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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

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

Interim results for the six months ended 30 September 2024

Clear strategic progress, significant increase in Adjusted EBITDA and 10% increase in total sales volumes

Accsys, the world's leading supplier of premium, high performance and sustainable wood building materials, today announces its unaudited interim results for the six months to 30 September 2024 (H1 FY25).

	H1 FY25	H1 FY24	**Change**
Revenue			
Group	**€72.2m**	€71.2m	+1%
Aggregated (Group plus JV) [1]	**€74.1m**	€71.2m	+4%
Gross profit	**€22.2m**	€20.3m	+9%
Gross margin	**30.7%**	28.6%	+210bp
Adjusted EBITDA[2]	**€4.0m**	€1.6m	+€2.4m
Period end net debt[3]	**(€40.2m)**	(€48.2m)	+€8.0m
Sales Volumes m^3			
Arnhem	**30,372m^3**	28,807m^3	+5%
Total Arnhem and JV	**31,553m^3**	28,807m^3	+10%

Notes

[1] Accsys has a 60% shareholding in Accoya USA, a joint venture (JV) with Eastman Chemical Company which commenced operations during H1 FY25. Whilst the JV is equity accounted for financial reporting purposes, the aggregated revenue figure includes 60% of the JV revenue

[2] Adjusted EBITDA is defined as operating profit/(loss) before exceptional items and other adjustments, depreciation and amortisation, and includes the Group's 60% share of the JV's EBITDA. (See note 2 to the financial statements).

[3] Net debt at 31 March 2024 was €37.1m.

Dr Jelena Arsic van OS, CEO Accsys Technologies PLC said:

"Our results show strong progress. The transformation programme and the actions we have put in place are working. Accsys is continuing its growth momentum, delivering double digit growth in a relatively soft building materials market. At the same time the Group is materially improving profitability, and cash conversion. The Group is now better positioned to fulfil its attractive market potential.

Accsys has moved beyond its peak investment period. In H1, we have simplified and derisked the Group through the successful start-up of the Kingsport plant and the decision to discontinue the project in Hull. We are accelerating sales and marketing activities, and an operational turnaround is in progress.

As we look ahead, we are excited and pleased to upgrade guidance for the year. With our US facility fully operational, we have greater capacity to serve our customers in one of the world's most attractive markets with our industry leading wood building products. Our increased capacity and product availability mean we are in a strong position to capitalise on the building products. Our increased capacity and product availability mean we are in a strong position to capitalise on the anticipated improvement in market conditions as it occurs and deliver on our medium-term ambition of 100,000m³ sales volume."

Financial overview

- **10% increase in total Accoya sales volumes at 31,553m^3** (H1 FY24: 28,807m³) reflecting robust customer demand for our materials despite continued challenging market conditions in the global construction and building materials sectors
    - North America sales volumes showed impressive growth of 18% year on year at 4,983m³, highlighting growth potential for the newly operational Kingsport site
    - Volumes in regions outside of the US are up +8%, driven by robust performances in the UK, France, Benelux, and ROW
    - Accoya for Tricoya sales volumes are up 7% year-on-year, underlining Tricoya's long-term potential
- **4% growth in aggregated revenue** (inclusive of JV) at €74.1m
    - Revenue growth driven by increased sales volumes across regions, with average sales price across the mix maintained at a high level.
    - Aggregated wood revenue increased by 7%, partially offset by a reduction in non-wood revenues, primarily acetic acid sales, which have a natural hedge against acetyls purchasing.
- **Gross margins exceeding 30% target**
    - 9% increase in gross profit driven by increased sales volumes and optimisation of wood procurement
- **€2.4m growth in adjusted EBITDA to €4.0m,** driven by robust demand, pricing discipline and 22% reduction in underlying operating costs
    - Business transformation programme delivered €2.5m savings compared to H1 FY24
    - Additionally, lower operating costs in Hull contributed to a €1.4m saving compared to H1 FY24
- €3.3m increase in US JV EBITDA loss (to €4.3m) compared to H1 FY24 (€1.0m) as Accoya USA concluded its pre-operating activity and initiated commercial operations in the period
- Tricoya UK resolves to enter creditors voluntary liquidation with an exceptional restructuring cost of €3.9m recognised in the period and a final exceptional non-cash impairment charge of €18m.
    - Annual operating cost savings of €3m are expected from the Hull plant closure.
- Large capital expenditure projects now complete, derisking the business and moving past the point of peak investment
- **Net debt at 30 September of €40.2m,** an increase of €3.1m from the end of the last financial year, primarily due to planned investments of €7.2m into the US joint venture

Operational highlights

- **Good progress made on FY25 operational targets:**
    - Accoya USA site: The joint venture Accoya production facility in Kingsport, Tennessee is now commercially operational
    - Operational efficiencies: the Solid Roots program is on track to deliver a 500 basis points improvement in overall equipment effectiveness (OEE) at our Arnhem facility in the financial year
    - Cost savings: The Company is on track to deliver €3m of cost savings from the business transformation programme in FY25, in addition to annualised cost savings of €3m from Hull closure
- Acceleration of sales and marketing, supporting progress towards run rate of 100,000m³ by end of FY27
- New CFO Sameet Vohra appointed on 30 September 2024

Current trading and outlook

- Accsys has made a good start to H2 FY25 and expects full year results to be significantly ahead of market consensus[1]
- While market conditions are expected to remain challenging in the near term, the Group expects total sales volumes in H2 FY25 to maintain growth momentum, driven by positive demand development in key European markets and the new capacity in the USA
- The Group will focus on maximising sales and marketing to produce returns on its major plants in Arnhem and Kingsport
- With the gross margin maintained, the Company will continue to benefit from the business transformation programme and savings from the closure of Hull
- As Accoya USA continues to ramp up, underlying profitability is expected to improve in the second half of

the year

- The Company will hold an Investor Strategy Day at its Arnhem site on 30 January 2025

[1]Accsys considers market consensus for FY25 Adjusted EBITDA to be €7.6m

Ends

This announcement comprises inside information for the purposes of EU MAR and UK MAR. The person responsible for making this announcement is Sameet Vohra, Chief Financial Officer, Accsys Technologies PLC.

There will be a presentation relating to these results at 10.00am UK time on 26 November 2024. The presentation will take the form of a webcast and conference call, details of which are below:

Webcast link (for audio and visual presentation):
Click on the link below or copy and paste ALL of the following text into your browser:
https://edge.media-server.com/mmc/p/w2vdyi7k

Phone Participants: for those participants who would like to ask a question live over the phone lines, please register on the following link. You will then be sent a confirmation email with a link to dial-in numbers.
https://register.vevent.com/register/BIbf6ff62bb55c4a69bbe5e403916af68f

Enquiries:

Investor Relations / Analysts: ir@accsysplc.com

Media: Clemens Sassen, Tessa Nelissen, Huijskens Sassen Communications (NL) +31 (0) 20 68 55 955

Deutsche Numis (London): Oliver Hardy (NOMAD), Ben Stoop +44 (0) 20 7260 1000

ABN Amro (Amsterdam): Richard van Etten, Dennis van Helmond +31 20 344 2000

Accsys Technologies PLC

CEO Review

Overview of H1 FY25

I am excited by the significant progress we have made in the first half of FY25, both operationally and financially. The team's hard work has delivered strong results, and I'm proud of how we've enhanced our efficiency, derisked the business and are creating increased value for all our customers and stakeholders. We are continuing to build strong fundamentals for Accsys' future.

We have delivered strong profitability progression more than doubling EBITDA on a year-to-year comparison. This was driven by robust sales, lower operating expenditure resulting from our business transformation programme and maintenance of a high average sales price across the mix. We delivered a 4% increase in aggregated revenues inclusive of our joint venture, compared to the same period last year, reflecting higher sales volumes. Aggregated wood revenue increased by 7%, partially offset by a reduction in non-wood revenues, primarily acetic acid sales, which have a natural hedge against acetyls purchasing. Increased sales volumes and optimized wood mix supported a 9% increase in gross profit.

Beyond the financial performance I am pleased by the strong progress we have made operationally in H1 to simplify and de-risk the Group, focusing on strengthening its fundamentals. We successfully commenced commercial operations at Accoya USA, our joint venture with Eastman Chemical Company, bringing local production to one of the world's most attractive markets for Accoya and increasing our global production capacity. Manufacturing performance at the new site is progressing well and in line with expectations. While pre-operational and ramp-up costs have been higher than anticipated for this period, we are confident that the site's underlying profitability will strengthen in H2 as production volumes and customer sales grow further.

Our Arnhem facility had a good performance in H1. The underlying EBITDA from Arnhem was robust, delivering €13m for the period compared to €9m in H1 FY24.

Following a thorough review of all available strategic and funding options for Tricoya UK, Accsys announced on 19 September 2024 that it would discontinue the Tricoya plant in Hull owned by Tricoya UK. Since that time, various steps have been taken to wind down the remaining operations of Tricoya UK[1] and it has now been resolved that this business will enter creditors voluntary liquidation. The Board is very grateful for the dedication and hard work of the small yet valuable TUK team that has supported the project from its inception. The decision to discontinue the Hull Plant derisks the business from exposure to unfinished capital projects and enables the Company to fully focus on business development from Arnhem and Kingsport.

