

5 June 2023

**Itaconix plc**  
("Itaconix" or "the Company")

**Final Results**

Itaconix plc (AIM: ITX) (OTCQB: ITXXF), a leading innovator in sustainable plant-based polymers used to decarbonise everyday consumer products, announces its Final Results for the year ended 31 December 2022.

**Commenting on the results, John R. Shaw, CEO of Itaconix, said:**

*"We achieved major steps in FY2022 toward our financial goal of building a large, high gross margin, capital efficient specialty ingredients business. We have delivered revenues in line with previously upgraded market expectations at \$5.6m, as our products are now used as performance ingredients in over 145 different consumer brands and are found in major retailers across Europe and North America. These revenues represent 115.7% growth over FY 2021 revenues of \$2.6m and highlight both the potential for our proprietary technology platform and our pathway to profitability."*

*"Our FY2022 financial results also reflect progress toward safer and more sustainable consumer products that contribute to a new low-carbon economy. We use the safety, functionality, and plant-based content of itaconic acid to make proprietary polymers that enable consumer products with new levels of performance, safety, and sustainability. Growth in our base of recurring revenues from more brands shows that everyday products can both decarbonise and remain competitive."*

*"In February 2023, after the reported period, we took a further step toward our goal when we successfully raised gross proceeds of \$12.7m through a placing, subscription, and open offer. The funding allows us to advance more product and application revenue opportunities within our technology platform and support our general working capital needs for continued revenue growth. Our stronger balance sheet also offers us the ability to improve some of our gross profit margins, as we restructure customer and vendor arrangements and build up inventory in Europe."*

**Financial and Operational Highlights**

	<b>2022</b>	2021	2020	2019	2018
	<b>\$'000</b>	\$'000	\$'000	\$'000	\$'000
Revenue	<b>5,600</b>	2,596	3,292	1,288	881
Gross profit	<b>1,487</b>	700	1,154	450	140
Gross profit margin	<b>26.6%</b>	27.0%	35.1%	34.9%	15.9%
Adjusted EBITDA <sup>1</sup>	<b>(1,395)</b>	(1,640)	(993)	(2,457)	(5,370)
Cash used from operating activities	<b>(219)</b>	(2,023)	(1,157)	(1,831)	(6,973)
Net cash at year-end	<b>597</b>	683	1,448	765	2,655

<sup>1</sup> Adjusted for interest, tax, depreciation, amortization, share based payment charge, and exceptional items.

- Increased revenues by 115.7% driven by success in the cleaning segment in North America and Europe
  - revenues from 2019 to 2022 growing at a compound annual growth rate of 63.1%
- Much improved balance sheet with two successful fundraises
  - gross proceeds of \$0.4m in April 2022 and \$12.7m in February 2023
- Expanded commercial base with more uses in more brands sold in more retail outlets
  - polymers are key functional ingredients for new generations of consumer products in cleaning, beauty, and hygiene
  - products are now found in over 145 different consumer brands and in major retailers across both North America and Europe
- Sixteen families of patents including an important new patent filing in 2022 for uses in advanced composites

- Awarded a Frost & Sullivan 2022 Enabling Technology Leadership Award
- Renewed supply agreement for our ZINADOR™ polymers sold through Croda for odour neutralisation to extend a supply collaboration that began in 2017
- Entered new marketing agreement with Brenntag North America to promote sustainable cleaning in household, industrial, and institutional cleaning applications to over 2,000 customers in the US and Canada
- Itaconix® TSI® 322 driving new generation of non-phosphate dishwashing detergents and now found in growing number of brands in Europe and North America
- Polymers for hairstyling sold through Nouryon as Amaze® SP and by Itaconix as VELASOFT® NE 100 are gaining use through excellent curl retention, novel soft feel for “weightless” hairstyling, and high plant-based content
- Appointed new directors to support the next stage of growth and development:
  - Peter Nieuwenhuizen, as non-executive Chair,
  - Laura Denner as executive director; and
  - Paul LeBlanc as non-executive director.

**Commenting on the outlook, John R. Shaw, CEO, added:**

*“I have spoken in the past about Itaconix emerging into a new stage of development in our plans to build a large specialty ingredient company around our itaconate technology platform. We are now in that new stage. With more customers, more opportunities, and more resources than we have ever had, we are in position to both fulfil the promise of our current products and pursue larger opportunities. We are putting new growth initiatives into place while maintaining our focus on growing near-term revenues, improving some gross profit margins, and managing operating expenses. As we make commercial progress in line with Board expectations for 2023, we approach the future with more potential and more optimism than ever before.”*

**Enquiries:**

**Itaconix plc**

**+1 603 775 4400**

John R. Shaw / Laura Denner

**Belvedere Communications**

**+44 (0) 20 3008 6864**

John West / Llew Angus

**finnCap**

**+44 (0) 20 7220 0500**

Nominated Adviser & Joint Broker

Ed Frisby / Abigail Kelly / Miles Hindocha (Corporate Finance)

Andrew Burdis / Sunila de Silva (ECM)

**Canaccord Genuity**

**+44 (0) 20 7523 8000**

Joint Broker

Adam James / Patrick Dolaghan

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

Itaconix plc's broker, finnCap Limited, provides equity research on the Company, and the Company considers finnCap's revenue forecast to represent market expectations of \$8.0m in the year ending 31 December 2023 and \$10.5m in 2024.

**Report & Accounts and Notice of AGM**

The Company's statutory accounts, together with a Notice of Annual General Meeting, are due to be made available on the Company's website ([www.itaconix.com](http://www.itaconix.com) ) and posted to shareholders on 5 June 2023. Copies will also be available at the Company's registered office, Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom. The Annual General Meeting is due to be held at 11:00am on 28 June 2023 at Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom.

## **CHAIRMAN'S STATEMENT**

### **Our purpose**

Itaconix plc is using the ingenuity of nature to make the world a safer and better place.

We see innovations in biology and chemistry that we can harness to offer new answers for improving the health of our environment and rebalancing the planet's carbon cycle. We believe many of these answers do not have to depend on government actions or costly burdens to consumers.

We are dedicated to finding plant-based solutions that create new generations of cutting-edge consumer products that are safer and more sustainable without compromising on performance or cost.

### **Our Vision**

We are using nature's ingenuity to lead a shift away from chemicals that have poor toxicity profiles and are made from fossil-based feedstocks.

Itaconic acid is a natural ingredient produced in the human and plant world that is at the core of our technology platform. We want to harness the broad functional, safety, and sustainability advantages of itaconic acid to displace acrylic acid or styrene across \$20B of potential applications ranging from cleaning and beauty to paints and composites.

### **Our Business Plan**

Our goal is to build a large, highly profitable specialty ingredients company.

We are using our technology platform to create a steady stream of new plant-based ingredients that meet specific customer needs or opportunities for better and more competitive consumer products. Increasing usage in everyday products, particularly in the 360 million North American and European households, will form a broad growing base of recurring revenues from consumer brands that rely on our ingredients for safety, performance, cost, and sustainability.

### **Our Progress**

Before joining as a Non-Executive Director and Interim Chair in July 2022 and becoming Chair in January 2023, I followed Itaconix with great interest and excitement as a scientist, as an advocate for a new low-carbon economy, and as a shareholder. From all these vantage points, I am pleased to report a year of sustained progress for Itaconix, validating the technology platform and setting the stage for further growth.

We have sixteen families of patents that protect key competitive aspects of our technology platform, including an important new patent filing in 2022 for uses in advanced composites.

