



26 September 2022

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

INTERIM 2022 RESULTS

Higher profitability and

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 2022 (the "Period").

Revenue and profitability

- EBITDA increased by 6% to \$3.7m (H1 2021: \$3.5m)
- Gross profit increased by 5% to \$5.7m (H1 2021: \$5.4m)
- Revenue decreased by 4% to \$19.2m vs. exceptional comparable period (H1 2021: \$19.9m) when excess inventory built up during Covid was sold
- Cost of Sales decreased by 7.2% to \$13.5m (H1 2021: \$14.6m)
- Operating profit increased by 8% to \$2.8 (H1 2021 \$2.6m)
- Profit before tax of \$2.6m decreased by 34% (H1 2021 \$3.5m)*

Net debt

- Net debt was in line with December 2021 balances
- Cash of \$4.7m (H1 2021: \$1.7m) with net debt of \$2.8m (H1 2021: \$7.2m)
- Interest charges remained stable at \$0.2m from (H1 2021 \$0.2m)
- Well placed to finance our ongoing operational investment program

Iodine production and sales

- Produced 234MT of crystalline iodine during H1, in line with revised 225 – 240MT range
- H2 production on track to meet 255 – 275MT target
- Raw Iodine sales returned to more normalized levels (down 71%) compared to H1 2021 when large, excess inventory built up during Covid was sold off

*H1 2021 profit before tax included the one-off forgiven US government Paycheck Protection Program loan of \$1.1m

The new IOsorb[®] plant, IO#9, is in the final stages of contract negotiations and we will commence construction of the plant once finalised. The iodine-rich brine partner and the site location are awaiting final approvals.

Commenting on today's results, Dr. Tom Becker, President and CEO stated: *"The Group has delivered a strong first half performance, particularly when compared to the exceptional H1 2021 period, which was heavily weighted to the sale of the excess raw iodine inventory that built up during Covid. With iodine prices increasing by 40% during the period, the Group has achieved higher profitability, which has also been supplemented by improved cost controls.*

"The combination of our growing cash position and available facilities means that the Group is now in a position to look at further strategic growth opportunities that complement our specialty chemicals offering, particularly where we can cross-sell to our existing customer base.

"Looking to the second half, on current output, we are confident of producing 255-275MT of crystalline iodine, with brine supplies now stabilised following the saltwater disposal maintenance work undertaken by one of our oil and gas partners. Market demand for raw iodine and our speciality products remains strong despite wider macroeconomic concerns. As such, the board anticipates meeting full year expectations.

"With the agreement of IO#9 close to finalisation, we will commence construction work shortly and expect to have the new plant operating during Q2 2023 and making a significant contribution to the latter half of next year. The negotiation of sites for the construction of IO#10 is also ongoing and we will update the market in due course on this project."

Enquiries:

Dr. Tom Becker
CEO & President
Iofina plc
Tel: +44 (0)20 3006 3135

Christopher Raggett/Tim Harper (Corporate Finance)
Tim Redfern/Barney Hayward (ECM)
finnCap Ltd
Tel: +44 (0)20 7220 0500

Kingsley Wilson
Chrystal Capital Partners LLP
Tel: +44 (0)20 7850 4761

Media Contact:
Charles Goodwin/Laurie Gellhorn
Yellow Jersey PR Limited
Tel: +44 (0)7747 788 221

INTERIM RESULTS

Business Overview

Iofina plc (“Iofina” the “Company” or the “Group”) is the holding company of a group of companies (the “Group”) in the specialty chemical industry 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 the most environmentally friendly way 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 environmental impact. 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.

Iofina operates two active business units in the United States. Iofina Chemical (“IC”) develops and produces halogen-based specialty chemicals and sells these products, along with the Group’s crystalline iodine, globally in a variety of applications. Iofina Resources (“IR”) currently operates five IOsorb® iodine production plants and is planning for additional plant expansions. IR continues to explore for new iodine sources and further develop its proprietary models relating to iodine and other mineral sources in North America. Expertise in core halogen technologies, the vertical integration of iodine into specialty products, the diversity of iodine production plants and specialty halogen-based products, and operating our businesses within the pillars of responsible ESG practices are key business tenets for Iofina. The Directors are focused on the continued prudent growth of the Group, and the development and implementation of business strategies for the ongoing improvement of Iofina.

