



24 September 2021

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

INTERIM 2021 RESULTS

Record revenue and profitability

Customer markets recovering

Iofina plc, specialists in the exploration and production of iodine and manufacturers of specialty chemical products, is pleased to announce its Interim Results for the six months ended 30 June 2021 (the "Period").

Record revenue and profitability

- Revenue increased by 27% to \$19.9m (H1 2020: \$15.74m)
- Gross profit increased by 10% to \$5.4m (H1 2020: \$4.90m)
- EBITDA increased by 18% to \$3.5m (H1 2020: \$2.9m)
- Operating profit increased by 22% to \$2.6m (H1 2020 \$2.2m)
- Paycheck Protection Program loans of \$1.1m were forgiven
- Profit before and after tax increased by 164% to \$3.5m (H1 2020 \$1.3m)
- Basic and diluted profit per share was \$0.018 (H1 2020 \$0.007)

Net debt further reduced

- Net debt reduced by 27% from \$9.9m (H1 2020) to \$7.2m
- Interest charges fell by 70% from \$0.7m (H1 2020) to \$0.2m
- Well placed to finance our ongoing operational investment program

Iodine production

- Met revised production target of 249.4 MT during H1 after impact of extreme weather and reduced brine supply at two Iofina plants
- H2 production on track to meet 260-275MT target
- In negotiations with targeted partners for Iofina to build and operate IO#9, with additional expansion efforts beyond IO#9 also being evaluated

Commenting on today's results, Dr. Tom Becker, President and CEO stated: *"The Group has delivered an excellent performance in the first half. Recoveries are underway in our customer markets and with this we expect the demand for iodine and its end-use products to continue to improve."*

“Despite H1 iodine production being impacted by extreme winter weather and lower brine supply from our oil and gas partners, importantly we have had sufficient production and reserves to take advantage of demand. Our chemicals division continues to excel with its product range and capabilities, and is a vital driver of Group sales and earnings. On the current trajectory, we are confident of producing 260-275MT of crystalline iodine in the second half and anticipate IO#9 construction to begin before year-end.

“With debt further reduced we are in an excellent position to invest in our operations and continue to implement our growth strategy. The US Government small business loans of \$1.1m were also forgiven in the period, further strengthening the Company’s balance sheet. As Iofina executes its growth plans and iodine prices continue to increase, Iofina will be well positioned for success in the future and to deliver shareholder value.

“I would once again like to thank our staff for their continued efforts and dedication in a challenging environment, and our shareholders for their continued support. Iofina has never been stronger both operationally and financially and we remain confident of achieving our goals for the rest of the year.”

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Business Overview

Iofina plc (“Iofina” or the “Company”) is the holding company of a group of companies (the “Group”) with unique, proven technologies and competencies for producing iodine and halogen-based chemical derivatives. The Group’s business model involves producing a key raw material, iodine, at a low cost and in as an environmentally friendly way as possible, providing the Company’s customers vertical integration into high-quality iodine and other halogen based chemical products.

The Company is committed to producing its products with minimal effects on the environment. The Group’s iodine is produced from brine water waste streams co-produced with oil & gas production in the United States. By utilizing a produced waste stream to isolate iodine, Iofina is extracting a valuable resource from a stream that would otherwise provide no use or value. Also, by isolating iodine from these streams, Iofina avoids the additional drilling and mining environmental impacts of many other iodine producers.

Expertise in core halogen technologies, the vertical integration of iodine into specialty products, and the diversity of iodine production plants and specialty halogen-based products are key business tenets for Iofina. The Directors are focused on continued prudent growth of the Group, and the development and implementation of business strategies for the continued improvement of Iofina in our core areas.