Our polymers are key functional ingredients for new generations of consumer products in cleaning, beauty, and hygiene. From detergents and air fresheners to pet care and hair sprays, our products are found in over 145 different consumer brands and in major retailers across both North America and Europe.

Where 2021 was marked by pandemic related challenges, 2022 delivered on the promise of our technology. New and recurring orders from our growing customer base increased our revenues to \$5.6m in 2022 and form a strong foundation for continued growth toward profitability. Notably, with our successful fundraise in early 2023, we have the resources to create even more new products and to extend into new applications, while maintaining strong operations.

### **Corporate Governance**

We made several changes to our corporate structure in 2022 and plan to add at least one additional non-executive director to further build our governance.

Dr Bryan Dobson stepped down, and Charlean Gmunder was appointed as Non-Executive Director of the Board, in April 2022. John Snow was not re-elected and Charlean Gmunder was not elected as Non-Executive Directors at the Company's Annual General Meeting in July 2022. Dr James Barber stepped down as Chair and Non-Executive Director of the Board, and I was appointed Interim Chair and Non-Executive Director in July 2022, becoming Chair in January 2023. The Company's CFO Laura Denner was appointed to the Board as an Executive Director in July 2022.

Dr Barber and Dr Dobson each served the Company as Chairs and each provided valuable guidance and direction to the development and commercial progress of the Company for over a decade. Mr Snow served as our Audit Chair since 2018 and provided steady guidance through the financial and operating challenges of the Covid-19 pandemic. The Board greatly appreciates the years of service and many contributions that they all made to Itaconix. The Board also thanks Ms Gmunder for her time on the Board.

Ms Denner has assumed increasing finance, accounting, and operations responsibilities since joining us in 2013 and has served as the Company's Chief Financial Officer since 2018. She has played a key role in developing Itaconix together with John Shaw and Dr Yvon Durant, and has valuable financial experience, knowledge, and acumen for our next stage of growth.

Paul LeBlanc was appointed on 5 January 2023 as an independent Non-Executive Director and Chair of the Audit Committee. Paul has valuable operating experience for the Company's next stage of growth from his role as Chief Financial Officer and Treasurer of Bemis Associates, a global manufacturer of specialty films and adhesives for the apparel and industrial markets.

## **Summary**

In summary, 2022 was a pivotal period for Itaconix's entry into a new stage of development and growth. We have validated our vision and business plan with a technology platform that generates valuable products, a broad base of recurring revenues, and attractive applications for far higher revenues. With funding in place and a strong pipeline of opportunities, we are on an exciting path to continue our growth and reaching profitability, becoming a large highly-profitable specialty ingredients business, and making the world a better and safer place.

Peter Nieuwenhuizen  
Chair  
2 June 2023

## CHIEF EXECUTIVE OFFICER'S STATEMENT

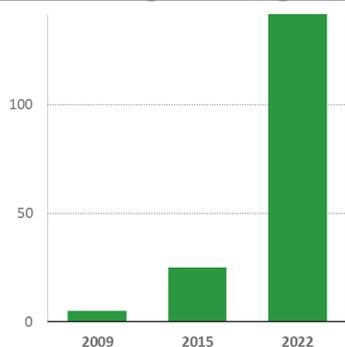
*Solutions for performance, cost, and sustainability in consumer products*

### Introduction

FY2022 was the year when we validated both our technology and our pathway to growth. We have delivered revenues in line with previously upgraded market expectations at \$5.6m, representing 115.7% growth when compared to revenues of \$2.6m in the year to 31 December 2021. We also made improvements in gross margin percentage in the second half of the year. Alongside this we made substantial operational progress as outlined below.

We have been growing at 60%+ compound annual growth over the last three years, and we are confident that we will continue to grow. Growing revenues and controlling costs will allow us to cross into profitability. That is an important goal and we looking to achieve that. We have built the foundations for a large, high gross margin, specialty ingredients business.

### Products Using Itaconix Ingredients



Our balance sheet now aligns with the high revenue growth from our current ingredients and the opportunities for us to develop new ingredients and higher revenues from our itaconate technology platform.

Major, purpose-driven, and private label brands are using our ingredients from itaconic acid to formulate new products or reformulate existing products to boost the sustainability credentials of their products. We estimate that use of Itaconix ingredients in brands has grown from fewer than 30 in 2015 to over 145 at the end of 2022, ranging from dishwashing detergents and carpet cleaners to curl sprays and dog shampoos. These brands form a broad base of recurring revenues that can generate further revenue growth as they secure placements in more retailers.

### Technology Platform

The material at the core of our platform, itaconic acid, is a natural metabolite found in the human and plant world. Itaconic acid has been recognized for decades as a valuable plant-based material due to its versatile functionality and its safety profile. It is produced for commercial purposes by fermentation using plant-based feedstock and is widely available on the open market. We purchase and process it into key ingredients used in a wide range of consumer products. The long-term potential for our business is based on our proprietary technology platform for turning itaconic acid into functional polymers that have high performance, safety, and sustainability value in consumer products. Our capabilities are protected by 16 patent families.

### Advantages of Itaconic Acid

Not only is itaconic acid a safe natural metabolite, but it is also highly valuable as a versatile building block for a range of chemistries. We have now harnessed the unique functionality of itaconic acid that scientists have searched for, and that is the reason why our ingredients continue to gain popularity and receive traction. Our technology platform allows us to pursue the replacement of acrylic acid and styrene, which combined are estimated to be worth more than \$20bn in annual global demand.

Itaconic acid is independently considered to be a top value-added natural product. 20 years ago, the US Department of Energy already identified itaconic acid as one of the top 12 value added chemistries from biomass. That finding, with significant research behind it, is what we have pursued, and we have demonstrated its value in a range of consumer products.

The environmentally sound aspect of itaconic acid and the polymers we create is an additional and important benefit of those materials. The natural fermentation process through which itaconic acid is produced uses plant-based feedstocks that sequester carbon dioxide in the atmosphere, placing our business squarely within the low carbon economy.

Importantly, our polymer products compete primarily on performance, efficacy, and cost. Our technology shows that there is no need to sacrifice performance for the sake of sustainability, and no need to increase prices of products which deliver on those metrics either. We are the solution to creating consumer products with efficacy and which are sustainable without an increase in price. Our goal is to create products that deliver on performance, cost, and on sustainability, without charging consumers more money.

## Market Potential

2022 was a breakthrough year for us, and with our ingredients now used in an estimated 145 brands around the world, we have generated 63% compound annual revenue growth since 2019. We have firmly established the value of the Itaconix technology platform and are positioned to lead a new generation of sustainable consumer products in the global low-carbon economy with competitive performance and costs for years to come.

The market potential for our technology platform is broadly defined by the \$20B in current uses for acrylic acid and styrene in consumer care, hygiene, water solutions, agriculture, composites, and coatings. We currently have a portfolio of 12 ingredients for formulators to use in a new generation of consumer products, and we continuously develop new ingredients. Our products are protected by 16 patent families covering proprietary processes, compositions, and applications.