Financial Review

Summary

In comparison to H1 2021, the Group’s sales were 4% lower at \$19.2m and EBITDA was 5% higher at \$3.7m. Factors driving improved profitability were significantly higher prices achieved for iodine products and a 37% increase in sales of non-iodine specialty chemicals products, mitigated by increases in chemical input costs for iodine production and derivatives manufacturing and a 71% reduction in raw iodine sold, reflecting exceptional pandemic related H1 2021 sales of excess inventory. Also, iodine production was 6% down on H1 2021. There was an exceptional credit of \$1.1m to profit in 2021 for US government pandemic subsidies, and there was a \$675k first time deferred tax charge against 2022 profit for the benefit of prior years’ US tax losses. These two items combined reduced 2022 profit after tax in relation to 2021 by \$1.8m. Cash and net debt were in line with December 2021 balances.

Sales

Sales were 4% (\$0.7m) lower than for H1 2021 at \$19.2m compared to \$19.9m. Sales of iodine products decreased by 15% from \$15.8m to \$13.5m, while non-iodine sales increased by 37% from \$4.2m to \$5.7m. Sales of raw iodine were down by 32% from \$7.5m to \$4.1m, but the average price per kilo achieved was 89% higher at \$63.27 compared to \$33.45 for H1 2021. Sales of derivative products increased by 36% from \$6.2m to \$8.5m, with an average price per kilo of \$39.81, up 39% from the 2021 figure of \$28.56. Volumes of product sold were 71% down for raw iodine whereas derivatives showed no change. The reduction of raw iodine volumes was largely attributable to H1

2021 sales of excess iodine inventory accumulated during a pandemic driven fall in demand in H2 2020. Non-iodine selling prices were in line with 2021, and therefore the 37% increase in values generally reflects changes in volumes.

Gross profit

Gross profit increased by 5% (\$0.3m) from \$5.4m to \$5.7m despite the volume reduction in raw iodine sales. For iodine products, this increase in gross profit reflected the substantial selling price increases achieved, though there were also not insignificant price increases in the costs of chemicals used in manufacture, both as regards production at the Oklahoma plants and in the processes used at the Kentucky chemical plant. Also, overheads at the latter increased by some 15% across the board.

Production and administrative costs

Iodine production was 234 metric tonnes, compared to 249 metric tonnes for H1 2021, a 6% reduction. Average direct production costs per kilogram were 22% higher than for H1 2021, the main factor being a 26% increase in the cost of chemicals. SGA administrative expense was 6% higher than H1 2021 at \$2.0m (H1 2021 \$1.9m).

Tax

A deferred tax charge of \$675k has been included in the profit and loss account based on estimated H1 2022 taxable US Federal income that is expected to be offset by accumulated tax losses now recognised in the balance sheet as an asset. Consequently, the asset is reduced from \$4.1m to \$3.4m, and estimated tax losses remaining available for use against future periods' income are reduced from \$19.4m to \$15.8m.

Cash flow and financing

Cash flow was impacted by the increase in Inventories by \$2.1m from a low \$6.3m at the beginning of the year to a more normalised level of \$8.4m, in line with June 2021 inventories and a higher volume of trading. Capex was \$0.7m mainly relating to projects at the chemical plant. After the standard term loan repayments of \$0.7m there was a net cash outflow of \$0.5m. Cash was \$4.7m and net debt was \$2.8m. The Debt/EBITDA ratio was 1.05 compared to 1.18 for H1 2021. Additional bank finance of \$4.4m finalised in July to support growth projects at both Iofina Resources and Iofina Chemical is described in the Post Balance Sheet Events Note 8.

Iofina Chemical

Iofina Chemical ("IC") is the specialty chemical subsidiary of the Group and has been in business for 39 years producing a diverse array of high-quality halogen-based chemicals for various growing industries including pharma, biocides, human and animal health, and many others. 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 including non-iodine offerings, and the value-add for iodine derivative products is not as well recognised as a significant contributor to the Group.

In H1 2022 ("the Period"), IC achieved strong sales of its products as demand for iodine, iodine derivatives and non-iodine halogen compounds were robust. Sales volumes in the Period were limited by the volume of iodine available for direct sale or conversion to iodine compounds in comparison with H1 2021, when the Group had a significant inventory carryover from H2 2020. This was

subsequently sold in H1 2021 as the Group saw a strong rebound in demand as the Covid impact receded. In particular, Hydriodic acid (“HI”), 3-Iodo-2-propynyl butylcarbamate (“IBPC”), and methyl fluoride had increased sales volumes and revenues in H1 2022 versus H1 2021. HI applications include animal health and acetic acid manufacturing. IPBC is used as a biocide in paints, coatings, machine fluids and other liquids. Methyl fluoride is an etchant gas used in the semiconductor industry and has other niche applications.

