Date: 9 April 2020

PURECIRCLE LIMITED (“PureCircle” or “the Company” or “the Group”)

Unaudited Interim Results and Trading Update

PureCircle (LSE: PURE), the world's leading producer and innovator of great-tasting stevia sweeteners for the global beverage and food industry, today announces its unaudited interim results for the six-months ended 31 December 2019 (“1H FY20”), together with a trading update for the 2 months period to 29 February 2020.

Unaudited Interim Results

The unaudited interim results 1H FY20 have been prepared using revenue cut-off procedures and costing methodology that are consistent with the Company’s full year 2019 audited financial results published recently.

The comparative prior period’s 1H FY19 results have been restated to reflect the adjustments made in the Company’s full year 2019 audited financial results.

INTERIM RESULTS HIGHLIGHTS

- Sales declined 6.0% to $46.8 million (1H FY19: $49.7m) in part due to discontinuation of a distribution agreement. These were partly offset with the sales from breakthrough products and blends.
- 1H FY20 sales of our new proprietary stevia leaf sweetener, PCS-3028, which increases stevia solubility by 10x compared to earlier generation stevia sweeteners, has resulted in the shift from Basic Ingredients to Breakthrough products.
- Gross margin during the period was 22.9% (1H FY19: 26.6% - this comparative excludes the $24.2 million write down of inventory to net realisable value in cost of sales).
- Adjusted EBITDA during the period was negative $3.1 million (1H FY19: $1.9 million - this comparative excludes the $24.2 million write down of inventory to net realisable value in cost of sales).
- Net loss for H1 FY20 of $13.8 million (1H FY19: net loss $28.8 million) was mainly due to lower margin during the period along with higher G&A costs as well as lower tax credit recognised.
- Operating cash flow before working capital changes of negative $1.8 million (1H FY19: positive $3.8 million), was mainly due to lower than expected sales and higher operating expenses.
- Net debt of $82.6 million (1H FY19: $103.5 million) has decreased primarily due to repayment made to term loan.

SUMMARY OF FINANCIALS

Period ended 31 December (USD'm)	1H FY20	1H FY19
		(Restated*)
Sales	46.8	49.7
Gross profit / (loss)	10.7	(11.0)
Gross margin	22.9%	(22.1)%
Operating loss*	(8.8)	(21.9)
Adjusted EBITDA*	(3.1)	(22.3)
Net loss for the financial period	(13.8)	(28.8)
Loss Per Share (fully diluted) (US Cents)	(7.48)	(16.52)
Net assets	146.1	177.3
Operating cash flow before working capital changes	(1.8)	3.8
Net cash (used in) / generated from operating activities	(12.0)	2.9
Net debt*	(82.6)	(103.5)

* Operating loss, adjusted EBITDA and net debt are non-GAAP alternative performance measures and are laid out in Note 8.

The 1H FY20 results comprising the statement of comprehensive income; cash flow statements; statement of financial position; and statement of equity; together with prior period comparatives are also set out on Appendix 1.

Sales: Sales of $46.8 million decreased 6.0% over 1H FY19 ($49.7 million), in part due to discontinuation of a distribution agreement. These were partly offset with the sales from breakthrough products and blends.

During the period, the Company exited a long standing but limiting exclusivity contract. The Company can now regain its unique ability to offer these widely used ingredients, NSF 02 flavour solution and Glycosylated Steviol Glycosides (GSG) sweetener, directly to its customers.

Solid growth continues to be achieved in Asia and reflects the continued positive mix benefit of the growth of Breakthrough products.

Gross margin: Higher production costs incurred due to change in production mix on certain products led to a gross margin of 22.9% (1H FY19: 26.6% - this comparative excludes the $24.2 million write down of inventory to net realisable value in cost of sales).

Adjusted EBITDA: Current period adjusted EBITDA was negative $3.1 million (1H FY19: $1.9 million - this comparative excludes the $24.2 million write down of inventory to net realisable value in cost of sales).

Net loss for the period: The 1H FY20 net loss of $13.8 million was mainly due to lower margin during the period along with higher G&A costs as well as lower tax credit recognised.

Loss per Share (LPS): The Group recorded a 1H FY20 loss per share of 7.48 cents (1H FY19: LPS of 16.52 cents), on a fully diluted basis driven by the write-down of inventory.

Operating cash flow before working capital: The Group recorded an outflow of $1.8 million on operating cash before working capital in 1H FY20 (1H FY19: inflow $3.8 million). The negative swing of $5.6 million in operating cash flow before working capital during 1H 2020 compared to 1H FY19 was essentially due to higher operating costs.

Net debt: Net debt of $82.6 million (1H FY19: $103.5 million) has decreased primarily due to repayment made to term loan.

Commenting on the 1H FY20 interim results, the Group CEO Peter Lai said:

"In the 1H FY20, the underlying business fundamentals remain stable even though the sales for the 6-month period decreased by 6% over the same period the year prior. PureCircle continues to be the global leader in stevia ingredient innovation and production. The Company has continued to execute its four key growth strategies - implementing a customer-centric structure and culture, diversifying the customer base, shifting the product mix to next generation ingredients, and expanding sales into additional priority consumer product categories. These efforts have shown meaningful results.

"The stevia ingredients business has become more competitive in recent years. That has impacted both the pricing for Reb A and the Company's margins. PureCircle anticipated this trend and in order to safeguard the business from this price erosion, the Company began aggressively shifting the product portfolio, including flavour solutions and blends, to taste-advantaged, exclusive ingredients based on Reb M. In addition, the Company exclusively developed a new stevia variety making this product more scalable, efficient and cost effective for customers. These advances continue to be protected by the Company's expansive patent portfolio and intellectual property library.

"In executing its existing plans, the Group anticipates headwinds from the slowdown in the global economy as a result of COVID-19. Our refinery in Malaysia restarted production in early April 2020 after obtaining an approval from the Malaysian authorities to recommence operations following the government's country wide movement control order requirements in relation to the COVID-19 pandemic, which began on 18 March 2020. Production at our China extraction plant is running as usual. The Group continues to have sufficient inventories at hand that should mitigate any further disruptions. The Group is mindful of the volatile outlook and economic uncertainties arising from the COVID-19 pandemic and has been monitoring the situation closely.

"Recognising that our profitability has come under pressure partly due to its high overheads, fixed cost base and G&A expenses, the Group will carry out a series of measures over the next 12 months to improve cost efficiency in all its functions across the Group. In meeting its liquidity needs as well as improving the health of the Group's balance sheet, the Company intends to refinance its banking facilities through various options including equity infusion."

