



19 January 2021

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

Market Update

Record 2020 Iodine Production

Iofina plc, specialists in the exploration and production of iodine and manufacturers of specialty chemical products, today provides an update to the market regarding 2020 Group performance, a year in which it produced a record volume of crystalline iodine and continued to execute on its strategy.

2020 Highlights:

- Record full-year of iodine production
 - Full-year 2020 production of 609.9 metric tonnes ('MT') of crystalline iodine (FY2019: 602.7MT)
 - H2 crystalline iodine production of 325.5MT (H2 2019: 316MT), an increase of 14 per cent over H1, the highest production of any half-year in Company history
- IO#8 completed on time and on budget at a total cost of \$3.1m
 - The Company now operates five iodine production plants in western Oklahoma
- Corporate debt restructured and balance sheet greatly strengthened
 - Debt significantly reduced whereby current total debt is less than half of the debt 24 months prior
 - Interest rates on debt considerably reduced
- Exploration efforts for future iodine production opportunities continued and are ongoing
- Expansion of the Group's board with appointment of Mary Fallin, the recent Governor of the State of Oklahoma in the United States
- Iofina Chemical's non-iodine business remained robust

Commenting, President and CEO of Iofina, Dr. Tom Becker, stated: *"I am delighted to announce another consecutive year of record iodine production for Iofina, with full-year 2020 production of 609.9 metric tonnes ('MT') of crystalline iodine. This production figure is testament to the dedication and resilience of our workforce and the Company which, despite being affected by the COVID-19 pandemic and a challenging macro environment, has performed strongly.*

"Most notably during the period our newest plant IO#8 was completed on time and on budget, and a successful corporate debt restructuring has seen our balance sheet greatly strengthened, with the level of debt more than halved when compared to the figure two years ago.

"As we move into 2021, we are seeing increased demand and iodine sales commitments, while a recovering oil market will likely bring more drilling and workover activity than we saw in 2020, allowing us to continue delivering on our strategy to expand our iodine production. The Directors are also continuing to evaluate opportunities for both improving existing plants and constructing new plants as part of the Group's commitment to growth and increased profitability.

“The Company has made significant progress in 2020, it is in a stronger position than it has ever been, and the Directors look to the coming year with confidence as we exit the pandemic.”

2020 production and H1 2021 forecast

In 2020 (the “Period”), the Group produced record levels of crystalline iodine (609.9 MT). H2 production of 325.5MT was the highest half-year production total in Company history. The Company continued to execute its expansion program with its newest plant, IO#8, which commenced production in April. The Group’s other iodine plants performed well and with oil prices now significantly higher than mid-year 2020, Iofina and its partners expect more drilling and workover activity throughout 2021 versus 2020, which is likely to provide more brine water to produce iodine. Iofina continues to work in conjunction with its partners to maximize the supply of iodide rich brine water to each of our IOsorb® plants.

Iofina Resources’ production forecast for H1 2021 is 285-305 MT of crystalline iodine (H1 2020: 284.4 MT). Exploration efforts are ongoing, and the Directors are carefully evaluating potential future iodine production locations as well as the overall iodine market to determine the best timing for future expansion.

Iodine market

Despite lower demand for iodine in H2 2020, indications in 2021 suggest that the iodine market is recovering. Iofina has already taken on significant iodine orders for 2021 which will reduce inventories. Iodine prices peaked in early 2020 and have since come off their highs but remained stable. Despite COVID, Iofina sees spot iodine prices at the beginning of 2021 to be similar to the beginning of 2020 at approximately \$32.5-36/kg for large quantity buyers. Although difficult to predict, Iofina expects iodine prices to be stable in H1 2021, however this will likely be dependent on the rate of global economic recovery.

Diversification of products

Over several years, the Company and its Directors recognized the importance of diversification of products in our core chemical competencies. This diversification was important in 2020 as many sectors contracted. Iofina Chemical’s non-iodine halogen-based products performed very well in 2020, contributing significantly to the profitability of the Group. Iofina will continue to invest in the diversification of products as it offers additional stability, particularly in difficult economic times. In 2021 Iofina Chemical plans to invest in a new production line to improve its largest non-iodine process to improve efficiencies, safety, and purity. The Group will continue to explore new products and business relationships to ensure future growth.

Debt refinancing

A major accomplishment in 2020 for the Group was the refinancing and reduction of debt. In September of 2020, Group debt was refinanced through First Financial Bank, Ohio. Current Group debt is less than half of debt two years ago and carries a much lower rate of interest. This allows the Group to utilize more profits to reinvest in the Company’s growth.

COVID-19 impact

During the Period the COVID-19 pandemic had a significant impact on individuals as well as the global economy. Although the Group was not immune from the effects of this pandemic, it was not as affected as many other industries and performed well under the circumstances as management realised it needed to be more proactive during this Period.

At the start of the Period Iofina was on track for a breakout year with the iodine market expanding, iodine prices rising and oil production in the USA at record levels. After the economy contracted due to COVID-19, iodine demand slowed in some industries, particularly the automotive and X-ray contrast sectors, which resulted in iodine prices flattening. As a result, Iodine inventories rose in H2 2020 which is not historically atypical for Iofina's business. Further, oil companies reduced drilling and work-over programs because of lower oil prices and thus, in H2 2020, brine water available for processing at some of Iofina's plants was slightly reduced.

Despite all of these challenges, Iofina reacted and performed well in the Period through weathering the pandemic, and is poised for a strong 2021. The Company also has utilized and continues to explore government programs implemented to assist entities through the pandemic. Iofina also strengthened its Board of Directors by adding Mary Fallin, the most recent Governor of Oklahoma, as a Non-Executive Director.

IofinaEX

In H2 2020, the Director's determined that due to a number of factors including an uncertain regulatory environment, the reduction of cannabinoid prices and the need to focus in core areas, that the Group would no longer expend resources in its subsidiary IofinaEX with the exception of completing the hemp seed investment. The Company and its partners will continue seed sales efforts to maximize return on this investment without any significant expenses.

Enquiries:

Dr. Tom Becker
CEO & President

Iofina plc
Tel: +1 859 356 8000

Christopher Raggett/Giles Rolls/Matthew Radley (corporate finance)
Tim Redfern (ECM)

finnCap Ltd
Tel: +44 (0)20 7220 0500

Media Contact:
Charles Goodwin/Joe Burgess

Yellow Jersey PR Limited
Tel: +44 (0)7747 788 221

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 holds an investment in a hemp seed production project.

www.iofina.com

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