INTERIM RESULTS PRESENTATION

For the six months ended 30 September 2019

Architect: Kengo Kuma
ACCSYS EXECUTIVE TEAM

Paul Clegg
Chief Executive Officer

Paul assumed the role of Chief Executive Officer in August 2009.

Prior to this, he was CEO of Cowen International, subsequent to its sale by Société Générale in 2006. Before this, he ran SG Cowen International, part of the Société Générale Group, from 2000 to 2006.

Paul will remain a board member until 31 December 2019 to ensure a smooth transition of responsibilities to Rob Harris.

William Rudge
Executive Finance Director

Will was appointed Financial Director in October 2012; previously he was Financial Controller between 2010-12.

Prior to this he qualified as a chartered accountant with Deloitte in 2002 and subsequently gained a further six years' experience in their audit and assurance department.

Robert Harris
Chief Executive Officer Designate

Rob will become CEO on 20 November 2019. He brings significant experience from across several industrial sectors, including chemicals, oil, metals, renewables and speciality products.

He spent c.20 years with BP PLC and Exxon-Mobil and most recently was CEO, Europe at Eco-Bat Technologies Limited, a global energy storage product recycling business with sustainable values and annual revenues exceeding £1bn.
OVERVIEW OF ACCSYS

Changing wood to change the world

We use our unique patented technology to create consistently high performing, sustainable wood products that enable new opportunities for the built environment.

Our process is extremely efficient and locks carbon into long-life products that give the world a choice to build sustainably.

Our products are

**Durable**
They are highly durable and outperform the very best tropical hardwoods

**Stable**
With resistance to shrinkage and swelling, our products offer outstanding dimensional stability for use outdoors and in varying moisture conditions.

**Sustainable**
They are produced from fast-growing, abundantly available FSC® certified wood species.

50 year warranty above ground and 25 years in ground or freshwater

Over 75% reduction in swelling caused by moisture uptake

Where we operate

- **Tricoya® Hull Plant**
  Under construction, operational H2 CY2020

- **Accoya® Arnhem Plant**
  50% capacity increase completed in year ending 31 March 2019, with further expansion planned

- **Accoya® Arnhem Plant**
  60,000m³

Over 75% reduction in swelling caused by moisture uptake

Durable

Stable

Sustainable

Over 75% reduction in swelling caused by moisture uptake

50 year warranty above ground and 25 years in ground or freshwater

FSC® certified wood species

BREEAM®

Accoya Operations

Product Distribution

Accoya® Arnhem Plant

Tricoya® Hull Plant

30,000 metric tonnes

Accoya® Arnhem Plant capacity

50% capacity increase completed in year ending 31 March 2019, with further expansion planned
OVERVIEW – INTERIM RESULTS

- Strong demand, increased manufacturing capacity & higher selling prices driving revenue growth
- Higher volumes, economies of scale, improved margin - increasing profit
- Group EBITDA up €3.9m to €2.5m (H1 FY19: loss of €1.4m)
- Accoya® EBIT up 303% to €5.3m (H1 FY19: €1.3m) reflecting the benefit of 3rd Accoya® reactor coming on stream
- Preliminary design and planning progressing well to add a 4th Accoya® reactor expected to increase capacity by 33% to 80,000 m³
- Hull Tricoya® plant construction progressing, expected to be operational in second half of 2020 calendar year – delay resulted in emphasis of matter in interim results
- Positive start to second half of financial year with Board’s expectations unchanged

REVENUE

€44.0m  +39%  from H1 FY 19

GROSS MARGIN

29.1%  H1 FY 19

ACCOYA® EBITDA

€7.6m  +171%  from H1 FY 19
INTERIM FINANCIAL RESULTS

Six months ended 30 September 2019
## FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th>€ million</th>
<th>H1FY20</th>
<th>H1FY19</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volume (m³)</td>
<td>28,113</td>
<td>21,379</td>
<td>32%</td>
</tr>
<tr>
<td>Total Group Revenue</td>
<td>44.0</td>
<td>31.6</td>
<td>39%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>12.8</td>
<td>7.0</td>
<td>83%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>29.1%</td>
<td>22.2%</td>
<td></td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>2.5</td>
<td>(14)</td>
<td></td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>(0.4)</td>
<td>(3.0)</td>
<td></td>
</tr>
<tr>
<td>Period end net (debt) balance</td>
<td>(59.3)</td>
<td>(34.2)</td>
<td></td>
</tr>
</tbody>
</table>

**Strong financial performance for H1FY20 – Group EBITDA: €2.5m 12 months of positive EBITDA**
# SEGMENTAL SUMMARY

## H1 FY20

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
<th>Accoya®</th>
<th>Tricoya®</th>
<th>R&amp;D and Corporate</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td></td>
<td>43.7</td>
<td>0.3</td>
<td>0.0</td>
<td>44.0</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>12.5</td>
<td>0.3</td>
<td>0.0</td>
<td>12.8</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td></td>
<td>7.6</td>
<td>(11)</td>
<td>(4.0)</td>
<td>2.5</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td></td>
<td>5.3</td>
<td>(13)</td>
<td>(4.4)</td>
<td>(0.4)</td>
</tr>
</tbody>
</table>

