

Regulatory Announcement

Company Accsys Technologies PLC
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ACCSYS TECHNOLOGIES PLC (‘Accsys’ or the ‘Company’)

Accsys and Solvay enter into a global co-operation agreement. Freiburg confirmed as location of first Solvay Accoya® plant.

Accsys, the chemical technology group, focused on the acetylation of wood, today announces that Solvay, the Belgian chemical group, confirmed its intention to build a 63,000m³ Accoya® wood production plant in Freiburg, Germany, with operations expected to start in the first half of 2016.

As we stated previously, the two parties have been exploring forms of further co-operation. As a result, Accsys is pleased to confirm that it has entered into a binding term sheet with Solvay, in respect of a three year non-exclusive global co-operation agreement to develop Accoya®, under which:

1. Accsys has granted Solvay a non-exclusive global Accoya® licence option for defined available regions, reflecting Solvay’s interest in Accoya® licensing outside of Europe, under conditions that reflect the improved acceptance of Accoya® in the market;
2. Solvay will engage Accsys to carry out targeted marketing activities to develop the Accoya® market outside of Europe; and
3. Solvay has granted Accsys the option to invest up to a substantial minority share in both the European project and in any future Accoya® production projects; this would allow Accsys to benefit from future manufacturing profits of any Accoya® manufacturing plants that Solvay may construct under licence.

Accsys and Solvay have agreed to work together to complete the various full agreements implementing the detail of the binding term sheet. These agreements, including the final approval of the plant construction, are subject to approval by both corporates and are expected to be entered into by the end of December 2014.

Paul Clegg, Chief Executive of Accsys commented:

“We believe in Solvay we have an excellent licensing partner and look forward to continuing to work with them to realise the further successful exploitation of Accoya® in Europe and beyond. Although the review of the location has taken longer than we hoped, we are pleased that Solvay still expects the plant to be operational in the first half of 2016.”

Ends

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Notes to editors:

Accsys Technologies PLC (www.accsysplc.com) is a chemical technology group focussed on the development and commercialisation of a range of transformational technologies based upon the acetylation of solid wood (Accoya®) and wood elements (Tricoya®) for use as class leading, environmentally sustainable construction materials. Accsys's 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) 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, its colour 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.

Tricoya® Wood Elements (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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