Financial Review

Summary

The Group achieved record half year turnover and profits in H1 2021. Sales increased by 27% (\$4.2m) versus H1 2020, generating a gross profit increase of \$0.5m. This led to an 18% increase in EBITDA to \$3.5m, with administrative costs almost unchanged. Paycheck Protection Program loans of \$1.1m received in 2020 were forgiven and have been included in non-EBITDA income. Interest payable reduced by \$0.5m, reflecting the debt refinancing finalised in September 2020. The overall upshot was a \$2.2m improvement in profit before tax, which was \$3.5m compared to \$1.3m in H1 2020. Net debt reduced by \$2.7m from \$9.9m in H1 2020 to \$7.2m, after capital expenditure of \$0.8m on the Iofina Chemical plant.

Sales

Sales increased by \$4.2m (27%) to \$19.9m. Sales of iodine products increased by 52% from \$10.3m to \$15.6m, while non-iodine sales decreased by 24% from \$5.5m to \$4.2m. The average price per kilogram achieved for sales of raw iodine was \$33.45 up to 30 June 2021, compared to \$35.49 for H1 2020. Since the period end, the average price for July and August sales has exceeded \$36 per kilogram. Gross profit increased from \$4.9m to \$5.4m, with a decrease from 31% to 27% of sales as a result of changes in product mix.

Production and administrative costs

Iodine production was 249 metric tonnes, compared to 287 metric tonnes for H1 2020. Average production costs per kilogram were similar to H1 2020. Chemical plant manufacturing and fulfilment costs were 9% higher than for H1 2020, in line with the budget for the period. SGA administrative expense of \$1.9m was slightly below the 2020 level.

Finance expense

Interest payable was reduced by \$0.5m from \$0.7m for H1 2020 to \$0.2m, as a result of the reductions in debt and interest rates that came out of the 2020 debt restructuring.

Cash flow

Inventories decreased by \$1.5m and receivables increased by \$3.2m as the build-up of inventory at the end of 2020 turned into sales. Cash balances reduced from \$5.5m to \$1.7m, mainly reflecting \$3m payments to reduce the revolving credit facility to mitigate interest charges. Net debt decreased by \$2.7m from \$9.9m to \$7.2m. Capital expenditures were \$0.8m, principally relating to maintenance and development projects at the Iofina Chemical plant.

Iofina Resources

Iofina Resources (“IR”) identifies, develops, builds, owns and operates iodine extraction plants, based on Iofina's WET® IOsorb® technology. Iodide is isolated from a brine waste stream produced from existing oil and gas operations, and without Iofina, this resource would not be realised. The isolation of iodine from this waste stream adds value to Iofina, its shareholders, and our oil and gas partners and minimises environmental impact. Currently, Iofina operates five iodine plants in western Oklahoma.

A production total of 249.4MT of crystalline iodine in the Period was lower than expected due to two adverse factors. First, an extreme polar vortex weather event in February, which struck our production area, causing many oil & gas wells to be offline for approximately two weeks, suspending the brine supplies IR needs. The second factor was lower brine supply particularly at two of our plants. Due to the pandemic's impact on oil and gas prices, oil and gas partners have not reinvested in their fields (new drilling, workovers, maintenance) at historical rates. More recently, Iofina has become aware that oil and gas operators in our area are beginning to reinvest now that hydrocarbon prices have recovered and stabilised. New drilling has occurred near IO#8 and has positively impacted brine flow to this site. While brine supplies are still lower than expected at two sites, we are optimistic they may improve in the second half. The Company expects to produce 260-275MT of crystalline iodine and IR is currently on track to meet this target.

The Company continues to explore opportunities to sustainably expand its iodine production and diversify its lines of brine supply. It has identified several potential sites to build and operate IO#9 which meet its requirements and is currently in negotiations with the operators of these sites. The Company expects to commence the construction of IO#9 by the end of 2021 and it is likely to utilize equipment from decommissioned plants IO#1 and/or IO#5. Additional expansion efforts beyond IO#9 are also being evaluated.

IR continues to invest in its existing plants and its workforce. Initiatives to improve crystalline iodine consistency and quality have been successful. IR has also hired a new VP of Operations and has appointed a new Environmental, Health and Safety manager.