The Group has recognised an exceptional restructuring cost of €3.9m in the period and an exceptional non-cash impairment charge of €18m. The Group will benefit from annual operating cost savings of €3m from the plant closure.

I want to reiterate that our belief in Tricoya products remains strong. Accsys is fully committed to continuing to develop and grow the Tricoya product line from our Arnhem site in partnership with our long-standing customers. Demand for Tricoya is growing, with a 7% increase in our sales volumes in H1. We are focusing on operational efficiencies in the production of Accoya for Tricoya from Arnhem, including increasing the use of more cost-effective pine species for this product line.

Our business transformation programme is delivering results. We have made operational cost savings in the first half of €2.5m compared to the same period last year. The team is now more agile with faster decision making, driving operational efficiencies and empowering leadership.

We are making good strides with phase one of our FOCUS strategy. We have worked hard to quickly embed our new assets, ensuring a smooth transition from volumes being sold out of Arnhem to the USA. We are sharing best practices and learnings between the two sites and accelerating our sales and marketing to progress towards our target of a run rate of 100,000m^3 by the end of FY27. We have made strong progress with our Solid Roots operational efficiency programme in Arnhem moving us towards a mature manufacturing performance. In the period we have improved the overall equipment effectiveness of our key equipment and are on track for a 500 basis points improvement in the financial year.

Safe and sustainable operations remain an absolute priority. We are proud to have re-certified our Accoya Color product Cradle to Cradle Certified™ Gold, demonstrating the product's strong circular economy attributes. Preparations have been made to ensure compliance with EUDR requirements when they come into force as well as the EU Corporate Sustainability Reporting Directive.

Product and sales review

Global demand for Accoya remains strong, with a 10% increase in gross Accoya sales volumes at 31,553m^3. With continued challenging conditions in the global construction industry, H1 sales volumes grew ahead of the broader building materials market.

[1]The following previous Accsys Board directors sit on the Board of Tricoya UK Limited or have done so over the past 12 months : Johannes Catharina Hermanus Leonardus ('Hans') Pauli and Steven James Salo (resigned from the board of Tricoya UK Limited on 16 May 2024).

	H1 FY25	**Growth on PY**
Accoya wood revenue (inclusive of share of JV revenues)	**€67.4m**	**7%**
Accoya and Accoya Color Sales volumes by end market	**H1 FY25 m3**	**Growth on PY**
UK and Ireland	7,622	24%
Rest of Europe	7,274	(2%)
North America	4,983	18%
Rest of world	2,692	2%
Total:	**22,571**	**11%**
Accoya for Tricoya	8,982	7%
Total volumes:	**31,553**	**10%**

Revenues from Accoya wood grew by 7% in the first half of FY25 to €67.4m, driven by good product demand and increased production capacity following the commercial start-up of Accoya USA in Q2.

Total Accoya sales volumes grew by 10% to 31,553m^3, with good performances recorded in North America +18% and our largest current market, the UK&I +24%. UK growth was supported by customers feeling more confident in supply consistency following the enhancements at Arnhem and opening of Accoya USA. Good growth in certain European markets, including France and Benelux, was offset by continued tough market conditions in Germany.

To gain market share and establish presence in new markets the company has worked on some selective discounting programmes, whilst maintaining our gross margin at our target level.

programmes, whilst maintaining our gross margin at our target level.

To support our increased capacity and FOCUS strategy, we continue to invest in the commercial organisation and our relationships with distribution partners, especially in the US market to expand distribution there now that we have local supply.

In terms of product mix, sales for Accoya Color, have been strong. Growing this higher margin product line is a key part of our FOCUS strategy.

H2 will be the Company's first full half year with the North American market wholly supplied by Accoya USA. Accsys will continue to accelerate sales and marketing efforts with a target to refill the available capacity at Arnhem within 12 months of the Accoya USA start-up on a run rate basis.

Outlook

We expect full year results to be significantly ahead of market consensus.[1]

In H2, we expect to realise the benefits from a more focused and simplified business model delivering improved profitability, continued cost discipline and cash generation. With peak capital investment behind us the Group is significantly derisked.

Our major next steps are to further grow our products' market share in all our regions, continue to enhance our customer experience and maintain the gross margin target. We will continue to invest in demand creation as we expect those returns to come quickly. Markets are expected to remain challenging in the near term though we anticipate that we will continue to gain market share. Our demand creation activities are proving successful, we have already welcomed four new distributors in H2, including two in the US, and expect to see the benefits of our broader distribution network coming through.

Over the longer-term, our expansion has significant capacity to deliver sustainable organic volume growth. We remain confident that our premium product offering will enable us to grow our market share and successfully navigate changing market conditions to deliver our mid-term strategy.

Dr. Jelena Arsic Van Os

Chief Executive Officer

26 November 2024

[1]Accsys considers market consensus for FY25 Adjusted EBITDA to be €7.6m

Accsys Technologies PLC

CFO review

Statement of comprehensive income

Total sales volumes (including sales from both the Arnhem and Kingsport plants) increased 10% on the prior year to 31,553m^3. Sales volumes from our Arnhem plant increased 5% to 30,372m^3 on the prior period (28,807m^3). Following the commercial and operational startup of the Kingsport site (which is a US joint venture with Eastman Chemical Company, and equity accounted for in the financial statements), North American sales previously sold from the Arnhem plant, were transferred to the Kingsport site.

Revenue for the period increased by 1% to €72.2m (H1 FY24: €71.2m), primarily due to the increase in sales volume, an average sales price maintained at a high level, but partially offset by lower average sales prices for acetic acid. Revenue increased 4% on an aggregated basis (including Accsys's 60% portion of the US JV's revenue).

Tricoya panel revenue decreased by €0.7m during the period to €2.2m (H1 FY24: €2.9m), representing Accsys purchasing and selling Tricoya panels produced by our Accoya for Tricoya customers.

Other revenue, which predominantly relates to the sale of our acetic acid by-product into the acetyls market, decreased by 16% to €4.1m (H1 FY24: €4.9m), reflecting lower acetic acid sales prices. These sales act as a partial hedge to acetic anhydride costs. Net acetyls costs (proportional combination of acetic anhydride cost and acetic acid sales price) were in line with the prior year.

Raw wood input costs were lower compared to the prior year period following our use of higher-cost appearance grade wood for Accoya for Tricoya production during H1 FY24 as we sought to lower raw material inventory levels. In H2 FY24 we returned to using more cost-effective Spanish radiata pine and other wood chip grade wood for Accoya for Tricoya production, and this continued in H1 FY25.

Cost of sales decreased by 2%, with 5% higher sales volumes partially offset by lower raw wood costs and lower maintenance costs.

Gross profit of €22.2m was 9% higher than in the prior year (H1 FY24: €20.3m) and gross profit margin improved by 210bps to 30.7%.

Underlying other operating costs (excluding depreciation and amortisation) decreased €3.9m to €13.8m (H1 FY24: €17.7m). This is due to a decrease in Tricoya UK's operating costs compared to the prior year (€1.4m) and lower operating costs arising from the business transformation programme actioned in H2 FY24.

Depreciation and amortisation charges of €4.6m were in line with the prior year.

Underlying net finance costs increased €1.4m to €3.0m primarily due to higher interest rates agreed during the November 2023 fundraise.

Following the Board's decision to discontinue and wind-up the Hull plant, the following has been recognised as exceptional items in the first half:

- An impairment loss (exceptional non-cash item) of €18.0m was recognised reflecting the full impairment of the remaining Tricoya segment assets related to the Hull plant (2024: €7.0m).

- A restructuring cost (exceptional cash item) of €3.9m

- The release of the financial liability of €1.1m raised for the Value Recovery Instrument (see note 11).

Accsys' share of its US joint venture (Accoya USA LLC) net loss after tax, which is accounted for using the equity method, increased by €4.9m to €6.1m (H1 FY24 loss: €1.2m) as the entity increased its pre-operating activity and commenced commercial operations in the period.

Adjusted EBITDA (Group EBITDA before exceptional items and including 60% of the US Joint venture's EBITDA) increased by €2.4m to €4.0m due to higher sales volumes, higher gross profit generated, and lower operating costs, partially offset by the €3.3m proportional increase in the US Joint venture's EBITDA loss.

Underlying loss before tax increased by €0.4m to €5.4m (H1 FY24: loss of €5.0m). After taking into account exceptional items (including the impairment loss and restructuring cost), loss before tax amounted to €26.2m (H1 FY24: €13.1m).

The tax charge increased by €0.9m to €1.3m (H1 FY24: €0.4m), due to a €0.6m increase relating to tax charges from prior periods, with the current year tax increasing in line with the underlying higher profitability during the year.

Underlying loss per share increased to €0.03 per share (H1 FY24: loss of €0.02 per share). A statutory loss per share was recognised of €0.12 per share (H1 FY24: €0.06 per share).

Cash flow

Cash flows generated from operating activities before changes in working capital increased by €6.9m to €8.7m (H1 FY24: €1.8m), following the higher EBITDA generated (excluding the US JV) during the year. Free cashflow (net cash from operating activities less capex) improved to €8.1m inflow (H1 FY24: €1.7m outflow) following higher cash generated from operating activities and a decrease in capex spend compared to the prior year period.

