

Company Accsys Technologies PLC
TIDM AXS
Headline Commercial Agreements with Cerdia
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Accsys Technologies PLC
(“Accsys”, the “Group” or the “Company”)

Commercial Agreements with Cerdia Produktions GmbH
(formerly known as Rhodia Acetow)

Accsys, the fast-growing and eco-friendly company that combines chemistry and technology to create high performance, sustainable wood building products, announces that it has entered into an agreement with Cerdia Produktions GmbH (“Cerdia”), under which Accsys will take on responsibility for commercial activities under agreements with Cerdia relating to Accoya® wood, which will terminate on 1 April 2020 (the “Termination Agreement”). The original agreements, being a licence agreement entered into in 2012, alongside supporting sales and marketing, offtake and exclusivity agreements entered into in 2015, allowed for early termination in certain circumstances in November 2020, with the offtake agreement originally due to expire in December 2020. In bringing forward termination to 1 April 2020, Accsys will be able to sell Accoya® directly into central Europe and Scandinavia approximately 9 months earlier than previously provided for.

Under the terms of the Termination Agreement, payments to Accsys include fees of €3.2 million, to be applied to and set-off against the loan from Cerdia agreed in 2015, which currently amounts to approximately €8.6 million. As a result, Accsys’ net debt will be reduced and the Cerdia loan will remain in effect until maturity in 2025.

Accsys is now liaising with European Accoya® customers and other stakeholders to ensure a smooth transition of direct Accoya® sales and marketing relationships from Cerdia, effective from 1 April 2020.

With Accoya® demand continuing to exceed capacity, the Termination Agreement reflects Accsys’ strategic plans to increase its own global manufacturing capacity and distribution network, with further expansion at its Accoya® production facility in Arnhem now in the advanced stages of planning, and discussions progressing with Eastman Chemical Company in relation to a potential new Accoya® plant in North America. The Termination Agreement also follows Cerdia’s own renewed focus on its core chemicals businesses following its sale by Solvay to Blackstone in 2017.

Accsys looks forward to continuing to work with Cerdia both during this period of transition and thereafter, exploring with Cerdia other areas of potential cooperation.

Accsys confirms that trading is in-line with the Board’s expectations and no changes are being made to the Board’s expectations for the full year.

Ends

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Notes to editors:

Accsys Technologies PLC (www.accsysplc.com) is a chemical technology group whose primary focus is on the production of Accoya® wood and Tricoya® wood elements, technology licensing via its subsidiary, Titan Wood Limited, which has manufacturing operations in Arnhem, the Netherlands (through its subsidiary Titan Wood B.V.), a European office in London, United Kingdom, an American office in Dallas, Texas (via its subsidiary Titan Wood, Inc.) and technology licensing associated with the acetylation of wood elements via its subsidiary Tricoya Technologies Limited. Any references in this announcement to agreements with Accsys shall mean agreements with either Accsys or its subsidiary entities unless otherwise specified. Accsys Technologies PLC is listed on the London Stock Exchange AIM market and on Euronext Amsterdam, under the symbols 'AXS'. Accsys' operations comprise four principal business units: (i) Accoya® wood production; (ii) building and operating of Tricoya® wood chip acetylation plant in Hull; (iii) technology development, focused on a programme of continuous development of and improvements to the process engineering and operating protocols for the acetylation of solid wood and the development of technology for the acetylation of wood elements; and (iv) the licensing of technology for the production of Accoya® wood and Tricoya® wood elements across the globe.

Tricoya® Consortium In March 2017, Accsys announced the formation of the Tricoya® Consortium to fund, build and operate the Tricoya® plant in Hull, UK. Members of the consortium include BP and the leading manufacturer of sustainable wood-based panels, MEDITE Europe DAC. Tricoya Ventures UK Ltd (TVUK), a subsidiary of Accsys, owns and will operate the Tricoya® plant. TTL exploits all Tricoya® related intellectual property and benefits from any Tricoya® related revenues other than those generated by the Tricoya® plant. The Tricoya® plant is expected to have an initial capacity of 30,000 metric tonnes of Tricoya® chips per annum, enough to produce approximately 40,000m³ of Tricoya® panel products per annum. The Tricoya® plant is expected to reach EBITDA breakeven at approximately 40% design capacity and to take approximately four years to reach full capacity following completion. The location of the Tricoya® plant at Saltend Chemicals Park in Hull allows for expansion when market conditions dictate.

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. Moreover, the Accoya® wood production process does not compromise the wood's strength or machinability. The combination of dimensional stability, durability and retained strength means that Accoya® wood offers a wealth of new opportunities to architects, designers and specifiers. These benefits result in lower maintenance and total cost of ownership while using a higher

sustainable and environmental responsible building material. For a full archive of Accoya® news, visit www.accoya.com/news.

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

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

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