



22 July 2020

**Iofina Plc**  
("Iofina" or the "Company")  
(LSE AIM: IOF)

### **Corporate Update**

Iofina, a specialist in the exploration and production of iodine and manufacturers of specialty chemical products, today provides an update to the market regarding H1 2020 iodine production, debt refinancing and other corporate matters.

#### **H1 2020 Production**

In H1 2020, Iofina produced 284.4 metric tonnes ("MT") of crystalline iodine of which 277.5 MT was produced by Iofina's four established iodine plants and 6.9 MT from IO#8. This production was in line with H1 2019 production of 286.7 MT. As previously communicated, IO#8 was briefly open in April for a few weeks, shut down in May, and reopened again in late June. The Company is still optimizing this new plant but expects IO#8 to run throughout the second half of 2020 and beyond. With all five plants running as normal, the Company is expecting total iodine production for H2 2020 to range between 340 and 360 MT of crystalline iodine. However, the Company notes that the ongoing uncertainty of the global pandemic does make production forecasting more difficult. Encouragingly, iodine prices have remained steady in Q2 2020 and into Q3 2020, with typical iodine prices now at \$35/kg or above.

#### **Debt Update**

The Company continues to progress a debt refinancing package with a new lender. One of the principal objectives of this process has been, and remains, to repay the Company's current lenders (together, the "Secured Lenders") in full, who have supported the Company over the past several years. Unfortunately, the time required to complete the debt refinancing has been significantly impacted by events related to COVID-19. The new debt restructuring terms are likely to include a term loan as well as a revolving line of credit to meet Iofina's debt repayment obligations. Iofina will detail the final terms of the refinancing to the market once terms have been agreed. It is anticipated that the refinancing will be completed within the two-month extension recently granted by Iofina's current senior lender Stena Investments S.à.r.l. ("Stena"). Once the debt refinancing is complete, the Secured Lenders will be paid in full. As previously communicated, Iofina's junior lender, Southern Rock Insurance Company Limited ("SRICL"), has not agreed to a debt extension. Notwithstanding that the grace period for payment to SRICL concludes today, the Company will continue to progress the refinancing to facilitate its closing as soon as practicable and thereby ensure repayment in full to the Secured Lenders.

Pursuant to the terms of the security agreements previously negotiated and entered into between the Company and the Secured Lenders, Stena was appointed as security trustee, meaning that it holds the security interests granted over Iofina's assets on trust for itself and Southern Rock. The security interests granted by the Company, both in the UK and US, are registered in the name of Stena under this arrangement. As security trustee, any enforcement over the Company's assets in respect of it not having repaid the debt that has become due would require action by Stena. Stena, having agreed to

the extension, has reiterated its continued support for the Company for which the Board is particularly grateful, specifically as the Company seeks to bring its refinancing negotiations to a successful close.

The Company owes approximately US\$15.45m to the Secured Lenders, of which the amount owing to SRICL amounts to approximately US\$1.2m. The outstanding debt is repayable on a pro rata basis. The Company's current cash balance is approximately US\$5.3m, and the Directors firmly believe that the Company remains in a strong position, both insofar as it pertains to current business outlook but more specifically with regard to its refinancing efforts.

#### **Other Items**

Iofina anticipates that in Q3 2020 it will apply for loan forgiveness for Payroll Protection Program ("PPP") loans totalling US\$1.09m, which were used for payroll expenses to maintain full employment during the current pandemic. The Company expects all of the PPP loans to be forgiven in H2 2020.

Iofina's continues to monitor carefully its investment in the hemp seed joint venture with Organic Vines OP (the "JV"). Hemp seed sales from seed suppliers across the USA have been much lower than expected due to the uncertainty of COVID-19 combined with the lack of a comprehensive USA hemp crop insurance program available to all farmers. Planting in the USA this year has declined nearly 60 percent compared to 2019 hemp planting and, to date, the seed sales from the JV through its sales partner have been much lower than expected. It is not clear when the seed sales will complete, but it appears that sales are likely to continue into 2021, as a significant portion of seed is likely to be sold into international markets. The Company will update the market on the progress of hemp seed sales from this JV in due course.

**Commenting, President and CEO of Iofina Dr. Tom Becker, stated:** *"The first half of 2020 has been difficult for everyone, but Iofina's performance has been solid in spite of the difficult events affecting the world. Iodine prices have remained robust and our production levels compare well with 2019 and, with IO#8 now online, H2 2020 iodine production is expected to surpass H1 2020 production totals.*

*"We are pleased to continue to progress towards the completion of our debt refinancing which will provide us with a clean slate and allow us to dedicate more focus towards maximising our fantastic growth opportunities in iodine and continuing to generate shareholder value."*

#### **Enquiries:**

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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 USA entities; Iofina Resources, Iofina Chemical and IofinaEX.

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***Iofina Resources***

Iofina Resources develops, builds, owns and operates iodine extraction plants using Iofina's WET® IOsorb® technology. Iofina currently operates five 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 fully licensed to process hemp in the state of Kentucky and is exploring the isolation of specialty chemical products from hemp, a rapidly expanding market.

[www.iofina.com](http://www.iofina.com)

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