ACCSYS BUSINESS REVIEW & OUTLOOK

Rob Harris,
Chief Executive



'Barnwood' style Accoya® clads this private residence in Napa Valley

OVERVIEW

CHANGING WOOD TO CHANGE THE WORLD

1 **World-leading product & technology**

High performance, sustainable wood products, with world leading technology

2 **Significant market opportunity**

Currently ~2% penetration of our 2.6 million m³ global achievable market

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

3 **Global growth strategy**

Delivering 5X production capacity growth by 2025

OUR PRODUCTS

CHANGING WOOD



**Our unique
technology**



**Creating superior
performance wood**



**Our
Products**



World leading

Our world-leading process and technology is unique.

Acetylation

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

Protected IP

We have extensive know-how and over 330 patents covering 27 distinct inventions in over 40 countries.

Durable

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

Stable

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

Sustainable

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



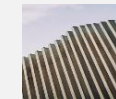
- Solid timber product
- High performance & sustainability
- Alternative to hardwoods, softwoods, PVC & aluminium etc
- Produced at Arnhem plant



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



Windows



Cladding



Decking



Doors

OUR MARKET

SIGNIFICANT GLOBAL GROWTH OPPORTUNITY

A Large Global Market



The global wood production market produces over 800 million m³ annually across lumber and engineered wood products¹.

Our products also compete within adjacent construction materials markets, as a substitute for non-wood materials and panels: PVC, aluminium etc.

Significant Demand

Penetrating these significant markets by targeting **latent substitutional demand** for our products based on their superior qualities:

- Quality & Performance
- Sustainability
- Product lifecycle

Market focus

Regions:

- UK, Western Europe & Nordics
- North America
- Asia Pacific

Categories:

- Windows
- Doors
- Cladding
- Decking

Achievable Market



60,466m³
Accoya[®]
sold in FY 2021



~2% of

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

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

OUR STRATEGY

DRIVEN BY OUR PURPOSE

Our Purpose

Changing wood to change the world

Our Values

Ambitious

The world depends on us

Respect

Respect & value all stakeholders

Committed

To safety, quality & sustainability

Our Strategy

1

Grow product demand

2

Practise manufacturing excellence

3

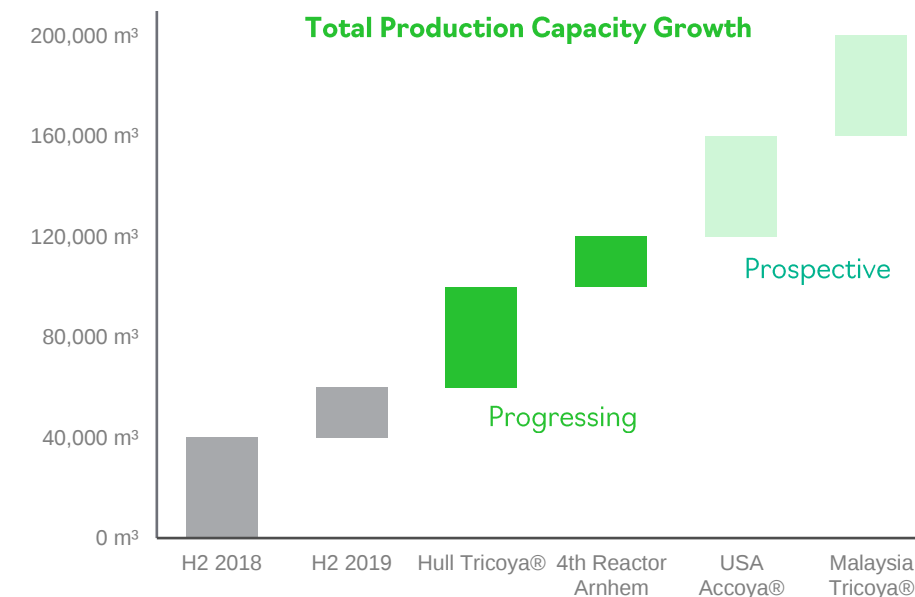
Develop our technology

4

Build organisational capability

Our Targets

Cubic metres
or equivalent
p.a.