Product	Application Use
<b>Cleaning</b>	
Itaconix® DSP 2K™	Manage water hardness
Itaconix® TSI™ 322	Manage water hardness
Itaconix® TSI™ 122	Manage water hardness
Itaconix® ONZ 100	Manage water hardness and odour
Itaconix® ONZ 400	Manage water hardness and odour
Itaconix® ONZ 075	Manage water hardness and odour
<b>Hygiene</b>	
ZINADOR™ (Croda)	Odour neutralisation
VELAFRESH™ ZP20/30	Odour neutralisation
VELAFRESH™ SAP80	Superabsorbent (to be launched)
<b>Beauty</b>	
Amaze™ SP (Nouryon)	Hair styling
VELASOFT™ NE 100	Hair styling
VELASOFT™ BR 300	Repair damaged hair (to be launched)

## Operating Review

### *Cleaning*

We continued to make substantial progress in cleaning, most notably announcing a new distribution agreement with Brenntag North America to promote sustainable cleaning in household, industrial and institutional cleaning applications. Brenntag is a global market leader in chemical and ingredients distribution, and an important commercial partner for us. Under the terms of the distribution program, together with Brenntag North America we are promoting the performance, safety, and sustainability benefits of our cleaning polymers to an existing Brenntag client base of over 2,000 customers in the United States, Canada, and Mexico.

Currently one of most important polymers on our platform is Itaconix® TSI® 322. Its functionality reduces total ingredient costs in a more compact dosage, by replacing two or more water conditioning materials. This polymer also increases the plant-based content to improve the sustainability of the end-product. This combination is generating use across premium, value, and sustainable dishwasher detergent brands in North America. A key ingredient in these detergents, it manages water hardness and assures glasses, dishes, and utensils shine and do not have any spots or filming, by reducing mineral deposits. The multifunctional value of Itaconix® TSI® 322, is driving a new generation of non-phosphate dishwashing detergents and can now be found in an estimated 19 different products across a broad range of retailers in both North America and Europe, where usage is also starting to grow.

We estimate that Itaconix® TSI® 322 alone has a \$260m addressable market from 30 billion dishwasher detergent tablets and sachets sold annually in Europe and North America.

### *Beauty*

Itaconix produces polymers for hairstyling that are sold through Nouryon as Amaze® SP and by Itaconix as VELASOFT® NE 100. These ingredients are gaining use in hair care products as alternatives to fossil-based fixatives based on excellent curl retention, novel soft feel for “weightless” hairstyling, and high plant-based content.

We estimate that Itaconix hair fixatives have a \$180m addressable market and another \$20m as foam enhancers.

We have plans to launch additional new technologies and products to expand our position as a leader in plant-based beauty, particularly in hair care.

### *Hygiene*

Itaconix produces polymers for odour neutralisation that are sold through Croda Inc. (“Croda”) as ZINADOR® 22L and 35L and by Itaconix as VELAFRESH® ZP20 and ZP30. These ingredients have comparable odour control performance to incumbent ingredient, zinc ricinoleate, while offering the advantages of not leaving residues, ease of formulating into products, and plant-based content.

During the course of the year, we renewed our important supply agreement for sustainable odour control with Croda. Our relationship with Croda is an important collaboration for us, that has been running successfully since 2017. Under the terms of the extended supply agreement, Itaconix continues to produce and supply its proprietary ZINADOR® odour neutralizing ingredients for Croda to market and sell globally in home care applications. The agreement also added a new product to the collaboration and updated the terms and arrangements in line with ongoing market developments. We expect continued progress in brand usage and new applications through our joint efforts.

Increasing consumer interest in odour control and more sustainable hygiene products is generating new addressable markets for Itaconix's polymers. Our VELAFRESH® technologies offer potential benefits to meet these needs and become key ingredients in a new generation of plant-based hygiene products.

### *Innovation*

We announced that we are extending our technology platform into potential uses in composite materials, and that we had filed a new patent application, which if granted would protect innovative intellectual property for expected applications in this new area. The extension of the Itaconix technology platform is part of our work to engage with potential customers to identify unmet needs that we can address with our plant-based solutions.

We estimate that a \$600m per annum addressable market exists for potential Itaconix products based on this new technology; and although the usual steps remain to advance a new product to market, we are very excited that our plant-based solutions have the potential to address major customer needs which are not being fulfilled. The patent filing marked a significant milestone in our efforts to deliver safety and sustainability to new categories of consumer products, and product research based on this patent filing has now entered the next stage of commercial development.

## **Board Changes and New Chair**

Peter Nieuwenhuizen has already outlined the changes we made during the year, but I would like to add my thanks and appreciation for the work and substantial contributions that outgoing Directors Dr Barber and Dr Dobson made. I wish them well for the future. I am also delighted to welcome Laura, Paul and of course Peter to the Board.

Peter is a strong addition to our team and his expertise dovetails well with our business. He was a Founding Partner of the European Circular Bioeconomy Fund (ECBF), a €300m venture capital fund dedicated to the circular bioeconomy and also serves as Chair of the Green Chemistry and Commerce Council. Prior to co-founding ECBF, Peter was CTO & Corporate Director RD&I & Sustainability for AkzoNobel Specialty Chemicals and VP Technology Deployment at Enerkem Inc in Canada. He earned his Ph.D. in Chemistry from Leiden University. He also sits on the Boards of a number of companies making important contributions to the low carbon economy. I look forward to working with him and the rest of the team.

We now have a strong leadership proposition with complimentary skills and experience to help navigate us through our next phase of growth.

## **Funding**

In April 2022, we announced a small funding of \$0.4m by way of direct subscription with existing institutional shareholder IP Group entities, and certain management. Far more significantly in February 2023, after the reported period, we announced that we had successfully raised gross proceeds of \$12.7m through a placing, subscription, and open offer. The placing and subscription were oversubscribed from new and existing institutional investors and in the open offer, we received tremendous support from existing shareholders.

The Fundraising will be used for general working capital purposes to support continued revenue growth. But importantly we will also deploy some of the capital to accelerate the development of new products and applications. We will also spend capital to support continuous improvements in our processes.

With a stronger balance sheet we are better placed to improve some of our profit margins, as we restructure customer and vendor arrangements and build up inventory in Europe. The ability to place much larger amounts of product on the ground in Europe, ready to be delivered to locations on the continent and in the UK, will give a significant boost to our business, avoiding high spot logistics costs.

The funding also allows us to accelerate new products and new application development. We can also make improvements to our production line in our US manufacturing facility, enhancing production efficiencies, and driving costs down. We have substantial capacity at our existing facility and have no current plans to invest in a European production facility which would be capital intensive and consume valuable management time.

This fundraise is a game changer for our Company and I am extremely pleased to welcome new shareholders. They, like us, clearly recognise that we are now entering a new stage of development, as we execute on our plan to become a much larger sustainable ingredient company.

## **Outlook**

We are focused on building a large, high gross margin, capital efficient, specialty ingredients business. Our technology platform, and our current products are all well-positioned to play significant roles in enabling a new generation of consumer products that offer performance, safety, and sustainability. We expect 2023 revenues to ramp up in line with market expectations. We are continuing to focus on improving gross margins and maintaining modest increases in operating expenses, as we commercialise more of our technology platform.

Our balance sheet now gives us the opportunity to target higher revenue growth from our current ingredients. There are many exciting opportunities for us to develop new ingredients and increase revenues from our substantial itaconate technology platform. We approach the future with more commercial progress, more resources, more potential, and more optimism than ever before.

John R. Shaw

Chief Executive Officer

2 June 2023

## **OUR STRATEGY**

### **Principal Activities**

Itaconix plc is a leading innovator in plant-based ingredients for improving the safety and performance of consumer and industrial products. Its proprietary polymer technologies generate a growing range of new specialty ingredients with unique functionalities that meet consumer demands for value and sustainability.

