

Company Accsys Technologies PLC
TIDM AXS
Headline Tricoya® plant construction update
Released 23 August 2021
Number 3881J



AIM: AXS
Euronext Amsterdam: AXS

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

23 August 2021

Accsys Technologies PLC
(“Accsys”, the “Group” or the “Company”)

Tricoya® plant construction update

Accsys, the fast-growing and eco-friendly company that combines chemistry and technology to create high performance, sustainable wood building products, today announces an update regarding the final stages of construction towards commercial operation of the new Tricoya® plant in Hull, UK, by Tricoya UK Limited (‘Tricoya UK’), Accsys’ joint venture in relation to the Hull plant.

In June 2021 Accsys announced that it had taken over the project to complete the final stages of plant construction and was evaluating the most effective ways to do this, optimising the associated impacts on costs and timelines.

Following an extensive gap analysis to review and validate the remaining works, costs, timeline and people required to complete the project, Accsys is now able to provide an updated outlook for the completion of the project:

- The plant is anticipated to be commercially operational by July 2022. Work is ongoing to potentially accelerate achievement of this milestone.
 - The remaining final stages of the works are being directly project managed by Tricoya UK with highly-experienced internal and recently-added people and resources, without requiring the appointment of another lead EPC contractor. Third-party expertise and support will be brought in as and when required to complete works safely and quickly.
 - Various workstreams have safely re-commenced on the site with a significant increase in our own project team, changes to project governance, and the engagement and remobilisation of key mechanical, electrical and civil contractors.
- Demand from the large addressable market for Tricoya® continues to be strong, as seen in the buoyant sales previously reported. We continue to expect that, once operational, the plant’s production will ramp-up to full capacity over approximately three years.
- Following the purported termination of the EPC contract in June 2021 by Tricoya UK’s former EPC contractor, Engie Fabricom UK Limited (‘EFAB’), a Settlement Agreement has been entered into between Tricoya UK and EFAB. Subject to the terms of this agreement, the parties have agreed to settle and release each other from liability for claims against each other under the EPC contract, including any claims in respect of COVID-19 and outstanding contractual payments.
- The total project capital cost is expected to be an additional €9m to €15m more than previously anticipated. The additional costs are largely due to the extended project duration, including the previously-reported engineering changes, delays due to COVID-19, and time and recovery actions resulting from past management of and demobilisation from the site. The costs also reflect the settlement agreement with EFAB. As a result, the total cumulative project capital cost for the plant is now anticipated to be €90m to €96m.
- Accsys remains committed to the safe completion and operation of the plant to realise the potential of the Tricoya® product’s target 40% gross margin, large market opportunity, and ongoing high demand.

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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 Acccoya® wood and Tricoya® wood elements: 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 an up to 50-year warranty, locking carbon stored in the wood into useful products for decades, with performance characteristics that match or better those of non-renewable, resource-depleting and polluting alternatives. Accsys is listed on the London Stock Exchange AIM market and on Euronext Amsterdam, under the symbols 'AXS'. Visit www.accsysplc.com

Acccoya® solid wood is sustainable, durable, and stable 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. It 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. Primary applications for Acccoya® wood include windows, doors, cladding and decking, where the combination of performance and sustainability benefits compete favorably against hardwoods, plastics, metals and concrete. Visit www.acccoya.com

Tricoya® acetylated wood elements are produced for use in the fabrication of panel products such as medium density fibreboard (MDF). Panel products made with Tricoya® wood elements are truly durable and stable enough for use outdoors and in wet environments, unlocking new possibilities for design and construction. They have been lauded as the first major innovation in the wood composites industry in more than 30 years and bring the flexibility of traditional panel products and sustainability benefits of wood to a whole new range of applications. Visit www.tricoya.com

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