RNS
15 September 2020

Plant Health Care plc
("Plant Health Care", the "Group" and the "Company")

Interim Results 2020 and update on Current Trading

Plant Health Care® (AIM: PHC.L), a leading provider of novel patent-protected biological products to global agriculture markets, announces its unaudited interim results for the six months ended 30 June 2020.

Financial Highlights

- Revenue for the six months ended 30 June 2020 was $3.1 million (2019: $2.7 million).
- Cash operating expenses decreased 10% to $3.6 million (H1 2019: $4.0 million).
- Cash used in operations decreased 29% to $2.0 million (2019: $2.8 million).
- Adjusted LBITDA* improved to $1.8 million (2019: $2.4 million).
- In March of 2020, the Group raised $4.4 million (net of expenses).
- Cash reserves of $5.1 million at 30 June 2020 (2019: $1.4 million).

Operational Highlights

- Harpin revenue increased by 43% to $1.9 million.
    - Revenue in the US increased 50% to $0.6 million, on-ground sales into corn were almost double prior year.
    - Sales to Brazil for sugar cane ($0.35 million) resumed, in Q2; on-ground sales were nearly 2.5 times the prior year.
- Covid-19 has had only modest impact on the business to date but some uncertainty remains.
- The registration of PHC279 in Brazil has accelerated, with launch now targeted in H2 2021. Registration in the US in now expected in 2022.
- Scaling up of production of PHC279 is in hand.

Dr Christopher Richards, Chief Executive Officer, commented:

"The Company's robust revenue growth in the first half of 2020 demonstrates the merits of exposure to sustainable agriculture, an essential industry moving to new, greener technologies. Strong growth in the US reflects the excellent support we are receiving from our major distribution partners and the resulting wide market access. In Brazil, on-ground sales of H2Copla are growing rapidly, in spite of the low price of ethanol.

We expect to deliver continued revenue growth in the second half of the year, while continuing to drive down the cash burn and move towards building a sustainably profitable business. While we remain optimistic about the market opportunity, the effects of Covid-19 have not yet played out around the world. We will maintain our cautious stance on growth investments for the time being."

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*LBITDA: loss before interest, tax, depreciation, amortisation, shared-based payments and intercompany currency adjustments.

In this document, references to "the Company" are to Plant Health Care plc. References to "Plant Health Care", "the Group", "we" or "our" are to Plant Health Care plc and its subsidiaries and lines of business, or any of them as the context may require. The Plant Health Care name and logo, Myconate, and Innatus and other names and marks appearing herein and on company literature are trademarks or trade names of Plant Health Care. All other third-party trademark rights are acknowledged.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014

Plant Health Care plc
Chris Richards - Chief Executive Officer +1 919 926 1600
Jeffrey Hovey - Chief Financial Officer

Arden Partners plc – Nomad and Broker
John Llewellyn-Lloyd / Dan Gee-Summons +44 (0) 20 7614 5900

Company website: www.planthealthcare.com

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Chief Executive Officer's statement

Introduction

Plant Health Care is at the heart of the movement towards sustainable food production. Our core products are derived from naturally occurring proteins, which stimulate plant growth. They provide growers with higher yield and better quality crops, while having much lower impact on the environment than conventional agricultural chemicals.

The heart of our Commercial business is Harpin $\alpha\beta$, which offers remarkable benefits to farmers in a wide range of crops. We have reached new agreements with major distributors in large target crops over the last three years. Resulting launches are starting to deliver increased on-ground sales, which will bring more consistent, balanced and profitable revenue growth.

In New Technology, PRE*tec* is a novel, environmentally friendly approach to growing crops more sustainably. PRE*tec* peptides can be thought of as 'vaccines for plants' - they stimulate the plants' natural defence systems and result in improved crop yield and quality. Research on PREtec started in 2012, with a cumulative investment since then of more than $20 million. The Company is now poised to launch the first products from a broad pipeline of PRE*tec* peptides, targeting markets which have a value of greater than $5 billion. The Company has developed a global scientific lead in the use of peptides for agriculture, with the first patents now granted in the US.

As we move to launch the first of many PRE*tec* products, we are seeking regulatory approvals in Brazil and the USA. In parallel, we are working to define routes to market and establish low cost manufacture.