Iofina Chemical

Iofina Chemical (“IC”) is the specialty chemical subsidiary of the Group and has been in business for 38 years producing a diverse array of high-quality halogen-based chemicals for various industries. IC is a globally recognised leader for halogen chemicals. The Group continues to invest in IC to increase its development capabilities to supply customers with existing and new products. In addition to the halogen-based chemicals produced on site at IC's facility in Covington, Kentucky, IC is the Group's main sales and commercial arm, selling iodine directly to the market and processing all external sales for the Group. While the iodine production component of the business is generally well known to investors, the Directors believe the importance of Iofina Chemical, its diversity of products, and the value-add for iodine derivative products is not as well recognised as a significant contributor to the Group.

In the Period, IC exhibited record sales and profits. Demand for both crystalline iodine and iodine derivatives led sales gains as global manufacturing increased and economic expansion was evident following the COVID-19 decreases in demand in H2 2020. Inventory reductions from year-end levels contributed to increased sales in the Period, as well as strong demand for a variety of products. Some iodine-based products which saw increased demand include crystalline iodine, methyl iodide and IPBC. Methyl iodide applications include pharmaceutical applications and use as a catalyst for acetic acid production. IPBC is used as a biocide in paints, coatings and machine fluids as well as a preservative in cosmetics and personal care products.

IC continues to invest in its current processes as well as new R&D projects. Current products where upgrades were started or completed in the Period include: trichloromelamine (a disinfectant/sanitizer for hard surfaces and glassware), hydriodic acid (teat dip and acetic acid applications), and methyl fluoride (semiconductor etchant gas). New product R&D is ongoing which includes specialty iodides for battery, oil/gas, and other applications.

The diversity of the Group's halogenated products (iodo-, chloro-, fluoro-) is key to both growth and stability for the organization.

Hemp Seed Update

The Hemp and CBD market continues to recover from the impact of COVID-19. Only 107,702 acres were registered for outdoor hemp production for 2021 in the United States which is down 55% compared to 236,732 acres documented in June 2020; down 75% from the 429,300 acres ultimately documented for 2020. Our sales partner continues to field numerous inquiries and execute sales but these sales were for smaller orders in the United States, with growers taking a more "craft" approach, as opposed to large-scale farming of biomass. We continue to look outside the USA for the sale of the Group's certified organic hemp seeds. We have sold small quantities and qualified two products lines of seeds in South Africa. One seed variety performed excellent while the auto flower seed was not a top performer in that geographic region. The plants react differently in each region and therefore the seeds will be marketed elsewhere. Having certified organic seeds is still very rare and has an emerging following. The Group remains confident that the seed investment will provide a positive return, but the timeframe for realization is taking longer than anticipated in this new and emerging market.

Iodine Market Outlook

Iodine prices and demand have increased from 2017 through H1 2020. Pandemic driven slowdowns in numerous markets did reduce demand and prices during H2 2020. Spot prices of \$32.5-36/kg at the beginning of 2021 were approximately equivalent to prices at the beginning of 2020, and slightly lower than mid-year 2020 prices. However, through 2021 the iodine market has recovered faster than the Company anticipated. By mid-year 2021, spot iodine prices had moved higher and into the \$35-37/kg range, and have continued to rise, ranging now at \$37-39/kg. Demand for end-use products seem to be the main driver of prices higher, however, logistic delays and increased shipping costs may also have contributed to some of the pricing increases.

As markets continue to return to normal activity, Iofina anticipates demand for iodine and its end-use products to remain strong, whilst global logistic delays will also likely impact the industry into 2022. The Group believes these factors will likely lead to continued higher iodine prices for the rest of 2021 and into 2022.

