



AIM: AXS
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24 June 2025

Accsys Technologies PLC
("Accsys", the "Group" or the "Company")

Preliminary results for the year ended 31 March 2025

Significant profitability and strategic progression; good momentum heading into FY26

	Year to 31 March 2025	Year to 31 March 2024	% Change
Revenue			
Group	€136.6m	€136.2m	+0.3%
Aggregated: Group + 60% JV ¹	€147.4m	€136.2m	+8.2%
Gross profit	€41.4m	€40.9m	+1.2%
Gross margin	30.3%	30.0%	+30bps
Adjusted EBITDA ²	€10.8m	€4.8m	+125%
Net debt	(€42.6)m	(€37.1)m	+€5.5m
Sales Volumes m³			
Group	57,104m ³	56,568m ³	+0.9%
JV	6,760m ³	-	-
Total ³	63,864m ³	56,568m ³	+12.9%

Notes

¹ Accsys has a 60% shareholding in Accoya USA, a joint venture (JV) with Eastman Chemical Company which commenced operations in September 2024. Whilst the JV is equity accounted for financial reporting purposes, the aggregated revenue figure includes Group revenue plus 60% of the JV revenue

² Adjusted EBITDA is defined as operating profit/(loss) before exceptional items and other adjustments, depreciation and amortisation, and includes the Group's 60% share of the JV's EBITDA.

³ Total Accoya sales volumes are Global Accoya sales volumes (Group + 100% of US JV)

Dr Jelena Arsic van Os, CEO Accsys Technologies PLC said:

"Accsys has delivered a year of strong execution and strategic progress; the business is now at an important inflection point. We achieved a significant step-change in profitability, successfully completed the launch of Accoya USA, and positioned the business for disciplined, high-return growth.

Today, Accsys stands as a compelling investment proposition: a business with a de-risked geographic and CapEx profile, proprietary and sustainable premium wood products, and fully operational manufacturing footprints in both Europe and the USA. With Phase I of our FOCUS Strategy already yielding results, we are optimising asset returns and driving profitable volume growth. Our roadmap is clear, we are focused on our priorities, and we have the experienced leadership team to deliver sustained value creation in the years ahead."

Financial overview

- Delivered FY25 results significantly ahead of prior year with adjusted EBITDA up 125% year-on-year to €10.8m
- 13% increase in total Accoya sales volumes against a backdrop of challenging macroeconomic conditions, demonstrating strong product demand with double digit growth across all regions
 - Encouraging growth in North America with a 16% year-on-year increase in total sales volumes
- Group revenues of €136.6m, in line with previous year, driven by strong growth in Europe that fully replaced the sales volumes transferred to Accoya USA JV
 - 8% increase in aggregated revenues at €147.4m driven principally by increased global sales volumes from the Group and the JV
- Improvement in gross margin to 30.3%, resulting from favourable sales mix, operational efficiencies and continued disciplined pricing
- Group Underlying EBITDA increased by €8.3m to €16.8m
- Delivered operational cost savings of €4.6m, arising from the business transformation programme and the Solid Roots operational efficiency initiative in Arnhem
- Net debt of €42.6m as at 31 March 2025 represents an increase of €5.5m compared to 31 March 2024, driven by planned investment in the JV, 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. Leverage ratio*, improved from 4.4x to 2.5x, highlighting good progression in deleveraging the business
- Funding in place to support future growth prospects:
 - In March 2025 the Group signed an 18-month extension to its primary debt facilities with ABN Amro extending the maturity to 30 September 2027

* calculated as net debt divided by underlying EBITDA

Strategic highlights

- Investor Strategy Day in January 2025 - implementing our FOCUS strategy:
 - 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.
- Successful delivery and operational start-up of Accoya USA JV
- The Group is significantly simplified and de-risked with the completion of major CapEx projects and the closure of the Hull site and voluntary liquidation of Tricoya UK
- Appointment of Sameet Vohra as CFO to drive financial discipline and strengthen Accsys' strategic financial leadership as the Group focuses on delivering sustainable, profitable growth

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 Group'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 disciplined execution.
- Having successfully expanded our geographic footprint, the Group's focus is on accelerating sales and capacity utilisation, further driving profitability improvements.

