



11 September 2023

**Iofina plc**  
 (“Iofina”, the “Company” or the “Group”)  
 (AIM: IOF)

## Interim Results for the six months ended 30 June 2023

### Growth year on year in revenue and profit

Iofina plc, specialists in the exploration and production of iodine and manufacturers of specialty chemical products, is pleased to announce its unaudited Interim Results for the six months ended 30 June 2023 (the “Period”).

#### Revenue and profitability

	H1 2023	H1 2022	
	\$m	\$m	% change
Adjusted EBITDA <sup>1</sup>	5.9	3.7	60%
Revenue	24.3	19.2	27%
Cost of Sales	16.0	13.5	19%
Gross profit	8.3	5.7	46%
Operating profit	4.9	2.8	77%
Profit Before Tax	4.7	2.6	80%

<sup>1</sup> see Note 9 for definition

#### Net cash/debt

- Net cash was \$0.2m (H1 2022: net debt \$2.8m), excluding lease liabilities and after capex of \$3.7m, mainly on IO#9 (capex H1 2022 \$0.7m)
- Cash up 33% to \$6.3m (H2 2022: \$4.7m)
- Well-placed to finance our ongoing operational investment program through a strong cash position and availability of bank finance, including \$4.0m of currently undrawn loans.

#### Iodine production and sales

- Produced 242 metric tonnes (“MT”) of crystalline iodine during H1, in line with 235-250MT range
- With the addition of IO#9 output, H2’23 production is on track to meet the 325-350MT target
- Crystalline iodine sales up 122% to 169MT reflecting a return to strong demand after impact of Covid restocking by customers at the end of 2021
- The average prices realised (100% iodine equivalent) for sales of crystalline iodine increased by 13% from \$63.27 for H1 2022 to \$71.53 for H1 2023.

**Commenting on today's results, Dr. Tom Becker, President and CEO stated:** *"The Group delivered its best commercial performance for a first half period, supported by the ongoing robust iodine prices and meeting our production targets. In the process we have further improved our cash position even as we constructed a new iodine plant, which provides us with additional capability to fund growth projects.*

*"The completion of IO#9 in June 2023 is set to deliver a jump in iodine production during the second half and we are on track to meet our H2 target range of 325-350MT.*

*"We continue to successfully advance our growth plans and expect to finalise an agreement for IO#10 soon. Additionally, the planning process of IO#11 is already underway and we look forward to updating the market in due course on this project, along with all business updates throughout the rest of 2023."*

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

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## INTERIM RESULT

### 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 six IOsorb® iodine production plants with the sixth plant starting in June 2023 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

#### Trading results

Turnover	Crystalline		Crystalline	
	Iodine	H1	Iodine	H1
	85%	2023	85%	2022
	MT	Sales	MT	Sales
		\$m		\$m
Crystalline iodine	169	10.3	76	4.1
Derivatives	105	7.5	117	8.5
Prilled iodine		2.0		0.9
Total iodine sales	<u>274</u>	<u>19.8</u>	<u>193</u>	<u>13.5</u>
Non-iodine		4.5		5.7
Total sales		<u>\$24.3</u>		<u>\$19.2</u>

#### Sales

Total sales increased by 27% from \$19.2m to \$24.3m, with total iodine sales up by 47% from \$13.5m to \$19.8m, while non-iodine sales decreased by 21% from \$5.7m to \$4.5m. Volumes of crystalline iodine sales were up significantly by 122% from 76MT to 169MT, reflecting a return to strong demand after a subdued H1 2022 following pandemic-driven restocking by customers at the end of 2021. The average prices realised (100% iodine equivalent) for crystalline iodine rose by 13% from \$63.27 for H1

2022 to \$71.53 for H1 2023. The 21% fall-off in non-iodine sales reflected higher inventories held by a key customer at the beginning of 2023.

### ***Production***

Production from the Company's five existing Oklahoma plants was slightly up at 242MT for H1 2023 compared to 234MT for H1 2022. The new sixth plant IO#9 has contributed to production since July. Average production costs per kilogram included in trading costs of sales were 15% higher than for H1 2022, a major factor being substantial inflationary increases in the prices of chemicals used for processing.