Business Outlook

Recoveries are underway in our end markets and we are seeing demand for our products return towards pre-pandemic levels. Noting that COVID-19 continues to linger, we are also conscious that shipping, labour and input costs are rising across global markets, but with iodine prices also significantly lifting we expect to continue to make positive progress supported by our highly efficient production and operations.

In terms of investing for growth, the 2020 debt restructuring and stronger balance sheet means the Group has more capacity to invest in initiatives to increase production and product innovation. As noted, the Group expects to commence the construction of IO#9 by the end of the year and will provide further updates on this in due course. The Group will continue to explore opportunities for growth both organically and outside of the current organisation.

Iofina has never been stronger both operationally and financially and the Board believes the Group is well placed to meet its commercial expectations for the full year.

IOFINA PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021

		Unaudited		Audited
		Six months ended		Year ended
		30 June	30 June	31 December
		2021	2020	2020
	Note	\$	\$	\$
Continuing operations				
Revenue		19,926,412	15,737,537	29,687,550
Cost of sales		<u>(14,555,537)</u>	<u>(10,862,887)</u>	<u>(21,282,945)</u>
Gross profit		5,370,875	4,874,650	8,404,605
Administrative expenses		<u>(1,891,048)</u>	<u>(1,927,503)</u>	<u>(3,685,682)</u>
EBITDA – Earnings before interest, tax, depreciation and amortisation		3,479,827	2,947,147	4,718,923
Depreciation and amortisation		<u>(849,489)</u>	<u>(793,295)</u>	<u>(1,793,249)</u>
Operating profit		2,630,338	2,153,852	2,925,674
Paycheck Protection Program loans forgiven		<u>1,089,900</u>	<u>-</u>	<u>-</u>
Profit before finance expense		3,720,238	2,153,852	2,925,674
Finance income		457	14,478	15,145
Interest payable		(210,689)	(689,782)	(1,114,108)
Interest swap valuation		(10,162)	-	(69,314)
Loan arrangement fees		<u>-</u>	<u>(154,004)</u>	<u>(479,605)</u>
Profit/(Loss) before taxation		3,499,844	1,324,544	1,277,792
Taxation	7	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the period attributable to owners of the parent		\$3,499,844	\$1,324,544	\$1,277,792
Profit/(loss) per share:				
- Basic	4	\$0.018	\$0.007	\$0.007
- Diluted	4	<u>\$0.018</u>	<u>\$0.007</u>	<u>\$0.007</u>

IOFINA PLC
CONSOLIDATED BALANCE SHEET
30 JUNE 2021

	Note	Unaudited 30 June 2021 \$	Unaudited 30 June 2020 \$	Audited 31 December 2020 \$
Intangible assets		552,594	732,594	642,596
Goodwill		3,087,251	3,087,251	3,087,251
Property, plant & equipment		18,785,675	19,205,075	18,781,803
Total non-current assets		22,425,520	23,024,920	22,511,650
Inventories		8,178,240	8,599,239	9,656,019
Trade and other receivables		6,452,072	5,418,775	3,285,004
Investments		900,000	900,000	900,000
Cash and cash equivalents		1,679,358	5,509,820	3,481,332
Total current assets		17,209,670	20,427,834	17,322,355
Total assets		\$39,635,190	\$43,452,754	\$39,834,005
Trade and other payables		6,266,281	6,004,491	5,473,365
Term loan – due within one year	5	1,428,571	-	1,428,571
Term loan notes	5	-	15,450,626	-
Paycheck Protection Program Loans		-	-	1,089,900
Lease liabilities		126,847	131,385	140,650
Total current liabilities		7,821,699	21,586,502	8,132,486
Term loan – due after one year	5	7,500,000	-	8,214,286
Revolving credit facility		-	-	2,717,581
Term loan – interest swap liability	5	79,476	-	69,314
Paycheck Protection Program subsidies		-	1,089,900	-
Lease liabilities		-	111,413	45,501
Total non-current liabilities		7,579,476	1,201,313	11,046,682
Total liabilities		\$15,401,175	\$22,787,815	\$19,179,168
Issued share capital	6	3,106,795	3,106,795	3,106,795
Share premium		60,686,595	60,686,595	60,686,595
Share-based payment reserve		2,215,883	2,099,889	2,136,539
Retained losses		(35,830,936)	(39,284,018)	(39,330,770)
Foreign currency reserve		(5,944,322)	(5,944,322)	(5,944,322)
Total equity		\$24,234,015	\$20,664,939	\$20,654,837
Total equity and liabilities		\$39,635,190	\$43,452,754	\$39,834,005

