



Polymers for Better Living™

Kevin Matthews, CEO  
John Shaw, President US

**June 2018**

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# Management Team



Kevin Matthews (CEO)



John R. Shaw (President US)



Robin Cridland (CFO)

Announced consolidation into the US requires realignment of management team subject to successful fundraise

Kevin Matthews  
Executive Chairman

John R. Shaw  
CEO

Robin Cridland  
Will step down at end July

# Investment Case

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1. Three main products for major unmet needs with proven performance
2. Strong pipeline of active customer projects
3. Production capacity at US plant up to \$25 million revenue\*
4. Breakthrough products → Interest from market leaders → Collaborations

***Active Itaconix Projects = \$30 Million Annual Revenue Potential\****

\* Management Estimates

# Itaconix - Bio-Based Ingredients for Unmet Needs

## Key Performance Ingredients for Success of Customer Products

- Leader in novel bio-based polymers based on itaconic acid
- Itaconic acid is a renewable chemical produced by fermentation
- Established proprietary process with breakthrough economics
- Offer enhanced product performance at a competitive price

## Leading Solutions for Unmet Formulation Needs in Major Markets



### Non-Phosphate Detergents

- North America, Europe
- Emerging markets
- Scaling with AkzoNobel



### Malodour Control

- Home care
- Scaling with Croda



### Bio-Based Hair Styling

- Pumps, sprays, gels
- Worldwide opportunity
- Distributors in 14 countries

# Malodour – Why the Big Stink over ZINADOR™?

## Key Odour Trend: Neutralise, Don't Just Mask

- Formulators want to neutralise odours rather than only mask them with fragrance.
- Ingredient in carpet cleaners, air fresheners, fabric care, surface cleaners, and pet care.



## ZINADOR™: Zinc with Benefits

- Zinc is known and used to neutralise odours.
- Zinc ricinoleate and other zinc forms are well-established competitors to cyclodextrins (Febreze) and surfactants (ex: Croda's Forestall).
- ZINADOR™ offers performance benefits and ease-of-use over zinc ricinoleate.

## Croda + ZINADOR™: Great Fit, Smart Partnering to Go Global

- Itaconix evidenced potential with first sales to customers before partnering.
- Croda has >30 years experience in odour market, but no zinc-based product.
- New sales in North America, Europe, Russia, Middle East and India.
- Customer projects advancing; new consumer brand products expected in 2019.

# Hair Styling – Let's go Natural

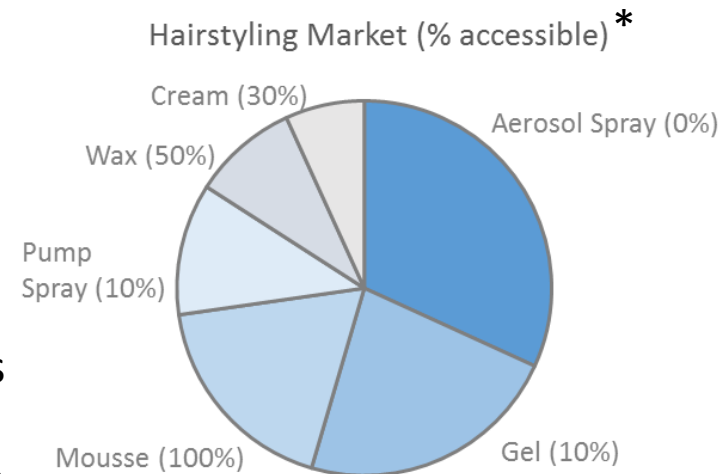
## Key Need: A Bio-Based Polymer that Holds Styles

- Personal care is on the leading edge for bio-based product claims. Consumers will choose and pay price premiums for bio-based products.
- \$440 million hair styling market is demanding due to immediate and extended tactile sense of performance.
- Certifications (e.g. COSMOS™) limit “green washing”.



## RevCare™ NE: Performance + Bio-Based

- Competes with petroleum-based market leaders for styling, heat protection, frizz control.
- Only hair styling polymer with COSMOS™ approval.
- RevCare NE 100S: \$130 million\* accessible market.
- Scaling globally through direct sales to major brands and distributors in 14 countries.
- Already in consumer products; repeat orders; global pipeline of active projects.