## H1 FY19

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
<th>Accoya®</th>
<th>Tricoya®</th>
<th>R&amp;D and Corporate</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td></td>
<td>311</td>
<td>0.5</td>
<td>0.0</td>
<td>316</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>6.9</td>
<td>0.1</td>
<td>0.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td></td>
<td>2.8</td>
<td>(12)</td>
<td>(3.0)</td>
<td>(14)</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td></td>
<td>13</td>
<td>(13)</td>
<td>(3.0)</td>
<td>(3.0)</td>
</tr>
</tbody>
</table>
SIGNIFICANT REVENUE GROWTH

- Revenue growth across all regions – Accoya® wood revenue up 43% for the period vs H1 FY19
- 22% increase in volumes to MEDITE & FINSA to support Tricoya® market seeding

Sales volume by region/ purpose

- UK & Ireland: 28%
- Americas: 22%
- Cerdia: 15%
- Benelux, APA, RoW: 11%

Total volume sold: 28,113 m³ (H1 FY19: 21,379 m³)

Accoya® wood revenue by region/ purpose

- UK & Ireland: €13.0 million
- Tricoya®: €6.8 million
- Cerdia: €8.4 million
- Americas: €5.4 million
- Benelux, APA, RoW: €6.6 million

H1 FY18
H1 FY19
H1 FY20
PROFITABILITY

Accoya® segment revenue, and manufacturing margin

Accoya® segment revenue above excludes licence income and other income, predominantly for marketing services.
MOVEMENT IN NET DEBT

- Accoya® underlying EBITDA up 171% to €7.6m
- Tricoya® EBITDA reflects its pre-operating position
- Capex investment of €6.5m reflecting continued progress on the Tricoya® plant in Hull
- IFRS 16 ‘Leases’ standard adopted

Other movements include tax received, investment in intangible assets, interest received, proceeds from sale of own shares, other operating cash flows, other financing costs.
Helsinki, Finland

The ‘Wood City’ complex in Helsinki uses wood extensively for both structure and finish, with Accoya® cladding.

Architect:
Anttinen Oiva
STRATEGIC INVESTMENT FOR FURTHER PROFITABLE GROWTH

Arnhem Accoya® Plant Expansion:
• Arnhem plant operating at full capacity from end of FY19, planning underway for fourth reactor – to increase capacity from 60,000 m³ to 80,000 m³

Tricoya® Hull Plant Completion:
• Construction work at Hull progressing – c. €54m capex invested to date by TVUK; expected to be operational in H2 2020 calendar year, with targeted capacity of 30,000 metric tonnes of Tricoya® wood elements

Further international expansion opportunities:
• Initial feasibility plans progressing in US and Malaysia

Announcement today of Firm placing and Placing and Open offer to raise proceeds of c.€43m net of fees
   i. Expand and enhance the Arnhem Accoya® plant – c.€26 million
   ii. Complete construction of Tricoya® plant at Hull – c.€12 million
   iii. Fund preliminary work in United States – c.€15 million
   iv. Fund working capital requirements resulting from (i) and (ii) above – c.€3.5 million
INVESTING TO MEET ACCOYA® DEMAND

- Reactor 3 expansion (50% increase to 60,000m³) completed July 2018 – full capacity reached within 9 months
- Reactor 4 and other enhancements to Arnhem will:
  - Increase annual production capacity by c.33% to 80,000m³
  - Enable further growth from existing distributor base and repeat business
  - Provide greater flexibility for targeting new customers and markets
- Required Arnhem investment of c.€26m:
  - Design, construction and commissioning of Reactor 4: c.€20m
  - New chemical storage, wood stacker and automated handling equipment: c.€6m
- Gross margin target of c.30% and improved operating margins from economies of scale
- Reactor 4 payback approximately 3 years

Key indicative development milestones

- H2 FY19: Arnhem at capacity (Reactors 1-3)
- H2 FY20: Start of FEED (initial engineering design)
- H2 FY21: Start of R4 construction
- H1FY22: Wood-stacker operational
- H2 FY22: R4 operational
- FY24: R4 at capacity

€26m capex investment over duration

Note: FY refers to the Company’s Financial Year ending on 31 March and CY refers to Calendar Year
HULL PLANT PROGRESS

• Construction work in Hull progressing
  – c.€54m invested to date by TVUK
  – Engineering almost complete; construction substantially progressed
  – Previously reported issues concerning civil engineering works being addressed

• Delay in construction has resulted in additional forecast costs associated with the lead contractor, the project team and related activities being required for longer

• Plant expected to be operational in H2 CY20

• Long term profitability expectations for the plant remain unchanged
  – expected 40% gross margins once plant reaches near capacity

• Recruited first employees to make up total operations team of 31 to assist planning the commissioning of plant start-up

• Modular design to allow for efficient future expansion
HULL FUNDING REQUIREMENT

- Additional forecast project costs of c.€28 million
  - Accsys share is c.€12 million
  - Balance expected from Tricoya® Consortium (incl. BP, MEDITE) plus RBS debt