### ***Gross profit***

Gross margin percentages were mainly consistent by product grouping year on year, with iodine price increases offset by inflationary increases in costs of production. The 42% increase in the total volume of crystalline iodine sold, from 193MT to 274MT, was the main driver in the 46% increase in gross profit from \$5.7m to \$8.3m.

### ***Administrative expenses***

Administrative expenses (excluding depreciation and amortisation) increased by 20% year on year from \$2.0m to \$2.4m, due to inflation effects and a greater level of activity.

### ***Taxation***

The deferred tax expense of \$1.1m (approximately 25% of profit before tax - H1 2022: \$0.7m) is the continuing amortisation of the asset set up in 2021 to recognise the value of US Federal tax losses accumulated over previous years. The Company does not expect any US Federal tax to be payable in respect of 2023, but the losses will likely be used up in the early part of 2024 and tax will be payable in full thereafter.

### ***Capital expenditure***

Capex for H1 2023 totalled \$3.7m compared to \$0.7m for H1 2022. Analysing the capex for H1 2023, \$3.2m was related to the construction of the new IO#9 plant, and after including H2 2022 capex brought the total cost of the plant to \$5.2m. This is significantly more than the original budget of \$4.0m, and reflects a number of factors, including additional requirements of the new oil and gas partner, higher costs than expected to incorporate material from IO#5 plant and implementation of the specific configuration, and additional inflation between the time of quote and ordering.

### ***Cash flow and financing***

Adjusted EBITDA was 60% higher at \$5.9m (H1 2022: \$3.7m). After additional net working capital requirements of \$1m, capex of \$3.7m (mainly re IO#9 as above), and loan repayments and interest of \$0.9m, net H1 2023 cash flow was \$0.4m positive. At 30 June 2023 cash was \$6.3m, and cash net of the \$6.1m outstanding on the bank term loan was \$0.2m, which compares to net debt of \$2.8m at 30 June 2022. The debt to EBITDA ratio was 0.44 compared to 1.05 for H1 2022. The Company's bank debt facilities are set out in Note 5, and include \$4.0m undrawn loans for capital projects.

## **Iofina Chemical**

Iofina Chemical ("IC") is the specialty chemical subsidiary of the Group and has been in business for 40 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 in 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.

IC achieved record first half sales, which were boosted by robust iodine prices. Examples of product offerings that realised increased sales in the Period versus H1'22 included methyl iodide, chloramine-T, and the Group's produced crystalline iodine. Methyl iodide is used in acetic acid manufacturing, synthesis of pharmaceuticals, and other specialty applications. Chloramine-T is a broad-based biocide used as a disinfectant and sanitizer and is also effective for odour-control. The Group's produced crystalline iodide is sold to numerous iodine derivative manufacturers around the world.

In the Period, IC invested in its facilities and is now utilising a Hastelloy reactor for a non-iodine product and has installed a larger capacity chiller to support multiple iodine derivative manufacturing processes. IC will continue to invest in its manufacturing facilities to improve current processes and develop new halogen-based commercial processes. R&D efforts in our newly remodelled laboratory included new product development, research on iodide recycling opportunities, and improvements to our IPBC manufacturing process and formulations. Post period, IC has hired an experienced sales and marketing manager to support the growth and development of IC.

The diversity of IC'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.

During the Period, IR produced 242MT of crystalline iodine from its five plants in operation in Oklahoma. This was a 7.5MT increase when compared to the same period in 2022. The significant news item from the Company in H1 2023 was the start-up of IR's new iodine plant, IO#9, in June 2023. The completion of IO#9 was a substantial achievement for the Company which is now operating six iodine production facilities in Oklahoma. This new plant, with a new oil & gas partner, begins a new growth phase for Iofina in a new core area in Oklahoma. Whilst the plant did not contribute to the production total in the Period, it continues to ramp up its production and is expected to be in full production in early Q4 2023. The ramp-up of IO#9 has proven to be more difficult than anticipated as we work with our new partner and their water-gathering system to optimise iodine production. With the new production of IO#9 adding to the other five iodine plants, the Company expects to produce between 325-350MT of crystalline iodine in H2 2023. Currently, all six iodine plants operate in Western Oklahoma.