The Group's principal activities are the development of plant-based polymers and the production and sale of these materials globally, both directly and through partners as ingredients in product formulations.

Most of the Group's efforts are focused on home and personal care applications where consumer interest and desires for safer and more sustainable products are particularly high.

### **Proprietary Ingredients with Unique Functionality**

As the leader in itaconate polymer technology, the Group has conducted many years of exploratory research and holds an extensive patent portfolio related to the production and use of polymers made from itaconic acid. The commercial potential for these materials as ingredients in consumer products stems from the unique functionalities available through the chemical structure of itaconic acid and from the production of itaconic acid through fermentation using plant-based sugar.

The Group's technology platform has commercial momentum in cleaning, hygiene, and beauty as a result of the process of identifying a market need and then developing a product to meet that need. As these products gain broader use, Itaconix is working on new products to emerge from its technology platform.

### **Progress in 2022**

The Group focused on improving supply chain cost and reliability, recovery of gross profit margins, managing working capital, and increased sales volumes. As the pandemic related supply constraint issues started to ease, the Group worked with suppliers to improve reliability by increasing US warehoused raw materials and communicating projected order volumes. These actions and increased availability of ocean freight have improved the global supply chain cost and reliability.

The work done to improve the Group's supply chain has supported and stabilized the gross profit margin which is expected to improve in the coming periods. While addressing the cost component of the gross profit recovery, the Group has also issued several pricing increases throughout the year to customers to offset the overall increase in raw material costs.

During the year, the Group completed a small fundraise of \$0.4m to support working capital needs in Europe. Inventory demand in EU were increasing faster than anticipated from the new and existing customer using Itaconix® TSI™ 322 in cleaning.

The Group advanced its development and commercial activities in its core cleaning, beauty, and hygiene applications, as detailed in the Chief Executive Officer's Statement.

### **Key Performance Indicators (KPIs)**

The Directors believe there are financial and non-financial key performance indicators for the Group. These KPIs are critical for management's aim to monetise its technology platform through revenues generated by a growing number of commercial products. Non-financial KPI's are detailed above in the Chief Executive Officer's Statement.

Financial:

- Revenues
- Adjusted EBITDA, the earnings before interest, tax, depreciation, amortization, share based payments, and exceptional items
- Cash

Non-Financial:

- Increased volumes in North America cleaning
- Traction in Europe cleaning
- New hygiene applications
- New patent applications

## FINANCIAL REVIEW

Revenues for the year increased by 115.7% from 2021. Adjusted EBITDA improved by 14% from a loss of \$1.6m in 2021 to a loss of \$1.4m in 2022. Cash used in operations improved from \$2.0m used in 2021 to \$0.2m used in 2022. Cash use in operation consisted of approximately \$1.4m used to fund operating expense which were offset by \$1.2m reduction in working capital. This was supported by the Group's successful fundraise in April 2022. Below is a table showing the Group's key performance metrics:

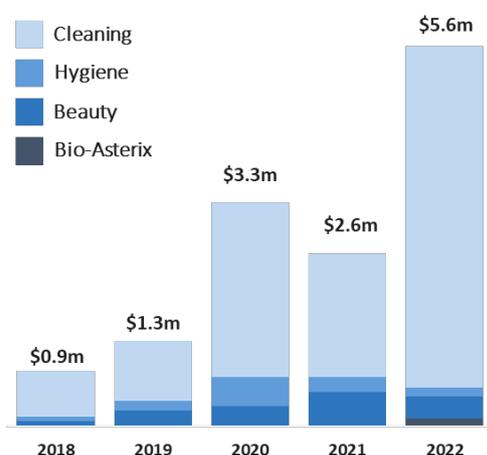
	2022	2021	2020	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	5,600	2,596	3,292	1,288	881
Gross profit	1,487	700	1,154	450	140
Gross profit margin	26.6%	27.0%	35.1%	34.9%	15.9%
Adjusted EBITDA <sup>1</sup>	(1,395)	(1,640)	(993)	(2,457)	(5,370)
Cash used from operating activities	(219)	(2,023)	(1,157)	(1,831)	(6,973)
Net cash at year-end	597	683	1,448	765	2,655

## Financial Performance

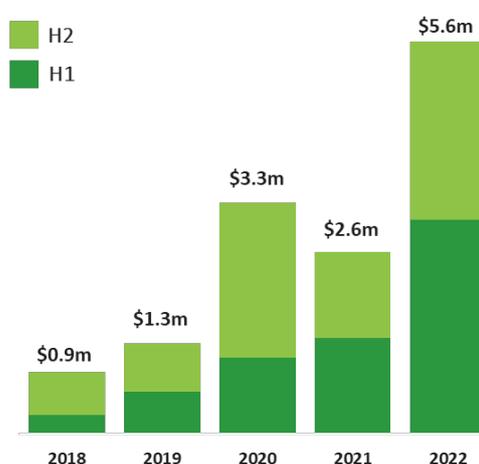
### Revenue

Total revenues for the 12-month period ended 31 December 2022 were \$5.6m, representing a 115.7% increase from 2021 revenues of \$2.6m. Revenues since 2019 have a compounding annual growth rate of 63.1%. Revenues growth was driven by cleaning, while hygiene and beauty experienced lag. Cleaning increased by 173.8% from 2021, the increase was primarily due to strong increase in volumes in North America and faster than anticipated adoption of Itaconix® TSI™ 322 in Europe. An increase with more brands and more uses continued strong in the second half of 2022.

Revenues 2018 – 2022 (End Market)



Revenues 2018 – 2022 (H1 v H2<sup>2</sup>)



Hygiene decreased by 36.3% from 2021, due to slower reorder volumes in the second half of 2022. However, there are more new brands in North America, Europe and Asia using Itaconix ingredients in odour neutralization products.

Beauty decreased by 37.7% from 2021, which was due to a large stocking order fulfilled in November 2020 and slower order volumes in Europe.

Revenues in all geographical regions increased. North America represents 90.7% of the Group's revenue and increase of 110.7%. North America revenue driven significantly by the cleaning segment. Europe represents 9.3% of

<sup>1</sup> Adjusted for interest, tax, depreciation, amortization, share based payment charge, and exceptional items.

<sup>2</sup> Unaudited revenue by reporting period.

the Group's revenue and increased by 180.6%. European revenue improved largely due to the launch of several formulas using Itaconix® TSI™ 322 in Europe.

#### *Gross Profit and Adjusted EBITDA<sup>1</sup>*

Gross profit margin was 26.6% in 2022 compared to 27.0% in 2021. There was a slight decrease in gross profit margin due to the increased raw materials costs and logistics costs and increase in Formulation Solutions. Costs of ocean freight remained high through the end of 2022 and in the early 2023. The logistics costs have continued to lower as availability of shipping containers and boat space improve.

The increase in the Group's Formulation Solutions, which provides technical services and ingredient supplies for formulated products developed for customers based on Performance Ingredients, has impacted the gross profit margin. Formulated Solutions made up 17.7% of the Group's total revenues in 2022. Gross profit margins on Formulated Solutions are roughly 8%, which are lower than the Group's targeted gross profit margins of 35%. These are not products that are manufactured at Itaconix but are specified in formulation to support excellent performance in products developed for Itaconix Performance Ingredients.

