

27 July 2021

**Itaconix plc**

(“Itaconix” or “the Company”)

**Trading Update**

Itaconix plc (AIM: ITX) (OTCQB: ITXXF), a leading innovator in sustainable plant-based polymers used as essential ingredients in everyday consumer products, provides the following update on trading for the half year to 30 June 2021.

Further to the update given on 8 June 2021, the Company is pleased to report that growth in demand for its plant-based polymers has continued. Unaudited revenues for the first six months of the year were \$1.4 million, representing 26% growth over the equivalent period in 2020 and a 36% decline from the second half of 2020. Revenues for the first half of the year were anticipated to be lower than the second half of 2020 due to the order patterns of major customers. As a result of the overall increase in revenues, unaudited LBITDA<sup>(1)</sup> was in line with management’s expectations.

Revenue growth for the period was led by strong product volumes in odour control applications with new and recurring orders spread across North America, Europe, and Asia driven by the success of customer products. The Company plans to add a new odour control product, expand into at least one new application, and increase marketing efforts with broader promotional activities in the second half of 2021.

As highlighted in the Company’s trading update announced on 8 June 2021, order fluctuations are occurring in detergent applications as brands and retailers adjust inventories due to uncertainties around consumer buying habits, as countries emerge from Covid-19 lockdowns. As a result, unaudited revenues in this area for the first half of 2021 were flat compared to the first half of 2020 due to a sharp decline in monthly volumes at the end of the period.

Interest in new detergent products based on Itaconix® TSI™ continues, with new detergent brands and new formulation projects starting by the end of 2021. The Board remains confident in the sizeable revenue potential from current and new customer projects but expects order fluctuations to continue in the second half.

Revenues in personal care applications for the period were less than the same period in 2020 and substantially less than the second half of 2020 as shipments in the last part of 2020 were sufficient to meet customer needs during the lockdowns in North America and Europe. The Board anticipates some further delays in new orders but remains confident of the overall major market potential for Itaconix ingredients, particularly as the Company develops new products and increases marketing efforts to accelerate revenues from personal care.

As has been widely reported, the delivery costs and times for key raw materials are increasing as suppliers continue to struggle with shipping delays caused by the Covid-19 pandemic and disruption throughout the supply chain. The Company has implemented product price increases and adjusted raw material purchasing and inventories to assure supply and mitigate potential further cost increases.

The net proceeds from the recent \$1.5 million fundraise have been used for additional working capital, in particular to improve the cost and certainty of the Company’s raw material and finished goods supply chain, given the current volatility in this area. The fundraise strengthened the Company’s balance sheet and net cash at 30 June 2021 was \$1.4 million.

**John R. Shaw, CEO of Itaconix, commented:**

*“We continue to make significant progress capitalising on the revenue potential in every household for our plant-based technologies. Supply chain delays with both our customers and our suppliers are causing some short-term issues, but our revenue opportunities are growing through the increasing recognition of the value of our ingredients in sustainable consumer products and through new additions to our offering of plant-based products. Underlying consumer demand for these products also remains strong.”*

<sup>1</sup> Loss before interest, tax, depreciation and amortisation

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This announcement contains information which, prior to its disclosure, was inside information as stipulated under the UK version of article 7 of the Market Abuse Regulation (EU) No. 596/2014.

**Notes to Editors**

Itaconix develops and produces bio-based specialty polymers that improve the safety, performance and sustainability of consumer and industrial products, with technology and market leading positions in non-phosphate detergents, odour control, and hair styling.

[www.itaconix.com](http://www.itaconix.com)