IC is investing in a number of areas including R&D facilities, existing product lines and new processes. The Group obtained additional bank financing in July to support these projects. These projects will increase the functional R&D space at IC, improve our methyl fluoride process capacity and process controls, and install new equipment to process iodide recycle streams. Additional new products for IC are in various R&D phases. It is anticipated that IC will scale additional product lines through the rest of 2022 to supply growing iodine applications.

The diversity of the Group’s halogenated products (iodo-, chloro-, fluoro-) is key to both the growth and the stability of the organization. Additionally, the vertical integration of iodine into iodine derivatives provides the Group and its customers with stability of supply for the iodine-based compounds produced.

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. 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.

During the Period, IR produced 234.0 metric tonnes of crystalline from its five plants in operation in Oklahoma. IR’s oil and gas partners have increased investment in the areas where we operate, which has stabilised the supply of the brine water used to isolate iodine at our existing plants. IR is on target to produce 255-275 metric tonnes of iodine in H2 2022.

Actions in the Period at our existing plants focused on working with our partners for consistent brine supply, an increase in brine storage at IO#7, improvements to our preventive maintenance program, and continuing improvement of our HSE (Health, Safety, and Environmental) systems which includes the hiring of a new HSE manager at IR.

The business development of future IOsorb® plant sites has recently resulted in terms for IO#9 reaching the final stages, where construction will begin once documents are finalised. It is anticipated that the new plant will be in operation in approximately six months and utilize some components from the decommissioned IO#5 plant to reduce costs. It is anticipated that IO#9 will contribute a minimum of 100-150MT of crystalline iodine annually, but the specific amounts of production will become clearer once production commences. An additional term loan for this new plant was obtained, as previously announced and described in July. Furthermore, IR has continued its efforts to further develop our proprietary geological model for iodine sources in the USA. Significant progress has already been made to date as IR has identified future IOsorb® plant sites and contract negotiations are progressing well. Further information for timelines for IO#10 will be communicated as appropriate and the Directors are committed to continuing our expansion initiative.

Iodine Market Outlook

Many sectors, including human health applications, biocides and industrial applications have been contributing to the growing demand for iodine, which has bounced back since the removal of Covid restrictions. At the same time, supply has become increasingly tight, with no significant new iodine production added to the global supply network, whilst worldwide inventories are at historic lows.

As a result of these market fundamentals, the Iodine spot price has moved significantly higher from approximately \$50/kg at the start of 2022 up to \$70/kg by the end of H1 2022. In Q3 2022, spot iodine prices have generally remained steady. Contract iodine pricing is generally lower than spot prices and is currently ranging from \$65-\$68/kg. As a result, there is a wider range of iodine cost inputs across iodine derivatives.

Reflecting on current trends, Iofina believes that spot iodine prices have likely plateaued and should remain steady throughout the rest of 2022. Existing market dynamics are projected to continue through 2023, so the market is likely to continue experiencing these current iodine prices over the course of the next 18 months. Changes in demand, geopolitical events and other factors would likely impact this forecast.

Business Outlook

As the Group continues to perform well financially, senior management is committed to growing the Group by bringing on new iodine production, expanding the specialty chemicals range and investing further in R&D. In the first half of 2022, the Group worked diligently to manage and operate the business efficiently, with the goal of advancing growth projects. The Group expects to significantly expand its iodine production over the next year with additional IOsorb[®] plants. We also continue to invest in the chemical's derivative business across new and existing product lines. The iodine market is strong with solid demand and prices. The Group has continued to work with its financing partner to ensure growth plans are properly funded. Management is mindful that organic growth plans must minimize risk and provide a rapid payback on investment as costs for energy and chemicals have risen. We will continue to evaluate future growth opportunities within our current business units and anticipate future iodine production facilities likely to double Iofina's current output in the next three to five years. With our much-improved balance sheet and continued performance, Iofina is exploring additional external business opportunities or business units that would add to our core competencies.

Iofina has continued to perform well and will soon be increasing iodine production with the ultimate goal of providing additional value to all of Iofina's stakeholders.

