22 September 2017

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

INTERIM RESULTS
EBITDA Improved, IO#7 Plant under Construction, Production Targets Exceeded

Iofina, specialists in the exploration and production of iodine, and iodine and other halogen based specialty chemical derivatives, is pleased to announce positive Interim Results for the six months ended 30 June 2017 (the "Period"). During this Period the Group achieved a number of significant financial and operational milestones and accordingly looks forward to the rest of the year with increased optimism.

In particular, during the period the Group significantly improved EBITDA performance, focused resources on the planning of the new IO#7 plant which is now under construction, and exceeded the revised production targets announced following the closure of IO#3 plant.

The Group's IOsorb® plants produced 235.5 metric tonnes ("MT") in H1 2017 which exceeded our expectations of 215-230 MT of production following the closure of IO#3. The Board expects the Group to produce between 225-240 MT of crystalline iodine in H2 2017 from its four IOsorb® plants in operation.

Alongside improving operational performance, the outlook for the Group is increasingly positive in terms of both revenue and profitability, given that spot iodine prices have already risen by approximately 25% to $24/kg since the start of the year. Moving forward the Group will be significantly increasing iodine production whilst also reducing the unit cost of production. Having controlled costs and managed the business efficiently during a period of low iodine prices the Group is confident it stands well placed to take advantage of an improving underlying marketplace.

KEY FINANCIAL POINTS:

- EBITDA increased to $0.7m (H1 2016 $0.2m);
- Revenue fell by 18% to $9.4m (H1 2016 $11.6m) but gross profit increased by 34% to $2.4m (H1 2016 $1.8m);
- Cash balances were $3.3m (H1 2016 $3.8m);
- Operating loss was reduced to $0.3m (H1 2016 $1.3m including Montana water depot project impairment $0.5m);
- Loss before tax was $2.0m (H1 2016 $2.2m) after $1.2m convertible loan notes accounting adjustments (H1 2016 $0.3m); and
- Basic loss per share was $0.016 (H1 2016 $0.017).

KEY OPERATIONAL AND MARKET HIGHLIGHTS:

- Iodine prices have increased in the Period and have continued to rise in Q3 2017. Current spot prices of iodine are at or near $24/kg for large purchases.
- Revised production targets exceeded,
  - 235.5 MT crystalline iodine produced in H1 2017
  - Expect to produce 225-240 MT of crystalline iodine in H2 2017
- IO#3 shut-in and is now being repurposed for IO#7, at a superior location
- Final site determined and plans for IO#7 prepared in the Period, with construction now underway
  - Once operational, IO#7 is expected to increase the Group's iodine production by up to 40%
- Continued operational improvements realised at current IOsorb® plants
- Iofina Chemical continues strong performance with a diverse portfolio of iodine and other halogen products
  - Sales of non-iodine products increased by 28%

Commenting on today's results, Dr. Tom Becker, President and CEO stated:

"The Group is now beginning to benefit from the operational efficiencies put in place over recent years and is in the process of executing a strategy predicated on prudent growth. Despite lower average iodine prices in H1 2017 verses H1 2016, the Group's EBITDA performance improved - a sign of management's strong control over the operational aspects of the business. With the continued uptick of iodine prices and the start of IO#7 construction, the Group is poised to build on this performance as it increases iodine production and benefits from lower production costs. The strong performance of Iofina Chemical and its diversity of products, including non-iodine halogen compounds, continues to benefit the Group as we move through H2 of 2017. "

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Overview

Iofina plc ("Iofina" or the "Company") is the holding company of a group of companies (the "Group") involved in the exploration and production of iodine with complete vertical integration into its specialty chemical halogen derivatives business. Iofina Resources ("IR") identifies, develops, builds, owns and operates iodine extraction plants, currently focused in North America, based on Iofina's WET® IOsorb® technology. Iodide is isolated from brine produced from existing oil and gas operations, and without Iofina, this resource would not be realised. The isolation of iodine from this brine waste stream adds value to Iofina and its shareholders, our oil and gas partners, land and mineral owners of the wells and the overall global iodine market. Iodine containing or other halogen based products are produced at and sold through the Company's wholly owned subsidiary Iofina Chemical ("IC") with the major raw material being the Group's produced iodine. Additionally, the Group's crystalline IOflo® iodine is sold directly to other iodine end-users.