BUSINESS DEVELOPMENTS

In the last six months, the Group made a number of strategic decisions to strengthen PureCircle and its prospects for long-term growth. The Group restructured its senior management and Board of Directors to strengthen its corporate governance and financial oversight.

PureCircle enhanced future business prospects by exiting a long standing but limiting exclusivity contract. The Company can now regain its unique ability to offer these widely used ingredients, NSF 02 flavour solution and Glycosylated Steviol Glycosides (GSG) sweetener, directly to its customers.

PureCircle holds comprehensive patent and intellectual property protection over NSF 02 which is a proprietary product.

Market Opportunities

The global stevia market continues to grow. PureCircle is positioning itself to deliver the best-tasting, zero-calorie, natural sweeteners and flavours to food and beverage companies to meet consumers' demands.

PureCircle has expanded and strengthened its Commercial team to enhance our ability to fully capture the market opportunity, focused on setting and implementing a set of key strategies aimed at delivering the next chapter of growth for PureCircle.

These new strategies involve transforming the business to scale, produce and sell breakthrough superior-tasting, natural stevia ingredients and commercialise new technologies. Our commitment to next generation ingredients and improving taste and consumer experience has, as expected, led to slower immediate short term sales growth. Our focus is on product development, which has a long sell cycle, and we believe this is an important long-term investment, both in consumers' adoption of stevia and longer term sales. Customers are now switching and reformulating to next generation stevia leaf ingredients due to the superior taste profile, improved sweetness quality and enhanced mouthfeel experience.

The reformulations using our new generation stevia ingredients have led to some cannibalisation of the base business and the results should be read in this context. We are getting positive feedback about the great taste of our next generation stevia leaf sweeteners and flavours in customers' products.

Market conditions continue to be favourable for usage of stevia to expand, as beverage and food companies seeks to lower sugar and calorie levels with a natural sweetener and flavor modifiers. PureCircle will continue to capitalize on that with its range of plant-based stevia leaf solutions. In addition, globally, the regulatory climate for use of our stevia sweeteners continues to improve.

In addition to sweeteners and flavours, we provide our customers with tailored and category specific blends of our robust portfolio of stevia leaf ingredients. Our industry-leading formulation expertise allows us to maximize taste with the most cost-efficient use of stevia ingredients. With our next generation stevia solutions, we work in partnership with our customers to achieve the taste profile they require for their products in their different markets around the globe.

Strategy evolution as a result of innovation

We are exploring new areas including using our stevia flavours for sodium reduction and masking undesirable flavour characteristics of other ingredients in various food and beverage categories. This will provide consumers a great-tasting, plant-based ingredient.

We are also planning to expand our offerings of stevia leaf ingredients to include, not just sweeteners and flavours, but also protein, fibre and antioxidant ingredients – all from the stevia plant.

This will enable PureCircle to utilize much more of each stevia leaf. As such, the Company will be able to make each leaf "work harder".

The technologies to produce the products PureCircle sells are covered by patents, applied for patents and other intellectual property rights. PureCircle's broad and strong global array of patents are the result of its advanced innovation, research and development work with stevia and its investment therein. To date, PureCircle has been granted more than 200 stevia-related patents, with more than 300 patents pending covering a wide range of stevia related products and processes.

PureCircle's patent coverage and other intellectual property reflect its expertise and innovation with stevia. That expertise and innovation enables PureCircle to provide unparalleled support to its customers as they develop zero- and low-sugar food and beverage products and other products using stevia.

Management and Board Changes

The Board comprises a Non-Executive Chairman (who was independent on appointment), two Executive Directors; a Senior Independent Director; three Independent Non-Executive Directors and a Non-Independent Non-Executive Director.

Changes to the Board during the 6-months period to 31 December 2019 and up to the publication of the 1H FY20 financial results have already been included in our public disclosures.

<u>Trading Update to February 2020</u>

Revenue Update

Revenue in January and February 2020 totalled $17.0 million. However, the performance of the Group to end of February has been unexpectedly sluggish with overall sales declination of approximately 4.6% compared to the 2018 prior period, in part due to overall market competition.

While customers continue to place new sales orders, management foresee that revenue will be depressed across all regions as a result of the COVID-19 outbreak.

Balance Sheet and Liquidity

Net debt as at 29 February 2019 was $93.4 million.

There could be further drawdown on the revolving credit facility, subject to the prior approval of the bank syndicate and the Group is expected to continue to service loan amortisation as scheduled.

The Company intends to refinance its banking facilities to ensure the Group can meet its liquidity needs. The Group will endeavour to conserve its cash flow by proactively managing its capital expenditure and working capital as well as implementing cost efficiency measures that will not impact the long-term viability of the Group.

Outlook

We expect the business to generate positive cash flows, however, we may face difficulty in sustaining profit margins in the short term. There is also a risk, particularly in relation to COVID-19, that the Group may not have sufficient liquidity up until the bank facility is required to be repaid in November 2020.

Our refinery in Malaysia restarted production in early April 2020 after obtaining an approval from the Malaysian authorities to commence operations following the government's country wide movement control order requirements in relation to the COVID-19 pandemic, which began on 18 March 2020. Production at our China extraction plant is running as usual. The Group continues to have sufficient inventories at hand that should mitigate any further disruptions.

Whilst our supply chain remains robust, we are taking steps to mitigate our risks. We are actively monitoring and managing our inventory level and liquidity positions in this unprecedented uncertain period. In addition, the Group will be identifying opportunities for cost savings to a more appropriate cost base to ensure it remains competitive in the market that it operates in.

Given the level of uncertainty in our markets and economic uncertainties arising from the COVID-19 pandemic, the outlook for the full year is now more cautious than before.

Enquiries:

Investors/Analysts

Jimmy Lim, CFO
Email: Jimmy.Lim@purecircle.com
Phone: +6012 326 2908

Newgate Communications, Media Relations
Elisabeth Cowell
Giles Croot
Email: purecircle@newgatecomms.com
Phone: +44 (0) 20 3757 6880

Webcast and Conference Call Details

There will be no analyst presentation for the unaudited H1 FY20 financial results.

Notes to Editors

About PureCircle

- PureCircle is the only company that combines advanced R&D with full vertical integration from farm to high-quality, great-tasting innovative stevia sweeteners.
- The Company collaborates with farmers who grow the stevia plants and with food and beverage companies which seek to improve their low- and no-calorie formulations using a sweetener from plants.
- PureCircle will continue to: lead in research, development and innovation; produce a growing supply of multiple varieties of stevia sweeteners with sugar-like taste, using all necessary and appropriate methods of production; and be a resource and innovation partner for food and beverage companies.
- PureCircle stevia flavor modifiers work in synergy with sweeteners to improve the taste, mouthfeel and calorie profile, and enhance the cost effectiveness, of beverage and food products.
- Founded in 2002, PureCircle is continually investing in breakthrough research and development and it has been granted over 214 stevia-related patents with more than 300 applied for patents pending.
- PureCircle has offices around the world with the global headquarters in Chicago, Illinois.