Inventory levels decreased by €1.8m with continued management action taken to decrease raw material levels during the period. €7.2m was invested as planned into the US joint venture (Accoya USA LLC) during the year, as the company completed construction of its Accoya plant in Kingsport, Tennessee, and commenced commercial operation.

At 30 September 2024, the Group held cash balances of €26m, a €1.4m decrease in the period, attributable to the €7.2m investment into our US joint venture, capex (€0.6m), interest payments on the ABN Amro term loan (€0.8m), lease and other financing payments, partially offset by the positive operating cashflow generated during the period, referred to above.

Financial position

Plant and machinery additions of €0.6m (H1 FY24: €1.1m) consisted primarily of maintenance capex for the Arnhem plant.

Trade and other receivables increased to €19.9.m (H1 FY24: €13.6m) primarily due to the higher sales than the prior year period and higher trading revenues with Accoya USA LLC.

Trade and other payables reduced by €2.4m to €19.0m (H1 FY24: €21.4m), attributable to a decrease in operational creditors.

A restructuring provision of €4.4m has been recognised to discontinue and wind-up the Hull plant. The difference to the exceptional charge (€3.9m) recognised of €0.5m relates to an amount previously held as a liability and reclassified into the restructuring provision.

Amounts payable under loan agreements increased to €61.7m during the period (31 March 2024: €60.2m) following the capitalisation of interest on the Convertible loan notes and Tricoya UK's Natwest facility.

Net debt increased by €3.1m in the period to €40.2m (31 March 2024: €37.1m) following the investment into our US joint venture (€7.2m), capex (€0.6m), capitalised interest on borrowings (€1.4m) and other financing costs partially offset by the positive operating cashflow generated during the period.

Risks and uncertainties

As described on page 40 to 45 of the Accsys 2024 Annual Report, the business, financial condition or results of operations of the Group could be adversely affected by a number of risks. The Group's systems of control and protection are designed to help manage and control risks to an appropriate level rather than to eliminate them. These specific principal risks and related mitigations - as currently identified by Accsys' risk management process - have not changed significantly since the publication of the 2024 Annual Report in July of this year. These risks relate to the following areas: finance, health, safety & environment; Kingsport plant; licensing/partnering and protection of intellectual property; market and supply chain disruption; manufacturing; talent; sale of products; environmental, social & governance (ESG), sustainability and climate related risk; IT; reputational risk and governance, compliance & law.

Going concern

Going concern

The condensed consolidated financial statements are prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future, and at least for the 12 months from the date these financial statements are approved (the 'going concern period'). As part of the Group's going concern review, the Directors have assessed the Group's trading forecasts, working capital and liquidity requirements, and bank facility covenant compliance for the going concern period under a base case scenario and a severe but plausible downside scenario.

The cash flow forecasts used for the going concern assessment represent the Directors' best estimate of trading performance and cost implications in the market based on current agreements, market experience and consumer demand expectations. These forecasts indicate that, in order to continue as a going concern, the Group is dependent on achieving a certain level of performance relating to the production and sale of Accoya, and the management of its working capital.

In both scenarios, and following the announcement to discontinue and wind up the Tricoya UK plant, the Directors have assumed an exceptional cash cost of approximately €4 million.

The Directors' have also considered the possible quantum and timing of funding required to fund and ramp up Accoya USA's operations. Accsys has a contractual obligation to fund its 60% share of Accoya USA LLC on a pro rata basis with its joint venture partner (Eastman Chemical Company). This funding has been considered in both scenarios.

The Group is also dependent on the Group's financial resources including its existing cash position, banking and finance facilities (see note 11 for details).

The Directors considered a severe but plausible downside scenario against the base case with reduced Accoya sales volumes and increased funding into Accoya USA LLC and a reverse stress test was performed to determine the decrease in Accoya sales volume from the Arnhem plant required to breach banking covenants. The Directors do not expect the assumptions in the severe but plausible downside scenario or the reverse stress test scenario to materialise, but should they unfold, the Group has several mitigating actions it can implement to manage its going concern risk, such as deferring discretionary capital expenditure and implementing further cost reductions to maintain a sufficient level of liquidity and covenant headroom during the going concern period. The combined impact of the above downside scenarios and mitigations does not trigger a minimum liquidity breach or covenant breach at any point in the going concern period. In the reverse stress test, a decrease of approximately 5% on Accoya sales volume from the Arnhem plant compared to an equivalent prior year period or a decrease of approximately 20% compared to the equivalent base scenario period was required to reach the banking covenant breach point.

The Directors believe that while some uncertainty always inherently remains in achieving the budget, in particular in relation to market conditions outside of the Group's control, after carefully considering all the factors explained in this statement, there is sufficient liquidity and covenant headroom such that there is no material uncertainty with respect to going concern and have prepared the financial statements on this basis.

Sameet Vohra

Chief Financial Officer

26 November 2024

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Accsys Technologies PLC

Condensed consolidated statement of comprehensive income for the six months ended 30 September 2024

	Note	Unaudited 6 months ended 30 Sept 2024	Unaudited 6 months ended 30 Sept 2024	**Unaudited 6 months ended 30 Sept 2024**	Unaudited 6 months ended 30 Sept 2023	Unaudited 6 months ended 30 Sept 2023	**Unaudited 6 months ended 30 Sept 2023**	Audited Year ended 31 March 2024	Audited Year ended 31 March 2024	**Audited Year ended 31 March 2024**

		Underlying	Exceptional items*	**Total**	Underlying	Exceptional items*	**Total**	Underlying	Exceptional items*	**Total**
		€'000	€'000	**€'000**	€'000	€'000	**€'000**	€'000	€'000	**€'000**
Accoya wood revenue		65,581	-	**65,581**	63,313	-	**63,313**	123,139	-	**123,139**
Tricoya panel revenue		2,159	-	**2,159**	2,918	-	**2,918**	4,134	-	**4,134**
Licence revenue		339	-	**339**	46	-	**46**	77	-	**77**
Other revenue		4,139	-	**4,139**	4,930	-	**4,930**	8,820	-	**8,820**
Total revenue	2	72,218	-	**72,218**	71,207	-	**71,207**	136,170	-	**136,170**
Cost of sales		(50,066)	-	**(50,066)**	(50,865)	-	**(50,865)**	(95,287)	-	**(95,287)**
Gross profit		22,152	-	**22,152**	20,342	-	**20,342**	40,883	-	**40,883**
Other operating costs	3	(18,449)	(21,871)	**(40,320)**	(22,482)	(8,200)	**(30,682)**	(41,927)	(8,200)	(50,127)
Operating profit/(loss)		**3,703**	**(21,871)**	**(18,168)**	(2,140)	(8,200)	**(10,340)**	(1,044)	(8,200)	**(9,244)**
Finance income		197	1,102	**1,299**	30	89	**119**	138	281	**419**
Finance expense		(3,196)	-	**(3,196)**	(1,640)	-	**(1,640)**	(4,418)	249	**(4,169)**
Share of loss after tax of joint venture accounted for using the equity method	12	(6,098)	-	**(6,098)**	(1,211)	-	**(1,211)**	(4,100)	-	**(4,100)**
Loss before taxation		(5,394)	(20,769)	**(26,163)**	(4,961)	(8,111)	**(13,072)**	(9,424)	(7,670)	**(17,094)**
Tax expense	5	(1,330)	-	**(1,330)**	(420)	-	**(420)**	(765)	-	(765)
Loss for the period		(6,724)	(20,769)	**(27,493)**	(5,381)	(8,111)	**(13,492)**	(10,189)	(7,670)	**(17,859)**
Items that may be reclassified to profit or loss										
Gain/(loss) arising on translation of foreign operations		(23)	-	**(23)**	22	-	**22**	2	-	2
Total other comprehensive (expense)/income		(23)	-	**(23)**	22	-	**22**	2	-	**2**
Total comprehensive loss for the period		(6,747)	(20,769)	**(27,516)**	(5,359)	(8,111)	**(13,470)**	(10,187)	(7,670)	**(17,857)**
Basic loss per ordinary share	6	€(0.03)	-	€(0.12)	€(0.02)	-	€(0.06)	€(0.04)	-	€(0.08)
Diluted loss per ordinary share	6	-	-	-	-	-	-	-	-	-

The notes form an integral part of these condensed financial statements.

* See note 4 for details of exceptional items.