Financial Review
Revenue for the six months to 30 June 2017 was 18% lower than for the same period in 2016 at $9.4m (H1 2016 $11.6m), but gross profit was 34% higher at $2.4m (H1 2016 $1.8m). Administrative expenses were in line with 2016 at $1.7m (H1 2016 $1.6m), and EBITDA improved considerably to $0.7m (H1 2016 $0.2m). Operating loss after depreciation and amortisation was $0.3m compared to $1.3m for H1 2016. The 2016 figure included an impairment of $0.5m in respect of the termination of the Montana water depot project. The loss before taxation was $2.0m (H1 2016 $2.2m) after interest payable of $0.5m (H1 2016 $0.6m) and convertible loan notes accounting adjustments (discussed below) of $0.8m amortisation (H1 2016 $0.3m) and $0.4m revaluation of derivative liability (H1 2016 Nil).

The revenue decline of $2.2m (18%) related principally to sales of raw iodine, which were considerably higher in H1 2016 due to destocking of sizeable inventories on hand at the end of 2015, and also to a 13% reduction in iodine prices in H1 2017 compared to H1 2016. Sales values of iodine derivative products were correspondingly lower as a result of the latter, but margins were improved. Sales of non-iodine products increased by some 28% by value, and prices and margins were maintained at similar levels to H1 2016. Consequently the overall sales mix was much more biased towards higher margin value added products, which had the effect of achieving a significant (34%) improvement in gross margin from $1.8m in H1 2016 to $2.4m in H1 2017 despite the fall in revenue. Assuming the recent uptick in iodine prices is maintained, the earnings trends of the first half are expected to continue through the remainder of the year.

The lower iodine prices impacted the H1 profitability of the Oklahoma iodine extraction plants. There was also a reduction of 8% in the amount of iodine produced from 255MT H1 2016 to 235MT H1 2017, largely due to the cessation of operations at IO#3 plant around the end of the first quarter of 2017. However these factors were mitigated by a fall in production costs, which resulted in a 6% reduction in the production cost per kilogram of iodine compared to H1 2016. Consequently the reduction in profitability was contained, and was significantly outweighed by the results of the sales operations described above.

Cash balances were $3.3m at 30 June 2017 compared to $2.8m at 31 December 2016 and $3.8m at 30 June 2016. There was an operating cash outflow of $0.2m for H1 2017 compared to an operating cash inflow of $0.7m for H1 2016. There was a benefit to H1 2016 from the destocking of iodine inventories referred to above, which was a key factor in the $0.5m inventories decrease. There was a negative impact to H1 2017 payables decrease of $0.7m from the payment of $0.5m non-recurring litigation costs relating to action to protect the Group's trade secrets, incurred in the latter part of 2016. Capital expenditure in H1 2017 was $0.3m (H1 2016 $0.5m), and after drawing $1m of the $10m term loan facility in H1 2017 there was a net cash inflow of $0.5m.

The accounting for the Convertible loan notes is described in Note 6. It is technical and gives rise to substantial figures shown in the profit and loss account as amortisation of convertible loan notes and revaluation of derivative liability. The latter has the potential to generate sizeable charges or credits to the profit and loss account as it is very much influenced by the share price at reporting dates. While this accounting is required by International Accounting Standards, the figures it produces are not regarded as items that can or should be managed by management, and have no bearing on cash flow.