Our aim is to take the Group to cash positive quickly, while investing to drive sales growth and launch the first products from the PRE*tec* platform. The Board expects to begin the monetisation of PRE*tec* intellectual property in 2022.

Commercial Products

Our Commercial business markets our proprietary products Harpin $\alpha\beta$ and Myconate® worldwide through distributors and also distributes complementary third-party products alongside our own products in Mexico. Harpin-based products are well established in certain niche markets, with more recent expansion into large crops. We now have access to markets covering more than 30 million hectares, with strong, committed partners. Since their launch, our commercial products have taken longer to gain predicted revenue growth; however, the Directors believe that the foundations for steady growth in its products are now in place.

During the first half of 2020, overall product sales were $3.1 million (H1 2019: $2.7 million). Sales of Harpin $\alpha\beta$ increased by 43% (48% in constant currency) to $1.9 million. The gross margin increased to 59% (2019: 57%) due to the increased sales of Harpin $\alpha\beta$ and the reduced proportion of third-party sales.

Sales in the US increased by 50% to $0.6m (H1 2019: $0.4 million), on demand from our major distribution partners for both specialty crops and corn.

In US corn, the seed treatment product based on Harpin $\alpha\beta$ results in the crop emerging from the ground taller and more robustly than untreated corn. We understand that on-ground sales were more than double those in 2019.

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In specialty crops in the US, our partner Wilbur-Ellis is promoting the Employ® Harpin $\alpha\beta$ product in many fruit and vegetable crops, where it improves yield and quality. Thanks to Wilbur-Ellis's strong presence across the nation, the product is now reaching more growers than before. We understand that on-ground sales increased significantly compared with 2019.

In Brazil, our partner Coplacana launched the H2Copla Harpin $\alpha\beta$ product in 2018. Demonstration trials over the last four years have shown a remarkable average yield increase of more than 20%. On-ground sales of H2Copla in the first half of 2020 were nearly 2.5 times those in the same period of 2019. Given the collapse of ethanol prices, this is an excellent performance. Sales of Harpin $\alpha\beta$ to Coplacana resumed ($0.35m) as their inventory reduces.

Sales in EMEAA increased by 9% (12% in constant currency). In the UK, sales into the UK amenity market were significantly impacted by Covid-19 but sales into the potato market doubled from 2019 levels. Sales in Spain increased 29% (32% in constant currency) through increased sales into the citrus and rice markets. Sales through our Spanish subsidiary expanded into the citrus and grape markets in Peru and Chile.

Sales in Mexico decreased by 14% (4% in local currency); reduced domestic demand for fresh fruit and vegetables due to Covid-19 impacted sales. Sales of Harpin $\alpha\beta$ were $0.2 million (2019: $0.3 million); third party sales were $1.2 million (2019: $1.3 million).

In recent years, sales by Plant Health Care have not always been well matched to on-ground sales and this has led to in-market inventories which have obscured under-lying growth of sales to growers. Closer relationships with our distribution partners are now giving us much better visibility of on-ground sales. This will drive supply chain efficiencies and should lead to more consistent growth in our revenues.

New Technology

Plant Response Elicitor technology (PREtec)

PRE*tec* is a platform technology, with the potential to generate many products, offering a wide range of specific grower benefits. These 'vaccines for plants' act by stimulating the plant's own natural defence mechanisms. Inspired by natural proteins, these peptides can be customised to target features such as growth promotion, disease resistance or drought stress. Since 2012, our research efforts have brought forward six lead products, from three major platforms. The Innatus 3G platform targets growth and disease resistance. The T-Rex 3G platform targets nematode defence, while the Y-Max 3G platform delivers increase yield and growth. Our aim over the next three years is to launch the first products from these platforms, before investing further to expand the product range. Development work continues with partners in the US and Brazil, in parallel with seeking regulatory approvals.

Launching the first PREtec products

Encouraging progress has been made during H1 2020 towards the first product launches, which are expected to be in Brazil and the USA. PHC279, an Innatus 3G peptide, is likely to be the first product to be launched. Plans are advancing to achieve product registrations, to secure distribution partners and to manufacture for launch. The timing of product launches will depend on achieving product registrations in the target markets, alongside establishing distribution contracts and low-cost manufacturing. Securing intellectual property in parallel will protect the value of the business.