- To meet growing demand for stevia sweeteners, PureCircle is rapidly ramping up its supply capability. It completed expansion of its Malaysian stevia extract facility in March 2017, increasing its capacity to rapidly supply the newer and great-tasting specialty stevia sweeteners and helping provide ever-increasing value to its customers.
- PureCircle's shares are listed on the main market of the London Stock Exchange.
- For more information, visit: www.purecircle.com

About stevia

- Given the growing global concerns about obesity and diabetes, beverage and food companies are working responsibly to reduce sugar and calories in their products, responding to both consumers and health and wellness advocates. Sweeteners from the stevia plant offer sugar-like taste and are becoming an increasingly important tool for these companies.
- Like sugar, stevia sweeteners are from plants. But unlike sugar, they enable low-calorie and zero-calorie formulations of beverages and foods.
- Stevia leaf extract is a natural-based, zero calorie, high-intensity sweetener, used by global food and beverage companies as a great-tasting zero-calorie alternative to sugar and artificial sweeteners.
- Stevia is a naturally sweet plant native to South America; today, it is grown around the world, notably in Kenya, China and the US.
- The sweet-tasting parts of the stevia leaf are up to 350 times sweeter than sugar: stevia's high-intensity sweetness means it requires far less water and land than sugar.
- Research has shown that the molecules of the stevia leaf are present and unchanged in the dried stevia leaf, through the commercial extraction and purification process, and in the final stevia leaf extract product. All major global regulatory organisations, across 65 countries, have approved the use of high-purity stevia leaf extracts in food and beverages.
- For more information on the science of stevia, please visit https://www.purecirclesteviainstitute.com/

APPENDIX 1

Condensed consolidated statement of comprehensive income for the period ended 31 December 2019

	Notes	Unaudited Six months ended 31 December 2019 USD'000	31 December 2018 (Restated*) USD'000
Continuing operations			
Revenue		46,810	49,675
Cost of sales		(36,074)	(60,650)
Gross profit / (loss)		10,736	(10,975)
Other income	4	154	5,800
Other expenses	5	(410)	(5,310)
Administrative expenses		(19,713)	(16,916)
Finance income		56	153
Finance costs		(4,137)	(4,740)
Share of gain/(loss) in joint venture		4	(78)
Loss before taxation		(13,310)	(32,066)
Income tax (expense) / credit	13	(485)	3,247
Loss for the period		**(13,795)**	**(28,819)**
Other comprehensive income / (loss) (net of tax):			
Items that may be reclassified subsequently to (loss)/profit:			
Exchange difference arising on translation of foreign operations		136	(5,517)
Fair value loss on derivative financial instruments[1]		-	(469)
		136	(5,986)
Total comprehensive loss for the period (net of tax)		**(13,659)**	**(34,805)**
Loss for the financial period attributable to:			
Owners of the Company		(13,795)	(28,819)
		(13,795)	(28,819)
Total comprehensive loss attributable to:			
Owners of the Company		(13,659)	(34,805)
		(13,659)	(34,805)
Loss per share (US cents)			
Basic	15	(7.48)	(16.52)
Diluted	15	(7.48)	(16.52)

*Refer to Note 20.

[1] Changes in the fair value of derivative instruments at fair value through other comprehensive income.

Condensed consolidated statement of financial position as at 31 December 2019

	Notes	Unaudited 31 December 2019 USD'000	Audited 30 June 2019 USD'000
Assets			
Non-current assets			
Property, plant and equipment	9	93,305	95,294
Intangible assets	9	48,074	47,564
Prepaid land lease payments		1,700	1,794
Deferred tax assets		2,570	2,221
Right-of-use	9	4,880	-
		150,529	**146,873**
Current assets			
Inventories	10	100,373	89,242
Trade receivables		23,009	40,266
Other receivables and prepayments		6,790	6,893
Tax recoverable		1,408	1,512
Restricted cash		51	215
Cash and bank balances		5,102	25,460
Financial assets at fair value through profit or loss		-	1,748
		136,733	**165,336**
Total assets		**287,262**	**312,209**
Equity and liabilities			
Equity			
Share capital	14	18,445	18,436
Share premium	14	260,265	259,999
Foreign exchange translation reserve		(19,999)	(20,135)
Share option reserve		2,061	2,099
Accumulated losses		(114,717)	(100,922)
Equity attributable to owners of the Company		146,055	159,477
Total equity		**146,055**	**159,477**
Non-current liabilities			
Deferred tax liabilities		668	3
Other payables and accruals	11	346	403
Lease liabilities		4,067	-
Derivative financial instruments	12	1,157	1,446
		6,238	**1,852**
Current liabilities			
Trade payables	11	27,047	33,190
Other payables and accruals		19,106	23,285
Lease liabilities		931	-
Income tax liabilities		132	134
Short-term borrowings	11	87,753	94,271
		134,969	**150,880**
Total liabilities		**141,207**	**152,732**
Total equity and liabilities		**287,262**	**312,209**

Condensed consolidated statement of changes in equity for the period ended 31 December 2019

	Attributable to owners of the Company						
	Share capital	Share premium	Foreign exchange translation reserve	Share based payment reserve	Derivative reserve	Accumulated losses	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2019	18,436	259,999	(20,135)	2,099	-	(100,922)	159,477
Loss for the period	-	-	-	-	-	(13,795)	(13,795)
Other comprehensive income	-	-	136	-	-	-	136
Total comprehensive income/(loss) for the period (net of tax)	-	-	136	-	-	(13,795)	(13,659)
Share award compensation expense granted during the period	-	-	-	-	-	-	-
Exercise of share options	9	266	-	(38)	-	-	237
Balance at 31 December 2019	18,445	260,265	(19,999)	2,061	-	(114,717)	146,055

	Attributable to owners of the Company						
	Share capital	Share premium	Foreign exchange translation reserve	Share based payment reserve	Derivative reserve	Accumulated losses	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2018	17,428	225,504	(14,155)	2,167	-	(4,498)	226,446
Impact of correction, net of tax	-	-	149	-	-	(16,428)	(16,279)
Balance at 1 July 2018 (Restated*)	17,428	225,504	(14,006)	2,167	-	(20,926)	210,167
Adjustment on adoption of IFRS 9	-	-	-	-	-	(323)	(323)
Balance at 1 July 2018 (Restated*)	17,428	225,504	(14,006)	2,167	-	(21,249)	209,844
Loss for the period	-	-	-	-	-	(28,819)	(28,819)
Other comprehensive loss	-	-	(5,517)	-	(469)	-	(5,986)
Total comprehensive loss for the period (net of tax)	-	-	(5,517)	-	(469)	(28,819)	(34,805)
Share award compensation expense granted during the period	-	-	-	-	-	-	-
Exercise of share options	56	2,219	-	(29)	-	-	2,246
Balance at 31 December 2018 (Restated*)	17,484	227,723	(19,523)	2,138	(469)	(50,068)	177,285

*Refer to Note 20.

