

12 July 2018

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#### **Itaconix plc**

("Itaconix" or "the Company" or the "Group")

#### **Further Details on the Fundraising and Participation of Directors and Substantial Shareholders in the Fundraising**

Itaconix, a leading designer and manufacturer of specialty polymers, confirms that, further to the announcement made earlier today, it has conditionally raised c. £3.4 million before fees and expenses by a Placing of 107,300,000 Placing Shares with certain existing and new institutional and other investors and by a Subscription of 61,260,000 Subscription Shares with certain existing US shareholders and other US investors at the Placing Price of 2 pence per share. The Placing Price of 2 pence represents a 70.4 per cent. discount to the Closing Price of 6.75 pence on 28 June 2018, being the last day prior to the suspension of the Ordinary Shares from trading on AIM.

The Company announces that, as part of the Placing, Woodford Investment Management, IP2IPO Limited and Janus Henderson Investors have subscribed for Placing Shares (the "Related Party Transactions") as detailed further below.

#### **Directors and PDMR's participation in the Fundraising**

Certain of the Directors and John Shaw, who is to be appointed Chief Executive Officer, (the "Proposed Director") have agreed to subscribe for Placing Shares and Subscription Shares. The number of Placing Shares and Subscription Shares subscribed for by each of these Directors and the Proposed Director pursuant to the Placing and the Subscription, and their resulting shareholdings on Admission (assuming take-up in full of the Open Offer by Eligible Shareholders and of the US Additional Subscription by US Eligible Participants), are set out below:

	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of existing issued share capital</i>	<i>Number of Placing Shares subscribed for</i>	<i>Number of Subscription Shares subscribed for</i>	<i>Number of Ordinary Shares held on Admission</i>	<i>Percentage of Enlarged Share Capital on Admission*</i>
<i>Directors</i>						
Bryan Dobson	83,500	0.11%	500,000	–	583,500	0.19%
Kevin Matthews	20,000	0.03%	–	–	20,000	0.01%
Robin Cridland	52,836	0.07%	–	–	52,836	0.02%
Julian Heslop	60,000	0.08%	600,000	–	660,000	0.21%
Michael Townend	64,940	0.08%	–	–	64,940	0.02%
James Barber	45,000	0.06%	700,000	–	745,000	0.24%

John Shaw (Proposed Director)	2,771,597	3.52%	–	23,500,000	33,173,097**	10.30%
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\* Assuming take-up in full of the Open Offer by Eligible Shareholders and of the US Additional Subscription by US Eligible Participants.

\*\* Including 6,901,500 Ordinary Shares acquired pursuant to the Contingent Consideration and Merger Settlement Agreement including Ordinary Shares held by Kensington Research Holdings LLC, a corporation in which John Shaw is interested.

Yvon Durant and Laura Denner, persons discharging managerial responsibilities (“PDMRs”), have agreed to subscribe for 1,250,000 Placing Shares and 1,125,000 Placing Shares, respectively, pursuant to the Placing.

Each of the above Director’s participation, the Proposed Director’s participation and the PDMR’s participation is conditional upon certain matters and events including, amongst other things, the passing of the Resolutions, the Placing Agreement having become unconditional and Admission of the Placing Shares becoming effective on or before 8.00 a.m. on 3 August 2018 (but in any event by no later than 8.00 a.m. on 31 August 2018).

### Related Party Transactions

The following existing substantial Shareholders will be participating in the Placing:

	<i>No. of Existing Ordinary Shares</i>	<i>Percentage of existing issued share capital</i>	<i>No. of Placing Shares subscribed for</i>	<i>No. of Ordinary Shares held following Admission</i>	<i>Percentage of enlarged share capital following Admission*</i>
Woodford Investment Management	26,988,000	34.28%	61,700,000	88,688,000	28.40%
IP2IPO Limited **	11,899,080	15.12%	21,000,000	32,899,080	10.54%
Janus Henderson Investors	9,370,500	11.9%	10,000,000	19,370,500	6.20%

\* Assuming the issue of the Contingent Consideration Shares and take-up in full of the Open Offer by Eligible Shareholders and of the US Additional Subscription by US Eligible Participants

\*\* IP2IPO Limited is a subsidiary of IP Group plc. IP2IPO Limited and IP Venture Fund will hold 32,899,080 Ordinary Shares in aggregate upon Admission, representing approximately 10.54 per cent. of the Company’s enlarged issue share capital.