PHC279 – a revolutionary new seed treatment for ASR control

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Brazil is the world's largest exporter of soybeans, with some 36 million hectares planted in 2019. One of the challenges of producing soybeans in Brazil is Asian Soybean Rust (ASR), which can be a devastating disease. Growers spent $2.1 billion in 2017 on soybean fungicides in Brazil. With increasing regulatory scrutiny of the safety of chemical fungicides, the use of biological products such as PHC279 is growing rapidly: sales of biological inputs and biopesticides for the soybean crop in Brazil totalled US$200 million in the 2019-20 season, a 30% rise compared to the previous season.

Similar to last year, PHC279 demonstrated strong performance this season in field trials in Brazil as a soybean seed treatment. Compared to a standard foliar fungicide programme alone, the addition of a PHC279 seed treatment improved disease control by an average of 8% to 14% across the rates evaluated and increased yield by 3.6% to 5.1%, with some sites reporting increases in yield as great as 27%.

These promising results support the launch of PHC279 as a truly revolutionary biological seed treatment for ASR control. The product has the potential both to reduce significantly the use of toxic fungicides and to increase growers' productivity.

The Company submitted PHC279 for regulatory approval in Brazil in October 2019 and it is progressing well through the process. Assuming PHC279 receives regulatory approval, the Company is now planning on launching PHC279 in soybeans in Q4 2021, one year earlier than previously forecast. Discussions are underway to market PHC279 through one or more distributors in Brazil.

PHC279 development in the USA

In June of this year, the EPA (the US Environmental Protection Agency) approved the registration of the first PRE*tec* peptide, PHC398, as a biopesticide. This important milestone paves the way for an accelerated, low cost path to registration of other PRE*tec* peptides. The EPA has now provided an initial review of the Company's application for the registration of its next peptide, PHC279, for disease control in a wide range of row crops and fruit and vegetable crops. They requested some additional studies; approval is now expected in mid-2022.

Together with potential distribution partners, we are evaluating several products based on PHC279. Trials this season continue to evaluate the potential of PHC279 in corn and vegetables. Last season, when PHC279 was applied together with a leading chemical fungicide, it significantly improved control of two key corn diseases compared to the fungicide treatment alone, and yields were increased by as much as 26 bushels per acre depending on application timing. Given that 92 million acres of corn were planted in the US in 2020, the economic opportunity for an effective corn treatment is considerable.

Further PREtec products in development

While PHC279 is the most advanced peptide in development, other peptides are also progressing towards launch. PHC949, from the T-Rex 3G nematode control platform, continues to show strong results in PHC's and partner's field trials in specialty and row crops.

PHC404, another peptide from the Innatus 3G platform has shown strong yield benefits in almond trees in California.

PHC414, from the Y-Max 3G platform, is showing promise as a biostimulant, promoting yield and quality in a range of fruit and vegetable crops. As episodes of severe drought and high temperatures become more frequent across the globe, products such as

PHC414 that help plants manage abiotic stress are expected to play an increasing role in sustaining agricultural production.

Manufacturing PREtec peptides

Scaling up of PHC279 manufacture at Penn State University has been achieved during the first half of 2020. The promise of a low cost of goods is being delivered. With the target of a Brazil launch being brought forward by one year, initial launch quantities of PHC279 will be produced at Penn State's facility. We are now engaging with several potential toll manufacturers of PRE*tec* peptides and expect to have commercial scale production of PHC279 in place by 2022.

We continue to advance the laboratory efficiency of production of other peptides in our pipeline, as both granule and liquid formulations. Scale-up work with Penn State on the next PRE*tec* peptides in the pipeline has been initiated.

Intellectual property

Plant Health Care has filed more than 50 patent applications worldwide for its PRE*tec* peptide technology since 2012. The first of these patents has been granted by the US Patent and Trademark Office (USPTO). Additional patents are expected to be granted prior to the end of the year, providing protection for a large number of PRE*tec* peptides in a wide range of agricultural uses in key countries around the world.

Summary of financial results

Financial highlights for the six months ended 30 June 2020, with comparatives for the six months ended 30 June 2019, are set out below:

	2020	2019
	$'000	$'000
Revenue	**3,100**	2,684
Gross profit	**1,814**	1,526
Research and development	**(1,366)**	(1,423)
Sales and marketing	**(1,268)**	(1,636)
Administrative *	**(3,374)**	(1,430)
Total operating expenses	**(6,008)**	(4,489)
Operating loss	**(4,194)**	(2,963)
Net finance income	**181**	142
Net loss for period before tax	**(4,013)**	(2,821)

Cash operating expenses decreased $0.4 million to $3.6 million (H1 2019: 4.0 million).

