

OTC Markets

Welcome to another episode of the OTCQB Podcast. I'm Eric May, and joining us today is John Shaw, CEO of Itaconix PLC, which trades on the OTCQB Market under the symbol ITXXF. Itaconix designs and manufactures high performance, cost-effective and sustainable ingredients that are key components of products in the personal care, home care and industrial sectors. John, thanks for joining us today.

John Shaw

Great to join you today, Eric.

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Excellent. So tell us a bit about yourself and your experience in the polymers industry.

John Shaw

I'm the co-founder of the company as a spinoff out of the University of New Hampshire about 15 years ago in 2008 with my co-founder, Dr. Yvon Durant. I have worked in the materials industry for about the last 40 years, bringing new technologies out of the lab and commercializing them. The opportunity we had when we created Itaconix was to commercialize a new class of plant-based polymers that had been pursued in the polymer world for over 60 years. What we did through the technology that Dr. Durant developed was make the polymers economic to produce. We could produce them in about an hour up to a very high yield, whereas prior patents took much longer to get there, six hours, 10 hours, 30 hours to get there. So we started out by creating an economically feasible way to make polymers from Itaconix acid that had been sought for many years out in the marketplace.

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Excellent, okay. So how do you leverage your experience personally from turning the technology behind the products to create an actual marketable material to bring to market?

John Shaw

So we now have a technology platform that consists of 16 families of patents that cover the composition of our polymers, the production processes form, and their applications in major uses within personal care, home care, and industrial uses. What we do is we have a very structured process where we identify an unmet

need out in the marketplace. We look into our technology platform, know that we can create an ingredient that meets that need, and my particular expertise is getting it out onto the market and getting the first five to 10 customers using it to prove that yes, in fact, our material can give a consumer product company a claim that they highly desire on their customer-facing packaging. It's been very successful for us, particularly in the last five years in terms of growing the company, to make sure that our great technology platform gets converted into highly value-added ingredients that major brands use for important customer-facing claims that they make on their packaging.

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Sure, sure, that makes sense. You know, Itaconix touts its sustainability strategy quite a bit. Can you tell us kind of about, you know, kind of that focus for you guys? I know you have plant-based polymers and decarbonization and things like that.

John Shaw

So it's a great part about our company and the opportunity that we have. Any polymer that you make with acrylic acid, which is about a \$20 billion market, divided between paints and coatings, super absorbents that go into products like diapers and water-soluble polymers that are used in consumer products, we can make. The difference is whether we bring particular value. When we do bring value, it's because of the performance and cost that we bring forward. But at the same time, our polymers are plant-based. So that means the raw material that we use, Itaconic acid, is a natural metabolite. It's produced in our bodies. It's produced out in the plant world. And on a commercial scale, it's produced by industrial fermentation where there is a very large fermentation tank that has water, some sugar added into it, and then a microorganism that eats the sugar and produces the Itaconic acid. We bring the Itaconic acid into our facility in Stratton, New Hampshire, north of Boston. And we turn it into a broad platform of value-added ingredients. The neat part is that when those ingredients go out into the environment, they're safe for the environment. They don't persist in the environment. They have very low human toxicity, very low aquatic toxicity. It's really around the safety and the performance and the cost. But at the same time, without asking the consumer to pay any additional premium for the products that are used, we're also, in essence, because it's plant-based carbon, it's a carbon reduction technology, because that sugar that goes into the fermentation tank, that's being produced by a plant, a plant somewhere like a corn plant that's absorbing carbon dioxide, converting into sugar. That sugar is then refined as the sugar that goes into the fermentation tank. So in essence, when people are using our ingredients, somewhere there's been carbon dioxide that's been absorbed by

a plant, and then we're sequestering that plant-based carbon in a consumer and product without asking the consumer to pay any premium.

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Wow, okay. Yeah, there's a lot that goes into that. That's pretty incredible. So John, what's next for the company, you know, going forward through the rest of this year and beyond?

John Shaw

So for the last five years, we focused particularly in the automatic dish detergent area, our ingredient is a key replacement for phosphates. And we're in a broad range of automatic dish detergents in North America and in Europe. We've reached 7.9 million in revenue last year, of which 7.2 million of that was in the detergent area. We also have great growth potential in the beauty area. We have a polymer that's used for weightless hair styling. It gives you those unique properties in hair styling. And we also have a polymer that's used for odor neutralization and everything from carpet shampoos to underarm deodorants, pet sprays on it. We completed a \$12 million funding last year. We have a tremendous amount of cash on our balance sheet to invest in a new era of growth. And with that, we're going to pursue the other applications within that \$20 billion market, Acrylate Market. So we will start pursuing the paints area. And then probably in a couple of years, we believe we have a low-cost plant-based super absorbent. It's not quite ready for commercial use yet. But we believe over the next two years, we'll be entering into those broader range of markets to increase the addressable market that we go after and replicate the success that we've had in detergents.

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Yeah, absolutely. I look forward to kind of following the company's news and strategy. That sounds great. So one more question before I let you go, John. So how does trading on OTCQB in the US kind of fit into the company's commercial and equity strategy as you reach a broader audience both in the UK and the US.?

John Shaw

It's a very important part of our capital strategy. Our primary market is the London Stock Exchange AIM Market, where we have about 80% of our shares are traded there. But we also have a strong base of US shareholders from the original development of the company. So that trading not only does it create a platform for our US shareholders, but also our shareholders have a natural investor base of people that pursue it. So I think that it really opens up the opportunities for a high-

quality, renewable chemicals company to be an attractive investment for US equity holders. Particularly in the OTC, where people kind of have a high risk tolerance, I think with the amount of revenues, our losses are very low, we have very high revenue potential. I think it's an excellent fit for OTC investors.

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Yeah, absolutely. I agree. Well, John, it's been a pleasure having you on the podcast and it's been great to speak with you today.

John Shaw

Great. Well, make sure you follow us on, people follow us on social media, our LinkedIn site at Itaconix. LinkedIn site is very active, can generate a lot of news and information about where we are and where we're going.

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Great. Itaconix trades under the symbol ITXXF on the OTCQB Market. Thanks for joining us today.

**This is an autogenerated transcript and may contain typos.*