Accsys Technologies PLC

Condensed consolidated statement of financial position at 30 September 2024

	Unaudited	Unaudited	Audited

	Note	6 months ended 30 Sept 2024 €'000	6 months ended 30 Sept 2023 €'000	Year ended 31 March 2024 €'000
Non-current assets				
Intangible assets	7	6,652	10,369	10,048
Investment accounted for using the equity method	12	32,347	29,648	31,685
Property, plant and equipment	8	76,254	96,612	93,474
Right of use assets		2,976	4,210	3,736
		118,229	140,839	138,943
Current assets				
Inventories		23,984	31,812	25,743
Trade and other receivables		19,886	13,643	17,612
Cash and cash equivalents		26,000	20,780	27,427
Corporation tax receivable		203	460	250
		70,073	66,695	71,032
Current liabilities				
Trade and other payables		(19,010)	(21,411)	(18,797)
Lease liabilities		(860)	(943)	(690)
Borrowings	11	(2,250)	(9,500)	-
Corporation tax payable		(7,996)	(6,500)	(6,719)
Provisions		(4,382)	-	-
		(34,498)	(38,354)	(26,206)
Net current assets		35,575	28,341	44,826
Non-current liabilities				
Lease liabilities		(3,672)	(3,845)	(3,648)
Borrowings	11	(59,402)	(54,680)	(60,204)
Financial liability at amortised cost		-	(1,293)	(1,102)
		(63,074)	(59,818)	(64,954)
Total net assets		90,730	109,362	118,815
Equity				
Share capital	9	12,022	11,002	11,976
Share premium account		262,903	250,717	262,394
Other reserves	10	114,406	114,743	114,743
Retained loss		(298,675)	(267,243)	(270,421)
Own shares		(34)	(8)	(8)
Foreign currency translation reserve		108	151	131
Total equity attributable to owners of Accsys Technologies PLC		90,730	109,362	118,815

The notes form an integral part of these condensed financial statements.

Accsys Technologies PLC

Condensed consolidated statement of changes in equity for the six months ended 30 September 2024

	Share capital Ordinary €'000	Share premium €'000	Other reserves €'000	Own Shares €'000	Foreign currency trans-lation reserve €'000	Retained loss €'000	Total equity €'000
Balance at 31 March 2023	10,963	250,717	114,743	(8)	129	(254,042)	122,502
Loss for the period	-	-	-	-	-	(13,492)	(13,492)
Other comprehensive income for the year	-	-	-	-	22	-	22
Share based payments	-	-	-	-	-	330	330
Shares issued	39	-	-	-	-	(39)	-
Balance at 30 Sept 2023 (unaudited)	11,002	250,717	114,743	(8)	151	(267,243)	109,362

Loss for the period	-	-	-	-	-	(4,328)	(4,328)
Other comprehensive income for the year	-	-	-	-	(20)	-	(20)
Share based payments	-	-	-	-	-	1,150	1,150
Shares issued	974	-	-	-	-	-	974
Premium on shares issued	-	12,319	-	-	-	-	12,319
Share issue costs	-	(642)	-	-	-	-	(642)
Balance at 31 March 2024	11,976	262,394	114,743	(8)	131	(270,421)	118,815
Loss for the period	-	-	-	-	-	(27,493)	(27,493)
Other comprehensive income for the year	-	-	-	-	(23)	-	(23)
Share based payments	-	-	-	-	-	(232)	(232)
Shares issued	46	-	-	(26)	-	(20)	-
Premium on shares issued	-	509	-	-	-	(509)	-
Share issue costs	-	-	-	-	-	-	-
Foreign exchange hedge movement	-	-	(337)	-	-	-	(337)
Balance at 30 Sept 2024 (unaudited)	12,022	262,903	114,406	(34)	108	(298,675)	90,730

Ordinary share capital is the amount subscribed for shares at nominal value (note 9).

Share premium represents the excess of the amount subscribed for ordinary share capital over the nominal value of these shares, net of share issue expenses.

See note 10 for details on Other reserves.

Foreign currency translation reserve arises on the re-translation of the Group's USA subsidiary's net assets which are denominated in a different functional currency, being US dollars.

Retained loss represents the cumulative losses of the Group attributable to the owners of the parent.

The notes form an integral part of these condensed financial statements.

Accsys Technologies PLC

Condensed consolidated statement of cash flow for the six months ended 30 September 2024

	Unaudited 6 months ended 30 Sept 2024 €'000	Unaudited 6 months ended 30 Sept 2023 €'000	Audited Year ended 31 March 2024 €'000
Loss before taxation	(26,163)	(13,072)	(17,094)
Adjustments for:			
Amortisation of intangible assets	671	391	828
Depreciation of property, plant and equipment and right of use assets	3,967	4,378	8,751
Impairment loss	21,871	7,000	7,000
Net finance expense	1,897	1,521	3,750
Equity-settled share-based payment (credit)/expense	(232)	330	1,480
Accsys portion of Licence fee received from joint venture	450	-	-
Share of loss after tax of joint venture	6,098	1,211	4,100
Currency translation losses	93	66	108

Cash inflows from operating activities before

Cash inflows from operating activities before changes in working capital	8,652	1,825	8,923
(Increase) / decrease in trade and other receivables	(2,344)	4,451	393
Decrease / (increase) in inventories	1,759	(1,868)	4,203
Increase / (decrease) in trade and other payables	650	(3,778)	(6,403)
Net cash from operating activities before tax	8,717	630	7,116
Tax received	-	-	81
Net cash from operating activities	8,717	630	7,197
Cash flows from investing activities			
Investment in property, plant and equipment	(602)	(2,023)	(3,090)
Investment in intangible assets	(59)	(268)	(385)
Investment in joint venture	(7,210)	-	(4,926)
Net cash used in investing activities	(7,871)	(2,291)	(8,401)
Cash flows from financing activities			
Proceeds from borrowings	-	-	9,901
Other finance costs	(439)	(36)	(36)
Interest paid	(771)	(1,311)	(2,912)
Interest received	197	30	138
Repayment of lease liabilities	(444)	(736)	(1,044)
Repayment of borrowings	-	(2,250)	(17,000)
Proceeds from issue of share capital	-	-	13,332
November 2023 fundraise transaction costs	(476)	-	(642)
Net cash from financing activities	(1,933)	(4,303)	1,737
Net (decrease) in cash and cash equivalents	(1,087)	(5,964)	533
Effect of exchange gain on cash and cash equivalents	(340)	151	301
Opening cash and cash equivalents	27,427	26,593	26,593
Closing cash and cash equivalents	26,000	20,780	27,427

The notes form an integral part of these condensed financial statements.

Accsys Technologies PLC

Notes to the financial statements for the six months ended 30 September 2024

1. Accounting policies

General Information

The principal activity of the Group is the production and sale of Accoya solid wood and exploitation of technology for the production and sale of Accoya wood and Tricoya wood chips. Manufactured through the Group's proprietary acetylation processes, these products exhibit superior dimensional stability and durability compared with alternative natural, treated and modified woods as well as more resource intensive man-made materials.

The Company is a public limited company, which is listed on AIM in the United Kingdom and Euronext in the Netherlands, and is domiciled in the United Kingdom. The registered office is 4th Floor, 3 Moorgate Place, London EC2R 6EA.

The unaudited condensed consolidated financial statements were approved on 25 November 2024.

Basis of accounting

The Group's condensed consolidated financial statements in these interim results have been prepared in accordance with IFRS issued by the International Accounting Standards Board as endorsed by the European Union and as adopted for use in the United Kingdom, in particular International Accounting Standard (IAS) 34 "interim financial reporting" and the AIM Rules for Companies and the Dutch Financial Markets Supervision Act.

The financial information for the six months ended 30 September 2024 and the six months ended 30 September 2023 is unaudited. The comparative financial information for the full year ended 31 March 2024 does not constitute the Group's statutory financial statements for that period although it has been derived from the statutory financial statements for the year then ended. A copy of those statutory financial statements has been delivered to the Registrar of Companies and which were approved by the Board of Directors on 25 June 2024. The auditors' report on those accounts was unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. This financial information is to be read in conjunction with the annual report for the year ended 31 March 2024, which has been prepared in accordance with both International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

Accounting policies

No new accounting standards, amendments or interpretations have been adopted in the period which have any impact on these condensed financial statements, or are expected to affect the Group's annual report for the year ended 31 March 2024. The accounting policies applied for preparation of condensed consolidated financial statements are consistent with those of the annual financial statements for the year ended 31 March 2024, as described in those financial statements.

Going concern

The condensed consolidated financial statements are prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future, and at least for the 12 months from the date these financial statements are approved (the 'going concern period'). As part of the Group's going concern review, the Directors have assessed the Group's trading forecasts, working capital and liquidity requirements, and bank facility covenant compliance for the going concern period under a base case scenario and a severe but plausible downside scenario.

The cash flow forecasts used for the going concern assessment represent the Directors' best estimate of trading performance and cost implications in the market based on current agreements, market experience and consumer demand expectations. These forecasts indicate that, in order to continue as a going concern, the Group is dependent on achieving a certain level of performance relating to the production and sale of Accoya, and the management of its working capital.

In both scenarios, and following the announcement to discontinue and wind up the Tricoya UK plant, the Directors have assumed an exceptional cash cost of approximately €4 million.

The Directors' have also considered the possible quantum and timing of funding required to fund and ramp up Accoya USA's operations. Accsys has a contractual obligation to fund its 60% share of Accoya USA LLC on a pro rata basis with its joint venture partner (Eastman Chemical Company). This funding has been considered in both scenarios.

The Group is also dependent on the Group's financial resources including its existing cash position, banking and finance facilities (see note 11 for details).