Iofina Resources
In the Period, Iofina Resources ("IR") produced 235.5MT of crystalline IOflo® iodine from its IOsorb® plants in Oklahoma. Approximately midway through the Period, IO#3 was shut-in due to a significant reduction at our partner's Salt Water Disposal Well ("SWD") associated with this site. The 235.5MT of production exceeded our production targets following the closure of IO#3 and was only slightly lower than H1 2016 (255.6 MT) when five IOsorb® plants were in operation. Current production is as expected and with our partner Iofina has recently achieved an increase in daily brine volumes at IO#2. Additionally, IR has made operational changes at IO#4, which has resulted in increased efficiencies at this site. The Group expects to produce between 225-240 MT in H2 2017.

Prior to and throughout 2017, the Group has been exploring and planning expansion opportunities to increase iodine production output and reduce the overall cost of production. Our business development and exploration teams have continued to explore and plan for future iodine production opportunities at new, superior locations. After significant planning, IR has recently begun the development of IO#7 utilizing some of IO#3's resources. This new facility is expected to significantly increase the Group's daily iodine production in early 2018. Future plants are in the planning stages and the Company is purposely routing electricity for IO#7 past a possible future plant site which could provide construction cost savings at a future site. Looking forward, opportunities to develop additional IOsorb® plants continue to be vetted, and we are also exploring the possibility of operating our own SWD to better control brine supply especially in new developments.

Iofina Chemical
The Group's halogen-based specialty chemical business, Iofina Chemical ("IC"), currently markets and sells both the Group's produced iodine and halogen-based chemical products. Revenues in H1 2017 were lower than the same period in 2016, largely due to lower iodine prices in 2017 versus the same period in 2016 and a significant reduction of iodine inventory in H1 2016. However, the total pounds of products sold, excluding iodine, were similar year-over-year. Further, more volumes of our premium products, which generally have higher margins, were sold in H1 2017 versus the same period in 2016 and we expect this trend to continue. This has a direct impact on the Group's EBITDA performance which has improved year-over-year despite lower iodine prices. The Group's crystalline IOflo® iodine continues be widely accepted in the marketplace and prices have risen since the end of 2016. IC has historically been an H1 biased company where some product campaigns are sold in the first half of the year. While this is generally true, in 2017 this will not be as significant as in past years as some of the campaign product sales will push into H2 2017.

IC continues to invest in R&D activities as well as plant upgrades. Current plant upgrades include a project to increase hydriodic acid capacity and improvements to some non-iodine based chemical production areas to improve safety, add capacity and reduce costs. Since H1 2016, the research department at IC has upgraded and purchased analytical instrumentation, added additional laboratory hood space and hired additional personnel to continue to allow IC to be a dynamic and nimble organization, to meet customer requirements and have the capabilities in place to develop and win new projects that become available in our core expertise of halogen chemistry.

Iodine Outlook
Iodine prices in H1 2017 remained well below historical trends of iodine pricing. Since the large iodine price spike in 2011 due to a combination of factors including the tsunami in Japan and production issues in Chile, iodine prices have fallen to levels significantly lower than before this price spike. Late in 2016, iodine prices hit their lowest point in many years and fell below $20/kg. As previously

reported there was a slight uptick in iodine prices in Q1 2017. Additionally, as we predicted, we have seen a significant further uptick in Q3 2017 and now large volume spot iodine prices are generally near $24/kg. Whilst not certain, the Board expects iodine prices to continue to trend higher throughout 2017 and it would not be surprising for prices to exceed $25/kg by year-end as some Chilean iodine production has been curtailed and iodine demand continues to grow. Continued iodine price increases in 2018 are also likely.

Iodine prices have a direct impact on both the revenues and earnings of Iofina. Even though we have seen an uptick in iodine prices in H1 2017, the average iodine price in H1 2017 was significantly lower than in H1 2016. The Group remains focused on reducing iodine production costs at existing plants and implementing our strategy of bringing on additional production at locations which will reduce the Group's overall per kilogram production cost. This increase in production combined with the reduction in cost has the Group poised to benefit from the anticipated iodine sales prices both in the near-term and long-term.