IR is committed to growing its iodine production and expects to double its iodine production from 2021 levels in the next 2-4 years. IR's management is confident that negotiations for our next IOsorb® plant, IO#10 are close to conclusion, and once complete will progress the Company's strategic growth plan of additional iodine production in our new core area. Iofina is committed to continuing investments in business development for future plants, and has recently added another geologist to the team and plans to continue to invest in additional personnel to support current operations and fast-track business development. Negotiations and exploration efforts for plants IO#11 and beyond are progressing.

## **Iodine Market Outlook**

Iodine is utilized in various applications, the largest of which is injectable iodinated contrast agents used in medical procedures to enhance the visibility of numerous medical diagnostic procedures. The iodine demand for contrast agents continues to grow especially in countries that are advancing their healthcare systems and it is anticipated that this particular end market will be the core driver of iodine demand for the foreseeable future. Iodine is also used in many other applications including LCD screens, pharmaceutical synthesis, biocides, and many others.

Iodine spot prices have remained high when compared to historical iodine prices. Iodine pricing increased from c.\$50/kg at the beginning of 2022 to c.\$70/kg by mid-2022. Spot prices have fluctuated near \$70/kg over the course of the last 12 months and spot prices are currently between the upper sixties to low seventies per kilogram.

Future iodine prices are difficult to predict. Demand for iodine and its products remains strong. Barring any major changes in the iodine market or a significant global economic downturn, we expect prices to remain at or near current levels for the remainder of 2023 and into H1 of 2024. SQM has indicated that they expect to add 800MT of production in 2023. With no other noteworthy iodine production expected in the near term, it is unlikely that this additional volume will affect prices significantly.

## **Operations Outlook**

The Group continues to execute its growth plans and is committed to the ongoing improvement of all aspects of our operations. We have invested in safety initiatives and management systems and the Group has had no lost-time incidents in over two years. IC is now both a Chemstewards® certified facility and an ISO 9001:2015 certified facility. We are currently implementing a new groupwide EHS software system.

## **Business Outlook**

The financial position of the Group has never been better. H1'23 revenues and adjusted EBITDA were 27% and 60% higher than H1'22 levels respectively. Additionally, the Group recently announced in July it had improved the terms of its loan facilities. The first phase of our multi-year growth plan is being executed with the completion of IO#9 and we are confident that an IO#10 agreement will be completed soon signalling Iofina's commitment to this growth strategy to increase iodine production is steadfast. These additional plants will significantly increase our crystalline iodine production in the coming years. Looking slightly ahead, the expectations are that external costs will continue to rise, especially chemical raw material costs, and Iofina continues to work with our suppliers and investigate measures to control costs throughout the organisation.

Exploration and negotiations for future plants beyond IO#10 are progressing. IC is exploring the production of new compounds to use more iodine by producing more value-added iodine derivatives. Iodine market prices are expected to continue at or near current levels in the near term. Our prime focus is the organic growth of our business, and we will continue to re-invest in growth projects within our core businesses whilst prudently exploring additional external business opportunities. The Directors are pleased with the continual improvement of the Group as the Directors looks forward to the implementation of additional organic growth within the organisation.