# Non-Phosphate Detergents – Established Use

## Phosphates: Bans Require Reformulation

- Europe & North America have expanded bans; limits likely to emerge in Asia.
- Market still seeking comparable products.
- Itaconix polymers have multi-functionality similar to phosphates.

## 2009 to 2015: Success with Direct Engagement

- Direct sales of Itaconix® DSP™ since 2009 for automatic dish & laundry detergents in Europe & North America.
- Active detergent lab in US for formulating & reformulating customer products.

## 2016 to Today: New Products for Major Needs

- Expanding ability to modify polymers for specific customer needs.
- *Itaconix® CHT™ for automatic dishwashers.*

Leading Alternatives in Powder Detergents

Performance	Phosphate	Itaconix	Citrate	MGDA
Chelation	✓	✓	✓	✓
Scale inhibition	✓	✓		

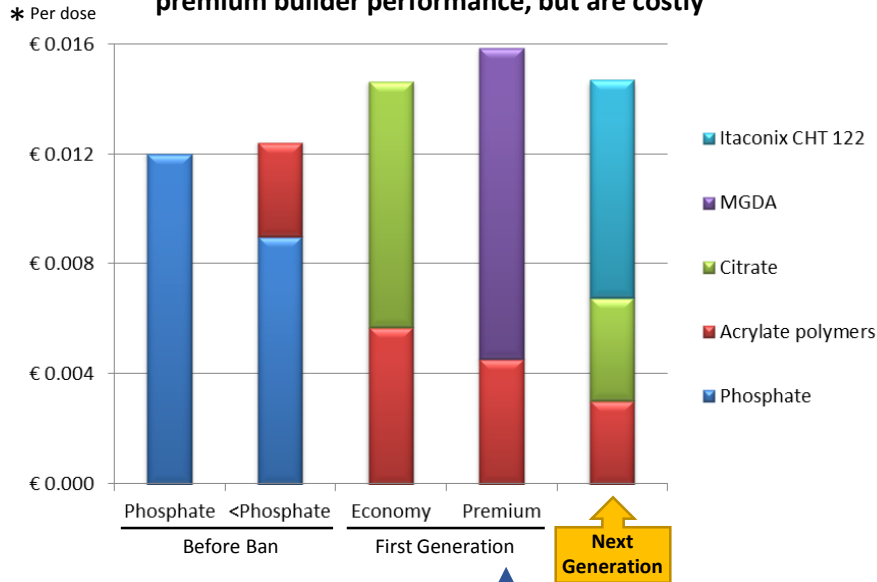
Steady Success with Direct Selling Efforts





# Pressure for Options = Itaconix® CHT™ Opportunity

1. First generation powder EU non-phosphate automatic dishwasher detergents rely on MGDA granulate for premium builder performance, but are costly



Detergent note:

- Builders are in formulas to lessen adverse effects of hard water on cleaning performance.
- Soda ash is a common base builder used with the above.
- Other builder additives include amino polycarboxylates other than MGDA (ex: GLDA, NTA, EDTA, IDS, EDDS), carboxymethyl inulin, polyaspartic acid, and phosphonates.

2. BASF is sole source of MGDA granulate with patented position

Major ADW Builders	Granulate Form	Liquid Form
<b>Scale Inhibitors</b>		
Acrylate polymers	BASF, Dow, Others	
<b>Chelates</b>		
Citrate	Tate & Lyle Jungbunzlauer, Others	
GLDA	Poor dry stability	AkzoNobel Others
MGDA	<b>BASF only</b>	BASF AkzoNobel Others

3. Brands place pressure on suppliers for alternatives to MGDA granulate for better cost, performance, and sourcing.

4. Competitors seek alternatives to MGDA granulate

**Itaconix® CHT™ 122**

5. Itaconix responds to brand and industry interest in Itaconix DSP with optimised version for automatic dishwasher detergents

