PureCircle Limited

("PureCircle" or the "Company")

Interim results for the six months ended 31 December 2017

Chicago, Illinois, 5 March 2018 – 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 month period from 1 July 2017 to 31 December 2017 ("1H FY18").

HIGHLIGHTS

- The company returned to double-digit growth in H1 with Sales growth of +13.3% with excellent performance in both US and Europe.
- Gross profit increased to $19.7m, though margins were adversely impacted by currency fluctuations, sales mix and the transition to an improved leaf variety.
- Adjusted EBITDA improved +21.9% to $7.8m
- Net loss of $4m, largely driven by revaluation of deferred tax assets in the US entity following the US Tax Reform and adverse currency impact.
- New $200m financing facility in place providing the business with greater financial stability and flexibility
- Operating cash flow before working capital changes increased $3m to $7.7m
- Net debt increased to $98.4m in line with expectations.
- Launch of PureCircle's Starleaf, a proprietary non-GMO stevia plant, which will offer superior tasting solutions to our food and beverage customers.

SUMMARY OF FINANCIALS

Period ended 31 December (USD'm)	1H FY18	1H FY17	Change
Sales	53.5	47.2	13.3%
Gross margin Gross margin %	19.7 36.8%	19.1 40.4%	3.1% -8.9%
Operating profit**	3.1	5.5	-43.6%
Adjusted EBITDA**	7.8	6.4	21.9%
Net loss for the financial period	(4.0)	(0.7)	>100%
Loss Per Share (fully diluted)	(2.30)	(0.39)	>100%
Net assets	212.1	192.5	10.2%
Operating cash flow before working capital changes	7.7	4.7	63.8%
Net cash from Operating activities	0.3	5.4	-94.4%
Net debt	98.4	80.1	22.8%
Headroom**	93.0	74.6	24.7%

** Operating profit, adjusted EBITDA and headroom are non-GAAP alternative performance measures and are laid out on page 16 and 17. The full profit and loss account is detailed on page 7.

The unaudited financial statements comprising the statement of comprehensive income and cash flow statements for the six months to 31 December 2017 ("1H FY18") along with the statement of financial position and statement of equity as at 31 December 2017 are set out on pages 7 to 11, together with the unaudited financial statements comparatives of comprehensive income and cash flow statements for the six months to 31 December 2017 ("1H FY17") along with the statement of financial position as at 30 June 2017 and statement of equity as at 31 December 2016.

Sales: Sales of $53.5m increased 13.3% over 1H FY17 ($47.2m). Sales growth has primarily been driven by Europe and North America and reflects the continued positive mix benefit of the growth of Value Added and Breakthrough products. Our innovation continues to enable new Food and Beverage adoption of stevia and support continued roll-outs of products already launched.

Gross margin: Gross profit increased $0.6m to $19.7m. The gross margin percentage of 36.8% was 3.6 percentage points lower than 1H FY17 (40.4%). This decline is primarily driven by adverse currency fluctuations, sales mix and the transition to a more expensive leaf variety which will yield better returns going forward.

Adjusted EBITDA: Improved by $1.4m versus the prior year.

Net result after tax: The 1H FY18 net result of $4.0m loss represented a $3.3m reduction on 1H FY17, of which $2.2m is accounted for by adverse deferred tax impact from reduction in the U.S tax rate.

Loss per Share (LPS): The Group recorded a 1st half loss per share of $2.30 (1H FY17: LPS of $0.39) in 1H FY18, on a fully diluted basis driven by seasonality and the tax and currency factors outlined on page 1.

Operating cash flow before working capital: The Group generated $7.7m of operating cash flow before working capital in 1H FY18, $3m higher than the comparative period in 1H FY17.

Net debt: Net debt of $98.4m (1H FY17: $80.1m) has increased primarily due to working capital requirements and investment in expanding production facilities.