1. Accounting policies (continued)

Going concern (continued)

The Directors considered a severe but plausible downside scenario against the base case with reduced Accoya sales volumes and increased funding into Accoya USA LLC and a reverse stress test was performed to determine the decrease in Accoya sales volume from the Arnhem plant required to breach banking covenants. The Directors do not expect the assumptions in the severe but plausible downside scenario or the reverse stress test scenario to materialise, but should they unfold, the Group has several mitigating actions it can implement to manage its going concern risk, such as deferring discretionary capital expenditure and implementing further cost reductions to maintain a sufficient level of liquidity and covenant headroom during the going concern period. The combined impact of the above downside scenarios and mitigations does not trigger a minimum liquidity breach or covenant breach at any point in the going concern period. In the reverse stress test, a decrease of approximately 5% on Accoya sales volume from the Arnhem plant compared to an equivalent prior year period or a decrease of approximately 20% compared to the equivalent base scenario period was required to reach the banking covenant breach point.

The Directors believe that while some uncertainty always inherently remains in achieving the budget, in particular in relation to market conditions outside of the Group's control, after carefully considering all the factors explained in this statement, there is sufficient liquidity and covenant headroom such that there is no material uncertainty with respect to going concern and have prepared the financial statements on this basis.

2. Segmental reporting

Accoya

Accoya Segment

	6 months ended 30 September 2024	6 months ended 30 September 2024	**6 months ended 30 September 2024**	6 months ended 30 September 2023	6 months ended 30 September 2023	**6 months ended 30 September 2023**	12 months ended 31 March 2024	12 months ended 31 March 2024	**12 months ended 31 March 2024**
	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**
	€000	€000	**€000**	€000	€000	**€000**	€000	€000	**€000**
Accoya wood revenue	65,581	-	65,581	63,313	-	63,313	123,139	-	**123,139**
Licence revenue	300	-	300	-	-	-	-	-	**-**
Other revenue	4,134	-	4,134	4,887	-	4,887	8,770	-	**8,770**
Total Revenue	70,015	-	**70,015**	68,200	-	**68,200**	131,909	-	**131,909**
Cost of sales	(48,082)	-	**(48,082)**	(48,142)	-	**(48,142)**	(91,393)	-	**(91,393)**
Gross profit	21,933	-	**21,933**	20,058	-	**20,058**	40,516	-	**40,516**
Other operating costs	(13,171)	-	**(13,171)**	(15,531)	(1,000)	**(16,531)**	(28,859)	(1,000)	(29,859)
Profit from operations	8,762	-	**8,762**	4,527	(1,000)	3,527	11,657	(1,000)	10,657
Operating profit/(loss)	8,762	-	**8,762**	4,527	(1,000)	**3,527**	11,657	(1,000)	**10,657**
Depreciation and amortisation	4,189	-	**4,189**	4,469	-	**4,469**	8,947	-	**8,947**
EBITDA	12,951	-	**12,951**	8,996	(1,000)	**7,996**	20,604	(1,000)	**19,604**

See note 4 for explanation of Exceptional Items.

Tricoya

Tricoya Segment

	6 months ended 30 September 2024	6 months ended 30 September 2024	**6 months ended 30 September 2024**	6 months ended 30 September 2023	6 months ended 30 September 2023	**6 months ended 30 September 2023**	12 months ended 31 March 2024	12 months ended 31 March 2024	**12 months ended 31 March 2024**
	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**

	€000	€000	€000	€000	€000	€000	€000	€000	€000
Tricoya panel revenue	2,159	-	2,159	2,918	-	2,918	4,134	-	4,134
Licence revenue	39	-	39	46	-	46	77	-	77
Other revenue	5	-	5	43	-	43	50	-	50
Total Revenue	2,203	-	**2,203**	3,007	-	**3,007**	4,261	-	**4,261**
Cost of sales	(1,984)	-	**(1,984)**	(2,723)	-	**(2,723)**	(3,894)	-	**(3,894)**
Gross profit	219	-	**219**	284	-	**284**	367	-	**367**
Other operating costs	(2,210)	(21,871)	**(24,081)**	(3,611)	(7,200)	**(10,811)**	(6,961)	(7,200)	(14,161)
Operating profit/(loss)	(1,991)	(21,871)	**(23,862)**	(3,327)	(7,200)	**(10,527)**	(6,594)	(7,200)	**(13,794)**

Operating profit/(loss)	(1,991)	(21,871)	**(23,862)**	(3,327)	(7,200)	**(10,527)**	(6,594)	(7,200)	**(13,794)**
Depreciation and amortisation	420	-	**420**	267	-	**267**	566	-	**566**
Impairment	-	17,956	**17,956**	-	7,000	**7,000**	-	7,000	**7,000**
EBITDA	(1,571)	(3,915)	**(5,486)**	(3,060)	(200)	**(3,260)**	(6,028)	(200)	**(6,228)**

Revenue includes direct Tricoya panel sales made by the Company, which are purchased from our Tricoya Customers. The sale of Accoya to customers who produce the Tricoya panels are included within the Accoya segment.

Other operating costs include pre-operating costs for the Tricoya UK plant.

See note 4 for explanation of Exceptional Items.

2. Segmental reporting (continued)

Corporate

	Corporate Segment								
	6 months ended 30 September 2024	6 months ended 30 September 2024	**6 months ended 30 September 2024**	6 months ended 30 September 2023	6 months ended 30 September 2023	**6 months ended 30 September 2023**	12 months ended 31 March 2024	12 months ended 31 March 2024	**12 months ended 31 March 2024**
	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**
	€000	€000	**€000**	€000	€000	**€000**	€000	€000	**€000**
Total Revenue	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-
Other operating costs	(2,335)	-	**(2,335)**	(2,483)	-	**(2,483)**	(4,617)	-	(4,617)
Operating profit/(loss)	(2,335)	-	**(2,335)**	(2,483)	-	**(2,483)**	(4,617)	-	**(4,617)**
Operating profit/(loss)	(2,335)	-	**(2,335)**	(2,483)	-	**(2,483)**	(4,617)	-	**(4,617)**
Depreciation and amortisation	-	-	-	-	-	-	-	-	-
EBITDA	(2,335)	-	**(2,335)**	(2,483)	-	**(2,483)**	(4,617)	-	**(4,617)**

See note 4 for explanation of Exceptional items.

Research and Development

	Research & Development Segment								
	6 months ended 30 September 2024	6 months ended 30 September 2024	**6 months ended 30 September 2024**	6 months ended 30 September 2023	6 months ended 30 September 2023	**6 months ended 30 September 2023**	12 months ended 31 March 2024	12 months ended 31 March 2024	**12 months ended 31 March 2024**
	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**
	€000	€000	**€000**	€000	€000	**€000**	€000	€000	**€000**
Total Revenue	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-
Other operating costs	(733)	-	**(733)**	(857)	-	**(857)**	(1,490)	-	(1,490)
Operating profit/(loss)	(733)	-	**(733)**	(857)	-	**(857)**	(1,490)	-	**(1,490)**
Operating profit/(loss)	(733)	-	**(733)**	(857)	-	**(857)**	(1,490)	-	**(1,490)**
Depreciation and amortisation	29	-	**29**	33	-	**33**	66	-	**66**
EBITDA	(704)	-	**(704)**	(824)	-	**(824)**	(1,424)	-	**(1,424)**

Costs exclude those which have been capitalised in accordance with IAS 38. (see note 7).

See note 4 for explanation of Exceptional items.

2. Segmental reporting (continued)

Total

	TOTAL								
	6 months ended 30 September 2024	6 months ended 30 September 2024	**6 months ended 30 September 2024**	6 months ended 30 September 2023	6 months ended 30 September 2023	**6 months ended 30 September 2023**	12 months ended 31 March 2024	12 months ended 31 March 2024	**12 months ended 31 March 2024**
	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**
	€000	€000	**€000**	€000	€000	**€000**	€000	€000	**€000**
Accoya/Tricoya revenue	67,740	-	**67,740**	66,231	-	**66,231**	127,273	-	127,273
Licence revenue	339	-	**339**	46	-	**46**	77	-	77
Other revenue	4,139	-	**4,139**	4,930	-	**4,930**	8,820	-	8,820
Total Revenue	72,218	-	**72,218**	71,207	-	**71,207**	136,170	-	**136,170**
Cost of sales	(50,066)	-	**(50,066)**	(50,865)	-	**(50,865)**	(95,287)	-	**(95,287)**
Gross profit	22,152	-	**22,152**	20,342	-	**20,342**	40,883	-	**40,883**
Other operating costs	(18,449)	(21,871)	**(40,320)**	(22,482)	(8,200)	**(30,682)**	(41,927)	(8,200)	**(50,127)**
Operating profit/(loss)	3,703	(21,871)	**(18,168)**	(2,140)	(8,200)	**(10,340)**	(1,044)	(8,200)	**(9,244)**
Finance income	197	1,102	**1,299**	30	89	**119**	138	281	**419**
Finance expense	(3,196)	-	**(3,196)**	(1,640)	-	**(1,640)**	(4,418)	249	**(4,169)**
Share of loss after tax of joint venture	(6,098)	-	**(6,098)**	(1,211)	-	**(1,211)**	(4,100)	-	**(4,100)**
Loss before taxation	(5,394)	(20,769)	**(26,163)**	(4,961)	(8,111)	**(13,072)**	(9,424)	(7,670)	**(17,094)**

See note 4 for explanation of Exceptional Items.