Condensed consolidated cash flow statement for the period ended 31 December 2019

	Unaudited Six months ended 31 December 2019 USD'000	31 December 2018 (Restated*) USD'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(13,310)	(32,066)
Adjustments for:-		
Amortisation of deferred income	(78)	(36)
Amortisation of intangible assets	1,092	957
Amortisation of prepaid land lease payments	69	77
Depreciation of property, plant and equipment	3,894	3,991
Depreciation on right-of-use	574	-
Amortisation of borrowing transaction cost	1,075	951
Interest expense	3,172	3,790
Interest income	(57)	(153)
Finance lease on right-of-use	179	-
Fair value gain on interest rate swaps	(289)	-
Loss/(Gain) on disposal of property, plant and equipment	41	(118)
Share based payments	237	2,246
Inventories written back	1	38
Write down of inventories to net realisable value	-	24,170
Intangible assets written off	-	2,500
Unrealised foreign exchange loss	1,985	2,877
Share of (gain)/loss in joint venture	(4)	78
Bad debts written off	11	-
Write back of expected credit loss on trade receivables	(560)	-
Expected credit loss on other receivables	155	-
Compensation of termination on R&D project	-	(5,500)
Operating cash flow before working capital changes	(1,813)	3,802
Increase in inventories	(11,133)	(8,495)
Decrease in trade and other receivables	17,201	19,007
Decrease in trade and other payables	(13,038)	(6,807)
NET CASH (USED IN) / GENERATED FROM OPERATIONS	(8,783)	7,507
Interest received	57	153
Interest paid	(2,940)	(3,733)
Tax paid	(539)	(1,021)
Tax refund	289	-
Transaction cost paid for loan acquisition	(93)	(55)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(12,009)	2,851

Condensed consolidated cash flow statement
for the period ended 31 December 2019 (continued)

	Unaudited Six months ended 31 December 2019 USD'000	31 December 2018 (Restated*) USD'000
BALANCE BROUGHT FORWARD	(12,009)	2,851
CASH FLOWS FOR INVESTING ACTIVITIES		
Addition of intangible assets	(1,648)	(4,019)
Purchase of property, plant and equipment	(1,436)	(2,530)
Proceeds from disposal of property, plant and equipment	23	571
Increase in investment in a joint venture	-	(205)
Proceeds from sales of financial assets at fair value through profit or loss	1,748	-
Proceeds from liquidation of a joint venture	123	-
NET CASH USED IN INVESTING ACTIVITIES	(1,190)	(6,183)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of borrowings	(7,500)	(5,000)
Increase in restricted cash	163	1
NET CASH USED IN FINANCING ACTIVITIES	(7,337)	(4,999)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,536)	(8,331)
Effects of foreign exchange rate changes on cash and cash equivalents	178	(1,003)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	25,460	23,935
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	5,102	14,601

*Refer to Note 20.

The cash and bank balances of $5.1million on the face of the balance sheet includes restricted cash amounting to $51,000 which is excluded from the cash flow statement.

The net cash outflow for the purchases of property, plant and equipment during the financial is as follows:

	31 December 2019 USD'000	31 December 2018 USD'000
Additions for the financial period	1,961	2,865
Payment made for previous year additions	371	420
Amount not yet due for payment	(896)	(755)
Total cash payments during the financial period	1,436	2,530

Reconciliation of bank borrowings arising from financing activities:

	31 December 2019 USD'000	31 December 2018 USD'000
As at 1 July	94,271	122,092
Cash impact:		
Principal and interest payment	(7,500)	(5,000)
Transaction cost	(93)	(55)
Non-cash impact:		
Amortisation	1,075	951
Foreign exchange movement	-	171
As at 31 December	87,753	118,159

*Refer to Note 20.

Notes to interim financial statements

1. General information

The Company was incorporated and registered as a private limited company in Bermuda, under the Companies (Bermuda) Law 1981. The Company is listed on the Main Market of the London Stock Exchange.

The Company is engaged principally in the business of investment holding whilst the principal activities of the rest of the Group are the production, marketing and distribution of speciality natural ingredients based upon high purity stevia.

The unaudited condensed consolidated interim financial statements have been authorised for issue by the Board of Directors on 9 April 2020.

The prior period financial position and comprehensive income have been restated to correct errors with respect of revenue, inventory and cost of goods sold. Although there was no impact to our actual cash generation, the Group has restated the statement of cash flows to reflect the impact of these changes on profit and other relevant financial statement line items. Please refer to Note 20 for additional details.

2. Basis of preparation

The condensed consolidated financial information comprises the unaudited interim financial information for the six months to 31 December 2019 and 31 December 2018. The condensed consolidated interim financial statements has been prepared on a going concern basis in accordance with IAS 34, "Interim Financial reporting" as issued by International Accounting Standards Board ("IASB") and the Disclosure and Transparency Rules issued by the Financial Conduct Authority.

The condensed consolidated interim financial statement does not include all the notes of the type normally included in an annual financial report. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by PureCircle Limited during the interim reporting period.

Changes in accounting policy and disclosures

This condensed consolidated information has been prepared under the historical cost convention and on a basis consistent with the IFRS accounting policies as set out in the Annual Report for the year ended 30 June 2019, except that the Group has adopted the following new standard that are first effective for the current accounting period of the Group:

a) IFRS 16, "Leases" (effective from 1 July 2019) supersedes IAS 17 "Leases" and the related interpretations. IFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. IFRS 16 introduces a single accounting model, requiring the lessee to recognise the "right-of-use" of the underlying asset and the lease liability reflecting future lease payment liabilities in the statement of financial position. The right-of-use asset is depreciated in accordance with the principles in IFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the statement of comprehensive income.