IOFINA PLC
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share Premium	Share- based payment reserve	Retained losses	Foreign currency reserve	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 31 December 2019 (Audited)	\$3,106,795	\$60,686,595	\$1,988,361	\$(40,608,562)	\$(5,944,322)	\$19,228,867
Share-based expense	-	-	148,178	-	-	148,178
Total transactions with owners	-	-	148,178	-	-	148,178
Profit for the year attributable to owners of the parent	-	-	-	1,277,792	-	1,277,792
Total comprehensive income attributable to owners of the parent	-	-	-	1,277,792	-	1,277,792
Balance at 31 December 2020 (Audited)	\$3,106,795	\$60,686,595	\$2,136,539	\$(39,330,770)	\$(5,944,322)	\$20,654,837
Share-based expense	-	-	79,344	-	-	79,344
Total transactions with owners	-	-	79,344	-	-	79,344
Profit for the period attributable to owners of the parent	-	-	-	3,499,834	-	3,499,834
Total comprehensive income attributable to owners of the parent	-	-	-	3,499,834	-	3,499,834
Balance at 30 June 2021 (Unaudited)	\$3,106,795	\$60,686,595	\$2,215,883	\$(35,830,936)	\$(5,944,322)	\$24,234,015

IOFINA PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2021

	Unaudited Six months ended		Audited Year ended 31 December
	30 June 2021 \$	30 June 2020 \$	2020 \$
Cash flows from operating activities			
EBITDA – Earnings before interest, tax, depreciation and amortisation	3,479,827	2,947,147	4,718,924
Share options expense	79,344	111,528	148,178
	<u>3,559,171</u>	<u>3,058,675</u>	<u>4,867,101</u>
Changes in working capital			
Trade receivables (increase)/decrease	(3,167,068)	707,675	2,841,446
Inventories decrease/(increase)	1,477,779	(2,521,969)	(3,578,752)
Trade and other payables increase/(decrease)	805,382	218,422	(353,762)
Net cash inflow from operating activities	<u>2,675,264</u>	<u>1,462,803</u>	<u>3,776,034</u>
Cash flows from investing activities			
Interest received	457	14,478	15,144
Asset disposal proceeds	-	-	4,468
Acquisition of property, plant & equipment	(763,362)	(1,957,495)	(2,448,642)
Net cash outflow from investing activities	<u>(762,905)</u>	<u>(1,943,017)</u>	<u>(2,429,030)</u>
Cash flows from financing activities			
Paycheck Protection Program subsidies received	-	1,089,900	1,089,900
Term loan notes repaid	-	(2,726,580)	(18,177,209)
Term loan drawn	-	-	10,000,000
Term loan repayments	(714,286)	-	(357,143)
Revolving loan facility drawn	-	-	3,000,000
Revolving loan facility net payments	(2,717,581)	-	(282,419)
Refinancing and arrangement fees paid	-	(350,100)	(675,701)
Interest paid	(217,527)	(679,778)	(1,055,134)
Lease payments	(64,939)	(61,298)	(125,856)
Net cash outflow from financing activities	<u>(3,714,333)</u>	<u>(2,727,856)</u>	<u>(6,583,562)</u>
Net decrease in cash	<u>(1,801,974)</u>	<u>(3,208,071)</u>	<u>(5,236,558)</u>
Cash and equivalents at beginning of period	<u>3,481,332</u>	<u>8,717,890</u>	<u>8,717,890</u>
Cash and equivalents at end of period	<u>\$1,679,358</u>	<u>\$5,509,820</u>	<u>\$3,481,332</u>