Ends

There will be a presentation relating to these results at 9.00am UK time on 24 June 2025. The presentation will take the form of a webcast and conference call, details of which are below:

Webcast link (for audio and visual presentation):

Click on the link below or copy and paste ALL of the following text into your browser:

<https://edge.media-server.com/mmc/p/hr85ed6z>

Phone participants: for those participants who would like to ask a question live over the phone lines, please register on the following link. You will then be sent a confirmation email with a link to dial-in numbers.

<https://register-conf.media-server.com/register/Blcba44a1980b14572a167a14db5f85862>

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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 an encouraging 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 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 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 JV 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.

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 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.

Sales volumes: Double digit sales growth

Sales volume by end market	FY25 m³	FY24 m³	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 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 looking at alternative wood species, expanding Accoya Color and looking at fire protection. Earlier this year we were pleased to announce Accoya's compliance with the Wildland Urban Interface (WUI) in the United States. 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, scoring 56/100 (FY24: 45/100). Our achievement reflects our significant efforts on ensuring that we have transparent reporting and a high standard of corporate governance policies and procedures. 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 certified sources (through FSC®, PEFC, or equivalent) for all our sites

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 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.

Jelena Arsic van Os
Chief Executive Officer
23 June 2025

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 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

The Group's share of the Accoya USA joint venture'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%.

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 flow 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.

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.

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 banking covenant 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

Accsys Technologies PLC

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 form an integral part of these financial statements.

* See note 5 for details of exceptional items.

Accsys Technologies PLC**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	-	-
		<u>117,166</u>	<u>138,943</u>
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
		<u>63,787</u>	<u>71,032</u>
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)
		<u>(30,234)</u>	<u>(26,206)</u>
Net current assets		<u>33,553</u>	<u>44,826</u>
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)
		<u>(53,397)</u>	<u>(64,954)</u>
Net assets		<u><u>97,322</u></u>	<u><u>118,815</u></u>
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
Equity attributable to owners of Accsys Technologies PLC		<u>97,322</u>	<u>118,815</u>
Non-controlling interest in subsidiaries	26	-	-
Total equity		<u><u>97,322</u></u>	<u><u>118,815</u></u>

The financial statements were approved by the Board of Directors on 23 June 2025 and signed on its behalf by

Sameet Vohra
Chief Financial Officer

The notes form an integral part of these financial statements.

Accsys Technologies PLC

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 trans- lation 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 form an integral part of these financial statements.

Accsys Technologies PLC

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		<u>19,194</u>	<u>8,923</u>
(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		<u>12,163</u>	<u>7,116</u>
Tax (paid)/received	11	(1,443)	81
Net cash generated from operating activities		<u>10,720</u>	<u>7,197</u>
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		<u>(16,633)</u>	<u>(8,401)</u>
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		<u>(3,967)</u>	<u>1,737</u>
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		<u>17,423</u>	<u>27,427</u>

The notes form an integral part of these financial statements.

1. Accounting Policies**General Information**

The financial information set out in these preliminary results does not constitute the Company's statutory financial statements for the years ended 31 March 2025 or 31 March 2024. Statutory financial statements for the year ended 31 March 2024 have been filed with the Registrar of Companies and those for the year ended 31 March 2025 will be delivered to the Registrar in due course; both have been reported on by the auditors. The auditors' report on the Annual Report and Financial Statements for the year ended 31 March 2024 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The auditors' report on the Annual Report and Financial Statements for the year ended 31 March 2025 is unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

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.

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 Limited 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.

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.

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
Office equipment	Useful life of between three and five years
Leased land and buildings	Land held under a finance lease is depreciated over the life of the lease

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.

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) of the Group. 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 values 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.

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/(loss)	11,343	3,573
Share of Accoya USA EBIT	(9,621)	(3,993)
Adjusted EBIT	1,722	(420)

Accsys Technologies PLC

Notes to the financial statements for the year ended 31 March 2025 (continued)

	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	<u>14,517</u>	<u>9,428</u>

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.

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.

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Notes to the financial statements for the year ended 31 March 2025 (continued)

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)
Share of net loss from 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 €'000	Year ended 31 March 2025 Exceptional items €'000	Year ended 31 March 2025 TOTAL €'000	Year ended 31 March 2024 Exceptional items €'000	Year ended 31 March 2024 TOTAL €'000
Operating profit/(loss)	7,649	(12,030)	(4,381)	(1,044)	(9,244)
Depreciation and amortisation	9,219	-	9,219	9,579	-
Profit on disposal of assets	-	(12)	(12)	-	-
Impairment	-	18,320	18,320	-	7,000
Gain on disposal of investment	-	(10,382)	(10,382)	-	-
EBITDA	16,868	(4,104)	12,764	8,535	(1,200)

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	<u>(1,972)</u>	<u>(5,037)</u>

	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	<u>10,823</u>	<u>4,811</u>

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
	<u>136,632</u>	<u>136,170</u>

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.