Headroom: The Group closed 1H FY18 with cash and bank facility headroom of $93m (1H FY17: $74.6m)**.**

BUSINESS DEVELOPMENTS

Powerful Market Trends

The ongoing global fight against obesity and diabetes through sugar taxes and increased regulation continue to gather pace driving wider availability. More than 600 million people are now estimated to be obese and 415 million estimated to have diabetes; this number is expected to more than double by 2040. Regulatory action to address these public health issues is increasing and this is coupled with consumers actively seeking natural sustainable ingredients instead of using artificial ones.

Strategy Evolution Resulting from Starleaf

Sugar reduction trends are accelerating in the food and beverage industry, however, the tools available are limited i.e. there are four major artificial sweeteners and one natural sweetener – stevia.

Whilst demand for stevia from food and beverage companies has continued to increase its utilisation has been constrained primarily through challenges in delivering deeper sugar reduction whilst maintaining excellent taste and flavor. Early stevia variants have proved inadequate in this key area which is why PureCircle has continued to develop better tasting solutions. Our innovative approach, insight and technical knowhow is protected by strong IP, creating a leading competitive position for PureCircle.

The better tasting glycosides are typically small in numbers in existing stevia variants, but PureCircle through its agronomy program has developed Starleaf which contains over 20 times more sugar-like glycoside content than standard stevia leaf varieties. This is a direct product of the Company's long-term investment of $100 million in its PureCircle Stevia Agronomy Program which we announced in 2016.

As a result of this innovation, PureCircle will be able to deliver improved supply of better tasting glycosides whilst also delivering better tasting, lower calorie solutions to our food and beverage customers.

Agronomy

In everything we do, we seek to ensure that our growth is scaled in a sustainable way. Today we work with thousands of farmers around the world. By diversifying and expanding our stevia leaf supply across three continents, PureCircle has reduced geopolitical and climate risks ensuring it has the flexibility, capacity and robustness to cope with global market volatility, in whatever form that takes.

We invest in our supply chain – from leaf to product – to enable us to bring ever-improving solutions to our clients, across more food categories.

We have now moved to commercially scaling Starleaf stevia and are working with farming partners to plant thousands of hectares of this new generation plant. We believe this program will vastly increase the amount of Starleaf stevia available to us in 2018 by over 200%.

Farmers & Communities

PureCircle works with thousands of farmers around the world. Our stevia crops are one of the most lucrative crops a farmer can grow – they have multiple harvest cycles per annum, use considerably less land and water and, because of our vertically integrated supply chain and the way we work with co-operatives ensures we have full traceability of our stevia, with respect for farmers and their communities. For example, we recently announced a new stevia farming program in the US, which will provide economic opportunities for tobacco farmers looking for a sustainable crop in high demand. This past fall, we partnered with North Carolina farmers to successfully plant and harvest Starleaf stevia for the next planting season. The trials confirmed stevia grows well in soil and climate conditions conducive to growing tobacco. With the declining demand for tobacco, stevia cultivation offers farmers in North Carolina the opportunity to increase returns and productivity for their acreage.

Innovation

Stevia has come a long way from the commoditised product of Reb A. Today the third and fourth generation stevia solutions have superb taste profiles and go further to help unlock demand to help moderate calories naturally. This is enabling companies such as The Coca-Cola Company to recently announce that Coca-Cola with no added sugar sweetened only with sweetener derived from the stevia leaf will be rolled out in 2018 in a market outside of the USA. During the year, our continued focus on innovation unveiled both Starleaf stevia and our new Sigma tools that greatly facilitate our customers' work with stevia. We will be expanding our successful Sigma line of products, which were ingredients optimised by application without the inclusion of the most sugar-like glycosides. This expansion will leverage the availability of the best tasting glycosides through our Starleaf variety and combine it with our Sigma approach, optimising for specific applications. These ingredients will significantly simplify the product development process for our major customers, ensuring optimal taste with ease of use. Our commitment to continued innovation is what will ensure we remain industry leaders and provide our strong diversified customer base with the breadth and depth of applications they require.

Opportunities

Mintel data shows that in FY2017, there were over 3,000 launches of F&B products containing stevia sweeteners, up +12% versus prior year. The activity continues to be focused on beverage, dairy and snacking categories, with strong momentum across all markets. These launches included well-known global and regional brands such as 7up, Lipton, Nestea, Nescafe, Oikos, Activia, Heinz, Sprite, Fanta and Coca-Cola.

