

Regulatory Announcement

Company Accsys Technologies PLC
TIDM AXS
Headline Enhanced collaboration with Solvay
Released 26 November 2015
Number



AIM: AXS
NYSE Euronext Amsterdam: AXS

26 November 2015

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

Solvay and Accsys enhance their collaboration to accelerate marketing, sales and manufacturing of Accoya®

Accsys, the chemical technology group, focused on the acetylation of wood, today is pleased to announce details of a new agreement with Solvay Acetow GmbH (“Solvay”), to refine the relationship between the two parties for the licensing, marketing and manufacturing of Accoya®. This new agreement provides the framework and funding for a significant increase in the manufacturing capacity in Arnhem.

Solvay will purchase a minimum 76,000 cubic metres of Accoya from the Arnhem plant over the period from 2016 to 2020 (the “offtake commitment”) and as a result of the increased manufacturing capacity in Arnhem and consequent greater sales capacity, under the new agreement Solvay will review the optimal timing to construct its 63,000 cubic metres Accoya manufacturing plant.

The enhanced relationship with Solvay will benefit both parties, with the increased manufacturing capacity and resulting sales expected to be achieved for Accoya in a faster timescale than would otherwise have been possible.

Accsys will double the existing manufacturing capacity at its Arnhem site in stages, up to 80,000 cubic metres per annum from 40,000 cubic metres. The initial incremental 20,000 cubic metres capacity is expected to come on stream in mid-2017.

The licence agreement covering Europe has been amended to provide increased royalties to Accsys and the return to Accsys of the selling rights for 20 European countries.

Accsys will provide sales and marketing services to Solvay on agreed terms in respect of Solvay’s exclusive European territories.

A combination of loans and fees from Solvay, in addition to those due under the offtake commitment, will fund the majority of the initial increase in manufacturing capacity at Arnhem, with the balance to be met by Accsys’ own resources, including the possible sale and leaseback of land at Arnhem.

Paul Clegg, CEO of Accsys said: “We are pleased to be able to cement our relationship with Solvay through this agreement to expand our Accoya® manufacturing capacity and Solvay’s commitment to purchase significant volumes from Accsys over the coming years. This is an exciting step in the development of our business and is further evidence of the fruits of our strategy to maximise returns from our technology platform and resultant product offerings.”

These agreements allow the market development of Accoya to continue and optimises the roll out of manufacturing capacity under its partnering program with Solvay, increasing the certainty of supply for Accoya customers and users. It also enables Accsys to continue to develop global markets effectively, building on the expertise that it has developed over the last few years.

Accsys's interim results for the six months ended 30 September 2015 will be released on 30 November 2015.

Ends

For further information, please contact:

Accsys Technologies PLC	Paul Clegg, CEO Hans Pauli, COO Will Rudge, FD	via MHP Communications
Numis Securities	Nominated Adviser: Oliver Cardigan Corporate Broking: Christopher Wilkinson Ben Stoop	+44 (0) 20 7260 1000
MHP Communications	Tim Rowntree James White Tess Harris	+44 (0) 20 3128 8100
Off the Grid (The Netherlands)	Frank Neervoort Yvonne Derkse	+31 681 734 236 +31 622 379 666

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.

Accsys Technologies is the trading name of Titan Wood Limited. ACCOYA®, TRICOYA® and the Trimarque Device are registered trademarks owned by Titan Wood Limited ("TWL"), a wholly owned subsidiary of Accsys Technologies PLC, and may not be used or reproduced without written permission from TWL, or in the case of the Tricoya® registered trademark, from Tricoya Technologies Limited, a wholly owned subsidiary of TWL with exclusive rights to exploit the Tricoya® brand.