Reconciliation of underlying EBIT and EBITDA

	6 months ended 30 September 2024	6 months ended 30 September 2024	**6 months ended 30 September 2024**	**6 months ended 30 September 2023**	6 months ended 30 September 2023	**6 months ended 30 September 2023**	**Year ended 31 March 2024**	Year ended 31 March 2024	**Year ended 31 March 2024**
	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**	Underlying	Exceptional items	**TOTAL**
	€'000	€'000	€'000	€'000	€'000	€'000	**€'000**	€'000	**€'000**
Operating profit/(loss) / EBIT	3,703	(21,871)	**(18,168)**	(2,140)	(8,200)	**(10,340)**	(1,044)	(8,200)	**(9,244)**
Depreciation and amortisation	4,638	-	4,638	4,769	-	4,769	9,579	-	**9,579**
Impairment	-	17,956	17,956	-	7,000	7,000	-	7,000	**7,000**
EBITDA	8,341	(3,915)	4,426	2,629	(1,200)	1,429	8,535	(1,200)	**7,335**

2. Segmental reporting (continued)

Reconciliation of adjusted EBIT and EBITDA

	6 months ended 30 September 2024 €'000	6 months ended 30 September 2023 €'000	Year ended 31 March 2024 €'000
Operating profit/(loss) / Underlying EBIT	3,703	(2,140)	(1,044)
Share of joint venture EBIT	(5,420)	(1,150)	(3,993)
Adjusted EBIT	(1,717)	(3,290)	(5,037)

	6 months ended 30 September 2024 €'000	6 months ended 30 September 2023 €'000	Year ended 31 March 2024 €'000
Underlying EBITDA	8,341	2,629	8,535
Share of joint venture EBITDA	(4,312)	(1,046)	(3,724)
Adjusted EBITDA	4,029	1,583	4,811

Analysis of Revenue by geographical area of customers

	Unaudited 6 months ended 30 Sept 2024 €'000	Unaudited 6 months ended 30 Sept 2023 €'000	Audited Year ended 31 March 2024 €'000
UK & Ireland	27,834	23,292	46,903
Rest of Europe	26,421	28,638	47,364
Americas	12,028	13,296	28,878
Rest of World	5,935	5,981	13,025
	72,218	71,207	136,170

The revenue by geographical area of customers table excludes North American sales through our US joint venture (Accoya USA LLC), which is equity accounted for in these financial statements. See note 12.

2. Segmental reporting (continued)

Assets and liabilities on a segmental basis:

	Accoya Sept 2024 €'000	Tricoya Sept 2024 €'000	Corporate Sept 2024 €'000	R&D Sept 2024 €'000	TOTAL Sept 2024 €'000
Non-current assets	116,125	1,186	852	66	**118,229**
Current assets	43,373	954	19,682	6,064	**70,073**
Current liabilities	(12,804)	(13,263)	(8,372)	(59)	**(34,498)**
Net current assets/(liabilities)	30,569	(12,309)	11,310	6,005	**35,575**
Non-current liabilities	(2,226)	(7,976)	(52,872)	-	**(63,074)**
Net assets/(liabilities)	144,468	(19,099)	(40,710)	6,071	**90,730**

	Accoya Sept 2023 €'000	Tricoya Sept 2023 €'000	Corporate Sept 2023 €'000	R&D Sept 2023 €'000	TOTAL Sept 2023 €'000
Non-current assets	119,608	19,969	1,133	129	**140,839**
Current assets	45,327	3,582	12,176	5,610	**66,695**
Current liabilities	(10,900)	(12,919)	(14,483)	(52)	**(38,354)**
Net current assets/(liabilities)	34,427	(9,337)	(2,307)	5,558	**28,341**
Non-current liabilities	(3,426)	(7,511)	(48,834)	(47)	**(59,818)**
Net assets/(liabilities)	150,609	3,121	(50,008)	5,640	**109,362**

	Accoya March 2024 €'000	Tricoya March 2024 €'000	Corporate March 2024 €'000	R&D March 2024 €'000	TOTAL March 2024 €'000
Non-current assets	118,134	19,697	1,016	96	**138,943**
Current assets	43,552	3,162	18,711	5,607	**71,032**
Current liabilities	(10,344)	(11,705)	(4,101)	(56)	**(26,206)**
Net current assets/(liabilities)	33,208	(8,543)	14,610	5,551	**44,826**
Non-current liabilities	(1,979)	(7,803)	(55,137)	(35)	**(64,954)**
Net assets/(liabilities)	149,363	3,351	(39,511)	5,612	**118,815**

The segmental assets in the current year were predominantly held in the UK, USA and Netherlands (Prior Year UK and Netherlands). Additions to property, plant, equipment and intangible assets in the current year were predominantly incurred in the UK and Netherlands (Prior Year UK and Netherlands). The increase in Investment accounted for using the equity method (investment into joint venture) incurred in the USA. There are no significant intersegment revenues.

3. Other operating costs

Other operating costs consist of the operating costs, other than the cost of sales, associated with the operation of the plant in Arnhem, the site in Barry, the London head office, and maintenance costs associated with the plant in Hull:

	Unaudited 6 months ended 30 Sept 2024 €'000	Unaudited 6 months ended 30 Sept 2023 €'000	Audited Year ended 31 March 2024 €'000
Sales and marketing	2,856	3,136	6,044
Research and development	733	857	1,490
Other operating costs	3,309	6,858	11,731
Administration costs	6,913	6,862	13,083
Exceptional Items	3,915	1,200	1,200
Other operating costs excluding depreciation and amortisation	17,726	18,913	33,548
Depreciation and amortisation	4,638	4,769	9,579
Impairment loss	17,956	7,000	7,000

Total other operating costs	40,320	30,682	50,127

Administrative costs include costs associated with Human Resources, IT, Legal, Business Development, Finance, Management and General Office and include the costs of the Group's London and Dallas offices.

Group average employee headcount decreased to 212 in the period to 30 September 2024, from 235 in the period to 30 September 2023.

4. Exceptional Items

	Unaudited 6 months ended 30 Sept 2024 €'000	**Unaudited 6 months ended 30 Sept 2023 €'000**	**Audited Year ended 31 March 2024 €'000**
Impairment of the Tricoya segment assets	(17,956)	(7,000)	(7,000)
Release / revaluation of Valuation Recovery Instrument "VRI" liability	1,102	89	281
Foreign exchange differences on USD cash held for investment in to USA JV- incl. in Finance expense	-	-	249
Restructuring costs	-	(1,200)	(1,200)
Hull restructuring cost	(3,915)	-	-
Total exceptional items	(20,769)	(8,111)	(7,670)

Exceptional Items

In the period:

Following the board's decision and market announcement to discontinue and wind-up the Hull plant, the following has been recognised as exceptional items in the first half:

- An impairment loss (exceptional expense) of €18.0m was recognised in the first half reflecting the full remaining impairment of the Tricoya segment assets related to the Hull plant (2024: €7.0m).
- A restructuring cost of €3.9m has been recognised for the costs related to discontinuing and winding-up the Hull plant.
- The financial liability previously raised to account for the Value Recovery Instrument of €1.1m has been released (see note 11).

4. Exceptional Items (continued)

In the prior year:

- an exceptional operating cost of €1.2m was recognised for restructuring costs relating to decreasing the Group's administrative operating cost base.
- €0.3m relates to the revaluation of the Value Recovery Instrument ("VRI").
- Foreign exchange differences were recognised due to US dollars held for investment into Accoya USA LLC. Following the November 2023 capital raise, the amount raised to invest into Accoya USA was translated into US dollars and held in cash ensuring that foreign exchange movements did not decrease the amount raised below the US dollar investment into Accoya USA. This treatment did not meet the requirements for hedge accounting under IFRS 9, Financials instruments, and therefore the foreign exchange gain on the revaluation of the US dollars has been accounted for in Finance expenses.
- An impairment loss (non-cash item) of €7.0m was recognised relating to the Tricoya segment (FY23: €86.0m) due to an increase in the discount rate to 14.25% used following an increase in market interest rates and the Company specific market volatility factor.

