



17 April 2019

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

## **Q1 2019 Market Update**

### **Year-on-Year iodine production up 14%; iodine prices continue to rise**

Iofina, specialists in the exploration and production of iodine and manufacturers of other halogen-based derivatives at its specialty chemical company, today provides an update to the market regarding its activities in the first quarter of 2019 ("Q1" or the "Period"), during which the Group increased year-on-year iodine production by 14% and finalised its debt restructuring terms.

At the end of the Period, the Group announced the successful restructuring of its debt. The debt with the Group's long-time Noteholders was extended to July 2020 and the convertibility feature was removed. This is a significant achievement, as it will allow the Group to execute on growth plans in 2019 and beyond.

During the Period, the Company produced 134.4 MT of crystalline iodine, a 14% increase from the same period in 2018 (Q1 2018: 118.2 MT) and the highest level of Q1 iodine production in Company history. A full quarter's production at the Group's newest plant, IO#7, which was commissioned during the first quarter of 2018, was a significant factor in the year-on-year increase in output. The Group is encouraged by how well IO#7 has performed over the Period, and it plans to build more plants with similar productivity over the short term.

As anticipated, the extreme winter weather conditions in Oklahoma in January and February have impacted production efficiencies. Whilst brine water volumes available to the four IOsorb® plants, as well as the levels of iodine concentration, were as expected, the IO#6 plant experienced an out of tolerance fall in efficiencies towards the end of the quarter. The Company is currently focused on IO#6 and is making progress with restoring expected efficiencies. In addition, works planned for IO#4, which would enhance iodine output, have been delayed into Q2 due to resource constraints linked to a high level of activity by our partner. The net effect of these factors means that the Group prudently expects a reduction of approximately 10% to its ambitious H1 2019 production target, detailed on 17 January 2019.

During the Period, Iofina Chemical traded strongly, and exceeded the Group's internal forecasts, as it continues to deliver high quality iodine and specialty chemicals to customers globally.

The global iodine market remains robust and iodine prices have continued to rise into early Q2 2019. Large volume spot sales of iodine at the end of the Period were generally over \$28/kg, a 16% rise on last year's spot price (Q1 2018: \$24/kg). Iofina expects pricing to continue to move higher in 2019 from these levels.

**Commenting, President and CEO Dr. Tom Becker stated:** "I am pleased with the Group's solid start to the year, which has seen us successfully renegotiate the debt terms of our loan. The completion

of the debt restructuring is an important achievement as it provides the Group with flexibility to execute on its long-term business strategy. It is also pleasing to report that we have achieved a 14% year-on-year increase in iodine production from our four operating IOsorb® plants. The increase in production, coupled with the continued rise in iodine prices, has positioned Iofina well for a strong 2019.

“Whilst we are behind our aggressive production target for H1 2019, we are confident that production output will resume to normal levels once the appropriate works are completed and look forward to higher production levels in Q2 2019 with warmer weather and lower down time.”

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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.

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