# Next Generation Automatic Dishwasher Pods

## Automatic Dishwasher Tablet & Pod Market

- Europe 15 billion units\*
- North America 15 billion units\*
- *Major, private-label, and specialty brands at risk of losing market share with current formulas.*

## \$135 Million Potential\* For Itaconix® CHT™

- Use 1 gram per pod
- Volume 30,000 metric tons
- Potential \$135 million

## Building Traction with Full Pipeline

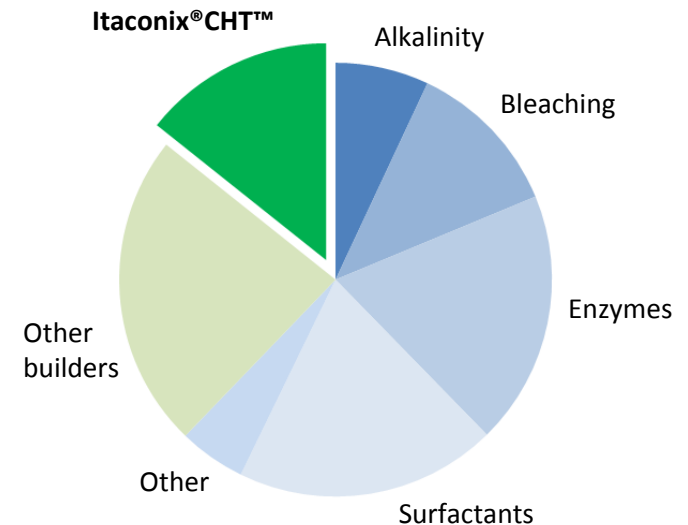
- Four new products so far this year.
- Nine active projects with major, specialty, and private-label brands.
- Scaling marketing with AkzoNobel Chelates

\* Management Estimates

## New Compact Automatic Dishwasher Pod



## US Automatic Dish Pod Ingredient Cost\*



# Proprietary Capacity in Place to Grow

## Reliable Fulfillment Ready for Demand

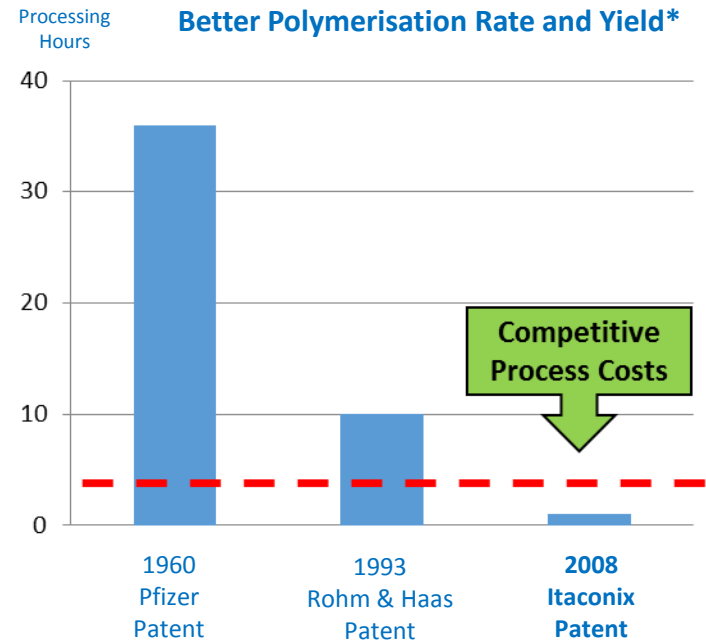
- Commercial production since 2009
- Plant expansion completed in 2017
- Current site with debottlenecking can generate up to \$25 million revenues\*



\* Management Estimates

## Proprietary Process with Low Capital Needs

- Breakthrough economics
- Debottlenecking cost estimated at <\$500,000\*
- Protected by process and composition patents