All these elements open up market potential for PureCircle's innovation pipeline. And the reason why PureCircle will provide the winning solution globally, is because beverage and food companies know that they can partner with PureCircle and achieve uncompromising taste profiles tailored to their individual markets.

We continue to invest in our people, systems, and vertically-integrated supply chain in order that we can achieve our aspirations. The investment in expanding our production facility in Malaysia is yet to become fully operational due to delays in commissioning however anticipated to be fully on stream by the summer.

Sustainability
Stevia is a force for good in the world. Our involvement throughout the supply chain enables us to be a key leader in corporate social responsibility. Because the leaf is 250-400 times sweeter, depending on application, than sugar; a little goes a long way. That means that one fifth of the land provides the same amount of sweetness achieved from other sweeteners made from sugar cane or corn. Less land means less water and less energy. This major impact is not just on the land but also the communities and co-operatives we work with.

Our commitment to corporate social responsibility is embedded in our corporate practices.

Board of Directors

Effective today, Christopher Pratt retires as a Non-Executive Director of the Company after almost 4 years in the role. He was the Senior Independent Director; Chairman of the Remuneration Committee; member of the Nomination Committee and; member of the Audit Committee of the Company.

John Gibney, a Non-Executive Director of the Company, will replace Mr Pratt as Senior Independent Director. He is currently chairman of the Audit Committee. Mitch Adamek, currently a member of the Remuneration Committee will be appointed as chairman of Remuneration Committee. Guy Wollaert, currently a member of the Audit Committee will join the Remuneration committee and the Nominations Committee of the Company, which he will also chair. These changes will take effect today.

On the above Board changes, Mr Paul Selway-Swift, Chairman of PureCircle, said "We are sorry to lose the services of Chris Pratt as a Director. He has contributed much to our Board's deliberations and I have particularly appreciated his input as Senior Independent Director. We are fortunate to have considerable skills and experience among our non-executive directors which enables us to fill the Senior Independent Director and Committee roles vacated by Chris Pratt in a smooth and seamless manner."

PureCircle will continue to monitor the size and composition of its Board as the Company continues to evolve and intends to appoint an additional Non-Executive Director at some point in the future.

Commenting on the 1H FY18 trading, the Group CEO Magomet Malsagov said:

"After a difficult year in FY17, where access to one third of our market was denied due to the CBP action, I'm pleased that the business is back on track and this is reflected in our 1H FY18 results where we have returned to double-digit growth.

I am particularly excited about our launch of Starleaf, a proprietary non-GMO stevia plant that yields roughly 20 times more of the newest and best-tasting stevia leaf sweeteners than conventional stevia varieties. Starleaf is at the heart of our evolving strategy where over the next 5-years we believe this will transform both our business and the stevia market by providing breakthrough solutions.

These naturally sourced stevia sweeteners make it far easier for our customers to deliver great-tasting, sugar-reduced and sugar-free products across a wide range of food and beverage categories."

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A presentation for analysts will be held at 9:30 a.m. (UK time) on the same day in Central London. Please contact ir@purecircle.com for further details as well as instructions on how to connect to the meeting via a conference call facility. US and international dial-in numbers are available.

A recorded audio webcast of the presentation to analysts will be made available from 2 p.m. today at http://purecircle.com/investors/ .

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 currently has 72 stevia-related approved patents and 200 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 400 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/

Condensed consolidated statement of comprehensive income for the period ended 31 December 2017