Where a company enters into a related party transaction, under the AIM Rules the independent directors of the company are required, after consulting with the company’s nominated adviser, to state whether, in their opinion, the transaction is fair and reasonable in so far as its shareholders are concerned.

Woodford Investment Management, Janus Henderson Investors and IP2IPO Limited, by virtue of being substantial shareholders (as defined by the AIM Rules), and IP2IPO Limited, by virtue of having a representative, Mike Townend, on the Board, are considered to be “related parties” as defined under the AIM Rules. Woodford Investment Management, Janus Henderson Investors and IP2IPO Limited’s participations in the Placing constitute related party transactions for the purposes of rule 13 of the AIM Rules.

The Directors consider, having consulted with the Company’s nominated adviser, N+1 Singer, that the terms of each of Woodford Investment Management’s participation and Janus Henderson Investors’ participation in the Placing is fair and reasonable insofar as the Shareholders are concerned.

The Directors, excluding Mike Townend, who is not considered independent by virtue of his directorships of IP2IPO Limited and IP Group plc consider, having consulted with the Company’s nominated adviser, N+1 Singer, that the terms of IP2IPO Limited’s participation in the Placing is fair and reasonable insofar as the Shareholders are concerned.

### Update on Suspension

The Company's shares remain suspended from trading. A further announcement will be made in due course as appropriate.

### **Open Offer and US Additional Subscription**

The Company wishes to offer all Eligible Shareholders the opportunity to participate in a further issue of new equity in the Company by way of the Open Offer of new Ordinary Shares to Eligible Shareholders at a price of 2 pence per Open Offer Share. Eligible Shareholders may subscribe for Open Offer Shares on the basis of 635 Open Offer Shares for every 1,000 Existing Ordinary Shares held at 6.00 p.m. on 11 July 2018 (the "Record Date"). Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the arrangement described below (the "Excess Application Facility") pursuant to which Eligible Shareholders may apply for an amount of Open Offer Shares in excess of the entitlements allocated to them to subscribe for Open Offer Shares pursuant to the Open Offer ("Basic Entitlements"). The proposed open offer price of 2 pence per Open Offer Share (the "Issue Price") is the same as the Placing Price for the Placing and Subscription.

The Company also intends (acting in its absolute discretion) to make an invitation to certain US Eligible Participants to participate, pursuant to applicable exemptions to the US Securities Act, in a further issue of new equity in the Company by way of the US Additional Subscription of new Ordinary Shares at the Issue Price.

The Open Offer and the US Additional Subscription will be for up to 50,000,000 new Ordinary Shares in aggregate.

Assuming a full take-up by Eligible Shareholders under the Open Offer, the issue of the Open Offer Shares and the Additional Subscription Shares will raise further gross proceeds of up to approximately £1.0 million for the Company.

Further information on the Open Offer will be set out in a circular to be sent to Shareholders (the "Circular").

Completion of the Fundraising is conditional upon, amongst other things, approval by existing Shareholders at a General Meeting of the Company, expected to be held at the offices of Fieldfisher LLP at Riverbank House, 9th Floor, 2 Swan Lane, London EC4R 3TT at 11.00 a.m. on 2 August 2018. The Circular, containing background information to the Fundraising, together with a notice of the General Meeting, will be posted to Shareholders tomorrow.

Dr. Kevin Matthews, Chief Executive Officer of Itaconix, said:

"We are delighted to close this financing to allow Itaconix to continue to commercialise its core products especially in the auto dishwasher market. I am particularly pleased to see significant interest from US shareholders, in addition to Itaconix's major institutional holders, reflecting the increased operational focus of the business in the USA. I look forward to shareholder support at the upcoming general meeting".