IOFINA PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022

		Unaudited		Audited
		Six months ended		Year ended
		30 June	30 June	31 December
		2022	2021	2021
	Note	\$'000	\$'000	\$'000
Continuing operations				
Revenue		19,178	19,926	39,039
Cost of sales		(13,519)	(14,555)	(28,307)
Gross profit		5,659	5,371	10,732
Administrative expenses		(1,997)	(1,891)	(3,789)
EBITDA – Earnings before interest, tax, depreciation and amortisation		3,662	3,480	6,943
Depreciation and amortisation		(904)	(850)	(1,731)
Operating profit		2,758	2,630	5,212
Paycheck Protection Program loans forgiven		-	1,090	1,090
Fair value loss on investments in equity instruments designated as fair value through profit and loss		-	-	(900)
Profit before finance expense		2,758	3,720	5,402
Finance income		1	1	17
Interest payable		(159)	(211)	(368)
Interest swap derivative liability		-	(10)	69
Profit before taxation		2,600	3,500	5,120
Taxation	7	(675)	-	4,066
Profit for the period attributable to owners of the parent		\$1,925	\$3,500	\$9,186
Profit per share:				
- Basic	4	\$0.010	\$0.018	\$0.048
- Diluted	4	\$0.010	\$0.018	\$0.048

IOFINA PLC
CONSOLIDATED BALANCE SHEET
30 JUNE 2022

	Note	Unaudited 30 June 2022 \$'000	Unaudited 30 June 2021 \$'000	Audited 31 December 2021 \$'000
Intangible assets		373	553	463
Goodwill		3,087	3,087	3,087
Property, plant & equipment		18,975	18,786	19,113
Deferred tax		3,391	-	4,066
Total non-current assets		25,826	22,426	26,729
Inventories		8,399	8,178	6,296
Trade and other receivables		6,901	6,452	6,158
Investments		-	900	-
Cash and cash equivalents		4,737	1,679	5,262
Total current assets		20,037	17,209	17,716
Total assets		\$45,863	\$39,635	\$44,445
Trade and other payables		5,952	6,266	5,802
Term loan – due within one year	5	1,429	1,429	1,429
Lease liabilities		98	127	58
Total current liabilities		7,479	7,822	7,289
Term loan – due after one year	5	6,071	7,500	6,785
Term loan – interest swap liability		-	79	-
Lease liabilities		366	-	410
Total non-current liabilities		6,437	7,579	7,195
Total liabilities		\$13,916	\$15,401	\$14,484
Issued share capital	6	3,107	3,107	3,107
Share premium		60,687	60,687	60,687
Share-based payment reserve		2,067	2,215	2,007
Retained losses		(27,970)	(35,831)	(29,896)
Foreign currency reserve		(5,944)	(5,944)	(5,944)
Total equity		\$31,947	\$24,234	\$29,961
Total equity and liabilities		\$45,863	\$39,635	\$44,445

IOFINA PLC

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share Premium	Share- based payment reserve	Retained losses	Foreign currency reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2020 (Audited)	\$3,107	\$60,687	\$2,136	\$(39,331)	\$(5,944)	\$20,655
Share-based expense	-	-	120	-	-	120
Share options lapsed and forfeited	-	-	(249)	249	-	-
Total transactions with owners	-	-	(129)	249	-	120
Profit for the year attributable to owners of the parent	-	-	-	9,186	-	9,186
Total comprehensive income attributable to owners of the parent	-	-	-	9,186	-	9,186
Balance at 31 December 2021 (Audited)	\$3,107	\$60,687	\$2,007	\$(29,896)	\$(5,944)	\$29,961
Share-based expense	-	-	60	-	-	60
Total transactions with owners	-	-	60	-	-	60
Profit for the period attributable to owners of the parent	-	-	-	1,925	-	1,925
Total comprehensive income attributable to owners of the parent	-	-	-	1,925	-	1,925
Balance at 30 June 2022 (Unaudited)	\$3,107	\$60,687	\$2,067	\$(27,971)	\$(5,944)	\$31,946