Adjusted EBITDA is a non-IFRS measure but is widely recognised in financial markets and it is used within the Group as a key performance indicator. Adjusted EBITDA was a loss of \$1.4m in 2022 (2021: loss \$1.6m) which improved by 14.4%. The Group actively monitor administrative expenses and make prudent spending decisions to support the Group's strategic objective.

Below is a reconciliation of Loss for the Year to Adjusted EBITDA:

	<b>2022</b>	2021	2020	2019	2018
	<b>\$'000</b>	\$'000	\$'000	\$'000	\$'000
Loss after tax	<b>(2,463)</b>	(455)	(1,646)	(1,358)	(9,868)
Taxation	<b>8</b>	7	7	1	(187)
Depreciation	<b>161</b>	167	200	223	296
Amortization	<b>202</b>	201	198	198	-
Exceptional revaluation of contingent consideration	<b>138</b>	(1,560)	339	(1,474)	3,323
Share based payments	<b>559</b>	-	-	-	-
Exceptional organizational restructuring	-	-	(91)	-	1,190
Finance income	-	-	-	(1)	(4)
Movement on investment in nicotine gum investment	-	-	-	(46)	(120)
Adjusted EBITDA	<b>(1,395)</b>	(1,640)	(993)	(2,457)	(5,370)

#### *Administrative Expenses*

Administrative expenses consist of sales, marketing, operations, research and development, and public company costs such as legal, finance and the Group Board. These expenses were \$3.8m in 2022 up from \$2.9m in 2021. The increase in administrative expense was largely due to increased staffing to support the Group's growth plans.

#### *Costs and Available Cash*

As at 31 December 2022, the Group held cash of \$0.6m. Net Cash outflows from operating activities of \$0.2m in 2022 were used to support the Group's growth plan while managing working capital needs compared to \$2.0m in 2021. The Group successfully completed a \$0.4m placing with a large shareholder, IP Group entities and executive management in April 2022.

#### *Working capital*

At year end, working capital had decreased and the most significant change was trade and other payables. Trade and other payables increased to \$1.8m in 2022 from \$1.0m in 2021. Inventories decreased to \$1.1m in 2022 from \$1.4m in 2021 and were adequate to support current customer demand. Working capital as a percentage of revenues decreased to 0.3% in 2022 from 50.5% in 2021.

### *Financial Position*

At 31 December 2022, the Group had equity of (\$0.8m) as compared to \$0.6m in 2021, primarily as result of operating losses, a significant increase in the share-based payment reserve, and a share issuance.

### **Revaluation of Contingent Consideration**

As a result of revaluing contingent consideration related to the acquisition of Itaconix Corporation in 2016, per note 17, there was an exceptional non-cash expense of \$0.1m in 2022, which offsets the exceptional non-cash income of \$1.6m (excluding foreign exchange) from 2021. In addition to the revaluation of the liability the Group settled the contingent consideration on 8 February 2023 at a value of \$1.1m.

### **Financial Reporting**

There were no new reporting standards adopted for the year end 31 December 2022 that have a material impact on the financial statements.

### **Going Concern**

The financial statements have been prepared on a going concern basis. The Directors have reviewed the Parent Company's and the Group's going concern position taking account its current business activities, budgeted performance and the factors likely to affect its future development, set out in the Annual Report, and including the Group's objectives, policies and processes for managing its working capital, its financial risk management objectives and its exposure to credit and liquidity risks.

The Directors have also taken into consideration the current inflationary environment and macro-economic uncertainties together with the impact of the war in Ukraine on the Group's revenues and supply chain. While there has not been a significant negative impact through the report date on the Group revenues or supply chain as the pandemic moved into an endemic stage, the Directors have applied sensitivities to the timing, quantum, and growth of new customer projects in revenue models and have assessed alternate supply chains that have been developed by the Group to mitigate any issues in deliveries to our customers.

As further detailed in note 1 to this announcement, the Directors have reviewed the Group's cash flow forecasts, which take account of gross proceeds of \$12.7m capital raised in February 2023, covering a period of at least 12 months from the date of approval of the financial statements, which foresee that the Group will be able to meet its liabilities as they fall due. However, the success of the business is dependent on customers continuing to purchase our products to increase revenues and profits.

### **Shareholdings and Earnings per Share**

Itaconix had 450,129,425 shares in issue as at 31 December 2022. The undiluted weighted average number of shares for the period to 31 December 2022 was 448,096,458. The difference in the two numbers is the result of an issuance of new shares in April 2022. The undiluted weighted average number of shares was used to calculate the loss per share presented in note 3.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

Effective risk management is a priority for the Group to sustain the future success of the business. Therefore, the Directors have overall responsibility for the Group's risk management process but have delegated responsibility for its implementation, the system of controls which reduce risk and for reviewing their effectiveness to the management team. The risk of uncertainties that the Group face evolve over time, therefore the management team review and monitor the emerging risks and update mitigation effort. The results are reported to the Board.

### **Commercialisation Activities**

There were some challenges due to the lingering pandemic that affect the Group's commercial activities. These included limited availability for ocean freight from North America to Europe, increased costs of raw materials and shipping delays from Asia to North America. These challenges were temporary and ultimately the success of the business relies upon Itaconix products reaching sufficient quantities for the Group to generate an overall profit.

Management of risk: The Group has sought to manage this commercialisation risk by partnering with market leaders for the worldwide promotion of our leading products, continued development of end-user formulas to provide customers with packaged solutions, and continuous review of the market needs for Itaconix products.

### **Dependence on Key Personnel**

The Group depends on its ability to retain highly qualified managerial and scientific personnel. There are a limited number of candidates with the experience and skills to replace these key personnel. Attracting the best candidates can be highly competitive. While the Group has conventional employment arrangements with key personnel aimed at securing their services for minimum terms, their retention cannot be guaranteed.

Management of risk: The Group expanded its management team to support operations and has service contracts in place for John R. Shaw as Chief Executive Officer and Dr Yvon Durant as Chief Technology Officer. In addition, the Group seeks to retain key personnel in the US using an Equity Incentive Plan for share option grants, as disclosed in note 22.

### **Customer Retention**

The ability to retain key customers is critical to maintaining revenue streams. The loss of key customers could impact business results adversely.

Management of risk: Acceptance of our products in our customers' end-product formulations is monitored and managed. Our customer service includes regular engagement on the performance of both our products and the end-products to ensure our ingredients are delivering the desired value to our customers and end-users.

### **Regulatory and Legislation**

Regulatory bans on the use of phosphates as ingredients in detergents have transformed the consumer detergent markets in Europe and North America over the last ten years. Phosphates are known to enter waterways through detergent effluent and act as a nutrient for algae growth that subsequently cuts oxygen levels in water and harms aquatic life. We believe that phosphates are likely to be phased out in other jurisdictions around the world over time. Itaconix polymers are effective replacements for phosphates in detergents and are used in numerous detergent products in North America and Europe for this purpose.

Management of risk: The Group closely monitors regulatory developments in the use of ingredients in consumer and industrial products to assure compliance and find new revenue potential for Itaconix polymers. Further, the Group regularly assesses the relative performance and cost efficacy of Itaconix polymers to current and emerging phosphate replacements to identify revenue risks and opportunities.

### **Competition and Technology**

The production and use of Itaconix polymers are subject to technological change over time. There can be no assurance that developments by others will not render the Group's product offerings and research activities obsolete or otherwise uncompetitive.

