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Iofina plc
("Iofina", the "Group", or the "Company")
(LSE AIM: IOF)

Market Update

Record Iodine Production Strong H2 2018 Operating Results

Iofina, specialists in the exploration and production of iodine and halogen-based specialty chemical derivatives, is pleased to update the market on an exceptional year for the Group, in which it produced record volumes of crystalline iodine and executed on the Group's commitment to growth and increased profitability.

Highlights:

- Record half year and full year production of crystalline Iodine
 - H2 2018 324.7 metric tonnes ('MT') a 21% increase YOY (H2 2017: 267.5MT)
 - Full year production in 2018 of 588.8MT a YOY increase of 17% (2017: 503MT)
 - Both are record production totals for the Group in spite of operating only four iodine production plants. This is in large part due to the success of the new IO#7 facility which opened in February 2018
- Undertaking review of potential IO#8 sites and financing options. Company expects to continue its expansion plans with the development of an IO#8 in 2019
- Debt restructure negotiations are at an advanced stage
- Iodine prices continued to increase in 2018 from \$24/kg at the start of the year to \$26-27/kg and are predicted to increase further in 2019
- H1 2019 production currently forecast at 310-330 MT of crystalline iodine
- Iofina Chemical continues to trade strongly in both iodine and non-iodine products

During 2018, Iofina achieved a record set of production results. The Group produced 588.8MT of crystalline iodine (2017: 503MT) from the Group's four IOsorb® plants, of which 324.7MT was produced during the second half of 2018 (H2 2017: 262.5MT). Both results exceeded either of their respective periods of production throughout the history of the Company.

The successful construction and commissioning of IO#7 in February 2018 was a significant achievement for the Company and has undoubtedly boosted production results. The Company intends to replicate the success of IO#7 at new sites and sourcing suitable locations for further plants will continue to be a priority in 2019. After careful consideration, and in the best interest of the business, IO#5 will remain shut and will not re-open at the current site. However, the reusable assets from IO#5 will be utilised in the future at other locations as part of our expansion of iodine production operations.

Looking ahead to 2019, the Company expects that iodine production will continue to grow. With IO#7 in full operation and continuous improvement efforts from Iofina employees and our partners, the Group expects to produce between 310-330 MT of crystalline iodine in H1 2019. As in previous

periods, the Group anticipates production in Q2 2019 to exceed Q1 2019 totals as warmer weather, lower down time, and project implementations should increase totals as the Group move towards the middle of 2019.

Iofina's management team continues to develop the Group's next iodine production expansion project, IO#8. With growing oil and gas operations in the USA, particularly in Oklahoma, Iofina management is continuously evaluating multiple opportunities for IO#8 and further iodine production plant sites. The Group anticipates that final plans for IO#8 will be determined in 2019, however, management will only act on these plans once a sound, long-term, low-risk solution is fully vetted.

Continuing the trend from early 2017, iodine prices continue to rise. Iodine prices started 2018 near \$24/kg and now in early 2019, large volume sales are generally in the range of \$26-27/kg. Iofina expects iodine prices to increase further in 2019 as global demand continues to increase in both current and emerging applications. As a low cost iodine producer and iodine derivative manufacturer, Iofina stands to benefit from any increases in iodine prices.

Iofina Chemical, the Group's iodine derivative manufacturer located in Covington, KY USA, continues to sell all of the Group's products including crystalline iodine produced by Iofina Resources. In 2018 as iodine production increased, the Group sold more iodine than in previous years directly to the market. Iofina Chemical has established many regular customers for the Group's produced crystalline iodine, some of which purchase via a contract and others via spot availability. Iofina Chemical continues to produce unique, high-quality products from iodine and the demand for these iodine-based products remains strong as the Company enters 2019. R&D investments to improve current processes and to develop new products for new applications are ongoing. Iofina Chemical also has a portfolio of successful chloro-based and fluoro-based products, which add to the Group's diversity and margins.

Finally, debt renegotiation is at an advanced stage and the Group expects to provide a market update on this in the coming weeks.

Commenting, President and CEO Dr. Tom Becker stated: *"I am delighted with the Group's improved performance in 2018, in which we produced a record amount of iodine and successfully increased output whilst reducing the overall cost of production. Meanwhile, the restructuring of debt remains a priority for us and we are making good progress towards its conclusion.*

"We enter the new year in a strong position, seeing strong growth across the Group. We are confident that this momentum can be maintained and that 2019 profitability will continue to improve in line with the iodine price."

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About Iofina:

Iofina specialises in the exploration and production of iodine, halogen based specialty chemical derivatives and produced water. Iofina's business strategy is to identify, develop, build, own and operate iodine extraction plants currently focused in North America, based on Iofina's WET® IOsorb® technology. Iofina has production operations in the United States, specifically in Kentucky and Oklahoma. It is a vertically integrated company, covering the process from the production of iodine in the field, to the manufacture of the chemical end-products derived from iodine, supplying them to the consumer, and the recycling of iodine using iodinated side-streams from waste chemical processes. Iofina utilises its portfolio of patented and patent-pending technology, and proprietary methods and trademarks throughout all business lines.

www.iofina.com

THE INFORMATION COMMUNICATED IN THIS ANNOUNCEMENT IS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 596/2014.