ACCOYA®

FY21 PERFORMANCE



- Resilient full year revenue growth, rapid rebound after initial COVID-19 impact
- Strong margin growth through increase in average sales prices
- USA performed strongly in H2 in expansion ramp-up
- Continuing high levels of market demand, exceeding capacity
- Inventory draw-down during year due to supply chain disruption
- 'Accoya® Color' sales focused on DACH region with strong demand, but constrained on treatment process



EBITDA¹
€21.4m +27%

MARGIN²
33.4% +340 bps

1. Underlying Accoya® EBITDA FY21 vs FY20 2. Accoya® Manufacturing Margin FY21 vs FY20

ACCOYA®

STRATEGIC DEVELOPMENT



Adding 33% capacity at Arnhem

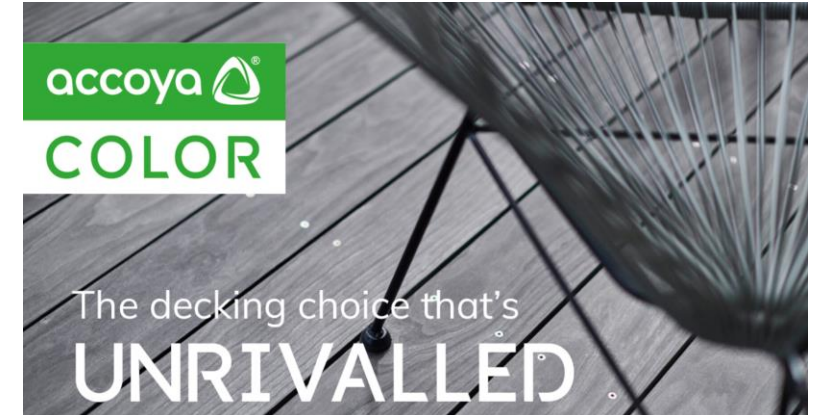
- Good progress in fourth reactor addition; on track to be operational Q4 FY22
- Ground works commenced in February, detailed engineering complete, reactor delivered in May
- Fourth reactor will increase production capacity by 33% to 80,000 m³
- Three year payback expected

Accoya® Color expansion

- Aim to grow product offering and sales
- Unique proposition attractive to customers in target markets

Accoya® North American JV

- US JV to expand in North American market progressing well
- Substantial market opportunity confirmed
- To build on strong market foundations:
 - >70% Volume growth from FY17 to FY21
 - 5 distributor customers with national reach extending



NORTH AMERICA JV

PROGRESSING PLANS FOR NEW USA PLANT



JV with Eastman

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

Replicating Arnhem

- ~40,000m³ initial capacity
- Site potential for up to ~160,000m³ capacity

Strong financial returns

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

Recent progress

- FEED substantially completed
- Air permit in place
- EPC contract negotiations at advanced stage
- Debt financing progressing
- Key services agreements at an advanced stage



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

BUILDING FOR SUSTAINABLE GROWTH

DEVELOPING ORGANISATIONAL CAPABILITY & APPROACH TO ESG



Managing growth & Operational effectiveness

- Operational readiness for growth, 11% employee growth year on year
- Streamlining and improving internal processes
- R&D centre of excellence

- Developed new ESG framework and Report in Nov 2020
- Expect to report to GRI and SASB with Annual Report
- FY 2021 Progress on our material issues

82% ▲4%

of employees surveyed
proud to work at Accsys

24%

reduction in net scope 1
and 2 emissions intensity

1.84 ▲0.47

Lost Time Incident Rate (LTIR),
with 3 LTIs in FY21 vs 2 in FY20

100%

of wood in our products from
certified sustainable sources

216 tonnes

of Accoya® wood offcuts
reclaimed and reprocessed into
Tricoya® chips

48,493 tonnes

of CO2 sequestered in the
wood of our products sold in
FY21 – equivalent to 122 million
miles of car driving