	Notes	Unaudited Six months ended	
		31 December 2017 USD'000	31 December 2016 USD'000
Continuing operations			
Revenue		53,507	47,230
Cost of sales		(33,839)	(28,131)
Gross profit		19,668	19,099
Other income	4	1,614	222
Other expenses	5	(581)	(2,565)
Administrative expenses		(18,872)	(16,839)
Finance income		33	43
Finance costs		(3,223)	(2,341)
Share of (loss) / profit in joint venture		(406)	231
Loss before taxation		(1,767)	(2,150)
Income tax (expense) / credit	12	(2,240)	1,474
Loss for the period		**(4,007)**	**(676)**
Other comprehensive income / (loss) (net of tax):			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		7,554	(11,469)
		7,554	(11,469)
Total comprehensive income / (loss) for the period (net of tax)		**3,547**	**(12,145)**
Loss for the financial period attributable to:			
Owners of the company		(4,007)	(676)
		(4,007)	(676)
Total comprehensive profit / (loss) attributable to:			
Owners of the company		3,547	(12,145)
		3,547	(12,145)
Loss per share (US cents)			
Basic	14	(2.30)	(0.39)
Diluted	14	(2.30)	(0.39)

Condensed consolidated statement of financial position as at 31 December 2017

	Notes	Unaudited 31 December 2017 USD'000	Audited 30 June 2017 USD'000
Assets			
Non-current assets			
Property, plant and equipment	9	99,522	90,627
Intangible assets	9	60,864	54,710
Prepaid land lease payments		2,510	2,439
Deferred tax assets		5,092	7,200
Trade receivables		295	279
Other receivables		691	935
		168,974	**156,190**
Current assets			
Inventories	10	128,401	106,007
Trade receivables		37,659	58,019
Other receivables and prepayments		14,808	8,720
Tax recoverable		285	109
Cash and bank balances		27,958	32,996
		209,111	**205,851**
Total assets		**378,085**	**362,041**
Equity and liabilities			
Equity			
Share capital	13	17,424	17,371
Share premium	13	225,281	222,284
Foreign exchange translation reserve		(14,977)	(22,531)
Share option reserve		1,584	3,719
Accumulated losses		(17,202)	(13,195)
Equity attributable to owners of the company		212,110	207,648
Total equity		**212,110**	**207,648**
Non-current liabilities			
Long-term borrowings	11	83,069	39,000
Other payables and accruals		1,103	567
		84,172	**39,567**
Current liabilities			
Trade payables		20,820	11,055
Other payables and accruals		16,987	24,637
Income tax liabilities		658	399
Short-term borrowings	11	43,338	78,735
		81,803	**114,826**
Total liabilities		**165,975**	**154,393**
Total equity and liabilities		**378,085**	**362,041**

Condensed consolidated statement of changes in equity as at 31 December 2017

	Attributable to owners of the Company					
	Share capital	Share premium	Foreign exchange translation reserve	Share based payment reserve	Accumulated losses	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2017	17,371	222,284	(22,531)	3,719	(13,195)	207,648
Loss for the period	-	-	-	-	(4,007)	(4,007)
Other comprehensive income	-	-	7,554	-	-	7,554
Total comprehensive income/ (loss) for the period (net of tax)	-	-	7,554	-	(4,007)	3,547
Share award compensation expense granted during the period	-	-	-	915	-	915
Exercise of share options	53	2,997	-	(3,050)	-	-
Balance at 31 December 2017	17,424	225,281	(14,977)	1,584	(17,202)	212,110

	Attributable to owners of the Company					
	Share capital	Share premium	Foreign exchange translation reserve	Share based payment reserve	Accumulated losses	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at 1 July 2016	17,211	214,723	(17,501)	9,776	(20,419)	203,790
Loss for the period	-	-	-	-	(676)	(676)
Other comprehensive loss	-	-	(11,469)	-	-	(11,469)
Total comprehensive loss for the period (net of tax)	-	-	(11,469)	-	(676)	(12,145)
Share award compensation expense granted during the period	-	-	-	816	-	816
Exercise of share options	154	7,196	-	(7,350)	-	-
Balance at 31 December 2016	17,365	221,919	(28,970)	3,242	(21,095)	192,461