For further information please contact:

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Richard Lindley / Jen Boorer (Corporate Finance)

Capitalised terms used in this announcement shall, unless defined in this announcement or unless the context provides otherwise, bear the same meaning ascribed to such terms in the announcement made by the Company on 12 July 2018 to announce the launch of the Fundraising.

### **Important Notice**

N+1 Singer is acting as nominated adviser and broker and as agent for and on behalf of the Company for the Placing. N+1 Singer is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom. N+1 Singer is acting exclusively for the Company and no one else in connection with the Placing and N+1 Singer will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by N+1 Singer or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

No statement in this announcement is intended to be a profit forecast or estimate, and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares and the Open Offer Shares will not be admitted to trading on any stock exchange other than on the AIM market of the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

## **Terms of the Placing and the Subscription**

### **The Open Offer**

#### *Introduction*

The Board recognises and is grateful for the continued support received from Shareholders and therefore wishes to provide an opportunity for all existing Eligible Shareholders to participate in a further issue of new Ordinary Shares also at the Issue Price by way of the Open Offer.

The Open Offer is being made so as to enable all Eligible Shareholders to subscribe for new Ordinary Shares at the Issue Price on a pro rata basis to their current holdings and with the option for increasing their allocation pursuant to an Excess Application Facility.

The Open Offer has been structured so that it is not available to Non-Eligible Shareholders, being Shareholders resident or located in Australia, Canada, Japan, New Zealand, the Republic of Ireland, the Republic of South Africa and the United States and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations (a "Restricted Jurisdiction"), although the Company is also undertaking the US Additional Subscription to certain US Eligible Participants. The Open Offer is being conducted concurrently with the US Additional Subscription. The Open Offer and the US Additional Subscription are conditional on the Placing and the Subscription being approved.

#### *Details of the Open Offer*

##### *(a) Structure*

The Directors have considered the best way to structure the Open Offer, having regard to, inter alia, the importance of pre-emption rights to all Shareholders, the extent to which there are Shareholders resident outside of the United Kingdom including those in a Restricted Jurisdiction ("Overseas Shareholders"), the regulatory requirements applicable to companies listed on AIM, cost implications and market risks. After considering these factors, the Directors have concluded that the most suitable structure for the Open Offer, for both the Company and its Shareholders as a whole, is that the Open Offer be made only to Eligible Shareholders who are not resident or located in any Restricted Jurisdiction.

The Open Offer provides an opportunity for all Eligible Shareholders to acquire Open Offer Shares pro rata to their current holdings of Existing Ordinary Shares as at the Record Date with the option for subscribing for more Ordinary Shares pursuant to the Excess Application Facility. The Issue Price for the Open Offer is the same as the Issue Price in the Placing. Once subscriptions by Eligible Shareholders under their respective Basic Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Eligible Shareholders under the Excess Application Facility will be met in full, in part or at all.

##### *(b) Principal Terms of the Open Offer*

The Open Offer is conditional on:

- the passing of the Resolutions to be proposed at the General Meeting; and
- Admission of the Open Offer Shares having occurred not later than 8.00 a.m. on 3 August 2018 (or such later time and/or date as N+1 Singer and the Company may agree, being not later than 8.00 a.m. on 31 August 2018).

Accordingly, if any of such conditions are not satisfied, the Open Offer will not proceed. It is a condition of the Open Offer that the Placing also proceeds. Further terms and conditions of the Open Offer are set out in the Circular to be sent to Shareholders. Subject to the fulfilment of the conditions referred to above and set out in the Circular, Eligible Shareholders are being given the opportunity to subscribe for the Open Offer Shares at the Issue Price per Open Offer Share, pro rata to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

635 Open Offer Shares for every 1,000 Existing Ordinary Shares

Eligible Shareholders are also being given the opportunity, provided that they take up their Basic Entitlement in full, to apply for Excess Entitlements through the Excess Application Facility. Assuming full take-up under the Open Offer and the US Additional Subscription, the issue of the Open Offer Shares and the Additional Subscription Shares will raise gross proceeds of £1.0 million for the Company. The Open Offer is not underwritten. The Open Offer Shares will, upon issue, rank *pari passu* with the Existing Ordinary Shares.

