

Company Accsys Technologies PLC
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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 an unaudited trading update for the first five months of the 2022 financial year from 1 April 2021 to 31 August 2021 ("the period"), ahead of its Annual General Meeting to be held at 2.30pm (UK time) today.

Trading for 5 months to 31 August 2021

- Strong sales and revenue growth compared to the same period one year ago, which was more severely impacted by COVID-19 ('prior year'):
 - Continued strong demand for both Accoya® wood and Tricoya® wood elements.
 - 31% increase in Accoya® revenue to approximately €40m (a 22% increase compared to the same period two years ago¹). This includes a 10% increase in revenue for Tricoya® customers.
 - 18% increase in Accoya® sales volumes to approximately 24,664 m³ (an 8% increase compared to the same period two years ago¹).
- These results and trading in the period reflect the following trends:
 - Higher average selling prices for Accoya®, driven by sales price increases in the 2021 financial year and in the 2022 financial year to date, which reflect continuing strong demand and raw material costs in the period.
 - Inventory levels of raw wood have remained low in the period due to industry supply chain challenges but are expected to improve in the remainder of the financial year.
 - A planned maintenance stop in the period was moved to later in 2021.
- The integration of the Accoya® Color assets we purchased in the UK this year is progressing well, and we produced our first batch of Accoya® Color at our new site in the period.
- Net cash of approximately €8.3m compared to net debt of €12.2m as at 31 March 2021, reflecting the proceeds of the equity capital raise completed in May largely offset by investment in additional production capacity in Hull and Arnhem.

Tricoya® UK plant construction (Hull)

- Progress at Hull continues in line with the recent Accsys update published on 21 August 2021.
- Various workstreams, including mechanical, electrical, and civil works, are underway as we work towards having the plant commercially operational by July 2022.

Accoya® The Netherlands plant expansion (Arnhem)

- Good progress in the planned extension of the existing Accoya® plant at Arnhem, the Netherlands. Project remains on track to be operational by the end of Q1 calendar year 2022.

- The installation of a fourth reactor will bring an additional 20,000m³ of capacity and increase the annual production capacity of the plant by 33% to 80,000m³ of Accoya®.

Accoya® USA plant joint venture

- Good progress has been made on the US JV with Eastman Chemical Corporation ahead of making the final investment decision to build an Accoya® plant with an initial 40,000m³ capacity at Kingsport, Tennessee and replicate our existing Accoya® technology at Arnhem.
- The front-end engineering and design ('FEED') of the plant is complete.
- Major agreements between the JV parties in relation to raw materials supply, support services, land & utilities are well advanced and are expected to be entered into on completion of the financing work stream.
- The project's debt-specific financing workstream is continuing and we expect to finalise terms in the coming months in line with our anticipated returns.
- The JV parties continue to work towards the plant being constructed by mid-2023 with the work completed to date confirming the significant opportunity for the JV.

Rob Harris, Accsys CEO, said:

"Accsys has made a strong start to the 2022 financial year. Our established Accoya® business has delivered double digit volume and revenue growth. This reflects continued strong customer demand, our price increases, product mix, and lapping the initial more severe effects of COVID-19 last year.

During the last five months we have continued to make good progress with the construction of a fourth reactor in Arnhem, advanced our US JV with Eastman and whilst we experienced some previously communicated challenges with the construction of our Hull Tricoya® facility, we are working through these and expect to have the plant commercially operational by July 2022.

Looking ahead, we remain confident in delivering on full year expectations and underpinned by the clear market opportunities for our high-performance wood products, we continue to progress towards our ambitious 2025 fivefold increase in production target."

Notes:

1. A further comparison has been given against the same period two years ago which was pre-pandemic.

Ends

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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 Accoya® 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

Accoya® 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 Accoya® 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.accoya.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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