Expanded leadership & talent

- Transitioning to a multi-site organisation
- 26% growth in Corporate support & leadership
- Expanded senior leadership: new heads of HSE, Tech, Engineering, IT, & Acetyls management



Operational team at Hull

- Full team hired and trained
- Focused on operational readiness, and safe start up
- Strong project team

SUMMARY

FY 21 results

- Good sales and revenue, despite COVID-19 and capacity constraints
- Strong profitability progression
- Robust balance sheet with strong Accoya® cash generation
- Progressing global growth plans: Arnhem R4 and US progressing well
- Taking over Hull project and evaluating best path to completion

Outlook

- Revenue growth driven by pricing and R4 coming online in Q4
- Supporting growth with increased organisational capability
- Continuing profitability progression as capacity increases
- Delivering 5X production capacity growth by 2025

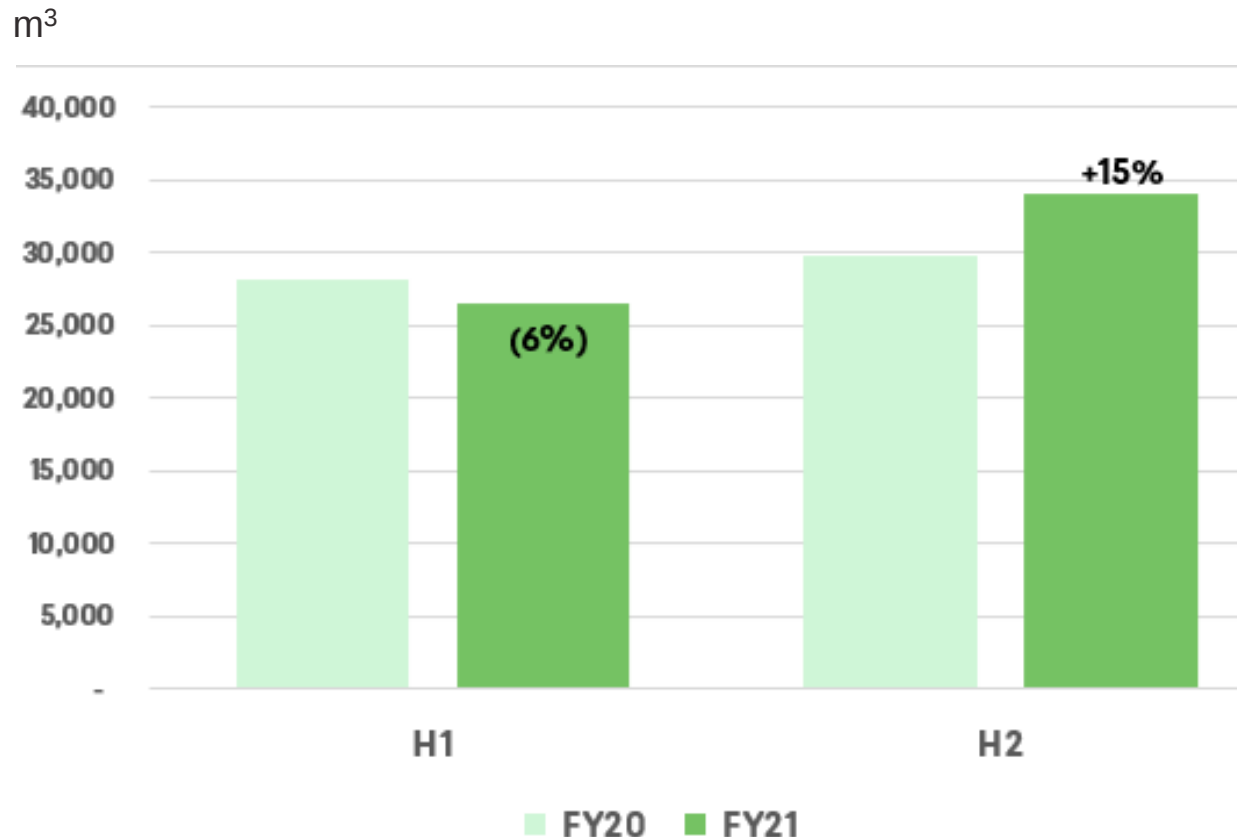
Strong FY21 Results; executing strategic growth plan