5. Tax expense

	Unaudited 6 months	**Unaudited 6 months**	**Audited Year**

	ended 30 Sept 2024 €'000	ended 30 Sept 2023 €'000	ended 31 March 2024 €'000
(a) Tax recognised in the condensed consolidated statement of comprehensive income comprises:			
Current tax expense			
UK Corporation tax on losses arising from prior periods	641	-	-
Research and development tax credit in respect of prior periods	-	-	121
	641	-	121
Overseas tax	689	420	644
Deferred Tax			
Utilisation of deferred tax asset	-	-	-
Total tax expense reported in the condensed consolidated statement of comprehensive income	1,330	420	765

6. Basic and diluted loss per ordinary share

	Unaudited 6 months ended 30 Sept 2024	**Unaudited 6 months ended 30 Sept 2024**	Unaudited 6 months ended 30 Sept 2023	**Unaudited 6 months ended 30 Sept 2023**	Audited Year ended 31 March 2024	**Audited Year ended 31 March 2024**
Basic earnings per share	Underlying	**Total**	Underlying	**Total**	Underlying	**Total**
Weighted average number of Ordinary shares in issue ('000)	237,955	237,955	218,395	218,395	227,911	227,911
Loss for the period attributable to owners of Accsys Technologies PLC (€'000)	(6,724)	(27,493)	(5,381)	(13,492)	(10,189)	(17,859)
Basic loss per share	€(0.03)	€(0.12)	€(0.02)	€(0.06)	€(0.04)	€(0.08)
Diluted earnings per share						
Weighted average number of Ordinary shares in issue ('000)	-	-	-	-	-	-
Equity options attributable to BGF	-*	-*	-*	-*	-*	-*
Weighted average number of Ordinary shares in issue and potential ordinary shares ('000)	-	-	-	-	-	-
Loss for the year attributable to owners of Accsys Technologies PLC (€'000)	-	-	-	-	-	-
Diluted loss per share	-*	-*	-*	-*	-	-*

* Diluted loss per share is not disclosed. IAS 33 "Earning per share" defines Dilutive share options as share options which would decrease profit per share or increase loss per share. 8,449,172 equity options held by BGF, and convertible loan notes disclosed in note 11, which if exercised would decrease the Loss per share. As a result, these are anti-dilutive and therefore shown as nil.

7. Intangible assets

	Internal development costs €'000	Intellectual property rights €'000	Goodwill €'000	Total €'000
Cost				
At 31 March 2023	7,699	75,372	4,231	87,302
Additions	35	234	-	269
At 30 September 2023	7,734	75,606	4,231	87,571
Additions	15	101	-	116

At 31 March 2024	7,749	75,707	4,231	87,687
Additions	-	59	-	59
At 30 September 2024	7,749	75,766	4,231	87,746
Accumulated amortisation				
At 31 March 2023	3,279	73,532	-	76,811
Amortisation	198	193	-	391
At 30 September 2023	3,477	73,725	-	77,202
Amortisation	201	236	-	437
At 31 March 2024	3,678	73,961	-	77,639
Amortisation	198	473	-	671
Impairment loss	2,246	538	-	2,784
At 30 September 2024	6,122	74,972	-	81,094
Net book value				
At 31 March 2023	4,420	1,840	4,231	10,491
At 30 September 2023	4,257	1,881	4,231	10,369
At 31 March 2024	4,071	1,746	4,231	10,048
At 30 September 2024	1,627	794	4,231	6,652

Refer to note 8 for the recoverability assessment of these intangible assets.

8. Property, plant and equipment

	Land and buildings €'000	Plant and machinery €'000	Office equipment €'000	Total €'000
Cost or valuation				
Opening balance at 31 March 2023	17,976	208,821	4,697	231,494
Additions	-	1,142	206	1,348
Foreign currency translation gain/(loss)	-	-	4	4
At 30 September 2023	17,976	209,963	4,907	232,846
Additions	-	637	127	764
Foreign currency translation gain/(loss)	-	-	(4)	(4)
Reclassification	-	(3,669)	(451)	(4,120)
At 31 March 2024	17,976	206,931	4,579	229,486
Additions	-	558	44	602
At 30 September 2024	17,976	207,489	4,623	230,088
Depreciation				
Opening balance at 31 March 2023	1,711	120,892	2,840	125,443
Charge for the period	179	3,342	266	3,787
Foreign currency translation gain/(loss)	-	-	4	4
Impairment loss	-	7,000	-	7,000
At 30 September 2023	1,890	131,234	3,110	136,234
Charge for the period	179	3,505	216	3,900
Foreign currency translation gain/(loss)	-	-	(2)	(2)
Impairment loss	-	-	-	-
Reclassification	-	(3,669)	(451)	(4,120)
At 31 March 2024	2,069	131,070	2,873	136,012
Charge for the period	179	3,124	227	3,530

Impairment loss	-	13,955	-	13,955
Foreign exchange hedge movement	-	337	-	337
At 30 September 2024	2,248	148,486	3,100	153,834
Net book value				
At 31 March 2023	16,265	87,929	1,857	106,051
At 30 September 2023	16,086	78,729	1,797	96,612
At 31 March 2024	15,907	75,861	1,706	93,474
At 30 September 2024	15,728	59,003	1,523	76,254

8. Property, plant and equipment (continued)

Plant and machinery assets relating to the Tricoya UK plant are fully impaired at 30 September 2024. At 31 March 2024, a net book value of €17,851,000 was held as assets under construction and not depreciated.

Impairment review

The carrying value of the property, plant and equipment, internal development costs and intellectual property rights are split between two cash generating units (CGUs), representing the Accoya and Tricoya segments and the carrying value of Goodwill is allocated to the Accoya segment.

Following the board's decision and market announcement to discontinue and wind-up the Hull plant, an impairment review was performed on the Tricoya segment assets, with an impairment loss of €18.0m recognised reflecting the full remaining impairment of the Tricoya segment assets related to the Hull plant. Intangible assets in the Tricoya segment of €1.2m have not been impaired, which relate to the Accoya for Tricoya product which will continue to be produced from the Arnhem plant and to Tricoya panels which will continue to be produced by our Tricoya customers. This Intangible asset amount will be re-allocated to the Accoya segment once the Hull plant has been closed.

9. Share capital

6 month period ended 30 September 2023:

Between July and August 2023, 775,191 shares were issued following the exercise of nil cost options, granted under the Company's 2013 LTIP.

In July 2023, 222,232 ordinary shares were issued to an Employee Benefit Trust at nominal value, as part of the annual bonus, in connection with the employee remuneration and incentivisation arrangements for the period from 1 April 2022 to 31 March 2023. These ordinary shares will vested in July 2024, subject to the employees continuing employment within the Group.

Year ended 31 March 2024:

In November 2023, 19,144,281 ordinary shares were issued as part of the capital raise along with a debt extension package (see note 11) to allow Accsys to commence commercial operations of its North American Accoya plant in Kingsport, USA, strengthen its balance sheet and increase working capital in the face of a challenging macro trading environment.

In January 2024, following the subscription by employees in the prior year for shares under the Employee Share Participation Plan (the 'Plan'), 202,059 shares were issued as "Matching Shares" at nominal value under the Plan.

In February 2024, 15,148 shares were issued following the exercise of nil cost options, granted under the Company's 2013 LTIP.

6 month period ended 30 September 2024:

In May 2024, 80,816 ordinary shares were issued following the exercise of nil cost options, granted under the Company's LTIP.

In September 2024, 809,892 ordinary shares were issued to an Employee Benefit Trust at nominal value, as part of the annual bonus, in connection with the employee remuneration and incentivisation arrangements for the period from 1 April 2023 to 31 March 2024.

In September 2024, 36,487 ordinary shares were issued following the vesting of nil cost options granted under the Company's Deferred bonus plan.

10. Other Reserves

	Capital redemption reserve	Merger reserve	Hedge Effectiveness reserve	Other reserve	Total Other reserves
	€000	€000	€000	€000	€000
Balance at 30 September 2023	148	106,707	337	7,551	114,743
Total Comprehensive income for the period	-	-	-	-	-
Balance at 31 March 2024	148	106,707	337	7,551	114,743
Cash flow hedges against fixed assets	-	-	(337)	-	(337)
Balance at 30 September 2024	148	106,707	-	7,551	114,406

The closing balance of the capital redemption reserve represents the amounts transferred from share capital on redemption of deferred shares in a prior period.

The merger reserve arose prior to transition to IFRS when merger accounting was adopted.

The hedge effectiveness reserve reflected the total accounted for under IFRS 9 in relation to the Tricoya segment.

The other reserve represents the amounts received for subsidiary share capital from non-controlling interests net with the carrying amount of non-controlling interests issued during the Tricoya Consortium venture with the non-controlling interests purchased in November 2022.

11. Borrowings

	Unaudited 6 months ended 30 Sept 2024	Unaudited 6 months ended 30 Sept 2023	Audited Year ended 31 March 2024
Amounts payable under loan agreements - undiscounted cashflows:			
Within one year	3,998	11,462	1,646
In the second to fifth years inclusive	31,393	48,841	34,294
After five years	43,177	10,519	43,917
Less future finance charges	(16,916)	(6,642)	(19,653)
Present value of loan obligations	61,652	64,180	60,204

11. Borrowings (continued)

ABN AMRO Debt Facilities

The facilities agreement with ABN Amro compromise a

- €33m remaining Term Loan facility and,

- €25m Revolving Credit Facility ('RCF').
- The facilities' maturity date is 31 March 2026.
- The term loan has no scheduled repayments of the term loan until 30 June 2025, quarterly payments of €1.125m thereafter.
- Term loan interest varies between 4.34% and 5.34% with additional rolled up interest of 3% accruing on €4.5 million for the period from 5 October 2024 to 4 April 2025 and €6.75 million from 5 April 2025, representing the Term Loan Facility amortisation payments that were deferred under the amortisation holiday post the reporting date.
- RCF interest rate varies between 3.0% and 4.0% above EURIBOR.

Approximately €20m of the RCF has been utilised to provide a letter of credit to FHB in support of the Accoya USA JV funding arrangements, and the remaining €5m was undrawn at 30 September 2024.