- MEDITE and FINSA expected to utilise the majority of the capacity of the Hull Plant as it ramps up operation

- Hull Plant targeted initial annual capacity of 30,000 metric tonnes of Tricoya® chips, enabling production of c.40,000m³ of Tricoya® panel products per annum

- Hull Plant anticipated to reach EBITDA breakeven at approximately 40% capacity

Key development milestones

<table>
<thead>
<tr>
<th>Mid-CY17</th>
<th>Mid-CY 20</th>
<th>H2 CY 20</th>
<th>FY24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction commenced</td>
<td>Construction complete</td>
<td>Plant start-up</td>
<td>Ramp up to full capacity expected</td>
</tr>
</tbody>
</table>

Note: FY refers to the Company’s Financial Year ending on 31 March and CY refers to Calendar Year
FURTHER INTERNATIONAL EXPANSION OPPORTUNITIES

United States
• North America identified as largest Accoya® market opportunity
• Increasing demand with sales volumes up 39% in H1FY20
• Progressing discussions with Eastman Chemical Company concerning a potential joint venture Accoya® production facility
• Preliminary site-specific engineering and economic evaluation work underway, leveraging Group’s existing expertise
• Up to c.€1.5m to be invested over 12-18 months prior to final investment decision

Malaysia
• Asian market growth potential identified, given number of panel manufacturers in region
• Feasibility evaluation underway with Petronas Chemical Group for an integrated acetic anhydride and Tricoya® production plant
• Decision to invest in plant and possible JV structure to follow on from commencement of Hull plant operations
POSITIONED FOR ONGOING GROWTH

• Proven strong market demand for Accoya® and Tricoya® with customers remaining on allocation
• Investment in Arnhem will increase capacity by 33% and further improve plant efficiency with 30% gross margin
• Hull construction completion expected by H2 CY20, targeting initial global market >16 million m³ p.a. and 40% gross margin
• Initial feasibility plans progressing in US and Malaysia to underpin longer term growth potential
• Ongoing R&D reflecting investment in platform technology and product development with further potential for growth

Key Group development milestones

- H2 FY19: R3 at capacity
- H2-CY20: Hull construction complete
- FY22: R4 operational
- FY22+: potential US / Malaysia / further Hull projects
- FY24+: 160,000 +m³ potential production capacity

Note: FY refers to the Company’s Financial Year ending on 31 March and CY refers to Calendar Year
ACCSYS IN ACTION

Wiltshire, UK

Accoya® wood window frames on the modular housing pods at the Dyson Institute of Engineering and Technology campus.

Architect: WilkinsonEyre
APPENDIX

Changing wood to change the world
OUR PRODUCTS

- Our solid timber product, acetylated at our Arnhem plant
- A high performance, sustainable alternative to tropical hardwoods, treated softwoods, PVC & aluminium
- Locks away carbon, while generations of new trees can grow in the extended lifetime of an Accoya® product
- Acetylation makes the sustainably-sourced wood resistant to swelling, shrinking and decay

Tricoya® wood elements are made into durable, stable Tricoya® panels by our licensees (MEDITE & FINSAN); the panels are expected to be high-value and high-margin products
- Currently made by chipping Accoya® to seed the market
- The Hull plant will acetylate wood chips expected to be sourced from the UK & Ireland
- Tricoya® is ideal for use in wet or humid areas: it opens up new markets which are unsuited to standard MDF

Current manufacturing capacity (2019):
60,000 m³
(2018: 40,000 m³)

Total revenue: (FY19)
€73.9m
(2018: €60.7m)

30,000 metric tonnes

Product categories

Windows & Doors
Cladding
Decking
Structural

Sales growth

Accoya® Customers
Tricoya® Customers
SUSTAINABILITY

• Demand growth for sustainable alternatives to man-made, non-renewable and high carbon footprint materials

• We give the world a choice to build more sustainably

• Our products fit perfectly into the sustainable circular economy ‘bio-cycle’, while having the same performance as non-renewable ‘techno-cycle’ building products

• Proven sustainability credentials, with certification from many respected eco-labels

• Accoya® is Cradle to Cradle Certified® (‘C2C’) overall Gold level since 2010, with Platinum certification for Material Health, contributing to green building programmes

• One of the first cohort of companies awarded the London Stock Exchange’s Green Economy Mark
INVESTMENT PROPOSITION

Substantial market opportunity
Potential sales for Accoya® and Tricoya® estimated to be in excess of 2.6 million cubic metres per annum. Accoya® sales in FY2019: 49,716m³

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

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

Scalable growth
Our manufacturing process and modular industrial design is based upon confidential know-how and protected IP which can be expanded and replicated world-wide.

Strong management team
Our Board and Senior Management team are highly committed and experienced, with varied backgrounds.
The Tricoya® Consortium is based on two entities:

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

Impact of the delay at Hull:

- TVUK additional expenditure of up to c.€28 million
- The Group’s expected share amounts to c.€12 million
- The balance of equity into TTL is being funded by other members of the Tricoya® Consortium and then into TVUK by TTL, BP Chemicals and MEDITE