1. Nature of operations and general information

Iofina plc is the holding company of a group of companies (the “Group”) involved primarily in the exploration and production of iodine and the manufacturing of halogen-based specialty chemical derivatives. Iofina's principal business strategy is to identify, develop, build, own and operate iodine extraction plants, with a current focus in North America, based on Iofina's WET® IOsorb® technology. Iofina has current production operations in the United States, specifically in Kentucky and Oklahoma. The Group has complete vertical integration from the production of iodine from produced brine waters, to the manufacture of the chemical end-products derived from iodine and sold to global customers..

The address of Iofina plc's registered office is 48 Chancery Lane, London WC2A 1JF.

Iofina plc's shares are listed on the London Stock Exchange's AIM market.

Iofina's consolidated financial statements are presented in US Dollars, which is the functional currency of the operating subsidiaries.

The figures for the six months ended 30 June 2021 and 30 June 2020 are unaudited and do not constitute full statutory accounts. The comparative figures for the year ended 31 December 2020 are extracts from the 2020 audited accounts (which are available on the Company's website and have been delivered to the Registrar of Companies) and do not constitute full statutory accounts. The independent auditor's report on the 2020 accounts was unqualified and did not contain statements under sections 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

2. Accounting policies

The basis of preparation and accounting policies set out in the Annual Report and Accounts for the year ended 31 December 2020 have been applied in the preparation of these condensed consolidated interim financial statements. These interim financial statements have been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (UK adopted IFRS) that are expected to be applicable to the consolidated financial statements for the year ending 31 December 2021 and on the basis of the accounting policies expected to be used in those financial statements.

3. Segment reporting

(a) Business segments

The Group's operations comprise the exploration and production of iodine with complete vertical integration into its specialty chemical halogen derivatives business and are therefore considered to fall within one business segment. In addition, the Group holds an investment in Organic Vines OP LLC, which has produced and is marketing hemp seeds. To date there has been no hemp trading activity to record from the Group's perspective, and therefore segment reporting below is limited to the separate recognition of hemp assets.

3. Segment reporting (continued)

	Unaudited		Audited
	Six months ended 30 June		31 December
	2021	2020	2020
Assets	\$	\$	\$
Halogen Derivatives and iodine	38,735,189	42,438,788	38,934,005
Hemp seeds	900,000	900,000	900,000
Hemp biomass	-	113,965	-
Total	\$39,635,189	\$43,452,753	\$39,834,005
Liabilities			
Halogen Derivatives and iodine	15,401,167	22,787,815	19,179,168
Total	\$15,401,167	\$22,787,815	\$19,179,168

(b) Geographical segments

The Group reports by geographical segment. All the Group's activities during the period were related to exploration for, and development of, iodine in certain areas of the USA and the manufacturing of specialty chemicals in the USA with support provided by the UK office. In presenting information on the basis of geographical segments, segment assets and the cost of acquiring them are based on the geographical location of the assets.

	Unaudited		Audited
	Six months ended 30 June		31 December
	2021	2020	2020
Total assets	\$	\$	\$
UK	127,700	266,876	63,121
USA	39,507,489	43,185,877	39,809,474
Total	\$39,635,189	\$43,452,753	\$39,834,005
Total liabilities			
UK	188,900	15,503,142	201,800
USA	15,212,267	7,284,673	18,977,368
Total	\$15,401,167	\$22,787,815	\$19,179,168
Capital expenditures			
UK	-	-	-
USA	763,362	1,957,495	2,448,642
Total	\$763,362	\$1,957,495	\$2,448,642

4. Profit/(loss) per share

The calculation of profit per ordinary share is based on profits of \$3,499,844 (H1 2020: \$1,324,544) and the weighted average number of ordinary shares outstanding of 191,858,408 (H1 2020: 191,858,408). After including the weighted average effect of share options of 1,232,450 (H1 2020: 3,949,500) the diluted weighted average number of ordinary shares outstanding was 193,090,858 (H1 2020: 195,807,908).