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	<u>115,505</u>	<u>1,661</u>	<u>117,166</u>	<u>137,927</u>	<u>1,016</u>	<u>138,943</u>
Current assets	52,142	11,645	63,787	52,321	18,711	71,032
Current liabilities	<u>(20,455)</u>	<u>(9,779)</u>	<u>(30,234)</u>	<u>(22,105)</u>	<u>(4,101)</u>	<u>(26,206)</u>
Net current assets	31,687	1,866	33,553	30,216	14,610	44,826
Non-current liabilities	<u>(2,663)</u>	<u>(50,734)</u>	<u>(53,397)</u>	<u>(9,817)</u>	<u>(55,137)</u>	<u>(64,954)</u>
Net assets/(liabilities)	<u>144,529</u>	<u>(47,207)</u>	<u>97,322</u>	<u>158,326</u>	<u>(39,511)</u>	<u>118,815</u>

The Investment accounted for using the equity method (Investment into Accoya USA) is included in the Accoya segment. See note 27.

Accsys Technologies PLC

Notes to the financial statements for the year ended 31 March 2025 (continued)

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
	<u>117,166</u>	<u>138,943</u>

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	<u>28,651</u>	<u>33,548</u>
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	<u>45,808</u>	<u>50,127</u>

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	<u>(12,030)</u>	<u>(8,200)</u>
Foreign exchange differences on Corporate USD cash held for investment in to USA JV	-	249
Revaluation / recognition of Valuation Recovery Instrument 'VRI' liability	1,102	281
Total exceptional financing costs	<u>1,102</u>	<u>530</u>
Total exceptional items	<u>(10,928)</u>	<u>(7,670)</u>

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 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%.
- 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.
- 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').

6. Employees

	2025	2024
	€'000	€'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 that classification of employees. 'Operating' has reduced by 15, whilst 'sales, marketing, administration, research and engineering' has increased by 15 for 2024.

7. Directors' remuneration

	2025	2024
	€'000	€'000
Directors' remuneration consists of:		
Directors' emoluments	1,867	1,450
Company contributions to money purchase pension schemes	57	52
	1,924	1,502

Notes to the financial statements for the year ended 31 March 2025 (continued)

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 were 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.

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 venture	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	4,858	3,888

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	-
Irrecoverable losses due to deconsolidation	1,035	-
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
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

Accsys Technologies PLC

Notes to the financial statements for the year ended 31 March 2025 (continued)

€ '000	Deferred tax assets		Deferred tax liabilities	
	2025	2024	2024	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	2025	2024	2024
	Underlying	Total	Underlying	Total
<u>Basic earnings per share</u>				
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)
<u>Diluted earnings per share</u>				
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.

Notes to the financial statements for the year ended 31 March 2025 (continued)

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)	42,914	415,079	6.3	7.3
12 July 2022 (LTIP) ¹	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.

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
<i>Vesting (% of maximum)</i>		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.

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
<i>Vesting (% of maximum)</i>		<i>25%</i>	<i>100%</i>
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 C (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.

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 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 ('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)
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
Reclassification	-	-	-	-
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.

Notes to the financial statements for the year ended 31 March 2025 (continued)

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 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% 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.

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	2024
	€'000	€'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	2024
	€'000	€'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
	(1,315)	(2,039)
	4,283	4,338

	Minimum lease payments	
	2025	2024
	€'000	€'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
	4,283	4,338

Notes to the financial statements for the year ended 31 March 2025 (continued)

(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.

Accsys Technologies PLC

Notes to the financial statements for the year ended 31 March 2025 (continued)

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.

20. Inventories

	2025 €'000	2024 €'000
Raw materials and work in progress	18,822	18,214
Finished goods	11,941	7,529
	<u>30,763</u>	<u>25,743</u>

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
Accrued income	1,105	1,078
	<u>15,601</u>	<u>17,612</u>

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).