Outlook

The Directors are pleased with the direction of the Group. While Iofina continues to focus on cost savings at current manufacturing sites, the Group is excited about the implementation of a new, prudent growth strategy at Iofina Resources to increase iodine production and reduce costs. This strategy begins with the development of IO#7 in our core area, which is currently underway and initiates a new phase for the organization at the right time where iodine prices and demand are currently rising. Additionally, the performance of Iofina Chemical remains strong and the pipeline of new potential projects, through increased global outreach and additional R&D focus, is encouraging.
With the execution Iofina's business strategies and increased iodine prices, the Group anticipates significantly improved EBITDA and cash flow performance moving forward.

The Directors are committed to focusing on Iofina's expertise in halogen based chemicals but also to diversity within this field through multiple plant sites and numerous products with various applications. As Iofina executes these plans and continues to grow as an organization, we remain keenly aware of the goal to continuously improve as a Group and to meet and exceed customer expectations. Iofina's commitment to its shareholders is to increase both near-term and long term value by properly executing sensible growth plans and focusing in areas where our technical expertise is unmatched.

IOFINA PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2017

	Note	Unaudited Six months ended 30 June 2017 $	Unaudited Six months ended 30 June 2016 $	Audited Year ended 31 December 2016 $
Continuing operations				
Revenue		9,443,926	11,580,161	22,492,914
Cost of sales		(7,073,569)	(9,814,171)	(19,792,197)
Gross profit		**2,370,357**	**1,765,990**	**2,700,717**
Administrative expenses		(1,686,979)	(1,585,554)	(3,973,926)
EBITDA – Earnings before interest, tax, depreciation and amortisation		**683,378**	**180,436**	**(1,273,209)**
Depreciation and amortisation		(1,014,339)	(999,290)	(2,045,868)
Impairment expense	3	-	(469,263)	(469,263)
Operating loss		**(330,961)**	**(1,288,117)**	**(3,788,340)**
Finance income		1,340	(252)	923
Interest payable	6	(524,468)	(598,356)	(1,237,707)
Amortisation of convertible loan notes	6	(804,717)	(302,053)	(855,986)
Revaluation of derivative liability	6	(375,935)	-	2,108,528
Loss before taxation		**(2,034,741)**	**(2,188,778)**	**(3,772,582)**
Taxation	8	-	-	108,308
Loss for the period attributable to owners of the parent		**$(2,034,741)**	**$(2,188,778)**	**$(3,664,274)**
Other comprehensive income				
Foreign currency differences		1,750	(9,904)	(5,597)
Total comprehensive income for the period		**$(2,032,991)**	**$(2,198,682)**	**$(3,669,871)**
Basic and diluted loss per share	5	$(0.016)	$(0.017)	$(0.029)

IOFINA PLC
CONSOLIDATED BALANCE SHEET
30 JUNE 2017

	Note	Unaudited 30 June 2017 $	Unaudited 30 June 2016 $	Audited 31 December 2016 $
Intangible assets		4,583,365	5,000,192	4,631,254
Goodwill		3,087,251	3,087,251	3,087,251
Property, plant & equipment		21,335,588	22,181,318	21,992,730
Total non-current assets		**29,006,204**	**30,268,761**	**29.711,235**
Inventories		5,102,087	6,051,736	3,956,338
Trade and other receivables		3,139,537	3,109,451	4,096,495
Cash and cash equivalents		3,279,917	3,751,815	2,815,712
Total current assets		**11,521,541**	**12,913,002**	**10,868,545**
Total assets		**$40,527,745**	**$43,181,763**	**$40,579,780**
Trade and other payables		4,320,945	4,828,531	5,045,111
Convertible loan notes		-	19,475,321	-
Total current liabilities		**4,320,945**	**24,303,852**	**5,045,111**
Convertible loan notes	6	17,331,360	-	16,021,304
Term loan		1,019,131	-	-
Derivative liability	6	2,904,537	-	2,528,602
Deferred tax liability		282,233	330,541	282,233
Total non-current liabilities		**21,537,261**	**3300,541**	**18,832,139**
Total liabilities		**$25,858,206**	**$24,634,393**	**$23,877,250**
Issued share capital	7	2,292,683	2,292,683	2,292,683
Share premium		48,991,647	48,991,647	48,991,647
Share-based payment reserve		1,634,390	1,634,390	1,634,390
Equity reserve		-	2,133,501	-
Retained earnings		(32,317,886)	(30,567,499)	(30,283,145)
Foreign currency reserve		(5,931,295)	(5,937,352)	(5,933,045)
Total equity		**14,669,539**	**18,547,370**	**16,702,530**
Total equity and liabilities		**$40,527,745**	**$43,181,763**	**$40,579,780**