IOFINA PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2022

	Unaudited		Audited
	Six months ended		Year ended
	30 June	30 June	31 December
	2022	2021	2021
	\$'000	\$'000	\$'000
Cash flows from operating activities			
EBITDA – Earnings before interest, tax, depreciation and amortisation	3,662	3,480	6,943
Share options expense	60	79	120
	<u>3,722</u>	<u>3,559</u>	<u>7,063</u>
Changes in working capital			
Trade receivables (increase)	(977)	(3,167)	(2,873)
Inventories (increase)/decrease	(2,103)	1,478	3,360
Trade and other payables increase	388	805	342
Net cash inflow from operating activities	<u>1,029</u>	<u>2,675</u>	<u>7,892</u>
Cash flows from investing activities			
Interest received	1	-	17
Acquisition of property, plant & equipment	(675)	(763)	(1,485)
Net cash outflow from investing activities	<u>(674)</u>	<u>(763)</u>	<u>(1,468)</u>
Cash flows from financing activities			
Term loan repayments	(714)	(714)	(1,429)
Revolving loan facility net payments	-	(2,717)	(2,718)
Interest paid	(154)	(218)	(386)
Lease payments	(12)	(65)	(110)
Net cash outflow from financing activities	<u>(880)</u>	<u>(3,714)</u>	<u>(4,643)</u>
Net increase/(decrease) in cash	(525)	(1,802)	1,781
Cash and equivalents at beginning of period	5,262	3,481	3,481
Cash and equivalents at end of period	<u>4,737</u>	<u>\$1,679</u>	<u>\$5,262</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 2022 and 30 June 2021 are unaudited and do not constitute full statutory accounts. The comparative figures for the year ended 31 December 2021 are extracts from the 2021 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 2021 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 2021 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 2022 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. The Group's investment in a company involved in a single season's production of hemp seeds was impaired to Nil in 2021.

3. Segment reporting (continued)

Assets	Unaudited		Audited
	Six months ended 30 June		31 December
	2022	2021	2021
	\$'000	\$'000	\$'000
Halogen Derivatives and iodine	45,863	38,735	44,445
Hemp seeds	-	900	-
Total	\$45,863	\$39,635	\$44,445
Liabilities			
Halogen Derivatives and iodine	13,916	15,401	14,484
Total	\$13,916	\$15,401	\$14,484

(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.

Total assets	Unaudited		Audited
	Six months ended 30 June		31 December
	2022	2021	2021
	\$'000	\$'000	\$'000
UK	179	128	166
USA	45,684	39,507	44,279
Total	\$45,863	\$39,635	\$44,445
Total liabilities			
UK	116	189	137
USA	13,800	15,212	14,347
Total	\$13,916	\$15,401	\$14,484
Capital expenditures			
UK	-	-	-
USA	675	763	1,485
Total	\$675	\$763	\$1,485

4. Profit/(loss) per share

The calculation of profit per ordinary share is based on profits of \$1,925,372 (H1 2021: \$3,499,844) and the weighted average number of ordinary shares outstanding of 191,858,408 (H1 2021: 191,858,408). After including the weighted average effect of share options of 3,966,173 (H1 2021: 1,232,450) the diluted weighted average number of ordinary shares outstanding was 195,824,581 (H1 2021: 193,090,858).

5. Term loan and revolving credit facility

	Term loan \$'000	Revolving credit facility \$'000
At 31 December 2020	\$9,643	\$2,718
Term loan instalment repayments	(1,429)	-
Revolving credit facility net payments	-	(2,718)
At 31 December 2021	\$8,214	-
Term loan instalment repayments	(714)	-
At 30 June 2022	\$7,500	-
Due within one year	1,429	-
Due after one year	6,071	-
	\$7,500	-

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 is an accelerated repayment based on 25% of 2022 surplus EBITDA over the total of capital expenditure and debt payments of principal and interest, payments to be made on 30 June 2023. 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%. 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 \$6 million over the period to September 2024, 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%. Interest charges are reduced to the extent funds are deposited into this account and reduce the balance outstanding. At 30 June 2022 net balance was Nil.

6. Share capital

	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
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

The tax charge of \$675k relates entirely to deferred tax, and represents amortisation of the \$4.07m deferred tax asset set up in the balance sheet at 31 December 2021 to recognise \$19.4 million of accumulated US Federal tax losses expected to be available for offset against future profits.

8. Post balance sheet events

Additional financing was finalised with the Group's bankers in July 2022, making available after a 12 month drawdown period a) a 7 year term loan of \$2.7 million in relation to the construction of Iofina Resources IO#9 plant, and b) a 5 year term loan of \$1.66 million in relation to Iofina Chemical capital projects. The loans require initial expenditure by the company of \$900k and \$600k respectively, and are repayable by equal monthly instalments with accelerated repayments possible at any time without penalty, interest rates being 2.6% and 2.5% over SOFR respectively. At the same time the revolving line of credit facility was revised to \$6 million at 2.4% over SOFR and extended to September 2024, and the excess cash flow repayment due in June 2022 on the existing term loan was waived.

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.