* Includes $2.0 million foreign exchange losses in non-US dollar denominated inter-company funding (2019: $0.1 million).

Revenue

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Revenues for the six-month period ended 30 June 2020 were $3.1 million (H1 2019: $2.7 million) producing a gross profit of $1.8 million (H1 2019: $1.5 million) and the loss before tax was $4.0 million (H1 2019: $2.8 million). The gross profit margin was 59% (H1 2019: 57%). Harpin revenue increased 43% (48% constant currency) to $1.9 million (2019: 1.3 million). Revenues were higher than prior year due to strong sales in the row and speciality crop markets in North America and resumed sales into the Sugarcane market in Brazil.

Cash operating expenses

Operating expenses, excluding non-cash items, decreased $0.4 million to $3.6 million (2019: $4.0 million) due to decreased personnel costs in sales and marketing. Adjusted LBITDA improved $0.6 million to $1.8 million (H1 2019: $2.4 million) primarily due to increased gross margin and decreased Sales and Marketing costs.

Operating expenses

Operating expenses increased by $1.5 million for the six-month period to $6.0 million (2019: $4.5 million). This is primarily due to a $2.0 million of currency loss primarily related to a Pound Sterling loan with a subsidiary company (H1 2019: $0.1 million currency loss).

Cash position and liquidity

As of 30 June 2020, the Group had cash and investments of $5.1 million. Cash and costs continue to be tightly controlled.

During H1 2020, cash outflows decreased 39% to $1.8 million (H1 2019: $2.9 million). The decrease was due mainly to reductions in cash operating expenses, supported by the receipt of an unsecured note in the amount of $0.3 million as part of the US Payroll Protection Plan.

Net cash outflows from operating activities decreased 29% to $2.0 million (H1 2019: $2.8 million). Included in the cash used in operations is a decrease in the Group's inventory balance offset by lower accounts payable balances. Adjusted LBITDA decreased $0.6 million to $1.8 million (H1 2019: $2.4 million).

Net cash flows from financing activities increased $4.9 million (H1 2019: ($0.2 million)). The increase is due to the March 2020 equity raise of $4.4 million and the receipt of $0.3 million through the US Payroll Protection Plan.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group remain broadly consistent with the Principal Risks and Uncertainties reported in Plant Health Care's 31 December 2019 Annual Report. In addition, since then, the Board have been monitoring and mitigating the effects of the following international events on the Group's business:

<u>Covid-19</u>

In March 2020, the World Health Organisation declared a global pandemic due to the Covid-19 virus that has spread across the globe, causing different governments and countries to enforce restrictions on people movements, a stop to international travel, and other precautionary measures. This has had a widespread impact economically and a number of industries have been heavily impacted. This has resulted in impacts on certain industries and a more general need to consider whether budgets and targets previously set are realistic in light of these events

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As described above, the Covid-19 pandemic to date has had limited impact to our business. The Board remains optimistic that the business is well positioned to be able to navigate through the impact of Covid-19 due to the strength and flexibility of its relationships with its distributors, its strong balance sheet and its cash position.

Brexit

The United Kingdom ('UK') formally left the European Union ('EU') on 30 January 2020. The period of time from when the UK voted to exit the EU on 23 June 2016 and the formal process initiated by the UK government to withdraw from the EU, or Brexit, created volatility in the global financial markets. The UK now enters a transition period, being an intermediary arrangement covering matters like trade and border arrangements, citizens 'rights and jurisdiction on matters including dispute resolution, taking account of The EU (Withdrawal Agreement) Act 2020, which ratified the Withdrawal Agreement, as agreed between the UK and the EU. The transition period is currently due to end on 31 December 2020 and ahead of this date, negotiations are ongoing to determine and conclude a formal agreement between the UK and EU on the aforementioned matters.

The UK currently represents some 3% of revenues for the Group and is not a manufacturing centre. As the Group operates subsidiaries in many countries, there are several channels available to us to continue business with the same customers, should the need arise, with little to no effect from Brexit changes. As such, the Directors currently deem that the effects of the UK's current transitional period outside the EU and the impact of ongoing discussions with the EU will not have a significant impact on the Group's operations. However, the Directors and Senior Leadership Team are closely monitoring the situation to be in a position to manage the risk of any volatility in global financial markets and impact on global economic performance due to Brexit.