IOFINA PLC
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share Premium	Share-based payment reserve	Equity Reserve	Retained earnings	Foreign currency reserve	Total equity
	$	$	$	$	$	$	$
Balance at 31 December 2015 (Audited)	**2,292,683**	**48,991,647**	**1,634,390**	**2,133,501**	**(28,378,721)**	**(5,927,448)**	**20,746,052**
Transactions with owners							
Derecognition of convertible loan notes:							
Adjustment	-	-	-	(373,651)	-	-	(373,651)
Transfer	-	-	-	(1,759,850)	1,759,850	-	-
Total transactions with owners	**-**	**-**	**-**	**(2,133,501)**	**1,759,850**	**-**	**(373,651)**
Loss for the year attributable to owners of the parent	-	-	-	**-**	(3,664,274)	-	(3,664,274)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	**-**	-	(5,597)	(5,597)
Total comprehensive income attributable to owners of the parent	**-**	**-**	**-**	**-**	**(3,664,274)**	**(5,597)**	**(3,669,871)**
Balance at 31 December 2016 (Audited)	**2,292,683**	**48,991,647**	**1,634,390**	**-**	**(30,283,145)**	**(5,933,045)**	**16,702,530**
Loss for the period attributable to owners of the parent	-	-	-	**-**	(2,034,741)	-	(2,034,741)
Other comprehensive income							
Exchange differences on translating foreign operations	-	-	-	**-**	-	1,750	1,750
Total comprehensive income attributable to owners of the parent	**-**	**-**	**-**	**-**	**(2,034,741)**	**1,750**	**(2,032,991)**
Balance at 30 June 2017 (Unaudited)	**2,292,683**	**48,991,647**	**1,634,390**	**-**	**(32,317,886)**	**(5,931,295)**	**14,669,539**

IOFINA PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2017

	Unaudited		Audited
	Six months ended		Year ended
	30 June 2017	30 June 2016	31 December 2016
	$	$	$
Cash flows from operating activities			
EBITDA – Earnings before interest, tax, depreciation and amortisation	**683,378**	**180,436**	**(1,273,209)**
Changes in working capital			
Trade receivables decrease/(increase)	956,958	(256,178)	(1,243,221)
Inventories (increase)/decrease	(1,145,741)	506,785	2,433,229
Trade and other payables (decrease)/ increase	(724,171)	257,823	534,406
Net cash (outflow)/ inflow from operating activities	**(229,577)**	**688,866**	**451,205**
Cash flows from investing activities			
Interest received	1,340	(252)	923
Acquisition of intangible assets	(86,298)	(370,430)	(135,681)
Acquisition of property, plant & equipment	(223,010)	(114,885)	(669.735)
Net cash outflow from investing activities	**(307,967)**	**(485,567)**	**(804,493)**
Cash flows from financing activities			
Term loan drawn	1,000,000	-	-
Interest paid	-	(598,356)	(982,179)
Net cash inflow/(outflow) from investing activities	**1,000,000**	**(598,356)**	**(982,179)**
Net increase/(decrease) in cash	**462,456**	**(395,057)**	**(1,335,467)**
Effects of foreign exchange	1,750	(9,904)	(5,597)
Cash and equivalents at beginning of period	**2,815,712**	**4,156,776**	**4,156,776**
Cash and equivalents at end of period	**$3,279,917**	**$3,751,815**	**$2,815,712**

1. Nature of operations and general information

Iofina plc is the holding company of a group of companies (the "Group") involved in the exploration and production of iodine and the manufacturing of halogen-based specialty chemical derivatives. Iofina's 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 200 Strand, London WC2R 1DJ.