Fractions of Open Offer Shares will not be allotted. The terms of the Open Offer provide that each Eligible Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number.

Fractions will be aggregated and made available under the Excess Application Facility. Eligible Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Basic Entitlements.

Eligible Shareholders with a holding of one Existing Ordinary Share will not receive a Basic Entitlement and will also not be able to apply under the Excess Application Facility.

It should be noted that the Open Offer is not a rights issue. Accordingly, the Application Form is not a document of title and cannot be traded.

*(c) Excess Application Facility*

The Excess Application Facility will enable Eligible Shareholders, provided that they take up their Basic Entitlement in full, to apply for an amount of Open Offer Shares in excess of their Basic Entitlement, but not in excess of the total number of Open Offer Shares ("Excess Entitlements").

Applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Eligible Shareholders are not made or are made for less than their Basic Entitlements. Once subscriptions by Eligible Shareholders under their respective Basic Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Eligible Shareholders under the Excess Application Facility will be met in full, in part or at all.

Further information on the Open Offer and the terms and conditions on which it is made will be set out in the Circular to be sent to Shareholders.

**Admission and dealings**

Application will be made to the London Stock Exchange for the Placing Shares, the Subscription Shares, the Open Offer Shares and the Additional Subscription Shares to be admitted to trading on AIM. It is expected that, subject to the passing of the Resolutions at the General Meeting, Admission will occur and dealings will commence in such shares on 3 August 2018 at 8.00 a.m. (or such later date as N+1 Singer and the Company may agree, being not later than 8.00 a.m. on 31 August 2018).

**General Meeting**

The Circular and a form of proxy in relation to the General Meeting to be convened in connection with the Fundraising will be posted to shareholders tomorrow. The Circular contains notice of the General Meeting which is to be held at the offices of Fieldfisher LLP at Riverbank House, 9th Floor, 2 Swan Lane, London EC4R 3TT at 11.00 a.m. on 2 August 2018.

**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Record Date for entitlement under the Open Offer	6.00 p.m. on 11 July 2018
Announcement of the Fundraising	12 July 2018
Ex-entitlement date of the Open Offer	7.00 a.m. on 13 July 2018
Posting of the Circular, Notice of General Meeting, Form of Proxy and Application Form (where applicable)	13 July 2018
Basic Entitlements and Excess Entitlements credited to stock accounts in CREST for Eligible Shareholders	16 July 2018
Latest recommended time and date for requested withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 25 July 2018
Latest time and date for depositing Basic Entitlements and Excess Entitlements in CREST	3.00 p.m. on 26 July 2018

Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 27 July 2018
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 31 July 2018
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions	11.00 a.m. on 31 July 2018
General Meeting	11.00 a.m. on 2 August 2018
Results of the General Meeting and the Open Offer announced	2 August 2018
Admission of Placing Shares, Subscription Shares, Open Offer Shares and Additional Subscription Shares to trading on AIM and commencement of dealings	8.00 a.m. on 3 August 2018
CREST accounts to be credited for Placing Shares and the Open Offer Shares to be held in uncertificated form	8.00 a.m. on 3 August 2018
Dispatch of definitive share certificates for Placing Shares, Subscription Shares, Open Offer Shares and Additional Subscription Shares to be held in certificated form	by 10 August 2018

The Company reserves the right to alter the dates and times referred to above and to accept applications under the Open Offer at any time prior to 5.00 p.m. on 31 July 2018. If any of the dates and times referred to above are altered by the Company, the revised dates and times will be announced through a Regulatory Information Service without delay.

All references to time are to London time, unless otherwise stated.