Current trading and outlook

The Board remains confident about the prospects for building a growing, profitable Commercial business, as sales of Harpin αβ continue to increase. We anticipate a strong second half of 2020 and are confident of achieving material revenue growth in 2020, despite macro-level market-driven challenges.

Preparations for the first launches of PHC279 are progressing to plan, with further PRE*tec* peptides following. The medium-term prospects for PRE*tec* peptides, in markets worth more than $5 billion, are very exciting.

The Board has reviewed the Company's cash position and concluded that we are able to achieve cash breakeven within existing cash resources. The Board will take whatever steps are necessary, including by reducing cash expenses, to achieve that.

Dr. Christopher Richards
Chief Executive Officer
15 September 2020

Consolidated statement of comprehensive income
FOR THE SIX MONTHS ENDED 30 JUNE 2020

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	Note	Six months to 30 June 2020 (Unaudited) $'000	Six months to 30 June 2019 (Unaudited) $'000
Revenue		**3,100**	2,684
Cost of sales		**(1,286)**	(1,158)
Gross profit		**1,814**	1,526
Research and development		**(1,366)**	(1,423)
Sales and marketing		**(1,268)**	(1,636)
Administrative expenses		**(3,374)**	(1,430)
Operating loss	4	**(4,194)**	(2,963)
Finance income		**193**	160
Finance expense		**(12)**	(18)
Loss before tax		**(4,013)**	(2,821)
Income tax expense		**(14)**	(1)
Net loss for the period		**(4,027)**	(2,822)
Other comprehensive income:			
Exchange difference on translation of foreign operations		**1,444**	155
Total comprehensive loss for the period		**(2,583)**	(2,667)
Basic and diluted loss per share	6	**$(0.02)**	$(0.02)

Consolidated statement of financial position
AT 30 JUNE 2020

	Note	30 June 2020 (Unaudited) $'000	31 December 2019 (Audited) $'000
Assets			
Non-current assets			
Intangible assets		**1,627**	1,649
Property, plant and equipment		**287**	475
Right-of-use		**257**	416
Trade and other receivables		**129**	150
Total non-current assets		**2,300**	2,690
Current assets			
Inventories		**3,284**	2,960
Trade and other receivables		**2,995**	3,747
Investments	3	**3,532**	1,964
Cash and cash equivalents		**1,581**	457
Total current assets		**11,392**	9,128

Total assets	**13,692**	11,818
Liabilities		
Current liabilities		
Trade and other payables	**1,134**	1,406
Short term lease liabilities	**195**	353
Short-term borrowings	**448**	-
Total current liabilities	**1,777**	1,759
Non-current liabilities		
Long term lease liabilities	**83**	107
Total non-current liabilities	**83**	107
Total liabilities	**1,860**	1,866
Total net assets	**11,832**	9,952
Capital and reserves attributable to owners of the Company		
Share capital	**3,605**	3,030
Share premium	**92,520**	88,647
Foreign exchange reserve	**1,383**	(61)
Retained earnings	**(85,676)**	(81,664)
Total equity	**11,832**	9,952

Consolidated statement of cash flows
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Six months ended 30 June 2020 (Unaudited) $'000	Six months ended 30 June 2019 (Unaudited) $'000
Cash flows from operating activities		
Loss for the year	**(4,029)**	(2,822)
Adjustments for:		
Depreciation of property, plant and equipment	**168**	179
Depreciation of right-of-use assets	**161**	166
Amortisation of intangibles	**22**	22
Share-based payment expense	**16**	54
Finance income	**(126)**	(160)
Finance expense	**11**	18
Foreign exchange on intercompany	**1,460**	155
Decrease in trade and other receivables	**903**	811
Gain on disposal of fixed assets	**-**	(16)
Increase in inventories	**(324)**	(476)
Decrease in trade and other payables	**(273)**	(735)
Net cash used in operating activities	**(2,011)**	(2,804)
Investing activities		
Purchase of property, plant and equipment	**(2)**	(56)
Sale of property, plant and equipment	**-**	42
Finance income	**67**	200

