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**16 April 2021**

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

**Trading Update**

Accsys, the fast-growing and eco-friendly company that combines chemistry and technology to create high performance, sustainable wood building products, today announces a trading update for the 12 months ended 31 March 2021 ("FY21"), on an unaudited basis.

**FY21 Trading**

- Strong sales and revenue growth in the second half following the rapid recovery after the initial impact of COVID-19 in the first quarter:
  - FY21 Acccoya® revenue of approximately €91m, up around 10%, with H2 up approximately 23% on H2 in prior year, with Group revenue in excess of approximately €98m.
  - FY21 Sales volumes of approximately 60,466m<sup>3</sup>, up around 4%.
- Further progression on profitability, due to an improved manufacturing margin through a combination of initiatives.
- Production has continued at capacity levels throughout H2 driven by ongoing strong demand from new and existing customers.
- At the end of the year we are focussing on rebuilding our inventory stock levels, which are lower than usual due to reductions during COVID-19 disruption in H1 FY21 and some consequent supply chain disruptions.

**Progress towards doubling Group production capacity in the next year:**

**Tricoya® Hull UK Plant**

- Construction is in the final stages of completion.
- Under the project schedule provided by the lead contractor, the initial processing of Tricoya® wood elements and expected revenue generation is due to commence in July 2021.
- Based upon management experience, we believe that this schedule is at risk of being delayed by around three to six months due to COVID-19 related challenges, recent engineering changes, and the final stages of construction taking longer than anticipated. As a result, we believe that full operational ramp-up is now likely to commence in H2 FY22.
- We are considering a full range of options to mitigate these risks to the schedule. We have engaged expert third party consultants to assess the lead contractor's schedule and options for optimisation and redeployment of staff. Changing the approach to commissioning and contractual options are also under consideration. Our goal is to commence production safely and swiftly; plant operator teams are in place to take over plant areas and systems as soon as they are ready.

- We are working towards minimising the costs associated with delays, including those due to COVID-19, and continue to ensure such costs are not material to the project as a whole.
- Being the first plant of its type in the world, we continue to plan for a three-year ramp-up to reach target production capacity of 30,000 metric tonnes (40,000m<sup>3</sup> equivalent) and expect to achieve EBITDA break-even at 40% capacity utilisation.

#### **Accoya® Arnhem Plant Fourth Reactor**

- Good progress with the planned extension of the existing Accoya® plant at Arnhem, the Netherlands.
- Initial permits received and ground works commenced in February 2021 with project on track to be operational Q4 FY22 as planned.
- Project will add a fourth reactor with an additional 20,000m<sup>3</sup> of capacity (representing an increase of 33%), taking the plant at Arnhem to an annual production capacity of 80,000m<sup>3</sup> of Accoya®.

#### **Accoya® USA Plant: JV progress**

- Completed market due diligence which has confirmed the substantial market opportunity for Accoya® wood in North America.
- Good progress achieved in developing the site-specific engineering plans for building an Accoya® plant under a joint venture with Eastman Chemical Company in USA.
- Accsys has a 60% equity interest in the US joint venture with Eastman at 40%.
- Making good progress towards full agreements and making final investment decision in summer CY21 with construction to commence thereafter.
- Accsys has an existing presence in North America (sales volume of approximately 6,642m<sup>3</sup> in FY21) with significant customer demand for Accoya® but to date has been constrained by production capacity in Arnhem. The US joint venture provides an exciting opportunity for Accsys to deepen its market penetration in this significant market where demand for high quality, sustainable building materials is growing.

#### **Year End Financial Position & FY Results date**

- Net debt of approximately €12.5m compared to €16.3m as at 30 September 2020, reflecting strong operating cash-flows offset by further investment in new manufacturing capacity.
- Balance sheet remains robust following careful cash management during the past year given COVID-19 disruption.
- Accsys intends to publish its preliminary results for the full financial year in late June 2021, covering the financial year ended 31 March 2021.

#### **Rob Harris, Accsys CEO, said:**

“We have delivered a strong 12 months during which we have grown revenues, profits and preserved cash by successfully managing the revenue, margin and cost challenges presented by COVID-19. This strong performance reflects the agility of our business and the underlying demand for our sustainable products as the world further focuses on decarbonisation.

We have continued to make good strategic progress and are now into the final stages of construction at our Hull Tricoya® plant, the first of its type in the world. Whilst COVID-19 has presented challenges in the final phases, we are looking forward to the plant being operational in the second half of the new financial year and remain confident that there is a significant addressable market for Tricoya®.

During the period we have hit a number of key milestones on expanding our Arnhem plant with groundwork started on our fourth reactor and we remain on track to for it to be operational in Q4 FY 2022.