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 2017 and 30 June 2016 are unaudited and do not constitute full accounts. The comparative figures for the year ended 31 December 2016 are extracts from the 2016 audited accounts (which are available on the Company's website, and have been delivered to the Registrar of Companies) and do not constitute full accounts. The independent auditor's report on the 2016 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 2016 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 ("IFRS") as endorsed by the EU that are expected to be applicable to the consolidated financial statements for the year ending 31 December 2017 and on the basis of the accounting policies expected to be used in those financial statements.

3. Impairment expense

As a result of the decision not to pursue the non-core Montana water depot project following an adverse decision from a Judicial Review, a 100% impairment provision of $469,263 was made in the period ended 30 June 2016 in respect of all amounts capitalised that were specific to the project.

4. Segment reporting

(a) Business segments

The Group reports its business segments in line with IFRS 8, which requires reporting based on the information that is presented to the Chief Operating decision makers. This is determined to be the Board of Directors. The Board receives management accounts for each Company within the Group that include the information shown below. The costs of Iofina plc are included within unallocated corporate expenses.

	Halogen Derivatives and Iodine	Montana	Unallocated Corporate Expenses	Total
Six months ended 30 June 2017 (Unaudited)	**$**	**$**	**$**	**$**
Revenue	9,443,926	-	-	9,443,926
Gross profit	2,370,357	-	-	2,370,357
Segment result	**$302,397**	**$(255,113)**	**$(2,082,025)**	**$(2,034,742)**
Six months ended 30 June 2016 (Unaudited)	**$**	**$**	**$**	**$**
Revenue	11,580,161	-	-	11,580,161
Gross profit	1,765,990	-	-	1,765,990
Impairment expense	-	(469,263)	-	(469,263)
Segment result	**$(174,811)**	**$(766,351)**	**$(1,247,616)**	**$(2,178,778)**
Year ended 31 December 2016 (Audited)	**$**	**$**	**$**	**$**
Revenue	22,492,914	-	-	22,492,914
Gross profit	2,700,717	-	-	2,700,717
Impairment expense	-	(469,263)		(469,263)
Segment result	**$(2,012,472)**	**$(1,040,916)**	**$(610,886)**	**$(3,664,274)**

	Unaudited Six months ended 30 June		Audited 31 December
	2017	**2016**	**2016**
Total assets	**$**	**$**	**$**
Halogen Derivatives and Iodine	36,835,369	39,193,517	36,646,449
Montana	3,594,046	3,916,255	3,826,719
Unallocated Corporate	98,329	71,991	106,612
Total	**$40,527,744**	**$43,181,763**	**$40,579,780**
Total liabilities			
Halogen Derivatives and Iodine	4,126,040	4,433,357	4,957,083
Montana	-	-	-
Unallocated Corporate	21,732,162	20,201,036	18,920,171
Total	**$25,858,202**	**$24,634,393**	**$23,877,254**
Total capital expenditure			
Halogen Derivatives and Iodine	309,308	485,316	805,416
Montana	-	-	-
Total	**$309,308**	**$485,316**	**$805,416**

4. Segment reporting (continued)

(b) Geographical segments

The Group also reports by geographical segment. All the Group's activities are 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
	2017	2016	2016
Total assets	$	$	$
UK	98,329	71,991	106,612
USA	40,429,416	43,109,772	40,473,168
Total	**$40,527,744**	**$43,181,763**	**$40,579,780**
Total liabilities			
UK	21,449,929	20,201,037	18,637,938
USA	4,408,273	4,433,57	5,239,316
Total	**$25,858,202**	**$24,634,393**	**$23,877,254**
Capital expenditures			
UK	-	-	-
USA	309,308	485,316	805,416
Total	**$309,308**	**$485,316**	**$805,416**