Condensed consolidated cash flow statement for the period ended 31 December 2017

	Unaudited Six months ended 31 December 2017 USD'000	31 December 2016 USD'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,767)	(2,150)
Adjustments for:-		
Amortisation of deferred income	(32)	(52)
Amortisation of prepaid land lease payments	79	73
Depreciation of property, plant and equipment	4,632	3,083
Interest expense	3,223	2,341
Interest income	(33)	(43)
Loss on disposal of property, plant and equipment	-	100
Share based payments	914	817
Amortisation of intangible assets	797	100
Inventories (written back) / written off	(202)	97
Intangible assets written off	5	84
Unrealised exchange (gain) / loss	(428)	448
Share of loss / (profit) in joint venture	406	(231)
Provision for doubtful debts	55	-
Property, plant and equipment written off	21	-
Operating cash flow before working capital changes	7,670	4,667
Increase in inventories	(22,192)	(18,078)
Decrease in trade and other receivables	15,934	11,946
Increase in trade and other payables	1,649	9,948
NET CASH FROM OPERATIONS	3,061	8,483
Interest received	33	43
Interest paid	(2,768)	(2,341)
Tax paid	(72)	(752)
NET CASH FROM OPERATING ACTIVITIES	254	5,433
CASH FLOWS FOR INVESTING ACTIVITIES		
Addition of intangible assets	(4,774)	(5,140)
Purchase of property, plant and equipment	(9,291)	(22,772)
Proceeds from disposal of property, plant and equipment	-	100
Increase in investment in joint venture	(160)	(520)
NET CASH FOR INVESTING ACTIVITIES	(14,225)	(28,332)
BALANCE CARRIED FORWARD	(13,971)	(22,899)

Condensed consolidated cash flow statement
for the period ended 31 December 2017 (continued)

	Unaudited Six months ended 31 December 2017 USD'000	Unaudited Six months ended 31 December 2016 USD'000
BALANCE BROUGHT FORWARD	(13,971)	(22,899)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of borrowings	219,975	54,366
Repayment of borrowings	(214,665)	(60,753)
(Increase) / Decrease in restricted cash	(2)	6
NET CASH FROM / (FOR) FINANCING ACTIVITIES	5,308	(6,381)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,663)	(29,280)
Effects of foreign exchange rate changes on cash and cash equivalents	3,623	(1,419)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	32,744	60,747
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	27,704	30,048

The cash and bank balances of $28m on the face of the balance sheet includes restricted cash amounting to $254k which is excluded from the cash flow statement.

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 5 March 2018.

2. Basis of preparation

The condensed consolidated financial information comprises the unaudited interim financial information for the six months to 31 December 2017 and 31 December 2016. The condensed consolidated interim financial statements has been prepared in accordance with IAS 34, "Interim Financial reporting" and the Disclosure and Transparency Rules issued by the Financial Conduct Authority. The condensed consolidated financial information is unaudited but has been reviewed by the auditors and their review report is set out on page 21 - 22.

The condensed consolidated interim financial statements should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2017 ("FY2017"), which have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). The auditors' report on those statements was unqualified and did not contain an emphasis of matter paragraph.

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 2017. IFRS 15 "Revenue" and IFRS 9 "Financial Instruments" will be effective for the Group from 1 July 2018. The Group is currently assessing the impact of these new standards on the financial statements.

The preparation of this condensed consolidated financial information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of this condensed consolidated financial information. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgement at the date of the condensed consolidated financial information. The key estimates and assumptions were the same as those applied to the consolidated financial statements for the year ended 30 June 2017. In the future actual experience may deviate from these estimates and assumptions, which could affect these condensed consolidated financial information as the original estimates and assumptions are modified, as appropriate, in the period in which the circumstances change.

3. Exceptional items

No exceptional costs have been incurred in H1 18 (H1 17: $2.2m). Exceptional costs were recorded in H1 FY17 as a direct consequence of the Withhold Release Order mainly comprising legal fees and incremental costs of production and distribution.

4. Other income

Other income represents net foreign exchange gain and other miscellaneous income.

5. Other expenses

Other expenses represent net foreign exchange loss and other operating expenses.

6. Principal risks and uncertainties

In the view of the board, the key risks and uncertainties now affecting the business are those set out below.