APPENDIX

Changing wood to change the world

SALES VOLUME

COVID-19 RESILIENCE, STRONG RECOVERY FROM Q2



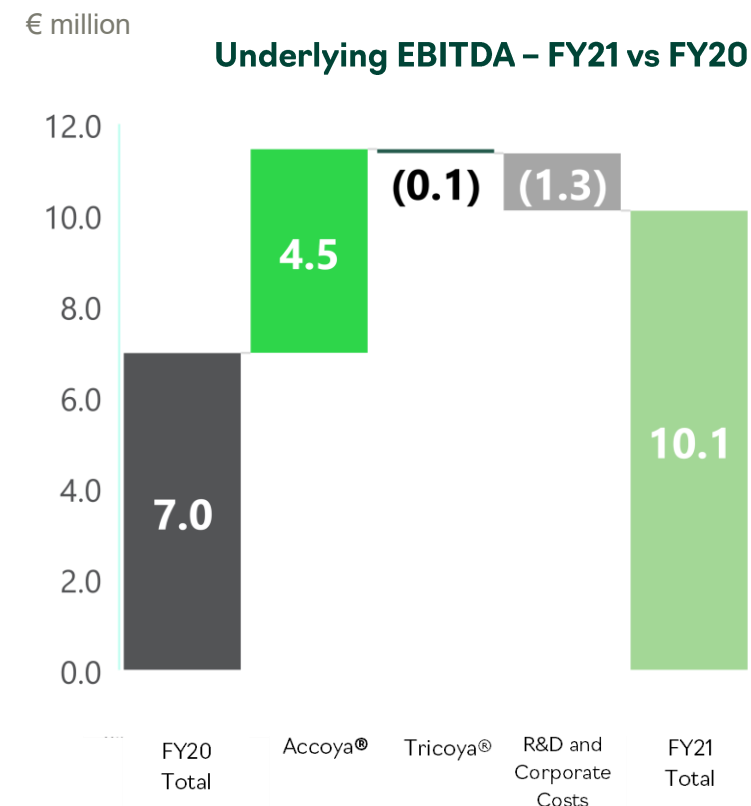
Demand continues to exceed production capacity

- Q1 – Decrease of 13% vs H1 FY20
- USA performed strongly in H2 up 48%
- All 3 reactors run at capacity after early May maintenance stop

SEGMENTAL SUMMARY

FY21	€m	Accoya®	Tricoya®	R&D and Corporate	Group
Underlying revenue		97.6	2.2	0.0	99.8
Underlying Gross profit		32.9	0.2	0.0	33.1
EBITDA		21.6	(2.8)	(8.4)	10.4
Underlying EBITDA		21.4	(2.9)	(8.4)	10.1

FY20	€m	Accoya®	Tricoya®	R&D and Corporate	Group
Underlying revenue		90.0	0.9	0.0	90.9
Underlying Gross profit		27.1	0.4	0.0	27.5
EBITDA		20.1	(3.0)	(7.1)	10.0
Underlying EBITDA		16.9	(2.8)	(7.1)	7.0