   The Group will adopt IFRS 16 retrospectively from 1 July 2019, via the simplified transition approach and will therefore not restate the comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules will therefore be recognised in the opening consolidated statement of financial position on 1 July 2019.

Key judgements and estimates made in calculating the initial impact of adoption include assessing whether arrangements contain a lease, determining the lease term, and calculating the discount rate. The lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 will be a range of 4.0% to 12.1%.

On adoption of IFRS 16, the Group will recognise lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17. These liabilities are measured at the present value of the remaining lease payments.

On a lease-by-lease basis, the Group measures the associated right-of-use asset on a retrospective basis either at its carrying amount as if the new rules had always been applied or at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019.

In applying IFRS 16 for the first time, the Group will apply the following practical expedients:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessments on whether leases are onerous;
- The accounting for operating leases with remaining lease terms of less than 12 months as short term leases as at the date of initial application;
- The exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application; and
- The use of hindsight in determining the lease terms where the contracts contain options to extend or terminate the leases. The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made by applying IFRS 117 and IFRIC 4 "Determining whether an Arrangement contains a Lease".

The Group will recognise new assets and liabilities for its operating leases of warehouses, offices, apartments, gas tanks, laptops, and photocopiers. The Group recognise lease liabilities equal to the right-of-use assets of USD 5,408,138 upon initial adoption as follows:

	USD'000
Operating lease commitments disclosed as at 30 June 2019	5,534
Less: Discounted using the lessee's incremental borrowing rate of at the date of initial application	(1,429)
Less: Short-term leases recognised on a straight-line basis as expense	(43)
Add: Adjustments as a result of a different treatment of extension options	1,346
Lease liabilities recognised as at 1 July 2019	5,408

In light of the impairment recorded during the year, the Group has considered the recoverable amount of the CGU that retains the right of use ("ROU") assets and has concluded that there is no impairment required on the ROU assets.

Of which are:	
Current lease liabilities	1,325
Non-current lease liabilities	4,083
Lease liabilities recognised as at 1 July 2019	5,408

Upon the adoption of IFRS 16, there will be an immaterial benefit to operating profit and a corresponding increase in finance expense from the presentation of a portion of lease costs as interest costs. Profit before tax and earnings per share are not expected to be significantly impacted. The adoption of IFRS 16 will have no impact on the Group's cash flows except to present cash outflows as financing, instead of operating.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Exceptional items

	Six months to 31 December 2019 (US$'000)	Six months to 31 December 2018 (Restated*) (US$'000)
Professional fee	418	-

*Refer to Note 20.

Exceptional items are one-off and are non-recurring in nature. No exceptional costs incurred in 1H FY19.

During the period there are professional costs of $418,000 in relation to the provision of legal and advisory services from professionals arising from the review of the Group's inventory costs allocation methodology and debt covenants.

4. Other income

Other income represents interest income and government grant income. In prior period, the Group recognised $5.5 million on the termination of the joint collaboration R&D project.

5. Other expenses

Other expenses represent net foreign exchange loss, and other operating expenses. In prior period, the Group recognized $2.5 million on the termination of the joint collaboration R&D project.

6. Principal risks and uncertainties

Our Board of Directors and Risk Committee have reviewed our principal risks in the context of the first half of FY2020. The level of risk arising from Long Term Funding, Working Capital and Inventory Management increased significantly following breach of debt covenants, inventory costing and valuation issues, which has impacted the Company's financial position and reputation.

At the time of writing, in view of the current COVID-19 outbreak and given the rapidly evolving nature of the pandemic, the Group has done a detailed assessment on the existing production plan and sales channel condition. The Group is also mindful that current sales target assumptions may be adjusted during this uncertain period as sales may not be achieved in accordance with planned sales target schedule and fall short of actual target achievement. In addition, cash collections may not be in accordance with planned collection schedule and fall short of actual collection.

The Group has also considered the impact of COVID-19 on customers, suppliers and staff. The Group is cautiously optimistic that the customers will continue to place sales orders but it may not be according to usual sales plan schedule in the coming months. We could face difficulties in maintaining supplier relationships due to closure of manufacturing businesses during COVID-19 outbreak. We are monitoring closely these relationships in the coming months to ensure smooth production and delivery.

Our Board of Directors and Risk Committee believe that there have been no new emerging risks other than the broad key risk areas outlined below; and that identified mitigation actions remain appropriate to manage these identified risks.

Our principal risks are as follows. However, these are not intended to be an exhaustive analysis of all risks currently facing the Group.

i. Long-term funding

PureCircle is reliant on funding from a consortium of banks to fund the ongoing operations of the business and to enable ongoing product innovation and investment in technology. The current funding arrangements are subject to bank covenants. The debt is due to mature in November 2020 and is subject to compliance with certain bank covenants. The Group needs to maintain sufficient liquidity to balance operating requirements with financial obligations and covenants.

The Group's debt covenants were re-set multiple times during the year, there was a default at the last financial year end. Subsequent to FY2019, the Group experienced severe cash flow constraints in meeting its working capital requirements and needed additional funding. In addition, the Group renegotiated and secured approval for the full waiver of non-compliance of bank covenants.

Going forward, the Group's liquidity will be tight with very little covenant headroom. The Group intends to refinance its existing term loan before it matures in November 2020.

ii. Working capital funding to support operations

PureCircle fully controls the end-to-end process of its entire supply chain from leaf sourcing to manufacturing; sales; distribution and customer relationship management. The Company needs to fund its working capital from leaf purchases to sales and receivables. Working capital requirement at PureCircle is particularly influenced by its inventory levels.

During the year, the Group experienced severe cash flow constraints in meeting its working capital requirements and needed additional funding to meet its payment obligations. There will be an urgency to secure additional funding in the event of a failure by our business to generate sufficient operating cash flows or if there is a restricted access to funding or if existing bank facilities are longer available for drawdown. This will impact our financial performance and liquidity.

iii. Inventory management

Inventory management is a key area of the Business. Ensuring PureCircle manufactures the appropriate mix of finished goods inventory is of paramount importance as failure to do so may result in high level of cash being tied up in the business.

In 2019, it was noted that PureCircle maintained high inventory balances, in relation to by-products, some of which have been subsequently found to be obsolete and in excess of market requirements, despite efforts to sell in the market.

Fluctuations in the market demand for PureCircle products can cause inventory levels to rise. In addition, changes in the market or viable uses of by-products may potentially cause inventory obsolescence and write-offs.

iv. Competition

As the stevia industry continues to evolve, larger food and beverage ingredient suppliers may enter the market and erode the Group's current market share. Failure to anticipate movements in the market/ accurately forecast customer demand and industry trends could undermine PureCircle's business performance.

