

18 May 2017

**Itaconix plc (“Itaconix” or the “Group”)**

**Operational Update**

Itaconix, a leading designer and manufacturer of specialty polymers, announces that following the acquisition and integration of Itaconix Corporation in the USA, it is implementing operational changes to the Group. Resources will be more focused on successfully executing the Group’s strategy to launch and grow the sales of its products, primarily in the global personal care and homecare markets, including the development of application data that provides clear evidence of the material benefits of using Itaconix’s products and how they can be best formulated into end consumer products.

Given the Group’s established product portfolio and evolving sales and marketing focus, its need for new product development is becoming more defined and targeted to customer requirements. Accordingly, it is now appropriate to resize the R&D team, which will result in operational efficiencies. Whilst the full financial effect of these changes will not be achieved immediately, with the net cash impact being broadly neutral in 2017, the positive net cash impact is expected to be approximately £1m per annum from 2018.

“The re-balancing of our business is an important step in establishing and growing our product sales and increasing operational efficiencies.” said Dr. Kevin Matthews, CEO of Itaconix. “In the short to medium term we are highly focused on our sales and marketing efforts to drive our existing product portfolio into market, and the new structure does mean that some of our team are leaving us. In particular, I would like to thank Dr David Pears our CTO since January 2008 for his unrelenting efforts; David will be retiring from the business at the end of May 2018 after more than 10 years of service. The board firmly believes that an increased effort and focus on product commercialisation is the right direction of travel for the business and that the reduction in our cost base will help accelerate Itaconix’s path to profitability.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

**Ends**

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**About Itaconix**

Itaconix is developing proprietary ingredients that meet the performance and price needs of its customers and offers them improved safety and sustainability, thereby helping to deliver on the global sustainability agenda, with particular emphasis on the Personal Care and Homecare markets.

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