Purchase of investments	**(2,733)**	(19)
Sale of investments	**1,098**	1,085
Net cash (used)/provided by investing activities	**(1,570)**	1,252
Financing activities		
Finance expense	**(2)**	(2)
Lease payments	**(190)**	(186)
Issue of ordinary share capital	**4,449**	-
Proceeds from unsecured loan	**448**	-
Net cash provided/(used) by financing activities	**4,705**	(188)
Net increase/(decrease) in cash and cash equivalents	**1,124**	(1,740)
Effects of exchange rate changes on cash and cash equivalents	**-**	(29)
Cash and cash equivalents at beginning of period	**457**	2,459
Cash and cash equivalents at end of period	**1,581**	690

Notes to the unaudited financial information

1 General information

Plant Health Care plc is a company incorporated and domiciled in England. The unaudited interim financial information of the Group for the six months ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the "Group").

The Board of Directors approved this interim report on 15 September 2020.

2 Basis of preparation and accounting policies

These interim consolidated financial statements have been prepared using accounting policies based on International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 31 December 2019 Annual Report. The financial information for the half years ended 30 June 2020 and 30 June 2019 does not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and both periods are unaudited.

The annual financial statements of Plant Health Care Plc (‘the Group’) are prepared in accordance with IFRS as adopted by the European Union. The statutory Annual Report and Financial Statements for 2019 have been filed with the Registrar of Companies. The Independent Auditors’ Report on the Annual Report and Financial Statements for the year ended 31 December 2019 was unqualified, did draw attention to a matter by way of emphasis, being going concern and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 31 December 2019 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2020 and will be adopted in the 2020 financial statements. There are deemed to be no new and amended standards

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and/or interpretations that will apply for the first time in the next annual financial statements that are expected to have a material impact on the Group.

Going Concern

In March 2020, the World Health Organisation declared a global pandemic due to the Covid-19 virus that has spread across the globe, causing different governments and countries to enforce restrictions on people movements, a stop to international travel, and other precautionary measures. This has had a widespread impact economically and a number of industries have been heavily impacted. This has resulted in supply chain disruption in certain industries, uncertainty over cash collection from certain suppliers, and a more general need to consider whether budgets and targets previously set are realistic in light of these events.

In carrying out the going concern assessment, the Directors have considered a number of scenarios, taking account of the possible impacts of the pandemic, in relation to revenue forecasts for the next 12 months. An analysis was performed to reflect a variety of possible cash flow scenarios where the Group had significantly reduced revenues for the twelve months following the date of this Interim Report. A material downside scenario assumed that current agreed contractual minimum revenues will be maintained over the period and no new contract revenues. In such a scenario, the Group has identified cost reductions which could be implemented, to help mitigate the impact on cash outflows.
As such, the Directors have concluded that taking account of the Group's contractually secured working capital at the date of this report, there exists a material uncertainly which may cast doubt as to the Groups ability to continue as a going concern. However, given working capital options available, including the Group's track record of raising funding when required, the Directors believe the Group will continue as a going concern for the foreseeable future. The interim financial statements do not include the adjustments that would be required if the Group were unable to continue as a going concern

3 Investments

Investments comprise short-term investments in notes and bonds having investment grade ratings. These assets are actively managed and evaluated by key management personnel on a fair value basis in accordance with a documented investment strategy. They are carried at fair value as determined by quoted prices on active markets, with changes in fair values recognised through profit and loss.

4 Operating loss

	Six months to 30 June 2020 (unaudited) $'000	Six months to 30 June 2019 (unaudited) $'000
Operating loss is stated after charging:		
Depreciation	**329**	345
Amortisation	**22**	22
Share-based payment expense	**16**	54
Foreign exchange loss	**2,045**	80

5 Segment information

The Group views, manages and operates its business according to geographical segments. Revenue is generated from the sale of agricultural products across all geographies.