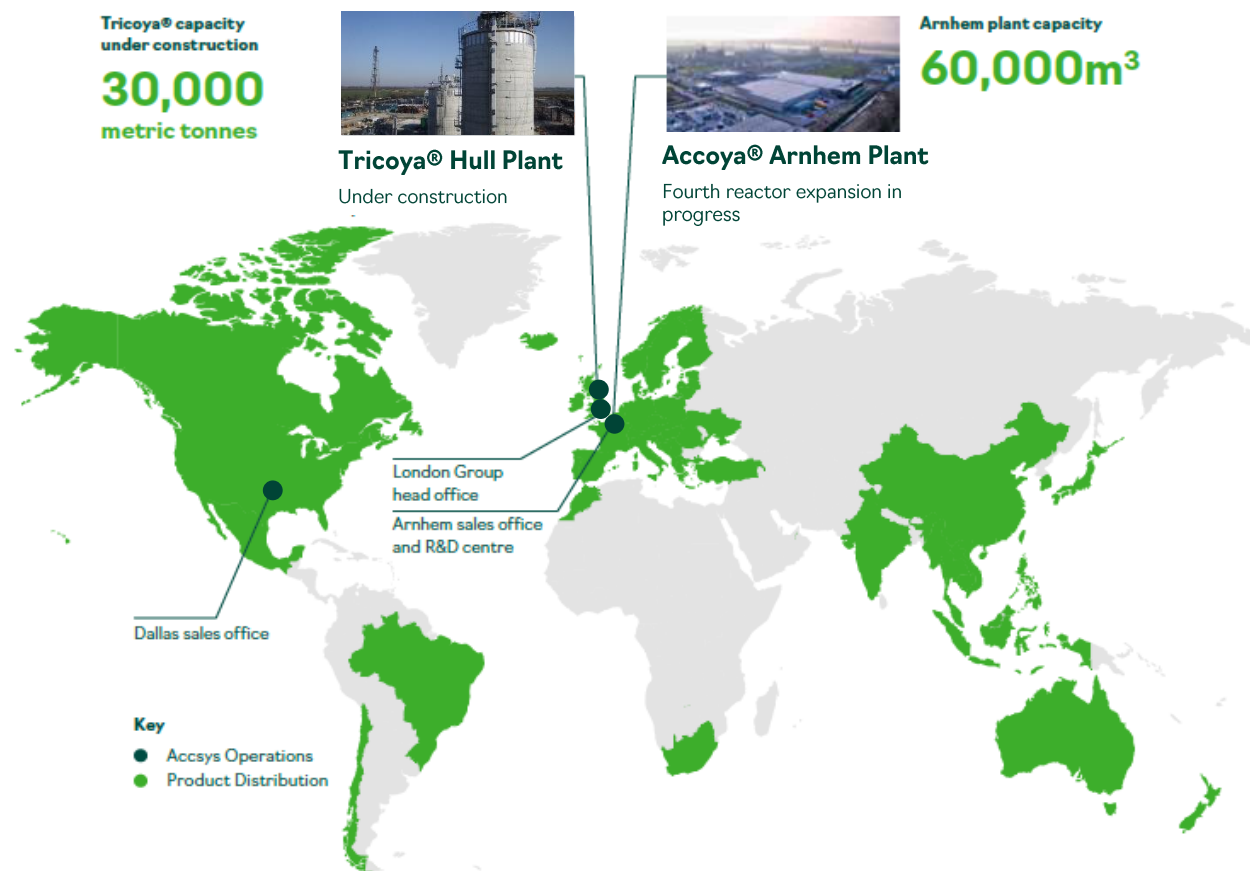
OVERVIEW OF ACCSYS

About us

- Annual revenues of €100m¹
- 3 key sites:
 - Arnhem, The Netherlands
 - Hull & London, UK
- Market cap of ~€370m²
- Listed on the London & Amsterdam stock exchanges
 - Euronext Amsterdam: AXS
 - London AIM: AXS
- Awarded LSE Green Economy Mark



Where we operate



1. Full year 2021 2. As at 18 June 2021

INVESTMENT PROPOSITION

Substantial market opportunity

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

Accoya® sales in FY2021: 60,466m³

Sustainability

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

World leaders in wood technology

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

Scalable growth

Our manufacturing process and modular industrial design is based upon confidential know-how and protected IP which can be expanded and replicated world-wide. '5x' growth target to increase production capacity to 200,000m³ pa by 2025.