Management of risk: The Group employs experienced and highly-trained polymer chemists to develop and protect the Group's intellectual property. These efforts include continuous work on the performance and cost advantages of Itaconix polymers. In addition, the staff monitors technologies and patents through publications, scientific conferences, and collaborations with other organisations to identify new risks and opportunities.

### **Covid-19 Risk**

The Group faces continued volatility, now decreasing, due to Covid-19 related disruptions in the demand for its products, the supply of raw materials, and the supply of other ingredients going into customer products. Our operations continued to operate while implementing recommended CDC guidance to protect our employees and

provide a safe work environment. Supply chain issues continued into early 2023 due to extended shipping times and the availability of other ingredients going into customer products.

Management of risk: Management closely monitors Covid-19 regulatory developments as the pandemic transitions to an endemic. Management and staff actively communicate with all major suppliers and customers about upcoming demand and reliability of the supply chain. We also hold significant stock of long lead time raw materials from Asia.

### **Liquidity Risk**

Itaconix seeks to manage financial risk by ensuring adequate liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. In April 2022, the Group completed a \$0.4m fundraise to support general working capital in Europe. In addition, short-term flexibility is achieved by holding significant cash balances in Itaconix's functional currencies, notably UK Sterling and US Dollars.

Management of risk: The Group monitors bank balances held in established financial institutions and maintains adequate cash balances in its functional currencies.

### **Credit Risk**

The principal credit risk for Itaconix arises from its trade receivables. To manage credit risk, new customers are subject to credit review and all customer accounts are regularly reviewed for debt aging and collection history. As at 31 December 2022, there were no significant credit risk balances.

Management of risk: The Group's control environment requires new customers to establish credit terms through providing credit references and a credit review. Trade receivables are actively monitored for collection history.

### **Inflation and Foreign Currency Risk**

Global economies have experienced significant inflation during 2022. The cost of raw materials increased as costs for shipping, energy and ingredients increased. These increases were partially recovered in selling price increases to customers.

Selling price to international customers in foreign currencies has increased in 2022. This is offset by the ability to increase pricing to these customers and the Group has the ability to receive various foreign currencies in Bank accounts and convert them as market conditions are favourable.

Management of risk: The Group active monitors raw material costs and works with vendors to manage these costs. Costs increases are periodically passed onto customers through pricing increases.

### **Foreign Exchange Risk**

Itaconix Plc is a publicly traded holding company on the London Stock Exchange. The Group's primary operations are in the US. These US based operations transact trades with customers in North America and internationally. Revenue and costs are exposed to variations in exchange rates and therefore reported losses. In 2019, the Group elected to convert the reporting currency from UK Sterling to US Dollars. The US Dollar transactions represent a significant portion of the functional currency transactions and therefore reduces the Group's overall exposure to translation exchange risk.

Management of risk: The Group manages foreign exchange risk by maintaining bank balances in major functional currencies to control the impact on transaction costs for operational expenses. The Group will continue to monitor appropriateness of reporting in US Dollars.

### **Government Risk**

The Group has potential exposure to government activities related to the war in Ukraine and US-China trade relations.

Regarding the war in Ukraine, we reviewed all activity with the Russian Federation and Republic of Belarus. We have no direct customers in these regions nor in Ukraine and do not expect the war to have a material direct impact on our business other than the overall supply chain and economic effects experienced by manufacturers.

Limited availability and extended delivery times have combined to trigger major increases to certain raw material costs and may continue to cause volatility. These disruptions have created a steady need to monitor raw material sourcing, assess alternative suppliers, and adjust the pricing of the Group's products.

Management of risk: The Group continues to monitor international impact of the war in Ukraine and legislation affecting the US imports of Chinese goods on the overall business.

## SUSTAINABILITY

### Polymers for Better Living™

Our polymers are advanced sustainable materials that can make the world a better and safer place to live as essential ingredients in the next generation of consumer products.

The composition of our polymers, our patented process to produce them, their performance as ingredients in consumer product formulas, and how these formulas are packaged and delivered to consumers contribute to the fight against climate change with plant-based carbon, sequestering carbon, energy efficiency, and lighter consumer products.



#### Itaconix Ingredient Benefits as Advanced Sustainable Materials

Product	Plant-Based Carbon	Decarbonisation	Energy Efficiency	Lighter Products
<b>Cleaning</b>				
Itaconix® DSP 2K™	100%	✓	✓	✓
Itaconix® TSI™ 322	>75%	✓	✓	✓
Itaconix® TSI™ 122	>80%	✓	✓	✓
Itaconix® ONZ 100	100%	✓	✓	
Itaconix® ONZ 400	>80%	✓	✓	
Itaconix® ONZ 075	>99%	✓	✓	
<b>Hygiene</b>				
ZINADOR™ (Croda)	80-100%	✓	✓	
VELAFRESH™ ZP20/30	80-100%	✓	✓	
VELAFRESH™ SAP80	>98%	✓	✓	
<b>Beauty</b>				
Amaze™ SP (Nouryon)	100%	✓	✓	
VELASOFT™ NE 100	100%	✓	✓	
VELASOFT™ BR 300	100%	✓	✓	

#### Plant-based carbon

The renewable carbon in the itaconic acid we use to make Itaconix products is captured as carbon dioxide by plants. Corn plants convert carbon dioxide into carbon in sugars that are used to produce itaconic acid via fermentation. We bring this itaconic acid into our patented process at our US operations to produce polymers that have 75-100% plant-based carbon.

#### Decarbonisation

The increase of carbon dioxide as a greenhouse gas in our atmosphere is a major cause of climate change. Carbon dioxide is sequestered as plant-based carbon in Itaconix products for a period of time until, depending on the circumstances, they degrade. During this period, the amount of carbon held contributes to a reduction of carbon dioxide in the atmosphere. The amount of net amount of carbon dioxide that is sequestered depends on the growth efficiency of the plant used as the feedstock for fermentation, the agricultural practices used to grow the plant, and the resources used to produce and transport itaconic acid to Itaconix's production facility. Itaconix is committed to

work with its suppliers and partners to continuously improve the net sequestration in its products, and to develop transparent supply chains.

### Energy efficiency

Improving energy consumption is a major sustainability goal for Itaconix and within the chemical industry.

Itaconix's efforts start with its patented polymer production process, which is efficient in its use of energy and capital equipment. Less energy use translates into less direct and indirect GHG emissions.

Itaconix is working to extend its energy efficiency efforts across all of its operations and practices with the development of reporting under the Streamlined Energy & Carbon Reporting (SECR) framework. We began in 2020 with the direct and indirect emissions from the purchase of electricity and natural gas. The table below shows the energy consumption and estimated GHG emissions at our US operations for the 12-month period ending 31 December 2020 from these activities.

	Energy consumption (kWh)		GHG emissions (tCO2e)	
	2022	2021	2022	2021
<b>Direct and indirect emissions</b>	453,082	394,475	236.18	212.32
<b>Intensity ratio: tCO2e per \$m Net Revenue</b>			42.18	81.66

We have selected an intensity metric based on tonnes of carbon dioxide emissions (tCO2e) per \$m Net Revenue. We will use this ratio to monitor and extend our energy efficiency efforts further into our operations and practices. Although our estimated direct and indirect GHG emissions increased in 2022, the intensity ratio decreased due to higher overall production levels.

### Water efficiency

Improving water consumption is a major sustainability goal for Itaconix and within the chemical industry. Itaconix was able to reduce its water consumption in production through re-engineering its facilities cooling operations in early 2022, saving approximately 70% the annual usage from the prior year.