5. Term loan and revolving credit facility

	2019 Term loans \$	2020 Term loan \$	2020 Revolving credit facility \$
At 31 December 2019	\$18,177,209	-	-
Repaid 30 June 2020	<u>(2,762,581)</u>	-	-
At 30 June 2020	15,450,628	-	-
Repaid 16 September 2020	(15,450,628)	-	-
First Financial Bank facilities:			
Term loan drawn 16 September 2020	-	10,000,000	-
Revolving credit facility drawn 16 September 2020	-	-	3,000,000
Term loan instalment repayments	-	(357,143)	-
Revolving credit facility net payments	-	-	<u>(282,419)</u>
At 31 December 2020	-	\$9,642,857	\$2,717,581
Term loan instalment repayments	-	(714,286)	-
Revolving credit facility net payments	-	-	<u>(2,717,581)</u>
At 30 June 2021	-	\$8,928,571	-
Due within one year	-	1,428,571	-
Due after one year	-	<u>7,500,000</u>	-
	-	\$8,928,571	-

The First Financial Bank facilities are fully secured, and the principal terms are:

a) The \$10 million term loan drawn down in September 2020 is repayable in full by equal monthly instalments over the 7 years to 30 September 2027. There are accelerated repayments based on 25% of 2021 and 2022 surpluses of EBITDA over the total of capital expenditure and debt payments of principal and interest, payments to be made on 30 June 2022 and 2023 respectively. The interest rate on \$7 million of the loan has been fixed to maturity by a swap contract at 3.99%, and the interest rate on the balance is variable monthly at 2.50% above LIBOR, subject to a minimum LIBOR rate of 1.00%, and is currently 3.50%. Repayment of all or part of the loan may be made at any time, subject to the cost or benefit of unwinding the swap contract.

b) The revolving credit facility is for \$8 million over a two-year term, and may be drawn and repaid in variable amounts at the Group's discretion, with the amount advanced at closing having been \$3 million. Amounts that may be drawn are subject to a borrowing base of sufficient eligible discounted monthly values of receivables and inventory, and compliance on a quarterly basis with trailing 12 months financial covenant ratios of 1) a maximum multiple of 2.5 total debt to EBITDA, and 2) a minimum multiple of 1.2 EBITDA net of capital expenditure to the total of principal and interest payments on the total debt. The interest rate is variable monthly at 2.25% above LIBOR, subject to a minimum LIBOR rate of 1.00%, and is currently 3.25%. Interest charges are reduced to the extent funds are deposited into this account and reduce the balance outstanding. At 30 June 2021 \$3 million funds had been deposited and therefore the net balance was Nil.

6. Share capital

	Unaudited 30 June 2021	Unaudited 30 June 2020	Audited 31 December 2020
Authorised:			
Ordinary shares of £0.01 each			
-number of shares	1,000,000,000	1,000,000,000	1,000,000,000
-nominal value	£10,000,000	£10,000,000	£10,000,000
Allotted, called up and fully paid:			
Ordinary shares of £0.01 each			
-number of shares	191,858,408	191,858,408	191,858,408
-nominal value	£1,918,584	£1,918,584	£1,918,584

7. Income tax

No income tax expense was recognised for the period due to accumulated US tax losses of the Group that are expected to be deductible from the taxable profits of the current period. A deferred tax asset has not been recognised due to uncertainty over the timing of the recovery of these tax losses.

8. Post balance sheet events

There were no post balance sheet events.

9. Cautionary Statement

This report contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of Iofina plc. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report. However, such statements should be treated with caution as they involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.