**IOFINA PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023**

		Unaudited Six months ended		Audited Year ended
	Note	30 June 2023 \$'000	30 June 2022 \$'000	31 December 2022 \$'000
<b>Continuing operations</b>				
Revenue		24,300	19,178	42,198
Cost of sales		(16,036)	(13,519)	(26,369)
<b>Gross profit</b>		<b>8,264</b>	<b>5,659</b>	<b>15,829</b>
Administrative expenses		(2,399)	(1,997)	(4,361)
Depreciation and amortisation		(986)	(904)	(1,824)
<b>Operating profit</b>		<b>4,879</b>	<b>2,758</b>	<b>9,644</b>
<b>Other income:</b>				
Release of plant acquisition accrual		-	-	450
<b>Profit before finance expense</b>		<b>4,879</b>	<b>2,758</b>	<b>10,094</b>
Finance income		44	1	13
Interest payable		(166)	(159)	(326)
Interest swap derivative liability		(73)	-	249
<b>Profit before taxation</b>		<b>4,684</b>	<b>2,600</b>	<b>10,030</b>
Taxation – current tax		(19)	-	(31)
Taxation – deferred tax	8	(1,103)	(675)	(2,134)
<b>Profit for the period attributable to owners of the parent</b>		<b>\$3,562</b>	<b>\$1,925</b>	<b>\$7,865</b>
<b>Earnings per share:</b>				
- Basic	4	\$0.019	\$0.010	\$0.041
- Diluted	4	\$0.018	\$0.010	\$0.040

		30 June 2023 \$'000	30 June 2022 \$'000	31 December 2022 \$'000
<b>Adjusted EBITDA:</b>	9	<b>\$'000</b>	<b>\$,000</b>	<b>\$'000</b>
Profit before finance expense		4,879	2,758	10,094
Depreciation and amortisation		986	904	1,824
<b>EBITDA</b>		<b>5,865</b>	<b>3,662</b>	<b>11,918</b>
Other income		-	-	(450)
<b>Adjusted EBITDA</b>		<b>\$5,865</b>	<b>\$3,662</b>	<b>\$11,468</b>



**IOFINA PLC**  
**CONSOLIDATED BALANCE SHEET**  
**30 JUNE 2023**

		Unaudited 30 June 2023 \$'000	Unaudited 30 June 2022 \$'000	Audited 31 December 2022 \$'000
	Note			
Intangible assets		193	373	283
Goodwill		3,087	3,087	3,087
Property, plant & equipment		23,326	18,975	20,557
Deferred tax		829	3,391	1,932
Term loan – interest swap asset		176	-	249
<b>Total non-current assets</b>		<b>27,611</b>	<b>25,826</b>	<b>26,108</b>
Inventories		11,580	8,399	10,184
Trade and other receivables		11,633	6,901	10,487
Cash and cash equivalents		6,316	4,737	5,927
<b>Total current assets</b>		<b>29,529</b>	<b>20,037</b>	<b>26,598</b>
<b>Total assets</b>		<b>\$57,140</b>	<b>\$45,863</b>	<b>\$52,706</b>
Trade and other payables		9,094	5,952	7,538
Term loan – due within one year	5	1,429	1,429	1,429
Lease liabilities		106	98	101
<b>Total current liabilities</b>		<b>10,629</b>	<b>7,479</b>	<b>9,068</b>
Term loan – due after one year	5	4,642	6,071	5,357
Lease liabilities		246	366	309
<b>Total non-current liabilities</b>		<b>4,888</b>	<b>6,437</b>	<b>5,666</b>
<b>Total liabilities</b>		<b>\$15,517</b>	<b>\$13,916</b>	<b>\$14,734</b>
Issued share capital	6	3,107	3,107	3,107
Share premium		60,687	60,687	60,687
Share-based payment reserve		2,240	2,067	2,153
Retained losses		(18,467)	(27,970)	(22,031)
Foreign currency reserve		(5,944)	(5,944)	(5,944)
<b>Total equity</b>		<b>\$41,623</b>	<b>\$31,947</b>	<b>\$37,972</b>
<b>Total equity and liabilities</b>		<b>\$57,140</b>	<b>\$45,863</b>	<b>\$52,706</b>