Continued growth in the Stevia market

The Group has pioneered the development of the high purity stevia market and is focused on the further development of the market. Additionally, the Group has an operationally leveraged business model in which profitability is sensitive to volumes. This makes the Group's future profitability sensitive to the continued growth in the stevia market.

Mitigation activities

Management mitigate this risk with an active programme of new stevia product innovation to support further consumer adoption of stevia and to enable future food and beverage formulation projects. Further the Group invests to protect and promote the natural credentials of stevia. These activities coupled with external evidence, such as Mintel data, shows continued strong growth in F&B product launches using stevia which provides confidence in there being sustainable stevia market growth over the long term.

Competition: over time more competitors may enter the stevia market with the potential to reduce the Group's share of that market

As pioneers in the development of the stevia market, the Group currently has a majority share of the Global stevia market. As stevia becomes more established as a large volume mainstream F&B ingredient, the current market size will increase with more competitors entering the market, thus potentially reducing PureCircle's market share. In addition, the emergence of cheaper alternatives of stevia could lead to the loss of customers and undermine our business performance.

Mitigation activities

There is considerable growth potential for the stevia market and with it scope for the Group to grow revenues significantly even with reduced market share. PureCircle's continued investment in breakthrough best tasting next generation products and bringing them to market mitigates the risk of erosion. Further there is limited scope for any new technologies to be labelled as naturally sourced, which is likely to significantly limit their acceptance by consumers.

Leaf Procurement & Sourcing

Dried leaf from the stevia plant is the Group's primary raw material and it constitutes a significant proportion of the Group's variable costs of production. The Group's financial performance can be materially impacted if the sourcing of leaf – input cost, nature of contractual conditions is not managed effectively.

Mitigation activities

The Group manages this risk by developing large scale diversified supply. To achieve this PureCircle continues to lead the diversification of leaf supply into new geographic regions centred on our leaf development hubs in Africa, South America and US. Further the Group is making progress working with larger commercial agricultural partners who have the potential to scale supply more quickly than traditional smallholders.

Working capital funding to support large growth plans
PureCircle fully controls the end-to-end process of its entire supply chain from leaf source to manufacturing; sales; distribution and customer relationship management. PureCircle is a fast growing business which requires continued product innovation and investment in technology to stay ahead of competition.

Mitigation activities
The Group manages its working capital growth risk actively through a suite of ongoing policies. These include balance between supply purchases, inventory holdings and forecast sales cash flows; that maintains appropriate gross cash and facility headroom availability at all times; and that works actively to build and maintain bank and equity relationships. The HSBC financing facility commenced in the period and enables greater flexibility in managing working capital requirements.

Inventory Management
This is a key are for the business. We are a young industry where a significant proportion of our products are used in innovations, hence having available stock is of paramount importance. This brings with higher stock holding levels and the risk of obsolescence in addition to high levels of cash being tied up in inventory.

Mitigation activities
The Group manages this risk actively through a variety of policies and practices and management works closely with larger customers to ensure that their inventory holdings are appropriate; over time, as the industry develops, there will be an easing of inventory holding.

Talent Development & Retention: As pioneers in the development of the stevia industry, the Group is reliant upon the performance of highly skilled personnel including its senior management team
Stevia is a relatively new industry, in consequence the talent pool of management with the skills and experience of working in the stevia market is smaller than that in other more established industries.

Mitigation activities
The Group manages this risk by ongoing investment in senior management retention programmes for all key managers, including the Group's Long Term Incentive Programme (LTIP)**.**

Managing health and safety
The Group operates in the food ingredient industry and operates a food grade supply chain, including large production facilities. As a result, health and safety considerations are a significant operating factor for the Group's business.

Mitigation activities
The Group manages its health and safety requirements actively through a combination of strategy, design, policy and process management. The Group's strategy is to be in full compliance with all health and safety requirements at all times. PureCircle's manufacturing facilities in China and Malaysia operate using an integrated quality system and maintains high standards expected in the food safety management system namely FSSC 22000, FAMI-QS, SMETA, HACCP and ISO9001.

Managing cyber security
IT security threats are becoming ever more advanced and frequent with breaches expanding their reach with more sophisticated methods. The Group being in a new, progressive industry is highly vigilant to these threats.

