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Itaconix plc
("Itaconix" or the "Company")
H1 2024 Trading Update

Itaconix (AIM: ITX) (OTCQB: ITXXF), a leading innovator in sustainable plant-based polymers used to decarbonise everyday consumer products, provides the following trading update for the first half of 2024.

Strategic Focus and Commercial Progress

The Company is pleased to report that the Board's expectations for FY 2024 results remain in line with those set out in the announcement of 2 April 2024.

With the strategic decision to decline low-margin business, the Company achieved unaudited revenues of \$2.8 million for the first six months of 2024, compared to \$4.0 million for the first half of 2023. Unaudited total gross profit margin for the first six months exceeded 38%, compared to 28% for the first six months of 2023 and 31% for FY 2023, reflecting the Company's commitment to enhance profitability.

In addition to improving gross profit margins, the Company is diversifying its revenue base with new accounts and growth from existing accounts. Initial orders were received in the first six months for a new dish detergent application in Europe, a new sustainable leather account, and a new application in mineral processing. As previously disclosed, revenues and volume growth from these new accounts are expected to occur predominantly in H2 2024 and beyond.

The Company also continues to benefit from new orders and continuing revenues at lower levels from the existing merchandizing customer that the Company had previously taken the decision to decline low margin revenues from.

Financial Position

The Company's balance sheet remains strong, providing sufficient cash to focus on the next generation of customers, applications, and products. Net unaudited cash and investments as at 30 June 2024 were \$8.0 million (\$10.0 million at 31 December 2023). Cash use reflected higher finished goods inventories, higher accounts receivable in Europe, and new investments in upgrades to its facilities in Stratham, New Hampshire to support revenue growth.

This financial position is allowing the Company to target higher revenue growth and invest in new product development. The Company is seeing many exciting opportunities to develop new ingredients and increase revenues, positioning itself to better capture the commercial value of its performance ingredients.

New Product Launches

The Company launched two new products on 29 April 2024. Itaconix TSI 422, an advanced version of its leading Itaconix TSI 322 product, offers improved performance, lower overall formulation costs, and more compact formulations in cleaning applications. The Company had revenues in the first half from three customers for the use of this new polymer in two North American dish detergent brands and expects to add at least two more brands in H2 2024.

Itaconix ONZ 405, a powder version of the Company's current liquid odour neutraliser, meets customer needs in powder formulations, particularly in laundry and hygiene applications. The Company expects new revenues from this product in H2 2024.

Environmental and Regulatory Progress

The Company completed studies expanding the data on the biodegradability of its water-soluble polymers and advanced global regulatory acceptance with new approvals in China, Australia, and New Zealand. These approvals are expected to generate new revenue opportunities for current and prospective customers.

Financial Outlook

With these results for the first six months of 2024, the Board reiterates its revenue expectations of \$6 million to \$6.5 million and gross profit margin expectations of 36% for FY 2024.

Further details on first half results will be provided in the 2024 interim report, which the Company plans to release in early September 2024.

John R. Shaw, CEO of Itaconix, commented:

"Enhancing our revenue structure and increasing gross profit margins, while diversifying our revenue streams, pave the way for our next stage of growth. We are positioning ourselves to better capture the commercial value of our performance ingredients with new orders, new volumes in non-detergent uses, and important new product development initiatives. I believe the strategic efforts we are taking now will advance our long-term revenue growth and profitability objectives."

"We remain highly optimistic about our future and commercial progress. We are securing new detergent customers in Europe and North America and expanding the use of our performance ingredients into new applications. These efforts are focused on building a more diverse, profitable, and sustainable revenue base to achieve our goal of being a large and profitable specialty ingredient company."

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About Itaconix

Itaconix uses its proprietary plant-based polymer technology platform to produce and sell specialty ingredients that improve the safety, performance, and sustainability of consumer products. The Company's current ingredients are enabling and leading new generations of products in cleaning, hygiene, and beauty.

www.itaconix.com

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