The Group needs to adequately price its products to remain competitive.

v. Leaf sourcing/ procurement

Dried leaf is PureCircle's primary raw material and constitutes a significant proportion of the Company's variable costs of production. The Company's financial performance can be materially impacted by rising leaf cost and nature of contractual conditions, if not managed effectively.

A significant majority of PureCircle's total leaf supply is sourced from China. The Group adopts a logical purchasing plan differentiated by province and purchase timing. This mitigates any potential risk of supply disruption within China.

Going forward, the Group's leaf sourcing strategy will comprise of combination of different leaf varieties, and the gradual phase in of new leaf cultivation, with better extract yields. This will drive improvements in terms of lower overall extract cost per metric tonne of processed leaf.

vi. Intellectual property

Innovation is why PureCircle is the market leader in the stevia industry. PureCircle's continuous investment in research, development and innovation (RD&I) must be protected by robust intellectual property (IP) strategies, including obtaining patents and protecting other forms of IP, to help sustain and grow the Company's position in an ever-competitive market.

vii. Manufacturing capacity

PureCircle is a potentially fast growing company with production chain covering both extraction and refinery activities. It is imperative that our capacity keeps up with increasing customer demand.

In addition, the Group needs to maintain reasonably accurate sales forecast to facilitate the planning for manufacturing capacity, purchasing needs and inventory holding levels.

The ability to manufacture however, is subject to available capacity and raw material extract to produce the required product according to customer's requirements at specified volumes.

Our manufacturing capacity is dependent on process and product, and was built in anticipation of growth and increased market demand. Our refinery utilisation is currently running at 75% capacity post restarting operations after securing approval from authorities in view of Malaysian government's movement control order and expected to run at full capacity when normalcy returns. In addition, we are also purchasing certain products externally, on an exceptional approval basis, to close off any potential supply gaps.

Management will continue to monitor the situation and adjust its production plan, in order to achieve better efficiency in capacity usage and to produce intermediary/ end-products that will yield better margins and cash flow.

In conclusion, long term funding, working capital funding to support operations and inventory management remain as key focus areas for the Group for the remaining half of FY2020.

7. Going concern

The Directors have considered the risks associated with upcoming repayment obligations for the Group's senior debt facility. The facility will mature on 30 November 2020. The Directors intend to carry out a refinancing of its debt obligations to raise cash to fund the business and operations. Bearing in mind that in the absence of any committed external funds over the next 7 months, there is a risk that that Group may not be able to repay the facility at maturity.

There are therefore risks that the Group will not be able to maintain access to its lending facility and otherwise meet its obligations as they fall due. Together, these matters indicate the existence of a material uncertainty with which may cast significant doubt about the Group's ability to continue as a going concern.

8. Segment information

Management determines the Group's operating segments based on the criteria used by the Chief Operating Decision Maker who has been identified as the Chief Executive Officer ("CEO") for making strategic decisions. Management considers the Group to be a single operating segment whose activities are the production, marketing and distribution of natural sweeteners and flavours.

From a geographical perspective, the Group is a multinational with operations located on all continents but managed as one unified global organisation.

	Six months to 31 December 2019 USD'000	**Six months to 31 December 2018 (Restated*) USD'000**
Revenue	46,810	49,675
Cost of sales	(36,074)	(60,650)
Gross profit	10,736	(10,975)
Gross margin	22.9%	(22.1)%
Other income	210	5,953
Administrative expenses	(19,713)	(16,916)
Operating loss	(8,767)	(21,938)
Other expenses	(397)	(3,534)
Foreign exchange loss	(13)	(1,776)
Finance costs	(4,137)	(4,740)
Share of gain/(loss) in joint venture	4	(78)
Taxation	(485)	3,247
Loss for the financial period	(13,795)	(28,819)
Reconciliation of Net loss after tax to Adjusted EBITDA		
Net loss after tax	(13,795)	(28,819)
Depreciation and amortization	5,630	5,022
Finance costs	4,137	4,740
Taxation	485	(3,247)
Share-based payment expense	-	-
Exceptional items	418	-
Adjusted EBITDA	(3,125)	(22,304)
Gross borrowings	87,753	118,159

Less: Gross cash	(5,153)	(14,652)
Net debt	82,600	103,507

*Refer to Note 20.

In the reporting of financial information, the Group uses certain alternative performance measures that are not required under IFRS, the generally accepted accounting principles ("GAAP") under which the Group reports. The Group believes that these additional measures, which are used internally, are useful to users of the financial information in helping them to understand the underlying business performance.

The Group has determined that disaggregation of revenue using existing segments and timing of the transfer of goods (at a point in time) is adequate.

The primary performance indicators used by the Group are revenue, gross margin, gross margin %, adjusted EBITDA, net cash from operations, net debt and headroom.

The above measures are considered useful by management because:

- In the Group's high operationally geared business model profitability is sensitive to revenue and gross margin %
- Adjusted EBITDA is considered the most efficient profit and loss account indicator of "operating cash flow profitability"
- Adjusted EBITDA is calculated as EBITDA with other expenses (principally the charge of the exceptional items) added back
- Net cash generated from operations, net debt and headroom are important measures of cash flow and debt capacity
- Gross margin is calculated as revenue less cost of sales including sales duty and freight costs
- Gross margin % is calculated as gross margin as a % of revenue
- Operating profit is calculated as gross margin less administrative expenses plus other income
- Other expenses comprise one-off professional costs incurred and specific and general provisions on receivables.
- Net debt is calculated as total bank borrowings (both short and long-term) less gross cash and bank balances and restricted cash

Seasonality

Due to the seasonal nature of the Group operations, higher revenue and operating profit are usually expected in the second half of the year than the first six months.

In the financial year ended 30 June 2019, 40% of revenue accumulated in the first half of the year, with 60% accumulating in the second half.

Geographical information

	Asia USD'000	Europe USD'000	Americas USD'000	Goodwill USD'000	Total USD'000
31 December 2019					
Sales	14,379	13,887	18,544	-	46,810
Non-current assets	133,715	2,211	12,797	1,806	150,529
Current assets	102,192	13,094	21,447	-	136,733
31 December 2018					
Sales	9,259	16,523	23,893	-	49,675
Non-current assets	151,794	1,633	20,515	1,806	175,748
Current assets	116,258	16,947	22,851	-	156,056

9. Property, plant and equipment and intangible assets

During the period, the Group invested $2.0 million in property, plant and equipment.

The addition of $1.6million to intangible assets is in respect of capitalisation of product developments, intellectual property and leaf development during the period, net of amortisation for products now launched commercially.