	Water consumption (gal)	
	2022	2021
<b>Direct consumption</b>	102,870	336,540
<b>Intensity ratio: gallons per \$m Net Revenue</b>	18.37	129.44

### Lighter products

The multifunctional performance of Itaconix ingredients offers the potential for more compact consumer products, particularly in detergents. Compact products are lighter and can reduce greenhouse gas emissions by using less chemicals, less packaging, and more efficient transportation.

### Revenues from Advanced Sustainable Materials

Itaconix plc is dedicated to reducing the planet's carbon footprint and addressing climate change with plant-based polymers that are essential ingredients in a new generation of safer, more sustainable consumer products.

Our financial results demonstrate that commercial and environmental progress can advance equally through the value and adoption of our ingredients. We are pleased to announce that 93% of our 2022 revenues (2021: 95%) were derived from advanced sustainable materials. This means that 93% of our revenues are related specifically to the design, development, and manufacture of materials that during their manufacture or through their use allow for considerable increases in the efficiency of resource usage.

## **SECTION 172 STATEMENT**

### **Statement of Compliance with Section 172 of the Companies Act 2006**

The Directors are required to include a separate statement in the Annual Report that explains how they have considered broader stakeholder needs when performing their duty under Section 172(1) of the Companies Act 2006. This duty requires that a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers, and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the company.

In connection with its statement, the Board describes in general terms how key stakeholders, as well as issues relevant to key decisions are identified, and also the processes for engaging with key stakeholders including employees and suppliers, and understanding those issues. It is the board's view that these requirements are predominantly addressed in the corporate governance disclosures we have made in the directors' report, which are themselves discussed more extensively on the company's website.

A more detailed description is limited to matters that are of strategic importance in order to remain meaningful and informative for shareholders. The Board believes that three decisions taken during the year fall into this category, and engaged with internal and external stakeholders on these decisions:

- 2022 Fundraise – The Directors assessed the placement by direct subscription with existing institutional shareholder IP Group entities and the executive management, to support the Group's accelerated working capital needs in Europe.
- Appointment of new Non-Executive and Executive Directors – The Directors continually assess the evolving needs of the Group. The Group interviewed several Directors to determine the best fit for the Group and appointed three new directors to support the strategic view of the growing business.

Approved by the Board of Directors on 2 June 2023 and signed on behalf of the Board of Directors by:

Peter Nieuwenhuizen  
Chair

John R. Shaw  
Chief Executive Officer

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

	2022	2021
	\$'000	\$'000
<b>Revenue</b>	<b>5,600</b>	2,596
Cost of sales	<b>(4,113)</b>	(1,896)
<b>Gross profit</b>	<b>1,487</b>	700
Other operating income	-	203
Administrative expenses	<b>(3,804)</b>	(2,911)
<b>Group operating loss before exceptional items</b>	<b>(2,317)</b>	(2,008)
Exceptional income / (expense) on revaluation of contingent consideration	<b>(138)</b>	1,560
<b>Operating loss before tax from operations</b>	<b>(2,455)</b>	(448)
Finance income (expense)	-	-
<b>Loss before tax</b>	<b>(2,455)</b>	(448)
Taxation	<b>(8)</b>	(7)
<b>Loss after tax</b>	<b>(2,463)</b>	(455)
<b>Basic and diluted loss per share</b>	<b>(0.5)</b>	(0.1)
<b>Diluted loss per share</b>	<b>(0.5)</b>	(0.1)

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022	2021
	\$'000	\$'000
<b>Loss for the year</b>	<b>(2,463)</b>	<b>(455)</b>
<b><i>Items that will be reclassified subsequently to profit or loss</i></b>		
Exchange gains in translation of foreign operations	93	17
<b>Total comprehensive loss for the year, net of tax</b>	<b>(2,370)</b>	<b>(438)</b>
<b>Attributable to:</b>		
Equity holders of parent	(2,370)	(438)

## CONSOLIDATED BALANCE SHEET

At 31 December 2022

	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
<b>Non-current assets</b>		
Property, plant and equipment	301	402
Right-of-use assets	343	545
Investment in subsidiary undertakings	-	-
	<b>644</b>	<b>947</b>
<b>Current assets</b>		
Inventories	1,119	1,369
Trade and other receivables	164	280
Cash and cash equivalents	597	683
	<b>1,880</b>	<b>2,332</b>
<b>Total assets</b>	<b>2,524</b>	<b>3,279</b>
<b>Financed by</b>		
<b>Equity shareholders' funds</b>		
Equity share capital	5,959	5,873
Equity share premium	47,942	47,641
Own shares reserve	(5)	(5)
Merger reserve	31,343	31,343
Share based payment reserve	643	10,386
Foreign translation reserve	(101)	(194)
Retained deficit	(86,556)	(94,395)
<b>Total equity</b>	<b>(775)</b>	<b>649</b>
<b>Non-current liabilities</b>		
Contingent consideration	-	1,116
Note payable	-	-
Lease liabilities	119	348
	<b>119</b>	<b>1,464</b>
<b>Current liabilities</b>		
Trade and other payables	1,866	1,020
Contingent consideration	1,134	-
Lease liabilities	180	146
	<b>3,180</b>	<b>1,166</b>
<b>Total liabilities</b>	<b>3,299</b>	<b>2,680</b>
<b>Total equity and liabilities</b>	<b>2,524</b>	<b>3,279</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 31 December 2022

	Equity share capital \$'000	Equity share premium \$'000	Own shares reserve \$'000	Merger reserve \$'000	Share based payment reserve \$'000	Foreign translation reserve \$'000	Retained deficit \$'000	Total \$'000
At 1 January 2021	5,718	46,135	(5)	31,343	10,335	(211)	(93,940)	(625)
Loss for the year	–	–	–	–	–	–	(455)	(455)
Contingent consideration	26	120	–	–	–	–	–	146
Share issuance proceeds	129	1,428	–	–	–	–	–	1,557
Share issuance expenses	–	(42)	–	–	–	–	–	(42)
Exchange differences on translation of foreign operations	–	–	–	–	–	17	–	17
Share based payments	–	–	–	–	51	–	–	51
At 31 December 2021	5,873	47,641	(5)	31,343	10,386	(194)	(94,395)	649
Loss for the year	–	–	–	–	–	–	(2,463)	<b>(2,463)</b>
Share issuance proceeds	86	301	–	–	–	–	–	<b>387</b>
Exchange differences on translation of foreign operations	–	–	–	–	–	93	–	<b>93</b>
Plan termination	–	–	–	–	(10,302)	–	10,302	–
Share based payments	–	–	–	–	559	–	–	<b>559</b>
At 31 December 2022	5,959	47,942	(5)	31,343	643	(101)	(86,556)	<b>(775)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	2022	2021
	\$'000	\$'000
<b>Net cash outflow from operating activities</b>	<b>(219)</b>	<b>(2,023)</b>
Proceeds from sale of property, plant and equipment	-	20
Purchase of property, plant and equipment	(59)	(68)
Cash loaned to subsidiary undertakings	-	-
<b>Net cash (outflow) / inflow from investing activities</b>	<b>(59)</b>	<b>(48)</b>
Cash received from issue of shares	387	1,557
Transactions costs paid on the issue of shares	-	(42)
Proceeds from government secured debt	-	-
Repayment of lease liability	(138)	(167)
Interest paid - leases	(57)	(42)
<b>Net cash inflow from financing activities</b>	<b>192</b>	<b>1,306</b>
<b>Net (outflow) / inflow in cash and cash equivalents</b>	<b>(86)</b>	<b>(765)</b>
Cash and cash equivalents at beginning of year	683	1,448
<b>Cash and cash equivalents at end of year</b>	<b>597</b>	<b>683</b>