# New Performance Ingredients for Unmet Needs

## Demand for New Formulations

### Safety

Better human or environmental outcomes

Phosphate replacement in detergent

### Performance

Better product outcomes at comparable or lower cost

Malodour control in home and personal care

### Sustainability

Less reliance on petroleum

Bio-based hair styling

## Itaconix Patented Products

Itaconix® DSP™

Itaconix® CHT™

Itaconix® ZINADOR™

RevCare™ NE / HP

# Poised for Growth: Aligned with Market Needs

## **Products and routes to revenue growth with market leaders**

- Positive commercial position with proven products
- Reduced cost base with aim to reach profitability sooner
- Commercial activities consolidated into US operations, while retaining key UK personnel

## **Management & Board aligned with US operations, subject to fundraise**

- Bryan Dobson moves from Chairman to Independent NED until a suitable replacement can be found
- Kevin Matthews assumes role as Executive Chairman
- John Shaw steps into the role of CEO, located in New Hampshire
- After 10 years dedicated to the company and with the main operations transitioning to the US, Robin Cridland will step down as CFO at the end of July 2018, handing over to an interim CFO at that time
- Julian Heslop (NED) will also step down in due course once a suitable replacement can be found

# Fundraising Statistics, Incentives and Timetable

## Fundraising statistics and use of proceeds

- Firm placing via ABB and subscription of up to £5m
- Additional open offer (with excess application facility) of up to £1m
- Funds to be used for commercial development and working capital

## Alignment of incentives – see Appendix for details

- Issue of 15 million new shares and extension of performance based contingent consideration

## Timetable

- Roadshow ends: 26 June 2018
- Preliminary results and ABB announced: 28 June 2018
- General Meeting to approve fundraise: 18 July 2018
- New shares admitted to AIM/settlement: 19 July 2018

# Why Invest Now?

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1. Three breakthrough products for major unmet needs
2. First sales prove customer value
3. Production capacity in place to grow
4. Significant near-term growth potential from direct sales efforts
5. Collaborators adding more potential for worldwide revenues
6. Key issues addressed:
  - Cash for growth from fundraise
  - Reduced cost base
  - Merger Agreement

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# Appendices

- Management team
- Board of Directors
- Summary consolidated financial statements
- Alignment of incentives
- Sustainability trend in consumer products



# Management Team



Kevin Matthews (CEO)  
Internationally experienced public and private company director  
Experienced strategic leader with strong commercial acumen. NED at Low & Bonar Plc. Formerly CEO Isogenica Ltd and Oxonica Plc, NED at Elementis Plc



Robin Cridland (CFO)  
Experienced In Finance and M&A  
20+ years of pharma/tech business development, corporate development and finance experience:  
GSK merger, Renovo IPO, Shire licence/investment, Revolymer IPO. NED of Eden Research plc



John Shaw  
President ITX US  
Itaconix co-founder & lead investor  
30+ years turning chemical and medical technologies into growth products/businesses;  
co-chair BIO Bio-Based Products Working Group;  
frequent speaker on renewable chemicals

# Experienced Board

## Non-Executive Directors



**Bryan Dobson**  
Chairman  
Chairman of Applied Graphene  
Materials Plc  
30+ years in chemicals industry  
including ICI and Croda



**Julian Heslop** - NED/Audit Chair  
Previously CFO of GlaxoSmithKline  
Senior finance roles at Grand Metropolitan  
and Imperial Brewing and Leisure



**Jim Barber** - NED  
Previously CEO of Metabolix Inc.  
Senior commercial roles within  
Albermarle group and other  
chemicals businesses.  
Representative of Itaconix Corp.  
Shareholders (pre-acquisition).



**Mike Townend** - NED  
20+ years experience in equity capital  
markets including Lehman Brothers.  
Representative of IP Group.

# Summary Consolidated Financial Statements

GBPm	Income Statement Extracts - Continuing Operations	2017	2016
	Revenue	0.6	0.3
	Cost of Sales	-0.3	-0.2
	<b>Gross Profit</b>	0.2	0.1
	Other operating income	0.1	0.0
	Administrative expenses	-5.5	-5.3
	<b>Group Operating Loss</b>	-5.2	-5.2
	Finance income	0.0	0.1
	Exceptional items:		
	<i>Income on revaluation of contingent consideration</i>	2.5	
	<i>Expense on impairment of intangible assets</i>	-9.0	
	Share of loss of associate	-0.2	-0.5
	<b>Loss before tax</b>	-11.9	-5.6
	Release of deferred tax liability	1.2	
	Taxation credits	0.5	0.5
	<b>Loss for the year</b>	-10.2	-5.1