Accsys Technologies PLC

Notes to the financial statements for the year ended 31 March 2025 (continued)

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	-
	<u>1,019</u>	<u>848</u>

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 the liquidation of Tricoya UK Limited 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
	<u>16,590</u>	<u>18,797</u>

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
	<u>12,022</u>	<u>11,976</u>

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.

Notes to the financial statements for the year ended 31 March 2025 (continued)

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 Effective- ness 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).

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	2024
	€'000	€'000
Opening balance	31,685	30,859
Investment in Accoya USA	14,490	4,926
Less: Accsys proportion (60%) of Licence fee received	(450)	-
Share of loss for the year	(11,871)	(4,100)
Closing balance	<u>33,854</u>	<u>31,685</u>

The Group has equity accounted for the joint venture in these consolidated financial statements.

Reconciliation of investment in Accoya USA:

	2025	2024
	€'000	€'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	<u>33,854</u>	<u>31,685</u>

Accsys Technologies PLC

Notes to the financial statements for the year ended 31 March 2025 (continued)

The income statement, balance sheet and cash flows for Accoya USA LLC are set out below:

Accoya USA statement of comprehensive income:	2025 €'000	2024 €'000
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 before tax	(11,871)	(4,100)

Accsys Technologies PLC**Notes to the financial statements for the year ended 31 March 2025 (continued)****Accoya USA Statement of financial position:**

	2025	2024
	€'000	€'000
Non-current assets		
Property, plant and equipment	126,542	122,662
Right of use assets	6,328	6,919
	<u>132,870</u>	<u>129,581</u>
Current assets		
Inventories	9,021	1,201
Trade and other receivables	1,162	114
Cash and cash equivalents	1,675	6,089
	<u>11,858</u>	<u>7,404</u>
Current liabilities		
Trade and other payables	(2,879)	(10,508)
Obligation under lease liabilities	(6,560)	(491)
	<u>(9,439)</u>	<u>(10,999)</u>
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)
	<u>(75,249)</u>	<u>(70,336)</u>
Net assets	<u>60,040</u>	<u>55,650</u>
Value attributable to Accsys Technologies	<u>36,024</u>	<u>33,390</u>

Accoya USA Cash flows:

	2025	2024
	€'000	€'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	<u>(4,415)</u>	<u>(2,612)</u>

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
	<u>55,700</u>	<u>60,204</u>
Present value of loan obligations		
	<u>55,700</u>	<u>60,204</u>
Amounts payable under loan agreements - undiscounted cashflows:		
Within one year	7,285	1,646
In the second to fifth years inclusive	64,505	34,294
After five years	-	43,917
	<u>(16,090)</u>	<u>(19,653)</u>
Less future finance charges		
	<u>(16,090)</u>	<u>(19,653)</u>
Present value of loan obligations		
	<u>55,700</u>	<u>60,204</u>

Reconciliation of loan agreements:

	2025				2024			
	ABN debt facilities	Convertible loan note with embedded derivative	NatWest facility	Total	ABN debt facilities	Convertible loan note with embedded derivative	NatWest facility	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'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	<u>32,479</u>	<u>23,221</u>	<u>-</u>	<u>55,700</u>	<u>32,446</u>	<u>21,084</u>	<u>6,674</u>	<u>60,204</u>

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.

Accsys Technologies PLC

Notes to the financial statements for the year ended 31 March 2025 (continued)

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 assumption 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 – 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 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

	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-financing 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 & 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).

Notes to the financial statements for the year ended 31 March 2025 (continued)

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.

	Fair value hierarchy	At amortised cost	At fair value though profit or loss	At fair value through OCI	Total
2025/ € '000					
Financial assets					
Trade and other receivables		13,390	-	-	13,390
Cash and cash equivalents		17,423	-	-	17,423
Total		30,813	-	-	30,813
	Fair value hierarchy	At amortised cost	At fair value though profit or loss	At fair value through OCI	Total
2024/ € '000					
Financial assets					
Trade and other receivables		15,660	-	-	15,660
Cash and cash equivalents		27,427	-	-	27,427
Total		43,087	-	-	43,087
	Fair value hierarchy	At amortised cost	At fair value though profit or loss	At fair value through OCI	Total
2025/ € '000					
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)
	Fair value hierarchy	At amortised cost	At fair value though profit or loss	At fair value through OCI	Total
2024/ € '000					
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.

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.