

## Regulatory Announcement

Company	Accsys Technologies PLC
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### **ACCSYS TECHNOLOGIES PLC**

**(‘Accsys’ or the ‘Company’)**

#### **ACCOYA<sup>®</sup> LICENCE AGREEMENT WITH SOLVAY FORMALLY APPROVED**

***Solvay exploring possibility of constructing plant on Accsys’ land in Arnhem; two parties discussing future co-operation, including potential of co-ordinated operational and maintenance services***

Accsys, the environmental science and technology company whose primary focus is on the production and technology licensing of Accoya<sup>®</sup> wood and Tricoya<sup>®</sup> wood elements, today announces that its Accoya<sup>®</sup> licence agreement (‘the licence agreement’) with Belgian chemical group Solvay is now approved by both parties and is fully effective, resulting in a new level of cooperation between the two companies.

The licence agreement grants Solvay exclusive rights for a minimum of 15 year period, renewable at agreed terms, to produce and to sell Accoya<sup>®</sup> within the Council of Europe from this initial plant. The licenced territory includes 47 states in the Council of Europe, but excluding Belgium, Ireland, Luxembourg, the Netherlands and the United Kingdom which are reserved to Accsys. The licence agreement also grants Solvay the option to build additional Accoya<sup>®</sup> production plants in Europe, with the first plant (the ‘plant’) having a total capacity of c. 63,000 m<sup>3</sup> of finished Accoya<sup>®</sup> output, expected to be operational in the course of 2016.

In return, Accsys will receive a series of licence payments, which have already commenced and will be made during the phased construction of the plant, and with royalty payments per volume of Accoya<sup>®</sup> produced thereafter.

The two companies have also signed an amendment to the licence agreement which now includes the possibility of Solvay constructing the plant in Arnhem on land Accsys currently owns, adjacent to the Company’s existing manufacturing facility and in a phased manner. Solvay is now reviewing the two options for the optimal plant location, being either Arnhem, the Netherlands or Freiburg, Germany.

The decision on the plant and its location will be made by Solvay in the next few months.

In addition the two companies have agreed to examine the best ways to provide coordinated operational and maintenance services to both plants, and to review the best form of cooperation between the two companies going forward.

Further to the licence agreement becoming unconditional, Accsys and Solvay have entered a transitional phase in which Accsys will continue to sell to Accoya distributors in Solvay’s region while working to transfer the relationships to Solvay.

**Commenting, Paul Clegg, CEO of Accsys, said:**

"I am delighted that we have been able to formalise what has been a highly progressive, long standing relationship with Solvay. Finalising the licence agreement with a company of Solvay's undoubted reputation and status is an excellent endorsement of our proprietary industrial process and Accoya® wood.

"Our ongoing discussions with Solvay hold the potential to result in an extended business offering from Accsys, with the licence agreement enhanced through operational and maintenance contracts that would add an additional revenue stream to our business.

"While no final decision has been taken, locating the plant in Arnhem could provide financial and operational advantages to both parties."

**Ends**

**For further information, please contact:**

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**Notes to editors:**

**Accsys Technologies PLC** ([www.accsysplc.com](http://www.accsysplc.com)) is an environmental science and technology company whose primary focus is on the production of Accoya® wood and 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 Windsor, United Kingdom, and an American office in Dallas, Texas (via its subsidiary Titan Wood, Inc). All group subsidiaries are ultimately 100% owned by Accsys and trade as Accsys Technologies. 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 by NYSE Euronext, under the symbols 'AXS'. Accsys' operations comprise three principal business units: (i) Accoya® wood production; (ii) 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 (iii) 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. Unlike most tropical and European hardwoods, it does not degrade when exposed to ultraviolet light. Moreover, the Accoya® wood production process does not compromise the wood's strength or machinability. The combination of UV resistance, 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.asp](http://www.accoya.com/news.asp).

**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 wood based composites, including panel products. These composites 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, a joint venture between Accsys and INEOS Industries Holdings 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.

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