

**Company** Accsys Technologies PLC  
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**ACCSYS TECHNOLOGIES PLC**  
("Accsys" or the "Company")

**TRADING UPDATE**

Accsys, the fast growing and sustainable chemical technology group, today announces a trading update for the financial year ending 31 March 2019:

- Significant increase in Accoya<sup>®</sup> sales volume of approximately 49,500 cubic metres for the year ending 31 March 2019 (2018: 42,676 cubic metres);
- Accoya<sup>®</sup> production now at a run-rate of approximately 60,000 cubic metres per annum following the full ramp-up of third reactor;
- Accoya<sup>®</sup> price increases successfully implemented from 1 January 2019;
- Group is now EBITDA positive following the increase in sales and production volumes together with price increases;
- Demand continues to exceed production with all customers remaining on allocation;
- Planning for a fourth Accoya<sup>®</sup> reactor in Arnhem continues to progress ahead of a decision expected in the middle of this calendar year;
- Construction of the Hull Tricoya<sup>®</sup> plant continues to progress. However, the Company has recently been notified by its lead contractor responsible for delivery of the project that structural engineering issues need to be addressed, principally re-enforcement of the main tower foundations and steel framework. This issue is the responsibility of the contractor and does not relate to Accsys' Tricoya<sup>®</sup> acetylation technology. A process is underway with the contractor to rectify the issue. As a result the operational start-up of the Hull Tricoya<sup>®</sup> plant is now expected to be delayed by a number of months into the 2020 calendar year. The Hull plant is now unlikely to generate revenue in the financial year ending on 31 March 2020 with the Arnhem plant also continuing to sell lower value Accoya for the manufacture of Tricoya panels. Group EBITDA for the year ended 31 March 2020 is now anticipated to be marginally below the previous range of market expectations. Revenue and profits from the Hull plant are now expected to be recorded in the financial year commencing 1 April 2020 with the expected longer term profitability of the Tricoya<sup>®</sup> plant and market opportunity remaining unchanged. Further information will be provided in due course;
- Work continues with PETRONAS Chemicals Group Berhad to evaluate the feasibility of jointly funding, designing, building and operating an integrated acetic anhydride and Tricoya<sup>®</sup> production plant in Malaysia; and
- We also continue to progress discussions in respect of the potential construction of an Accoya<sup>®</sup> plant in USA.

The Company's financial results for the year ended 31 March 2019 are expected to be announced in the second half of June 2019.

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION EU 596/2014. The person responsible for arranging for the release of this Announcement on behalf of Accsys is Angus Dodwell, Legal Counsel & Company Secretary.**

**Ends**

**For further information, please contact:**

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**Notes to editors:**

**Tricoya® Consortium** In March 2017, Accsys announced the formation of the Tricoya® Consortium to fund, build and operate the Tricoya® plant in Hull, UK. Members of the consortium include BP and the leading manufacturer of sustainable wood-based panels, Medite Europe DAC. Tricoya Ventures UK Ltd (TVUK), a subsidiary of Accsys, owns and will operate the Tricoya® plant. TTL exploits all Tricoya® related intellectual property and benefits from any Tricoya® related revenues other than those generated by the Tricoya® plant. The Tricoya® plant is expected to have an initial capacity of 30,000 metric tonnes of Tricoya® chips per annum, enough to produce approximately 40,000m<sup>3</sup> of Tricoya® panel products per annum. The Tricoya® plant is expected to reach EBITDA breakeven at approximately 40% design capacity and to take approximately four years to reach full capacity following completion. The location of the Tricoya® plant at Saltend Chemicals Park in Hull allows for expansion when market conditions dictate.

**Accsys Technologies PLC** ([www.accsysplc.com](http://www.accsysplc.com)) is a chemical technology group whose primary focus is on the production of Accoya® wood and Tricoya® wood elements, technology licensing via its subsidiary, Titan Wood Limited, which has manufacturing operations in Arnhem, the Netherlands (through its subsidiary Titan Wood B.V.), a European office in London, United Kingdom, an American office in Dallas, Texas (via its subsidiary Titan Wood, Inc.) and technology licensing associated with the acetylation of wood elements via its subsidiary Tricoya Technologies Limited. 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'. Accsys' operations comprise four principal business units: (i) Accoya® wood production; (ii) building and operating of Tricoya® wood chip acetylation plant in Hull; (iii) technology development, focused on a programme of continuous development of and improvements to the process engineering and operating protocols for the acetylation of solid wood and the development of technology for the acetylation of wood elements; and (iv) the licensing of technology for the production of Accoya® wood and Tricoya® wood elements across the globe.

**Accoya® Wood** ([www.accoya.com](http://www.accoya.com)) is produced using Accsys' proprietary patented acetylation technology that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a "high technology wood". Distinguished by its durability, dimensional stability and, perhaps most importantly of all, its reliability (in terms of consistency of both supply and quality), Accoya® wood is particularly suited to exterior applications where performance and appearance are valued. Moreover, the Accoya® wood production process does not compromise the wood's strength or machinability. The combination of dimensional stability, durability and retained strength means that Accoya® wood offers a wealth of new opportunities to architects, designers and specifiers. These benefits result in lower maintenance and total cost of ownership while using a higher

sustainable and environmental responsible building material. For a full archive of Accoya® news, visit [www.accoya.com/news](http://www.accoya.com/news).

**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 and particle-board. These products demonstrate enhanced durability and dimensional stability which allow them to be used in a variety of applications that were once limited to solid wood or man-made products. Exploitation of Accsys' proprietary technology relating to Tricoya® Wood Elements is carried out through Tricoya Technologies Limited. Tricoya® Wood Elements are lauded as the first major innovation in the wood composites industry in more than 30 years.

**Wood Acetylation** is a process which increases the amount of 'acetyl' molecules in wood, thereby changing its physical properties. When carried out to a sufficient level throughout the wood, this process protects wood from rot by making it "inedible" to most micro-organisms and fungi, without - unlike conventional treatments - making it toxic. It also greatly reduces the wood's tendency to swell and shrink, making it less prone to cracking and ensuring that, when painted, it requires dramatically reduced maintenance.

Accsys Technologies is the trading name of Titan Wood Limited. ACCOYA®, TRICOYA® and the Trimarque Device are registered trademarks owned by Titan Wood Limited ("TWL"), a wholly owned subsidiary of Accsys Technologies PLC, 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.