The Group recognised right-of-use assets of $5.4 million on adopting IFRS16.

10. Inventories

	31 December 2019 USD'000	30 June 2019 USD'000
Raw materials	15,564	12,755
Work-in-progress	73,204	69,991
Finished goods	46,080	40,971
Gross	134,848	123,717
Less: Provision on Net Realisable Value		
Raw materials	(5,320)	(5,320)
Work-in-progress	(10,938)	(10,938)
Finished goods	(3,410)	(3,410)
	(19,668)	(19,668)
Less: Provision on slow-moving inventory		
Work-in-progress	(10,453)	(10,453)
Finished goods	(4,354)	(4,354)
	(14,807)	(14,807)
Raw materials	10,244	7,435
Work-in-progress	51,813	48,600
Finished goods	38,316	33,207
Net carrying value	100,373	89,242

No further provision on slow moving inventory as well as net realisable value in the current period other than as disclosed as at 30 June 2019.

11. Financial liabilities

The following tables detail the remaining contractual maturities at the reporting date of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay and settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows:

Contractual maturities of financial liabilities	Less than 6 months USD’000	6 – 12 months USD’000	Between 1 and 2 years USD’000	Between 2 and 5 years USD’000	Total contractual undiscounted cash flows USD’000	Carrying Amount liabilities USD’000
As at 31 December 2019						
Non-derivatives						
Trade payables	27,047	-	-	-	27,047	27,047
Borrowings	87,753	-	-	-	87,753	87,753
Total non-derivatives	**114,800**	-	-	-	**114,800**	**114,800**
As at 30 Jun 2019						
Non-derivatives						
Trade payables	33,190	-	-	-	33,190	33,190
Borrowings	94,271	-	-	-	94,271	94,271
Total non-derivatives	**127,461**	-	-	-	**127,461**	**127,461**

Owing to the breach in covenants in both FY19 and FY18, the term loan and the revolving credit facility have been reclassified as current debt as in accordance with terms in the facility agreement.

On 18 February 2020, the Group secured an approval from its lenders for Waivers and Amendments to its Senior Facility Agreement (“Waivers and Amendments”) that provides a waiver for all past breaches of covenants up to and including 31 December 2019. In addition, all lenders have also agreed to amend the covenants for the periods to 31 March 2020 and 30 June 2020 respectively.

12. Derivative financial instruments

	31 December 2019		30 June 2019	
	Assets USD’000	Liabilities USD’000	Assets USD’000	Liabilities USD’000
Non-current liabilities:				
Interest rate swaps	-	1,157	-	1,446

13. Income taxes

	31 December 2019 USD’000	31 December 2018 USD’000
Current tax:		
Current tax on profits for the year	(162)	(538)

Change in provision in respect of prior years	-	550
	(162)	**12**
Deferred tax:		
Origination and reversal of temporary differences	(323)	3,235
	(485)	**3,247**

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The expected estimated tax rate is 10%.

The Company was granted a tax assurance certificate dated 1 February 2012 under the Exempted Undertakings Tax Protection Act, 1966 pursuant to which it is exempted from any Bermuda taxes (other than local property taxes) until 31 March 2035.

The subsidiary, PureCircle Sdn. Bhd. ("PCSB"), has been granted the Bio-Nexus Status by the Malaysian Biotechnology Corporation Sdn. Bhd. in which PCSB is entitled to a 100% income tax exemption for a period of 10 years on its first statutory income commencing in year of assessment (YA) 2008. The 10-year incentive period expired in (YA) 2017. Subject to the Ministry of Finances (MOF) approval, PCSB will be entitled to a concessionary tax rate of 20% on income derived from qualifying activities for a further period of 10 years from (YA) 2018. However, given that the approval from the MOF is still pending, PCSB adopted the normal corporate tax rate at 24% (2018: 24%) on the income derived from the qualifying activities for the financial year end 30 June 2019.

Another subsidiary, PureCircle Trading Sdn. Bhd. ("PCT") has been granted the Principal Hub Status by the Malaysian Investment Development Authority in which PCT is entitled to a 100% income tax exemption for a period of 10 years on its statutory income commencing from YA 2017.

Another subsidiary of the Group, PureCircle (Jiangxi) Co. Ltd. ("PCJX"), has also been granted a 10% exemption on corporate tax from 1 January 2013 to 31 December 2020 by Ganzhou State Tax Revenue Department under the Western Ganzhou State Development program.

14. Share capital and share premium

	Number of shares '000	**Ordinary shares USD'000**	**Share premium USD'000**	**Total USD'000**
Balance at 1 July 2019	184,356	18,436	259,999	278,435
Exercise of share options	99	9	266	275
Balance at 31 December 2019	184,455	18,445	260,265	278,710
Balance at 1 July 2018	174,246	17,428	225,504	242,932
Exercise of share options	593	56	2,219	2,275
Balance at 31 December 2018	174,839	17,484	227,723	245,207

15. Loss per share

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

Six months ended

	31 December 2019	31 December 2018 (Restated*)
Loss attributable to equity holders of the Company (USD'000)	(13,795)	(28,819)
Weighted average number of ordinary shares in issue ('000)	184,455	174,400
Basic loss per share (US Cents)	(7.48)	(16.52)
Fully diluted loss per share (US Cents)	(7.48)	(16.52)

*Refer to Note 20.

16. Dividends

No dividends were declared or paid by the Company during the interim period.

17. Contingent liabilities and capital commitments

(a) On 19 December 2019, the Department of Homeland Security U.S. Customs and Border Protection's ("CBP") issued the Group with twenty (20) Notices of Penalty or Liquidated Damages Incurred and Demand for Payment seeking payment of USD 8,377,920.00 in penalties for shipments from December 4, 2014 to February 4, 2016, that CBP asserts may have included Stevia that derived from convict or forced labor from the Baoanzhao region of China. As at the date of releasing of the unaudited interim results, management is of the view that the contingent liability of USD8,377,920 is very unlikely to be a liability as CBP has not provided any proof of its claims. No provision should be made as at 31 December 2019.

(b) On 23 December 2019, one of the Group's subsidiary, PureCircle Sendirian Berhad ("PCSB") received a letter of notification from the Royal Malaysian Customs Department of Selangor ("Customs") claiming back-payment of import duties of USD8,800,000 on the import of ethanol between March 2017 and April 2019 because imported ethanol purity levels did not agree with the approved exemption letter from the Malaysian Investment Development Authority ("MIDA"). On 31 January 2020, PCSB subsequently obtained a new exemption letter from MIDA on the import of ethanol without specification of the purity level for import from January 2020 to December 2020. An appeal letter has been issued to MIDA to obtain waiver on the import duties of the past transactions. As at the date of releasing the unaudited interim results, the Directors are unable to reliably estimate the cost to settle any potential claim with respect to this matter as no demand has yet to be received. Accordingly, no provision has been made as at 31 December 2019.

