

Regulatory Announcement

Company	Accsys Technologies PLC
TIDM	AXS
Headline	Accsys JV signs Tricoya Licence Agreement with Medite
Released	11 July 2013
Number	0641J07



AIM: AXS
NYSE Euronext Amsterdam: AXS

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ACCSYS TECHNOLOGIES PLC

(‘Accsys’ or the ‘Company’)

ACCSYS JV SIGNS TRICOYA LICENCE AGREEMENT WITH MEDITE

First Tricoya licence agreement through JV with INEOS

Accsys, the environmental science and technology company whose primary focus is on the production and technology licensing of Accoya[®] wood and Tricoya[®] wood elements, today announces that its joint venture with INEOS, Tricoya Technologies Limited (‘TTL’), has entered into a joint development, production and distribution Licence Agreement with Medite Europe Ltd (‘Medite’) to build and operate a plant to manufacture, market and sell Tricoya[®] (the ‘licence agreement’).

Key details of the licence agreement are:

- TTL has granted Medite a licence to build and operate a plant to manufacture an initial capacity of 30,000 metric tonnes per annum of Tricoya[®] (equivalent to approximately 42,000m³ of Tricoya[®] MDF panels), with a time limited option to increase capacity upon payment of additional fees
- Medite has secured exclusive rights to market and sell Tricoya[®] MDF in Ireland, The Netherlands and the United Kingdom and non-exclusive rights to market and sell Tricoya[®] MDF or Tricoya[®] wood elements, subject to certain restrictions, in other territories
- The licence is conditional on Medite obtaining approval from its Board of Directors prior to proceeding with construction of the plant; Board approval is targeted for mid-2014 with mechanical completion of the plant targeted by the end of 2015
- The licence has been granted in return for a series of technology-based licence payments that Medite will begin making to TTL upon signature of the agreement, and royalty fees payable per metric tonne of production
- TTL is responsible for producing a detailed engineering plan, called a Process Design Package (‘PDP’), that scopes out the core areas of the plant; part of the PDP is expected to be delivered prior to the licence becoming unconditional following Medite Board approval, with the final PDP delivered after approval
- Medite will provide, in exchange for certain conditional future payments from TTL, both technical support services and, if required, a guaranteed proportion of its output to support other prospective Tricoya[®] licensees

It is anticipated that Accsys will provide significant and increasing volumes of acetylated material during the pre-start-up period, both to support Medite’s market development and to enable Medite to provide seeding material for other prospective licensees in different regions.

Background to the licence agreement

Accsys and Medite initially entered into a Joint Development Agreement ('JDA') in June 2009. Following Accsys entering into its JV with INEOS, TTL and Accsys signed Heads of Terms with Medite in December 2012 for the JDA to be transferred to TTL and amended to reflect progress made and the licensing Medite now wishes to engage in. Medite has been producing Medite Tricoya "Extreme Durable MDF" since the end of 2011 and selling into countries including Germany, Ireland, the Netherlands and the United Kingdom. Sales in all markets in which Medite Tricoya[®] has been launched has met or surpassed expectations, with customers willing to pay a significant premium over conventional MDF material due to the greatly enhanced properties of Medite Tricoya[®]. This material provides all of the inherent advantages of MDF, such as ease of cutting, forming and fixing, relatively low density, smooth surface properties and attractive surface finishing options, with durability and dimensional stability that match or exceed almost all known commercial alternatives for exterior applications (whether wood, metal, plastics, composites or fibre cement).

The Medite Tricoya[®] MDF produced and sold to date has been manufactured using acetylated material provided by Accsys. While manufacturing in this manner has been essential in order to seed markets and establish demand for the product, it was always envisaged that long term production by Medite would be through a dedicated, co-located production plant in Clonmel, Ireland. The licence agreement is for a new, continuous production process developed by Accsys with the input and support of INEOS, one of the largest licensors of chemicals process technologies in the world, through the TTL JV. The process is based on the same underlying acetylation technology principle as Accsys uses to manufacture Accoya[®].

In the period prior to the plant being operational, in addition to TTL producing the PDP, it will continue to work closely with Medite to market and promote Medite Tricoya[®] in order to drive further market penetration.

Commenting, Paul Clegg, CEO of Accsys and Chairman of TTL, said:

"Our relationship with Medite is long standing and I am delighted that TTL has been able to cement it by formalising this licence agreement. The work carried out and sales volumes achieved by Medite have already proved there is a strong and growing market for Tricoya[®] and I look forward to a continuing successful collaboration with Medite as we move towards the licence becoming unconditional and plant construction commencing."

"The agreement provides further evidence of the progress that Accsys has made in marketing, selling and licensing its award-winning products and technologies on a global basis. As recently announced, sales of Accoya[®] increased in excess of 50% in the first quarter of the current financial year when compared to the same period last year and we continue to work hard on developing further licence opportunities for Accoya[®] and Tricoya[®]. These are exciting times for our business and developments such as this licence agreement will help us to move closer to our short-term goal of becoming a sustainably profitable business."

Ends

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Notes to editors:

Accsys Technologies PLC (www.accsysplc.com) is an environmental science and technology company 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, 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.

Medite Europe Ltd (www.medite-europe.com), a wholly owned subsidiary of Coillte Panel Products, produces Medite panels, arguably Europe's most recognised brand of MDF. Available in Europe since 1976, Medite was the pioneer in introducing MDF to European markets. Medite products are recognised as the benchmark for quality, consistency and performance in the MDF market. Coillte is a commercial company operating in forestry, land based businesses, renewable energy and panel products. The company employs approximately 1,000 people and was established in 1988. It owns over 445,000 hectares of land, about 7% of the land cover of Ireland. More information can be found at www.coillte.ie.

INEOS (<http://www.ineos.com>) is one of the world's leading chemicals companies; a global manufacturer of petrochemicals, specialty chemicals and oil products. Comprising 15 businesses, with a production network spanning 51 manufacturing facilities in 11 countries, the company produces more than 40 million tonnes of petrochemicals. INEOS employs 15,000 people and had sales in 2011 of \$42bn. Through its Joint Venture with PetroChina (petroineos) it produces 20 million tonnes per annum of crude oil refined products (fuels). It also operates joint ventures with BASF, PQ Corp and Total. The investment in the new joint venture is being made by INEOS Industries Limited.

INEOS Technologies (<http://www.ineos.com>) is a leading developer and licensor of technologies for the global petrochemicals industry. It offers the broadest range of petrochemical technologies on

the market today and also supplies catalysts, additives and coatings that our customers require to obtain the best possible performance from their investments.

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. 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 retains its natural beauty for far longer. 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.

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 joint venture between TWL and INEOS Industries Holdings Limited with exclusive rights to exploit the Tricoya® brand.