## NOTES TO THE FINANCIAL INFORMATION

### 1. Accounting policies

#### *Basis of presentation*

The financial information set out in this document does not constitute the Group's statutory accounts for the years ended 31 December 2021 or 2022. Statutory accounts for the years ended 31 December 2021 and 31 December 2022, which were approved by the directors on 2 June 2023, have been reported on by the Independent Auditors. The Independent Auditor's Reports on the Annual Report and Financial Statements for 2022 was unqualified and unmodified (2021 was unqualified and did draw attention to a matter by way of emphasis, being going concern) and neither year did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2021 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 December 2022 will be delivered to the Registrar of Companies in due course and will be posted to shareholders on 5 June 2023, and thereafter will be available from the Group's registered office at Fieldfisher Riverbank House, 2 Swan Lane, London, United Kingdom, EC4R 3TT and from the Group's website <https://itaconix.com/investor/reports-documents/>

The financial information set out in these results has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations in accordance of UK adopted International Accounting Standards ('IFRS'). The accounting policies adopted in these results have been consistently applied to all the years presented and are consistent with the policies used in the preparation of the financial statements for the year ended 31 December 2021, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2022. There are deemed to be no new standards, amendments and interpretations to existing standards, which have been adopted by the Group, that have had a material impact on the financial statements.

The Group's financial information has been presented in US Dollars (USD).

#### *Going concern*

The Group's financial statements have been prepared on a going concern basis. The Directors have reviewed the Group's going concern position taking account its current business activities, budgeted performance and the factors likely to affect its future development, set out in the Annual Report, and including the Group's objectives, policies and processes for managing its working capital, its financial risk management objectives and its exposure to credit and liquidity risks.

The Group made a loss before exceptional items for the year of \$2,317k, had Net Operating Assets at the period end of \$359k and a Net Cash Outflow from Operating Activities of \$219k. Primarily, the Group meets its day to day working capital requirements through existing cash resources and had on hand cash, cash equivalents and short-term deposits at the balance sheet date of \$597k.

During the year, the Group maintain a flat cost base of expenditures and successfully raised gross proceeds of \$0.4m. Post year end, the Group successfully raised gross proceeds of \$12.7m to enable the Company to continue to execute its growth plans and for general working capital purposes.

The Directors have reviewed the Group's cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements, which foresee that the Group will be able to meet its liabilities as they fall due. However, the success of the business is dependent on customers continuing to purchase our products in order to increase revenue and profit growth and continuing to control the Group's cost base.

The Directors believe that, taken as a whole, the factors described above enable the Group to be and continue as a going concern for the foreseeable future. The financial statements do not include the adjustments that would be required if the Group were unable to continue as a going concern.

## 2. Revenue

Revenue recognised in the Group income statement is analysed as follows:

### *Geographical information*

	<i>Revenues</i>		<i>Net assets</i>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
North America	<b>5,078</b>	2,410	<b>104</b>	1,106
Europe	<b>522</b>	186	<b>(879)</b>	(457)
	<b>5,600</b>	2,596	<b>(775)</b>	649

The revenue information is based on the location of the customer. Net assets of the Group (being total assets less total liabilities) are attributable to geographical locations.

### *End Market information*

Revenue for the Group are comprised of three primary end market segments, as identified below:

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Cleaning	<b>5,070</b>	1,812
Hygiene	<b>324</b>	509
Beauty	<b>137</b>	220
Other	<b>69</b>	55
	<b>5,600</b>	2,596

### Segment information

The Group has two business segments. Performance Ingredients develops, produces and sells proprietary specialty polymers that are used as functional ingredients to meet customers' needs in cleaning, beauty and hygiene products. Formulation Solutions provides technical services and ingredient supplies for formulated products developed for customers based on Performance Ingredients. These segments make up the continuing operations above. Core Operations include development expense, general and administrative expense, professional fees, and governance costs to progress and grow the Groups operations.

	<i>Performance Ingredients</i> \$'000	<i>Formulation Solutions</i> \$'000	<i>Core Operations</i> \$'000	<b>2022</b> <b>\$'000</b>
<b>Revenue</b>				
Sale of goods	4,608	992	-	<b>5,600</b>
<b>Results:</b>				
Depreciation and amortisation	(286)	-	-	<b>(286)</b>
Cost of sales	(2,914)	(913)	-	<b>(3,827)</b>
Gross profit	1,408	79	-	<b>1,487</b>
Administrative expense	-	-	(3,804)	<b>(3,804)</b>
Exceptional expense	-	-	(138)	<b>(138)</b>
Taxation charge	-	-	(8)	<b>(8)</b>
<b>Segment performance</b>	<b>1,408</b>	<b>79</b>	<b>(3,950)</b>	<b>(2,463)</b>
<b>Operating assets</b>	<b>1,825</b>	<b>-</b>	<b>699</b>	<b>2,524</b>
<b>Operating liabilities</b>	<b>(1,244)</b>	<b>(1)</b>	<b>(920)</b>	<b>(2,165)</b>
<b>Other disclosure:</b>				
Capital expenditure*	59	-	-	<b>59</b>
	<i>Performance Ingredients</i> \$'000	<i>Formulation Solutions</i> \$'000	<i>Core Operations</i> \$'000	2021 \$'000
<b>Revenue</b>				
Sale of goods	2,254	342	-	2,596
<b>Results:</b>				
Depreciation and amortisation	(280)	-	-	(280)
Cost of sales	(1,290)	(326)	-	(1,616)
Gross profit	684	16	-	700
Other operating income	-	-	203	203
Administrative expense	-	-	(2,911)	(2,911)
Exceptional income	-	-	1,560	1,560
Taxation charge	-	-	(7)	(7)
<b>Segment performance</b>	<b>684</b>	<b>16</b>	<b>(1,155)</b>	<b>(455)</b>
<b>Operating assets</b>	<b>2,460</b>	<b>-</b>	<b>819</b>	<b>3,279</b>
<b>Operating liabilities</b>	<b>(877)</b>	<b>-</b>	<b>(637)</b>	<b>(1,514)</b>
<b>Other disclosure:</b>				
Capital expenditure*	68	-	-	68

\*Capital expenditure consists of additions of property, plant and equipment.

### 3. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	<b>2022</b>	2021
<b>Loss</b>	<b>\$'000</b>	\$'000
Loss for the purposes of basic and diluted loss per share	<u>(2,463)</u>	<u>(455)</u>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share ('000)	<u>448,096</u>	<u>438,808</u>
<b>Basic and diluted loss per share</b>	<u><b>(0.5)¢</b></u>	<u><b>(0.1)¢</b></u>

The loss for the period and the weighted average number of ordinary shares for calculating the diluted earnings per share for the period to 31 December 2022 are identical to those used for the basic earnings per share. This is because the outstanding share options would have the effect of reducing the loss per ordinary share and would therefore not be dilutive.

### 4. Cautionary Statement

This document contains certain forward-looking statements relating to Itaconix plc (the "Group"). The Group considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risk and uncertainty that may cause actual results and the financial performance of the Company to differ materially from those contained in any forward-looking statement. These statements are made by the Directors in good faith based on information available to them and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.