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Six months to 30 June 2020 (unaudited)

	Americas *$'000*	*Mexico* *$'000*	*Rest of World* *$'000*	*Elimination* *$'000*	*Total Commercial* *$'000*	*New Technology* *$'000*	*Total* *$'000*
Revenue*							
Proprietary product sales	975	230	737	-	1,942	-	1,942
Third-party product sales	-	1,154	4	-	1,158	-	1,158
Inter-segmental product sales	353	-	46	(399)	-	-	-
Total revenue	1,328	1,384	787	(399)	3,100	-	3,100
Group consolidated revenue	1,328	1,384	787	(399)	3,100	-	3,100
Cost of sales	(655)	(721)	(309)	399	(1,286)	-	(1,286)
Research and development	-	-	-	-	-	(1,089)	(1,089)
Sales and marketing	(689)	(290)	(289)	-	(1,268)	-	(1,268)
Administration	(395)	(186)	(87)	-	(668)	(96)	(764)
Non-cash expenses:							
Depreciation	(47)	(35)	(7)	-	(89)	(240)	(329)
Amortisation	(19)	-	(3)	-	(22)	-	(22)
Share-based payment	-	-	-	-	-	(11)	(11)
Segment operating (loss)/profit	(477)	152	92	-	(233)	(1,436)	(1,669)
Corporate expenses **							
Wages and professional fees							(518)
Administration ***							(2,007)
Operating loss							(4,194)
Finance income							193
Finance expense							(12)
Loss before tax							(4,013)

* Revenue from one customer within the Mexico segment totalled $508,000 or 16% of Group revenues. Revenue from one customer within the America's segment totalled $365,000 or 12% of Group revenues.

** These amounts represent public company expenses for which there is no reasonable basis by which to allocate the amounts across the Group's segments.

*** Includes net share-based payments expense of $5,000 attributed to corporate employees who are not affiliated with any of the Commercial or New technology segments. Includes $2.0 million foreign exchange losses in non-US dollar denominated inter-company funding.

Six months to 30 June 2019 (unaudited)

	Americas *$'000*	*Mexico* *$'000*	*Rest of World* *$'000*	*Elimination* *$'000*	*Total Commercial* *$'000*	*New Technology* *$'000*	*Total* *$'000*
Revenue*							
Proprietary product sales	380	288	678	-	1,346	-	1,346
Third-party product sales	21	1,317	-	-	1,338	-	1,338
Inter-segmental product sales	330	-	236	(566)	-	-	-
Total revenue	731	1,605	914	(566)	2,684	-	2,684
Group consolidated revenue	731	1,605	914	(566)	2,684	-	2,684
Cost of sales	(477)	(814)	(433)	566	(1,158)	-	(1,158)
Research and development	-	-	-	-	-	(1,095)	(1,095)
Sales and marketing	(782)	(412)	(443)	-	(1,637)	-	(1,637)
Administration	(328)	(129)	(76)	-	(533)	(110)	(643)

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Non-cash expenses:							
Depreciation	(46)	(27)	(4)	-	(77)	(268)	(345)
Amortisation	(19)	-	(3)	-	(22)	-	(22)
Share-based payment	-	-	(2)	-	(2)	(37)	(39)
Segment operating (loss)/profit	(921)	223	(47)	-	(745)	(1,510)	(2,255)
Corporate expenses **							
Wages and professional fees							(611)
Administration ***							(98)
Operating loss							(2,964)
Finance income							160
Finance expense							(18)
Loss before tax							(2,822)

* Revenue from one customer within the Mexico segment totalled $525,000 or 20% of Group revenues.

** These amounts represent public company expenses for which there is no reasonable basis by which to allocate the amounts across the Group's segments.

*** Includes net share-based payments expense of $15,000 attributed to corporate employees who are not affiliated with any of the Commercial or New technology segments. Includes $0.1 million foreign exchange losses in non-US dollar denominated inter-company funding.

6 Loss per share

Basic loss per ordinary share has been calculated on the basis of the loss for the period of $4,027,000 (loss for the six months ended 30 June 2019: $2,822,000) and the weighted average number of shares in issue during the period of 238,510,886 (six months ended 30 June 2019: 172,822,881).

The weighted average number of shares used in the above calculation is the same as for total basic loss per ordinary share. Instruments that could potentially dilute basic earnings per share in the future have been considered but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented. This is due to the Group incurring losses on continuing operations for the period.

7 Cautionary statement

This document contains certain forward-looking statements relating to Plant health Care plc ('the Group'). The Group considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risk and uncertainty that may cause actual results and the financial performance of the Group to differ materially from those contained in any forward-looking statement. These statements are made by the directors in good faith based on information available to them and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Copies of this report and all other announcements made by Plant Health Care plc are available on the Company's website at www.planthealthcare.com/for-investors.