Strong organisational capability

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

FY21 UNDERLYING GROUP REVENUE

€99.8m +10%
FY21 vs FY20

FY21 UNDERLYING GROUP EBIT

€4.4m +€3.0m
FY21 vs FY20

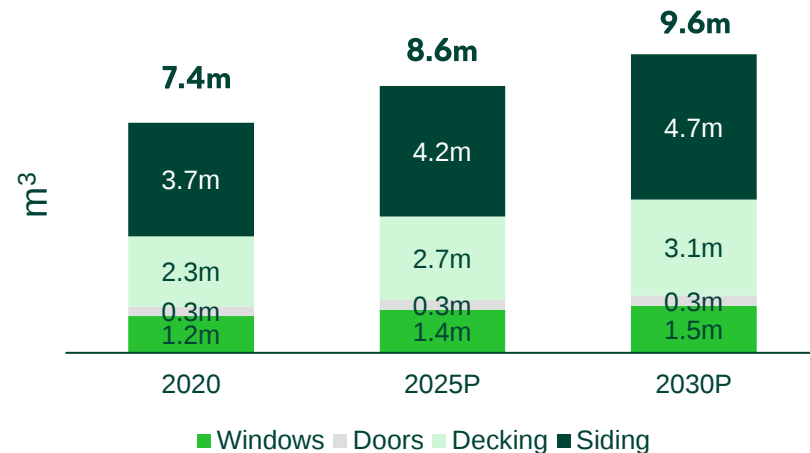
FY21 UNDERLYING ACCOYA® EBIT

€17.1m +€4.5m
FY21 vs FY20

NORTH AMERICA

SUBSTANTIAL MARKET OPPORTUNITY CONFIRMED

Accoya®'s addressable NA market expected to grow to 9.6m m³



30%+

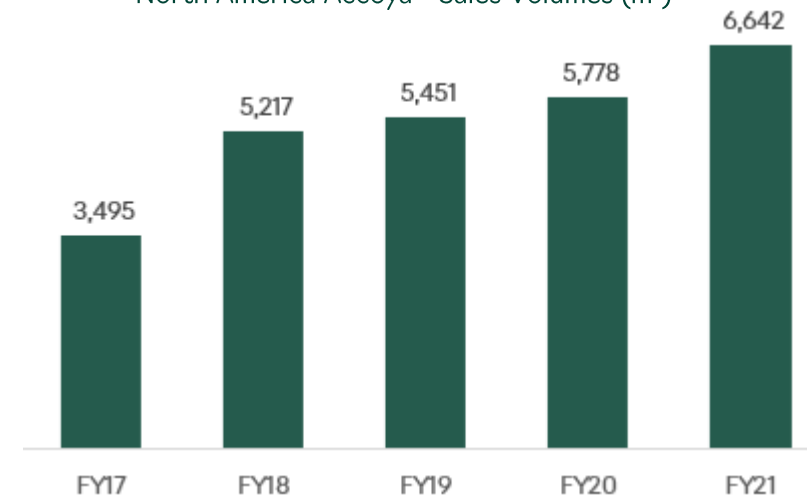
Addressable market growth
from 2020 to 2030

948,500m³

Potential achievable
market

Strong foundations in North America

North America Accoya® Sales Volumes (m³)



>70%

Volume growth from
FY17 to FY21

5

Distributor customers,
with reach extending

Source: Principia Consulting report dated 1 February 2021

TRICOYA CONSORTIUM STRUCTURE

The Tricoya® Consortium is based on two entities:

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