Mitigation activities
The Group manages its cyber security threat by deploying a series of preventive, detective and corrective controls. 3rd party software has been deployed to monitor unauthorised access and to alert the Organisation of any malicious/unauthorised activity and provide support for post-incident activities, close any potential control gap and prevent future occurrence.

Corporate Social Responsibility (CSR)
Allegations of Human Rights violation and Environment abuse might lead to legal actions against the Group; damage the Group's reputation and penalties including restrictions on operations.

Mitigation activities
Post CBP clearance, PureCircle is not complacent. The need for integrity in corporate practices and CSR awareness remain critically important and are embedded in the way we conduct ourselves as a business.

Intellectual Property (IP) and Innovation
Innovation is an essential part of the Group's success. Protecting the results of R&D and Innovation activity is critical since fast growth of industry, inevitably, attracts new players seeking to fast-track to a market-leading position using the latest innovations in this category.

Mitigation activities
The Group maintains a robust patent filing strategy and procedures to ensure that patent applications are timely filed in sync with innovations; consistent use of non-disclosure and non-analysis agreements to protect confidentiality and ownership of innovations whether patentable or not; fostering a culture of innovation recognition and protection.

7. Going concern

After reviewing the Group's cash flows for the foreseeable future covering a period of not less than twelve months from the date of this report, the directors are satisfied that, at the time of approving the unaudited condensed consolidated financial statements, it is appropriate to continue to adopt a going concern basis of accounting.

8. Segmental 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 flavors.

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

	Six months to 31 December 2017 USD'000	**Six months to 31 December 2016 USD'000**
Revenue	53,507	47,230
Cost of sales	(33,839)	(28,131)
Gross margin	19,668	19,099
Gross margin %	36.8%	40.4%
Other income	470	265
Administrative expenses	(17,087)	(13,907)
Operating profit	3,051	5,457
Other expenses	(2,367)	(5,115)
Foreign exchange gain / (loss)	1,178	(382)
Finance costs	(3,223)	(2,341)
Share of (loss) / profit in joint venture	(406)	231
Taxation	(2,240)	1,474
Loss for the financial period	(4,007)	(676)
Reconciliation of Net loss after tax to Adjusted EBITDA		
Net loss after tax	(4,007)	(676)
Depreciation and amortization	5,429	3,191
Finance costs	3,223	2,341
Taxation	2,240	(1,474)
Share-based payment expense	915	816
Exceptional items	-	2,185
Adjusted EBITDA	7,800	6,383
Gross cash	27,958	30,296
Gross debt	126,407	110,379
Net debt	98,449	80,083
Gross cash	27,958	30,296
Unutilised facilities	65,000	44,314
Headroom	92,958	74,610

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 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"
- Net cash 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
- Adjusted EBITDA is calculated as EBITDA with other expenses (principally the charge of the Group's LTIP scheme and exceptional items) added back
- Other expenses comprise discretionary remuneration related costs including the Group's Long Term Incentive Plan (LTIP) and bonus
- Net debt is calculated as total bank borrowings (both short and long term) less gross cash and bank balances
- Headroom is calculated as gross cash and bank balances plus all unutilised elements of the Group's bank facilities

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 2017, 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 2017					
Sales	6,062	22,913	24,532	-	53,507
Non-current assets	153,483	2,084	11,601	1,806	168,974
31 December 2016					
Sales	6,250	17,889	23,091	-	47,230
Non-current assets	123,809	1,559	14,213	1,806	141,387

9. Property, plant and equipment and intangible assets

During the period, the Group invested $9.3m in property, plant and equipment.

The addition of $4.8m 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.

10. Inventories

	31 December 2017 USD'000	30 June 2017 USD'000
Raw materials	21,084	8,663
Work-in-progress	72,228	61,127
Finished goods	35,089	36,217
	128,401	**106,007**

11. Borrowings

	31 December 2017 USD'000	30 June 2017 USD'000
Current	43,338	78,735
	43,338	**78,735**
Non-Current	83,069	39,000
	83,069	**39,000**
Total borrowings	**126,407**	**117,735**

On 30 November 2017, the Group entered into a new syndicated $200m loan facility, comprising a $100m revolving credit facility and a $100m term loan.

