



14 April 2020

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

### **Production Commences at IO#8 Iodine Plant**

#### **Q1 Market Update**

Iofina plc, specialists in the exploration and production of iodine and manufacturers of specialty chemical products, is pleased to update shareholders on a strong Q1 2020 period and reports that construction at its newest IOsorb® iodine plant IO#8 has completed within budget and on schedule and the plant has moved into production.

#### **HIGHLIGHTS:**

- IOsorb® iodine plant IO#8 completed and is in production
- Q1 crystalline iodine production totalling 129.7 metric tonnes was in line with Q1 2019 totals
- Iodine prices remain stable into the start of Q2
- Production and operations continue despite Covid-19 restrictions

#### **Production Commences at IO#8 Iodine Plant**

Delivered on time and within budget, IO#8, located in western Oklahoma, is the Company's fifth plant now operating in Oklahoma and is expected to ramp up over the next six weeks to full production. This plant includes new design efficiencies to lower production costs while increasing workflow. IO#8 has already undergone initial system evaluations and water testing and is now concentrating and isolating iodine.



IO#8 photo/April 2020

### **Q1 Market Update**

Q1 2020 crystalline iodine production totalled 129.7 metric tonnes (“MT”) (Q1 2019: 134.4 MT). While typical Q1 winter weather conditions result in slightly lower production levels than other quarters, Iofina’s legacy plants are currently performing in line with expectations. Total Company crystalline iodine production in H1 2020 will be dependent on the rate of ramp-up of IO#8.

The Board confirms that, in light of COVID-19 pandemic, its plants remain fully operational as they are deemed ‘essential’ businesses in the USA. The health and safety of the Company’s employees is paramount, and the Group continues to monitor and use best protective practices while it supplies the world essential chemical compounds. The Company notes there has been some slowdown in shipments, particularly to and from India where there is a country-wide lockdown with very little movement of goods. While both production and sales have remained robust during Q1, the Company remains cautious about the knock-on effect COVID-19 is having across the globe and continues to monitor the situation very closely.

Iodine prices have remained stable since the Company’s 25 February 2020 statement, and into the start of Q2. Global large volume spot sales of iodine at the end of the period were at around \$35-37/kg, a significant rise on last year’s spot price (Q1 2019: ~\$28/kg).

Progress on IofinaEX, and the hemp industry in general, has slowed during the COVID-19 pandemic and the Company is focusing on its core businesses during this unprecedented time. The Board also notes that the CBD market has continued to decline both in demand and pricing.

The Company’s working capital position remains healthy, and current debt refinancing continues to progress well to the next stage. Multiple institutions have given positive indications of likely lending capabilities to Iofina and are now evaluating the business assets in greater detail. Progress in this

regard has been encouraging but has inevitably slowed over the last few weeks due to COVID-19 disruption, including remote working and administration relating to the USA CARES Act. The Board remains confident that a debt solution will be realised ahead of the repayment date of the Company's current debt package on 1 July 2020.

**Commenting, President and CEO of Iofina Dr. Tom Becker, stated:** *"The Company has enjoyed another strong quarter and remains in a healthy working capital position.*

*"We are pleased to have moved into production at IO#8 plant, and realised the primary goal of investors at the time of the fundraising last year. The fact that we have delivered yet another plant on time and on budget is testament to the capability of the workforce and our project planning at Iofina. This fifth plant in Oklahoma will immediately add to Iofina's total iodine output, as well as being a further revenue stream for the Company.*

*"Despite the typically colder Q1 weather, 2020 iodine production is off to a strong start and our plants are all performing as expected. So far we have neither seen any material impact to sales nor decline in iodine prices as a result of COVID-19. We are also pleased with the progress being made on our debt refinancing despite the current crisis, and I look forward to updating shareholders 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 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.**