**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
<b>Balance at 31 December 2021 (Audited)</b>	<b>\$3,107</b>	<b>\$60,687</b>	<b>\$2,007</b>	<b>\$(29,896)</b>	<b>\$(5,944)</b>	<b>\$29,961</b>
Share-based expense	-	-	146	-	-	146
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>146</b>	<b>-</b>	<b>-</b>	<b>146</b>
<b>Profit for the year attributable to owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,865</b>	<b>-</b>	<b>7,865</b>
<b>Total comprehensive income attributable to owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,865</b>	<b>-</b>	<b>7,865</b>
<b>Balance at 31 December 2022 (Audited)</b>	<b>\$3,107</b>	<b>\$60,687</b>	<b>\$2,153</b>	<b>\$(22,031)</b>	<b>\$(5,944)</b>	<b>\$37,972</b>
Share-based expense	-	-	87	-	-	87
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>87</b>
<b>Profit for the period attributable to owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,562</b>	<b>-</b>	<b>3,562</b>
<b>Total comprehensive income attributable to owners of the parent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,562</b>	<b>-</b>	<b>3,562</b>
<b>Balance at 30 June 2023 (Unaudited)</b>	<b>\$3,107</b>	<b>\$60,687</b>	<b>\$2,240</b>	<b>\$(18,467)</b>	<b>\$(5,944)</b>	<b>\$41,623</b>

**IOFINA PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE**  
**2023**

	<b>Unaudited</b>		<b>Audited</b>
	<b>Six months ended</b>		<b>Year ended</b>
	<b>30 June</b>	<b>30 June</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Adjusted EBITDA	5,865	3,662	11,468
Share options expense	87	60	146
Release of plant acquisition accrual	-	-	450
	<u>5,952</u>	<u>3,722</u>	<u>12,064</u>
<b>Changes in working capital</b>			
Trade receivables (increase)	(1,444)	(977)	(4,329)
Inventories (increase)	(1,396)	(2,103)	(3,888)
Trade and other payables increase	1,856	388	1,737
<b>Net cash inflow from operating activities</b>	<u>4,968</u>	<u>1,029</u>	<u>5,584</u>
<b>Cash flows from investing activities</b>			
Interest received	44	1	13
Acquisition of property, plant & equipment	(3,665)	(675)	(3,087)
<b>Net cash outflow from investing activities</b>	<u>(3,621)</u>	<u>(674)</u>	<u>(3,074)</u>
<b>Cash flows from financing activities</b>			
Term loan repayments	(714)	(714)	(1,429)
Interest paid	(161)	(154)	(311)
Lease payments	(65)	(12)	(74)
<b>Net cash outflow from financing activities</b>	<u>(940)</u>	<u>(880)</u>	<u>(1,814)</u>
Tax paid/accrued	(19)	-	(31)
<b>Net increase/(decrease) in cash</b>	<b>388</b>	<b>(525)</b>	<b>665</b>
<b>Cash and equivalents at beginning of period</b>	<b>5,927</b>	<b>5,262</b>	<b>5,262</b>
<b>Cash and equivalents at end of period</b>	<u><b>6,315</b></u>	<u><b>4,737</b></u>	<u><b>\$5,927</b></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 2023 and 30 June 2022 are unaudited and do not constitute full statutory accounts. The comparative figures for the year ended 31 December 2022 are extracts from the 2022 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 2022 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 2022 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 2023 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.

### 3. Segment reporting (continued)

Assets	Unaudited		Audited
	Six months ended 30 June		31 December
	2023	2022	2022
	\$'000	\$'000	\$'000
Halogen Derivatives and iodine	57,140	45,863	52,706
<b>Total</b>	<b>\$57,140</b>	<b>\$45,863</b>	<b>\$52,706</b>
<b>Liabilities</b>			
Halogen Derivatives and iodine	\$15,518	\$13,916	\$14,734
<b>Total</b>	<b>\$15,518</b>	<b>\$13,916</b>	<b>\$14,734</b>

#### (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
	2023	2022	2022
	\$'000	\$'000	\$'000
UK	281	179	96
USA	56,859	45,684	52,610
<b>Total</b>	<b>\$57,140</b>	<b>\$45,863</b>	<b>\$52,706</b>
<b>Total liabilities</b>			
UK	145	116	153
USA	15,372	13,800	14,581
<b>Total</b>	<b>\$15,517</b>	<b>\$13,916</b>	<b>\$14,734</b>
<b>Capital expenditures</b>			
UK	-	-	-
USA	3,665	675	3,087
<b>Total</b>	<b>\$3,665</b>	<b>\$675</b>	<b>\$3,087</b>