During the period, the Group used this new facility to repay all previous bank loans in line with previously disclosed repayment terms. The Group has drawn down borrowings during the period at a weighted average effective interest rate of 4.14% per annum.

The non-current term loans fall due in between March 2019 to November 2021.

12. Income taxes

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 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.

A subsidiary of the Group, 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. Upon the expiry of the 10-year incentive period, PCSB will be entitled to a concessionary tax rate of 20% on income derived from qualifying activities for a further period of 10 years.

Another subsidiary of the Group, 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.

In respect of its PureCircle USA Inc. ("PCUSA") subsidiary, following the US tax reform which was substantively enacted as at 31 December 2017, the corporate income tax rate has decreased from 35% to 21%. Consequently, the effective corporate tax rate (i.e. the combined of State tax and Federal tax) has reduced to 25.75% for FY2018 as compared to 37% in FY2017 and prior years. This has resulted in a reduction in the Group's deferred tax assets from $7.2m to $5.1m and a corresponding charge of $2.1m in the results of the period.

13. Share capital and share premium

	Number of shares '000	Ordinary shares USD'000	Share premium USD'000	Total USD'000
Balance at 1 July 2017	173,699	17,371	222,284	239,655
Exercise of share options	543	53	2,997	3,050
Balance at 31 December 2017	174,242	17,424	225,281	242,705
Balance at 1 July 2016	172,112	17,211	214,723	231,934
Exercise of share options	1,538	154	7,196	7,350
Balance at 31 December 2016	173,650	17,365	221,919	239,284

14. 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 2017	Six months ended 31 December 2016
Loss attributable to equity holders of the Company (USD'000)	(4,007)	(676)
Weighted average number of ordinary shares in issue ('000)	174,200	173,499
Basic loss per share (US Cents)	(2.30)	(0.39)
Fully diluted loss per share (US Cents)	(2.30)	(0.39)

15. Dividends

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

16. Contingent liabilities and capital commitments

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 $4.1m were approved and contracted for the purchase of land and upgrading of plant and machinery in Malaysia.

17. Events after the end of the reporting period

There were no significant events after the end of the reporting period.

18. Significant related party transactions

(a) Identities of related parties:

The Group and / or the Company have related party relationships with:
i) its subsidiaries and joint venture; and
ii) the directors who are the key management personnel.

The following transactions were carried out by the Group during the period:

	31 December 2017 USD'000	31 December 2016 USD'000
Sales of goods to jointly controlled entity	1,641	438

19. Directors' Responsibility Statement

The Directors confirm, that to the best of their knowledge, that this condensed financial information has been prepared in accordance with IAS 34 "Interim Financial reporting", and that this Half-Year Report includes a fair review of the information required by the Disclosure and Transparency Rules of the Financial Conduct Authority, paragraphs DTR 4.2.7 and DTR 4.2.8.

The Directors of PureCircle Limited are as listed on pages 42 and 43 in the PureCircle Limited Annual report for the year ended 30 June 2017.

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

For and on behalf of the Directors:

Magomet Malsagov — Rakesh Sinha

CEO — CFO

5 March 2018

Independent review report to PureCircle Limited

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed the condensed consolidated interim financial statements (the "interim financial statements") in the interim results of PureCircle Limited for the six month period ended 31 December 2017. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated statement of financial position as at 31 December 2017;
- the condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated cash flow statement for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the condensed consolidated interim financial statements.

The interim financial statements included in the interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as issued by the International Accounting Standards Board and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

Responsibilities for the condensed consolidated interim financial statements and the review

Our responsibilities and those of the directors

The interim results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the half-yearly report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure and Transparency Rules of the Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of condensed consolidated financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants

5 March 2018
London

Notes:

(a) The maintenance and integrity of the PureCircle Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2017 and previous years or other investor relations matters should be addressed to PureCircle office: ir@purecircle.com

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