The facilities are secured against the assets of the Group which are 100% owned by the Company and include covenants such as net leverage, interest cover which are based upon the results and assets which are 100% owned by the Company and minimum liquidity covenants.

<u>NatWest facility:</u>

In November 2022, Tricoya UK Limited (the Company's subsidiary) agreed with NatWest Bank plc to restructure its debt facility, reducing the principal amount to a €6m loan with a 7 year term. The facility is secured by fixed and floating charges over all assets of Tricoya UK Limited.

Interest is calculated with the margin ranging from 325 to 475 basis points plus EURIBOR and capitalised during the 7 year term. No repayments are due until the facility maturity date.

At 30 September 2024, the Group had €7.0m (31 March 2024: €6.7m) borrowed under the facility.

Tricoya UK Limited also provided a Value Recovery Instrument ("VRI") agreement to NatWest, to recover up to approximately €9.4m, on a contingent basis, depending on profitability of the Tricoya UK plant once operational. Following the decision to close the Tricoya UK plant, the financial liability raised to account for the value recovery instrument has been released as an exceptional item (see note 4).

<u>First Horizon Bank facility:</u>

The Company's joint venture, Accoya USA LLC has a facility from First Horizon Bank ('FHB') of Tennessee, USA comprising:

- a 70m term loan and;
- a 15m RCF to fund working capital, which was increased by 5m during the period.
- The facility has a maturity date of 2 March 2030.
- The term loan is secured on the assets of Accoya USA and is supported by Accoya USA's shareholders, including 50m through a limited guarantee provided on a pro-rata basis, with Accsys' 60% share representing 30m, supported by a 20m Letter of Credit ('LC') provided by ABN AMRO to FHB.
- The interest rate varies between 1.3% to 2.1% over USD LIBOR.
- Principal repayments on the term loan commence one year following the completion and start-up of the facility, and are calculated on a 9.5 year amortisation period.

Accoya USA LLC is equity accounted for in these financial statements, therefore this Borrowing is not included in the Group's borrowings. (See note 12).

<u>Convertible loan notes:</u>

Convertible loan notes were issued in November 2023 totalling €21 million. The loan notes:

- are unsecured and non-transferable,
- have a maturity date of 22 November 2029,
- carry a fixed rate coupon of 9.5%. For the first 2.5 years the coupon is rolled up and deferred and following the 2.5 year period, the deferred interest can either be converted into ordinary shares of the Company or paid in cash over the remaining 3.5 years at the option of the holders of the convertible loan notes. Following that 2.5 year period, interest shall be payable in cash.

The convertible loan note holders will have the right to convert the convertible loan notes they hold into Ordinary Shares of the Company at a price of 83.22 Euro cents per share.

11. Borrowings (continued)

Reconciliation to net debt:

	Unaudited 6 months ended 30 Sept 2024	Unaudited 6 months ended 30 Sept 2023	Audited Year ended 31 March 2024
Cash and cash equivalents	26,000	20,780	27,427
Less:			
Amounts payable under borrowings	(61,652)	(64,180)	(60,204)
Amounts payable under lease liabilities	(4,532)	(4,788)	(4,338)
Net debt	(40,184)	(48,188)	(37,115)

Reconciliation to adjusted cash:

	Unaudited 6 months ended 30 Sept 2024	Unaudited 6 months ended 30 Sept 2023	Audited Year ended 31 March 2024
Cash and cash equivalents	26,000	20,780	27,427
Less:			
Cash pledged to ABN Amro	-	(10,016)	-
Adjusted cash	26,000	10,764	27,427

Restricted cash

The cash and cash equivalents at 30 September 2023 disclosed above and in the condensed consolidated statement of cash flow includes 10m which was pledged to ABN AMRO as collateral. This collateral was released in the November 2023 amendment and extension of the ABN AMRO facilities, see above for further details.

Free cashflow:

	Unaudited 6 months ended 30 Sept 2024	Unaudited 6 months ended 30 Sept 2023	Audited Year ended 31 March 2024
Net cash from operating activities	8,717	630	7,197
Investment in property, plant and equipment and intangible assets	(661)	(2,292)	(3,475)
Free cashflow	8,056	(1,662)	3,722

12. Investment in Joint Venture

In August 2020, Accsys together with Eastman Chemical Company formed Accoya USA LLC, 60% owned by Accsys and 40% owned by Eastman. Accoya USA LLC has constructed and is operating an Accoya plant in Kingsport, Tennessee (USA) to serve the North American market. The plant is designed to initially produce approximately 43,000 cubic metres of Accoya per annum and to allow for cost-effective expansion.

Under IFRS 11 - Joint arrangements, the two parties are assessed to jointly control the entity and Accoya USA LLC is accounted for as a joint venture and equity accounted for within the financial statements.

At 30 September 2024, Accsys and Eastman have contributed equity of 83m to Accoya USA LLC.

The borrowing facilities provided by First Horizon Bank ('FHB') of Tennessee, USA are detailed in note 11.

The carrying amount of the equity-accounted investment is as follows:

	Unaudited 6 months ended 30 Sept 2024 €'000	Unaudited 6 months ended 30 Sept 2023 €'000	Audited Year ended 31 March 2024 €'000
Opening balance	31,685	30,859	30,859
Investment in Accoya USA	7,210	-	4,926
Less: Accsys share (60%) of licence fee received	(450)	-	-
Loss for the period	(6,098)	(1,211)	(4,100)
Closing balance	32,347	29,648	31,685

The Group has equity accounted for the joint venture in these condensed consolidated financial statements.

Reconciliation of investment in Accoya USA:

	Unaudited 6 months ended 30 Sept 2024 €'000	Unaudited 6 months ended 30 Sept 2023 €'000	Audited Year ended 31 March 2024 €'000
Net assets of Accoya USA (USD)	62,048	56,210	60,002
60% of net assets of Accoya USA (Eur)	33,350	31,856	33,359
Less: Accsys share (60%) of Licence fee received to date	(1,950)	(1,500)	(1,500)
Foreign exchange movements	947	(708)	(174)
Closing balance	32,347	29,648	31,685

12. Investment in Joint Venture (continued)

The statement of comprehensive income, statement of financial position and statement of cashflows for Accoya USA LLC, are set out below:

Statement of comprehensive income:

	Unaudited 6 months ended 30 Sept 2024 €'000	Unaudited 6 months ended 30 Sept 2023 €'000	Audited Year ended 31 March 2024 €'000
Total revenue	3,314	-	-
Cost of sales	(6,294)	-	-
Gross loss	(2,980)	-	-
Operating costs	(6,054)	(1,917)	(6,653)
Operating loss	(9,034)	(1,917)	(6,653)
Interest payable	(1,129)	(102)	(179)
Loss before taxation	(10,163)	(2,019)	(6,832)
Tax expense	-	-	-
Total comprehensive loss for the financial year	(10,163)	(2,019)	(6,832)
Accsys share (60%) of US JV EBITDA	(4,312)	(1,046)	(3,724)

Accsys share (60%) of US JV EBIT	(5,420)	(1,150)	(3,993)
Accsys share (60%) of US JV total loss from operations	(6,098)	(1,211)	(4,100)

12. Investment in Joint Venture (continued)

	Unaudited 6 months ended 30 Sept 2024 €'000	Unaudited 6 months ended 30 Sept 2023 €'000	Audited Year ended 31 March 2024 €'000
Non-current assets			
Property, plant and equipment	124,694	101,629	122,662
Right of use assets	6,425	6,242	6,919
	131,119	107,871	129,581
Current assets			
Inventories	5,103	-	1,201
Trade and other receivables	1,950	149	114
Cash and cash equivalents	2,912	10,385	6,089
	9,965	10,534	7,404
Current liabilities			
Trade and other payables	(8,941)	(12,562)	(10,508)
Lease liabilities	(463)	(408)	(491)
	(9,404)	(12,970)	(10,999)
Net current assets/(liabilities)	561	(2,436)	(3,595)
Non-current liabilities			
Lease liabilities	(6,225)	(5,951)	(6,635)
Borrowings	(69,874)	(46,304)	(63,701)
	(76,099)	(52,255)	(70,336)
Net assets	55,581	53,180	55,650

Statement of Cash flows:

	Unaudited 6 months ended 30 Sept 2024	Unaudited 6 months ended 30 Sept 2023	Audited Year ended 31 March 2024

	€'000	€'000	€'000
Cash flows from operating activities	(13,424)	1,378	(4,679)
Cash flows from investing activities	(5,778)	(33,829)	(56,553)
Cash flows from financing activities	16,198	34,135	58,620
Net (decrease) / increase in cash and cash equivalents	(3,004)	1,684	(2,612)

13. Post Balance Sheet Events

Following a thorough review of all available strategic and funding options for Tricoya UK, Accsys announced on 19 September 2024 that it would discontinue the Tricoya plant in Hull owned by Tricoya UK.

Since that time, Tricoya UK has taken various steps to wind down its remaining business operations and post the reporting date resolved to enter creditors voluntary liquidation.

The Group has recognised an exceptional cash cost of €3.9m in the period and a non-cash exceptional impairment charge of €18m. The Group will benefit from annual operating cost savings of €3m from the plant closure and the end of maintenance costs.

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