

Regulatory Announcement

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Company [Accsys Technologies PLC](#)
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Accsys announces 100,000 m3 License Option Agreement in Middle East

Accsys Technologies PLC ("Accsys" or "the Company") announces that its 100% owned subsidiary, Titan Wood Ltd., has signed a licence option agreement with Al Rajhi Holdings W.L.L., in respect of rights to manufacture Accoya™ in five Middle East countries for a nameplate capacity of 100,000 cubic metres of production of Accoya™ wood.

The terms of the license option agreement include a premium payment of €100,000 and six months exclusivity for five of the six GCC (Gulf Cooperation Council) countries: Kuwait, Bahrain, Qatar, Oman and the Kingdom of Saudi Arabia (rights for the sixth GCC country, the UAE, are currently under contract to Skanfore LLC, as previously announced by the Company). This exclusive period will be extended on the exercise of the option. As with previous Titan Wood licence option agreements, terms of the licence would include licence fee payments of €200 per cubic metre of nameplate capacity (€20,000,000 in total) and €22 per cubic metre of production royalties for twenty years.

Willy Paterson-Brown, Executive Chairman of Accsys commented, "we are particularly pleased to enter into a trading agreement with the Al Rajhi Holdings Group, whom we welcomed as shareholders in the Company last year. We have learned a huge amount about the Middle East market, through this relationship, and realise that the potential for Accoya™ will be exploited to the full, with such a strong commercial partner supporting it".

Yaser Alsharifi, Head of Corporate Finance at Al Rajhi Holdings Group, added, " we are delighted with the prospect of producing Accoya™ under licence with Titan Wood in the Middle East. We are working to conclude a full licence agreement shortly. The unparalleled durability of this product, in extreme climatic conditions, will benefit our region, and will also help the environment globally. We are excited to be able to commercialize this opportunity in the Kingdom of Saudi Arabia and elsewhere in the GCC region.

The Al Rajhi Holdings Group currently owns approximately 5.8% of the Company's issued ordinary share capital.

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Notes to Editors:

Al Rajhi Group

Al Rajhi Holdings W.L.L. and Al Rajhi Partners (together 'Al Rajhi') represent the business interests of Sheikh Abdulrahman Saleh Al Rajhi and his immediate family in Saudi Arabia.

Al Rajhi has substantial interests, comprising investments in financial services, infrastructure, telecoms, utilities, real estate; oil and gas. Key investments include Bank Al Bilad, DanaGas, Saudi Telecom, and Saudi Cement. Khalid al Rajhi, CEO of Al Rajhi, is a director of each of these companies.

Titan Wood Limited (www.titanwood.com) is a wholly owned subsidiary of the Accsys Technologies PLC (www.accsysplc.com) group of companies. Accsys Technologies PLC is listed on the London Stock Exchange AiM market under the symbol 'AXS'.

Wood Acetylation is a process, which increases the amount of 'acetyl' molecules in wood, thereby changing its physical properties. The process protects wood from rot by making it "inedible" to most micro-organisms and insects, 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.

Accoya™ wood (www.accoya.info) is produced using a patented process that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a 'new wood species'. 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. For marine uses where weight is also important, Accoya™ wood for the first time provides boat builders with a wood that is strong, lightweight, durable and which retains its natural beauty for far longer.

ACCOYA is a registered trademark owned by Titan Wood Limited

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