*NB: Statement summaries may not cast due to roundings*

Note that the 2017 results will be announced immediately prior to the fundraise

# Summary Consolidated Financial Statements

GBPm	Balance Sheet Extracts	2017	2016		2017	2016
	<b>Non-current assets</b>			<b>Equity</b>		
	Property, plant and equipment	1.0	0.8	Share capital	0.8	0.8
	Intangible assets		10.1	Share premium	28.6	28.6
	Associate		0.1	Retained earnings	-53.1	-42.9
		1.0	11.1	Other reserves	27.7	28.0
					4.0	14.5
	<b>Current assets</b>			<b>Non-current liabilities</b>		
	Inventory	0.3	0.2	Provisions	-0.6	-3.4
	Receivables	0.7	0.8	Deferred tax liability		-1.5
	Cash and cash equivalents	3.6	8.8		-0.6	-4.9
		4.6	9.8			
	<b>TOTAL ASSETS</b>	5.6	20.9	<b>Current liabilities</b>		
				Payables	1.0	1.6
				<b>TOTAL EQUITY AND LIABILITIES</b>	5.6	20.9

NB: Statement summaries may not cast due to roundings

# Summary Consolidated Financial Statements

GBPm	Cash Flow Statement Extracts	2017	2016
	Cash flow from continuing operating activities	-4.7	-3.5
	Cash flow from discontinued operating activities		-1.3
		-4.7	-4.7
	<b>Cash flow from investing activities</b>		
	Interest received	0.0	0.1
	Purchase of PPE	-0.4	-0.5
	Acquisition of subsidiary		-2.0
	Investment in associate	-0.1	
	Funds withdrawn from deposits		7.0
		-0.5	4.5
	<b>Cash flow from financing activities</b>		
	Cash from share issues net of costs	0.0	5.5
	Cash loaned to associate	0.0	
		0.0	5.5
	Net cash flow	-5.2	5.3
	Cash at start of the year	8.8	3.5
	<b>Cash at end of the year</b>	3.6	8.8

*NB: Statement summaries may not cast due to roundings*

# Alignment of Incentives

Management incentives are aligned with growth and shareholders' goals, subject to successful fundraise:

- John Shaw (CEO designate) and Yvon Durant (CTO) receive standard management contracts, with suspension of cash bonus and LTIP to end of 2020, in place of current fixed management contracts with incentives.
- John Shaw, Yvon Durant, and original Itaconix Corp shareholder release restrictive covenants in the 2016 Merger Agreement.
- In return for replacing contracts, suspending incentives, and releasing covenants, John Shaw, Yvon Durant, and original Itaconix Corp shareholder receive 15 million new shares issued at completion of fundraise and retain potential to earn up to \$6m paid in future shares at future share prices based on revenues above \$3m and up to \$15m by the end of 2022.

# Sustainability – Mega Trend of Our Generation

## L'ORÉAL

L'Oréal: Sustainability targets change the way products are designed

By 2020, L'Oréal is committed to improve the environmental or social profile of 100% of its new or renovated products. This means that all consumers around the world can be assured that every new L'Oréal product they buy has improved its impact on the environment and on society.



### Our Long-Term Product End-Points

- Using 100% renewable or recycled materials for all products and packaging
- Having zero consumer waste go to landfills
- Designing products to delight consumers while maximizing the conservation of resources

## CRODA

Sustainability is the thread that connects every aspect of our Business

In 2016, we have continued to lead our industry with almost two thirds of our raw materials being derived from natural and renewable resources.

Established  
Itaconix  
Partners



TOGETHER FOR  
SUSTAINABILITY

AkzoNobel, Arkema, BASF, Bayer  
Clariant, DSM, DuPont, Evonik, Henkel,  
IFF, Lanxess, Solvay, Wacker

*Itaconix's bio-based polymers fit into customers' global agendas, with products ideally positioned to play a significant role in improving performance with sustainability*