5. Loss per share

The calculation of loss per ordinary share is based on losses of $2,034,742 (H1 2016: $2,188,778) and the weighted average number of ordinary shares outstanding of 127,569,398 (H1 2016: 127,569,398). The warrants are not dilutive and there is, therefore, no difference between the diluted loss per share and the basic loss per share.

6. Convertible loan notes and Derivative liability

	Derivative liability (Share conversion rights)	Convertible loan notes (Discounted)	Amounts actually owed to lenders
	$	$	$
On refinancing 30 September 2016	**4,637,130**	**15,362,870**	**20,000,000**
30 September-31 December 2016:			
Revaluation of derivative liability	(2,108,528)		
Amortisation of discount		402,907	
Interest deferred and capitalised		255,527	255,527
At 31 December 2016	**2,528,602**	**16,021,304**	**20,255,527**
1 January-30 June 2017:			
Revaluation of derivative liability	375,935		
Amortisation of discount		804,717	
Interest deferred and capitalised		505,338	505,338
At 30 June 2017	**2,904,537**	**17,331,359**	**20,760,865**
Projected (see below)			
1 July 2017-1 June 2019:			
Revaluations of derivative liability (net)	(2,904,357)		
Amortisation of discount		3,429,506	
At 1 June 2019	**-**	**$20,760,865**	**$20,760,865**

The convertible loan notes are redeemable by 1 June 2019 and carry an interest rate of 5%. Interest may be deferred and capitalised, and to date the Group has taken advantage of this option.

Projected figures up to the redemption date of 1 June 2019 assume no repayments prior to that date of the loan notes principal or of interest accrued up to 30 June 2017, and no exercise of share conversion rights. No allowance is made for capitalisation of interest subsequent to 30 June 2017.

In accordance with International Accounting Standard 39 the share conversion rights attaching to the convertible loan notes have been valued separately as a derivative liability, which is revalued at each reporting date using the Black Scholes model. Changes in the valuation are charged or credited to the profit and loss account. The value of the derivative liability on the redemption date of 1 June 2019 will be nil. In the meantime the revaluation amounts may vary according to the USD-GBP exchange rate, the share price, the volatility of the share price, and the period remaining to redemption. At 30 June the inputs to the Black Scholes model were:

Valuation date	Share price	USD/GBP rate	Number of Shares	Risk free rate	Volatility
30 June 2017	11.13p	1.30	65,018,487	1.38%	85%

6. Convertible loan notes and Derivative liability (continued)

The loan notes were valued on refinancing at 30 September 2016 as the amount refinanced discounted by the value of the share conversion rights derivative liability. The discount is added to the loan notes valuation over their term, and amortised to the profit and loss account, using the effective rate of interest that it represents. Interest deferred and capitalised is also added to the carrying value of the loan notes. At the redemption date of 1 June 2019 the carrying value of the loan notes is expected to equate to the amounts actually owed to the lenders.

Neither the revaluations of the derivative liability nor the loan note amortisation amounts charged to the profit and loss account have any effect on cash flow.

7. Share capital

	Unaudited 30 June 2017	**Unaudited 30 June 2016**	**Audited 31 December 2016**
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	127,569,398	127,569,398	127,569,398
-nominal value	£1,275,694	£1,275,694	£1,275,694

8. Income tax

No income tax expense was recognised for the period due to the loss during the period of the Group as well as the carried forward losses of the Group. A deferred tax asset has not been recognised due to uncertainty over the timing of the recovery of these tax losses.

9. Post balance sheet events

There were no material events arising after the balance sheet date that need to be reflected in these interim financial statements.

10. 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.