### 4. Earnings per share

The calculation of earnings per ordinary share is based on profits of \$3,562,521 (H1 2022: \$1,925,372) and the weighted average number of ordinary shares outstanding of 191,858,408 (H1 2022: 191,858,408). After including the weighted average effect of share options of 5,393,650 (H1 2022: 3,966,173) the diluted weighted average number of ordinary shares outstanding was 197,252,058 (H1 2022: 195,824,581).

## 5. Bank loan facilities

	Term loan \$'000
<b>At 31 December 2021</b>	<b>\$8,214</b>
Term loan instalment repayments	(1,429)
<b>At 31 December 2022</b>	<b>\$6,785</b>
Term loan instalment repayments	(714)
<b>At 30 June 2023</b>	<b>\$6,071</b>
Due within one year	1,429
Due after one year	4,642
	<b>\$6,071</b>

Bank facilities are with First Financial Bank of Ohio, are fully secured by fixed and floating charges, and the principal terms are:

### Term loan

a) The term loan balance of \$6.8m (2021 \$8.2m) relates to a \$10.0m loan drawn down in September 2020 and repayable in full by equal monthly instalments over the seven years to 30 September 2027. 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 the one month Secured Overnight Financing Rate ("SOFR"), subject to a minimum SOFR rate of 1.00%. Repayment of all or part of the loan may be made at any time without penalty.

### Revolving loan facility

b) The revolving loan facility is for \$6.0m over the period to 16 September 2025, and may be drawn and repaid in variable amounts at the Group's discretion. 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 2.11% above SOFR, subject to a minimum SOFR rate of 1.00%. Iofina is currently not drawing on this line of credit.

### Project loan facilities

c) There is a \$4 million term loan with a drawdown period through to July 1, 2024 to be used for IO#10 plant expenditures and other Capex projects as appropriate. A seven-year term begins from July 1, 2024 with interest payable during the drawdown period. The interest rate is 2.11% plus SOFR (1 month Secured Overnight Financing Rate) subject to a minimum of 1%. No drawings have as yet been made on this loan.

## 6. Share capital

	Unaudited 30 June 2023	Unaudited 30 June 2022	Audited 31 December 2022
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. Share based payments

On 27 April 2023 options over 1,196,700 ordinary shares of the Company, representing 0.62% of the Company's issued share capital at that date, were granted to directors and key management personnel. The options are exercisable at the closing share price on 27 April 2023 of 31.75p per share, with 50% vesting after one year on 27 April 2024 and 50% vesting after two years on 27 April 2025. The options expire ten years from the date of grant. The above options were valued using the Black Scholes model and the exercise price of 31.75p, an expected term of 5.75 years, historical volatility of 69.07% and a risk-free rate of 3.59%. The resulting valuation of \$300,355 is being amortised over the vesting periods, and \$39,409 has been charged as an expense in respect of the period from 27 April 2023 to 30 June 2023. No options lapsed or were forfeited or exercised during the six months to 30 June 2023. There were 6,197,100 total options outstanding at 30 June 2023, representing 3.23% of shares in issue.

## 8. Taxation – deferred tax

The deferred tax charge of \$1,103k (H1 2022 \$675k) relates to 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.

## 9. Adjusted EBITDA

Management uses certain non-IFRS performance measures to assess performance of the Group, and considers them to provide useful supplementary information to the IFRS results. EBITDA is profit before finance expense adjusted to exclude depreciation and amortisation, and Adjusted EBITDA additionally excludes exceptional items of non-recurring income and expense. Management considers that this latter measure provides a fair representation of the period's operating results excluding non-cash items. A reconciliation to Profit before finance expense is set out below the Consolidated Statement of Comprehensive Income.

## **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.