As disclosed above, at the end of the period, there are no material contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of the Group.

Capital commitments amounting to approximately $1.0million were approved and contracted for the upgrading of plant and machinery in China and Malaysia.

18. Events after the end of the reporting period

Events after the end of the reporting period has been included in the FY19 full year RNS announced on 31 March 2020.

19. Material related party transactions

Identities of related parties:

The Group have related party relationships with its joint venture and the following transactions were carried out by the Group during the period:

	31 December 2019 USD'000	31 December 2018 USD'000
Sales of goods to jointly controlled entity	-	116
Rental expense *	113	-

* Rent is payable to a significant shareholder that is controlled by a Director.

20. Prior period adjustments

During the year ended 30 June 2019, it was identified that the Group's revenue was not appropriately recorded in the prior period due to cut off errors. As a result, historical revenue was overstated.

During the financial year ended 30 June 2019, it was identified that the Group's costing methodology was not appropriately allocating the full cost of inventory sold to comprehensive income, but instead, certain costs remained capitalised in inventory. As such, historical inventory was overstated and historical cost of sales was understated. In addition, the Group reclassified its provision of net realisable value on inventory from other expenses to cost of sales for the financial year ended 31 December 2018 to be consistent with the classification made in the audited profit or loss for the financial year ended 30 June 2019. The Group has also reclassified its long-term incentive plan ("LTIP) expenses from other expenses to administrative expenses to be consistent with the classification made in the audited profit of loss for the financial year ended 30 June 2019.

As a result of the above restatements to prior year revenue and cost of sales, the Group did not comply with certain of their debt covenants as at 30 June 2018 and therefore debt was reclassified to current for this period.

Revenue, receivables, inventory, and cost of sales for the financial year then ended 30 June 2018 as well as the opening balance in retained earnings as at 1 July 2017 was restated and the related tax impact was considered. Additionally, as a result of covenant breaches in FY18 and FY19, borrowings have been reclassified to current from non-current.

Accordingly, the comparative financial information has now been restated as follows:

		Prior period adjustments				
	As previously reported	Revenue	Inventory	Net Realisable Value	LTIP	As restated

	USD'000	USD'000	USD'000	USD'000	USD'00	USD'000
(a) Impact on the statement of comprehensive income:						
For the interim financial period ended 31 December 2018						
Revenue	50,742	(1,067)	-	-	-	49,675
Cost of sales	(30,835)	540	(6,185)	(24,170)	-	(60,650)
Administrative expenses	(14,669)	-	-	-	(2,247)	(16,916)
Other expenses	(31,727)	-	-	24,170	2,247	(5,310)
Loss before taxation	(25,354)	(527)	(6,185)	-	-	(32,066)
Loss for the financial period	(22,107)	(527)	(6,185)	-	-	(28,819)

	As previously reported	Prior period adjustments			As restated
		Revenue	Inventory	IFRS9	
	USD'000	USD'000	USD'000	USD'000	USD'000
(b) Impact on the statement of changes in equity:					
For the interim financial period ended 31 December 2018					
As at 1 July 2018					
Equity:					
Foreign exchange translation reserve	(14,155)	149	-	-	(14,006)
Accumulated losses	(4,498)	(5,009)	(11,419)	(323)	(21,249)
As at 31 December 2018					
Equity:					
Foreign exchange translation reserve	(19,976)	453	-	-	(19,523)
Accumulated losses	(26,928)	(5,536)	(17,281)	(323)	(50,068)

	As previously reported	Prior period adjustments		As restated
		Revenue	Inventory	
	USD'000	USD'000	USD'000	USD'000
(c) Impact on the statement of cash flows:				
For the interim financial period ended 31 December 2018				
Loss before taxation	(25,354)	(527)	(6,185)	(32,066)
Operating cash flow before working capital	10,514	(527)	(6,185)	3,802
Increase in inventories	(13,889)	(5,045)	10,439	(8,495)
Decrease in trade and other receivables	17,909	1,098	-	19,007
Net cash from operations	7,817	(310)	-	7,507
Net cash generated from operating activities	3,161	(310)	-	2,851
Net decrease in cash and cash equivalents	(8,021)	(310)	-	(8,331)
Effects of foreign exchange rate	(1,313)	310	-	(1,003)

*The adjustment relates to application of IFRS 9's impairment requirements at 1 July 2018 results in an additional allowance for impairment.

Given that the Group's key performance indicators include non-GAAP measures, a schedule below is included to provide detail on the impact to earnings per share (EPS), gross margins, and earnings before profit, taxes, depreciation and amortisation (EBITDA).

Key Financial Metric	As previously reported	Prior year adjustment	As restated
Interim financial period ended 31 December 2018			
Loss per share (US cents)			
- Basic	(12.67)	(3.85)	(16.52)
- Diluted	(12.67)	(3.85)	(16.52)
Gross Margin %	39.2%	(61.3%)	(22.1%)
Exceptional items (USD’000)	24,994	(24,994)	-
Adjusted EBITDA (USD’000)	11,649	(33,953)	(22,304)

21. Statement of Directors' Responsibility

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as issued by the International Accounting Standards Board ("IASB"); that the condensed consolidated interim financial statements gives a true and fair view of the assets, liabilities, financial position and comprehensive income as required by the Disclosure Guidance and Transparency Rules ("DTR") sourcebook of the United Kingdom's Financial Conduct Authority, paragraph DTR 4.2.4; and that the interim management report herein includes a fair review of the information required by paragraphs DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of consolidated financial information;
- a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

The Directors are responsible for the maintenance and integrity of the Company's website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Details of all the current Directors of PureCircle Limited are maintained at www.purecircle.com

For and on behalf of the Directors:

Lai Hock Meng	Lim Kian Thong
CEO	CFO

9 April 2020

Shareholder Information

Internet

Investors and corporate stakeholders
www.purecircle.com

Health professionals, customers, policy makers, consumers
www.globalsteviainstitute.com

Investors Relations

Requests for copies of the annual reports published in 2019 and previous years or other investor relations matters should be addressed to PureCircle office: ir@purecircle.com

Share Registrar

In Jersey (Shares)
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES
Channel Islands

In the UK (Depositary Interests)
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZY

0081B8/py