We are making good progress on our joint venture with Eastman Chemical Company to build an Accoya® plant in North America. Our recent market due diligence has reaffirmed our view that North America is a significant growth market.

As we look ahead, we are in a unique position to build on the strong financial progress this year whilst living our broader purpose, underpinned by our clear ESG Strategy. Our products are aligned to the global trend of decarbonisation with demand outstripping supply and consequently we are increasing production in the Netherlands, UK and intend to do so in the US to reach our '5X' growth ambition to increase our production capacity to 200,000m<sup>3</sup> per annum by 2025 and meet this growing demand."

**Ends**

**For further information, please contact:**

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**Notes to editors:**

**Accsys** (Accsys Technologies PLC) is a fast-growing business with a purpose: changing wood to change the world. The company combines chemistry, technology and ingenuity to make high performance wood products that are extremely durable and stable, opening new opportunities for the built environment and giving the world a choice to build sustainably.

Accsys transforms fast-growing, certified sustainable wood into building materials with characteristics that match or better those of man-made, intensely resource-depleting and heavily carbon-polluting alternatives.

The company's primary focus is on the production of Accoya® wood and Tricoya® wood elements, as well as technology licensing via its subsidiaries Titan Wood Limited and Tricoya Technologies Limited. Accsys has its head office in London, UK, production operations in Arnhem, the Netherlands, an American office in Dallas, Texas, and is constructing the world's first Tricoya® plant in Hull, UK.

Accsys is committed to a more sustainable world and uses abundantly available wood sources that are certified as sustainable. With our business model already aligned with several UN Sustainable Development Goals, Accsys is currently working on identifying further strategic ESG priorities to have an even greater positive impact on the world.

Any references in this announcement to agreements with Accsys shall mean agreements with either Accsys or its subsidiary entities unless otherwise specified. Accsys Technologies PLC is listed on the London Stock Exchange AIM market and on Euronext Amsterdam, under the symbols 'AXS'.

More information about Accsys can be found at [www.accsysplc.com](http://www.accsysplc.com)

**Accoya®** wood is a sustainable, durable and stable solid wood product with exceptional performance, finish and sustainability. Accsys' proprietary acetylation process makes the wood more dimensionally stable and, because it is no longer easily digestible, extremely durable. Produced from certified (e.g. FSC®) sustainable sources, Accoya® wood has many environmental credentials and ecolabels, and is one of very few building materials to be

Cradle to Cradle Certified™ at the Gold level, with a Platinum rating for Material Health, confirming that no harmful or toxic additives or chemicals are present to leach out into the environment.

With an up to 50 year warranty and 70+ year service life, the combination of sustainability, dimensional stability, durability and retained strength means that Accoya® wood offers a wealth of new opportunities to architects, designers, specifiers, manufacturers and homeowners. These benefits result in lower maintenance and total cost of ownership while also offering significant sustainability benefits. For more information about Accoya® wood, visit [www.accoya.com](http://www.accoya.com).

**Tricoya®** wood elements ([www.tricoya.com](http://www.tricoya.com)) are produced using Accsys' proprietary technology for the acetylation of wood chips and particles for use in the fabrication of panel products such as medium density fibreboard (MDF) and particle-board.

Panel products made with Tricoya® wood elements are truly durable and stable enough for use outdoors and in wet environments. Combining the sustainability, durability and stability from our acetylation process with the ease of use and quality finish of wood panel products, the enhanced durability and dimensional stability opens new opportunities for the use of these products, making them suitable in applications and environments that previously required solid wood, synthetic or unsustainable materials.

Tricoya® wood elements have been lauded as the first major innovation in the wood composites industry in more than 30 years. For more information about Tricoya® wood elements, visit [www.tricoya.com](http://www.tricoya.com).

**Wood acetylation** is a process which increases the naturally occurring acetyl content of wood, thereby changing its physical properties. When carried out to a sufficient degree throughout the wood, as with Accsys' proprietary process, it significantly reduces the ability of the wood to absorb water without adding any toxic or harmful compounds, elements or substances that were not already present in the wood. This makes it much more dimensionally stable and, because it is no longer easily digestible to most organisms, extremely durable.

'Accsys' and 'Accsys Technologies' are trading names of Titan Wood Limited ("TWL"), a wholly-owned subsidiary of Accsys Technologies PLC. Accoya®, Tricoya® and the Trimarque Device are registered trademarks owned by TWL, and may not be used or reproduced without written permission from TWL, or in the case of the Tricoya® registered trademark, from Tricoya Technologies Limited, a subsidiary of TWL with exclusive rights to exploit the Tricoya® brand.