

Regulatory Announcement

Company Accsys Technologies PLC
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ACCSYS TECHNOLOGIES PLC (“Accsys” or “the Company”)

Tricoya Technologies Limited

Accsys, the chemical technology group, focused on the acetylation of wood, today is pleased to announce further progress with the Tricoya project and resulting changes to the Tricoya Technologies Limited ('TTL') joint venture.

Accsys can disclose a number of changes to its Tricoya project, central to which is a Memorandum of Understanding ('MoU') with a large international chemical group (the 'Chemical Group') to replace our existing joint venture partner, Ineos. These changes are expected to optimise our participation in the building and operation of the world's first Tricoya chip acetylation plant (the 'New Plant'), including allowing Accsys to derive revenue from both licensing and manufacturing in the future. Full agreements are expected to follow later in 2015.

Accsys has entered into the MoU with the Chemical Group to secure funding, technical and other operational support in respect of the next stage of development of the Tricoya project. Accsys has also agreed to acquire the 50% share in TTL currently owned by Ineos, giving it 100% ownership and control of TTL until a new ownership structure is established.

TTL is also in detailed discussions with other parties which are expected to lead to the creation of a new consortium, including the Chemical Group, to fund, build and then operate the New Plant.

As part of these arrangements:

- The Chemical Group and TTL are jointly undertaking a detailed site feasibility review to examine whether the plant should be optimally located alongside one of the Chemical Group's existing sites. This feasibility review and related detailed study and engineering work are expected to be completed by the end of 2015 with the plant fully operational by the end of 2017;
- The Chemical Group has agreed to provide financial and technical support, including contributing towards further detailed engineering for the New Plant;
- Medite has confirmed its interest in participating in the new consortium and on-going engagement with TTL to realise its full potential. It is anticipated Medite will enter into a key production off-take agreement in respect of the New Plant which is expected to replace its own Tricoya production plant in Ireland under its joint development, production and distribution licence agreement with TTL (which is now expected to terminate later this year once consortium discussions are concluded);
- Following Accsys acquiring Ineos's share in TTL and Ineos relinquishing its obligations as a TTL shareholder, Ineos has agreed to continue to provide key engineering and technical personnel to TTL on a contractual basis in the near term; and

- TTL will continue to out-licence its intellectual property in respect of both the manufacturing and sales processes and brand rights.

Accsys has initiated these arrangements, at a time that sales of Medite Tricoya have continued to grow, with sales having increased by approximately 70% over the year ended December 2014 compared to the year before.

Accsys will be providing further information on the progress of these plans in due course and within Accsys' final results which are expected to be announced in June, 2015

Paul Clegg, Chief Executive commented:

"These are exciting developments for the Tricoya project. We are grateful for the support that Ineos has given to Accsys to date. I am confident that, with the support from our prospective consortium partners, we will be able to realise the exciting potential of our Tricoya technology for the benefit of our shareholders."

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 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, an American office in Dallas, Texas (via its subsidiary Titan Wood, Inc) and technology licencing associated with the acetylation of wood elements via its subsidiary Tricoya Technologies Limited. 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 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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