



6 November 2019

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

IofinaEX Hemp Seed Investment

Iofina plc, specialists in the exploration and production of iodine and manufacturers of specialty chemical products, today announces an investment into Organic Vines OP LLC. ("Organic Vines"), a feminised hemp seed production and genetics company.

Organic Vines has recently been incorporated with the intention of leasing and operating a state-of-the-art climate and light controlled greenhouse facility near Denver, Colorado, in order to produce high quality, feminised, organic certified hemp seeds. The site includes four greenhouses totalling approximately 240,000 square feet, capable of producing over 50 million certified organic hemp seeds per grow cycle which lasts approximately four months from planting to harvest. Organic Vines is partnering with an experienced seed producer in the U.S., who will be providing seedlings, advising and overseeing the growth of the crop and will be responsible for the hemp seed distribution.

Organic Vines is raising US\$1.9m to finance one grow cycle at this site, with the harvest and seed sales expected to conclude before mid-2020. Iofina subsidiary, IofinaEX, has made a US\$900,000 investment (the "Investment") into Organic Vines via a non-voting equity preference share ("Preference Share") which have a first call on returns made from this grow cycle, for up to a maximum of three times the initial investment. Once this return has been achieved, the Preference Share class will dissolve and Iofina will cease to have an investment in Organic Vines.

The Investment is in-line with the Company's strategy to develop and integrate IofinaEX, which is focused on processing and developing products derived from hemp, such as CBD. Assuming a successful crop, the Company anticipates a profit on investment by mid-year 2020 totalling up to US\$1.8 million. Based on current seed pricing the Board believes that maximum return is achievable.

The Investment represents a one-off opportunity. However, if it is successful, the Company will look to undertake further ventures with Organic Vines that will provide future benefit to Iofina that would include a reliable source of quality hemp seeds for operations undertaken by IofinaEX.

The Investment constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies (the "Related Party Transaction") as Lance Baller, chairman of Iofina plc, holds 100% of the voting rights in Organic Vines. The independent directors of the Company consider, having consulted with finnCap Ltd in its capacity as the Company's nominated adviser, that the terms of the Related Party Transaction are fair and reasonable insofar as the Company's shareholders are concerned.

Commenting, President and CEO Dr. Tom Becker, stated: *"As we continue to develop our hemp/CBD business, we are executing strategies to advance our plans for IofinaEX. We anticipate this strategic investment to be the first of many steps for IofinaEX to thrive in this rapidly growing hemp market, and we look forward to updating the market on further progress in due course."*

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About Iofina:

Iofina plc (AIM: IOF) is a vertically integrated Company that specialises in the production of Iodine and the manufacturing of specialty chemical products. As the second largest producer of iodine in North America, it comprises three entities; Iofina Resources, Iofina Chemical and IofinaEX.

LEI: 213800QDMFYVRJYYTQ84

ISIN: GB00B2QL5C79

Iofina Resources

Iofina Resources develops, builds, owns and operates iodine extraction plants using Iofina's WET® IOsorb® technology. Iofina currently operates four producing IOsorb® plants in Oklahoma, and is consistently using technology and innovation to improve and expand its operations.

Iofina Chemical

Iofina Chemical has manufactured high quality halogen speciality chemicals derived from raw iodine, as well as non-iodine based products for over 35 years.

IofinaEX

Iofina's newest subsidiary, IofinaEX, is now fully licensed to process hemp in the state of Kentucky and the Directors are committed to exploring the isolation of specialty chemical products from hemp, a rapidly expanding market.

www.iofina.com

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.