

# Iofina PLC

06:30 23 Sep 2020

## Iofina shares jump as it signs binding documentation to refinance its entire debt with First Financial Bank

Iofina PLC (LON:IOF) saw its shares rise strongly on Tuesday after it said it has signed binding documentation to refinance its entire debt by entering into a new loan agreement with First Financial Bank, (NASDAQ:FFBC), a Cincinnati-headquartered, US regional bank.

The specialists in the exploration and production of iodine and manufacturers of specialty chemical products said the facility provides the group with debt capital of up to US\$18mln, with the proceeds to be used to pay off existing debt and to provide working capital for the group. It said a total amount of \$13mln was available and drawn on closing of this arrangement.

READ: Iofina rises as it reports positive progress in debt refinancing discussions

The group said the facility comprises two parts:

- A 7-year term loan for US\$10mln at a variable annual interest rate of 2.5% plus LIBOR (with a LIBOR minimum 1%), adjusted monthly. The term loan is fully amortizing over the term with equal monthly principal payments. Iofina and First Financial Bank also simultaneously entered into an interest rate swap transaction to fix the interest rate at 3.99% throughout the 7-year term of US\$7mln in principal of the US\$10mln term loan.
- A 2-year asset-based revolving line of credit for up to US\$8mln, of which \$3mln was available and drawn at closing. The group expects to increase its utilisation of this facility subject to ongoing borrowing base calculations and compliance with covenant ratios as defined in the Facility. It carries a variable annual interest rate of 2.25% plus LIBOR (with a LIBOR minimum of 1%), adjusted monthly.

The facility will be fully secured against the assets of the group.

The facility contains customary financial covenants as well as affirmative and negative covenants usual for transactions of this type, including limitations with respect to indebtedness, liens, investments and disposition of assets. Additionally, if the group generates excess cash flow in 2021 or 2022, as detailed in the facility, Iofina is required to use 25% of such excess cash flow to prepay the term loan, with such prepayments due 30 June 2022 and 2023. These agreements will be in full effect once the funds, which have been wired, are received by the current debt holders.

In a statement, Iofina president and CEO Dr Tom Becker commented: "The conclusion of the debt refinancing is a significant and positive step for Iofina and is the culmination of many months of hard work. The favourable terms of this refinance demonstrate how far Iofina has progressed in recent years, given that the Company has significantly reduced debt, lowered debt interest rates, and secured a strong lending bank partner.

**Price:** 13.75

**Market Cap:** £26.38 m

### 1 Year Share Price Graph



### Share Information

**Code:** IOF

**Listing:** LSE

**52 week High Low**  
 29.9 10.39

**Sector:** Oil & Gas

**Website:** www.iofina.com

### Company Synopsis:

Iofina plc is involved in the exploration and production of iodine, iodine specialty chemical derivatives, produced water and natural gas. Iofina's business strategy is to identify, develop, build, own and operate iodine extraction plants currently focused in North America based on Iofina's Wellhead Extraction Technology® (WET®) IOsorb® technology.

action@proactiveinvestors.com

"With the Company's balance sheet significantly strengthened by the 7-year term loan in place coupled with the revolving line of credit for future growth, Iofina is focused on operational developments and expanding its production and chemicals product portfolio."

Iofina were advised and supported by finnCap Debt Advisory on the transaction. Graham Cooke, a partner of finnCap Debt Advisory commented: "After many months of hard work by all parties, it is great to see the conclusion of this debt refinancing."

"The transaction was an extremely important project for Iofina and we are delighted to have been able to support them and help them secure this new facility. I know in First Financial they have found the ideal financing and relationship partner for the future."

**-- Adds finnCap Debt Advisory comment --**

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

**No investment advice**

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Iofina PLC named herein, including the promotion by the Company of Iofina PLC in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).