



Eden Research plc

2021 Preliminary Results and Investor Update

7th June 2022

Eden Research plc is an AIM-quoted company focused on sustainable biopesticides and plastic-free encapsulation technology for use in the global crop protection, animal health and consumer products industries.



2021 Preliminary Results

2021 Overview

- Modest product sales growth, on a volume and local currency basis, after two challenging years with **considerable growth expected in 2022 and beyond.**
- Eden **signed an exclusive commercialisation, supply and distribution agreement with Corteva Agriscience**, the fourth largest agriscience inputs company in the world, for Eden's seed treatment product based on Eden's active ingredients and Sustaine®.
- **Diversification and strengthening of the business** as the list of authorised crops grew by nearly 4 fold in 2021 whilst new disease targets more than doubled – **expanding Eden's addressable market in existing territories.**
- **Eden was the first company in 2021 to receive the London Stock Exchange's Green Economy Mark** which recognises London-listed companies that derive over 50% of their total annual revenue from products and services that contribute to the global green economy.
- Eden's commercial collaborator, **Eastman Chemical Company, received authorisation for the sale of Cedroz™ in Italy, a key market.**



Portfolio Expansion

The expansion of Eden's existing portfolio into seed treatments and insecticides aligns perfectly with our values of focusing on sustainable solutions for agricultural challenges.

2021 Preliminary Results

Overview:

2021

2020

Revenue
Product sales revenue
Other revenue

£1.2m	£1.4m
£1.1m	£1.1m
£0.1m	£0.3m

Administrative expenses
Capitalised development and IP costs

£2.6m	£2.2m
£1.6m	£1.7m

EBITDA loss (excl. share-based payments)
Loss before tax

£2.0m	£1.5m
£3.4m	£2.5m

Cash

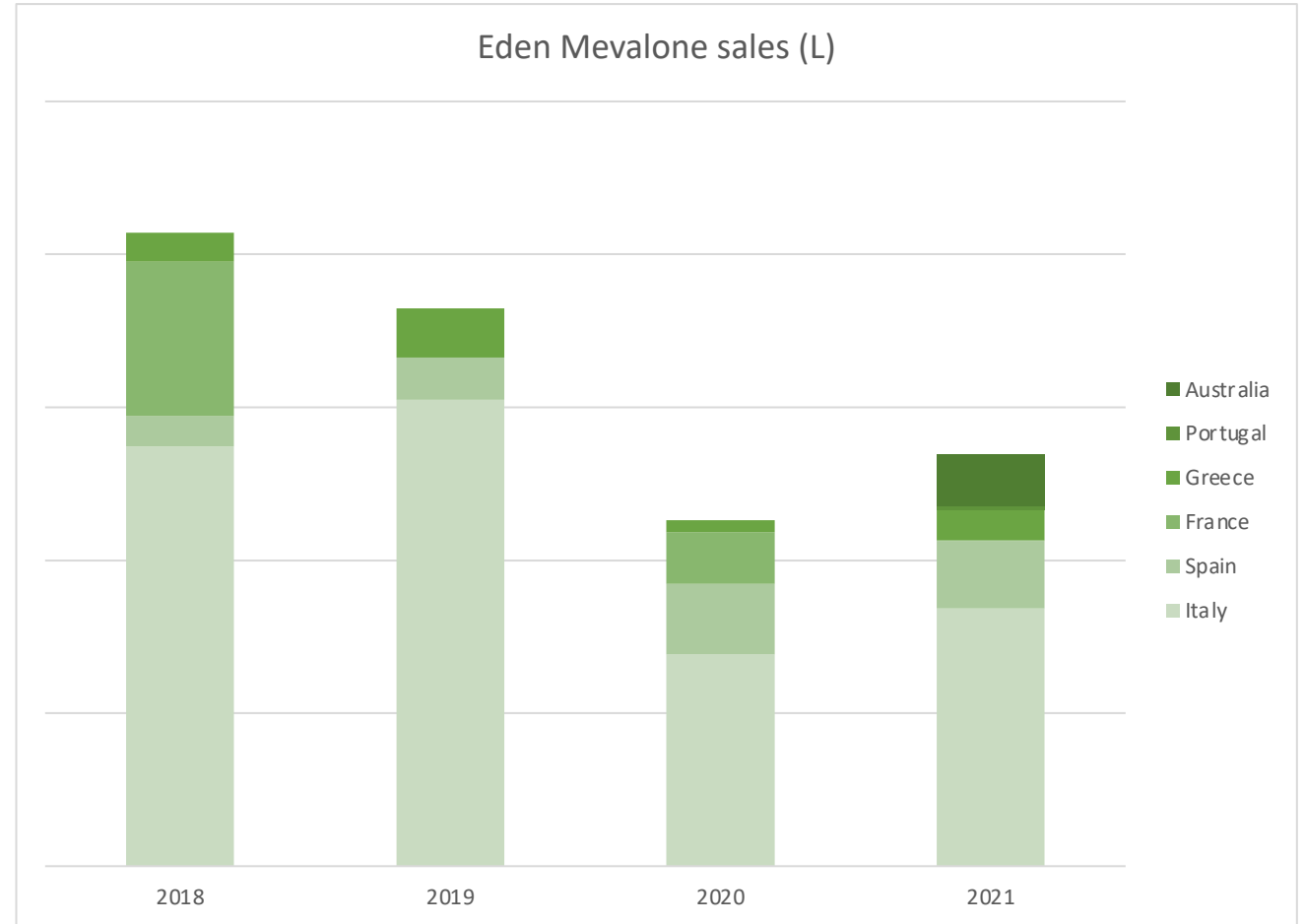
£3.9m	£7.3m
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Notes:

- Product sales **increased 4% by volume** and 6% on a constant currency basis.
- Sales of Mevalone continued to be negatively impacted for use on wine grapes, due to a decline in demand compared with pre-Covid levels.
- Milestone payments of £0.14m invoiced by Eden to Corteva in 2021 and subsequently received, treated as deferred income under IFRS-15 as part of the audit process.
- Admin expenses increased due to the introduction of new team members, primarily in the R & D team.

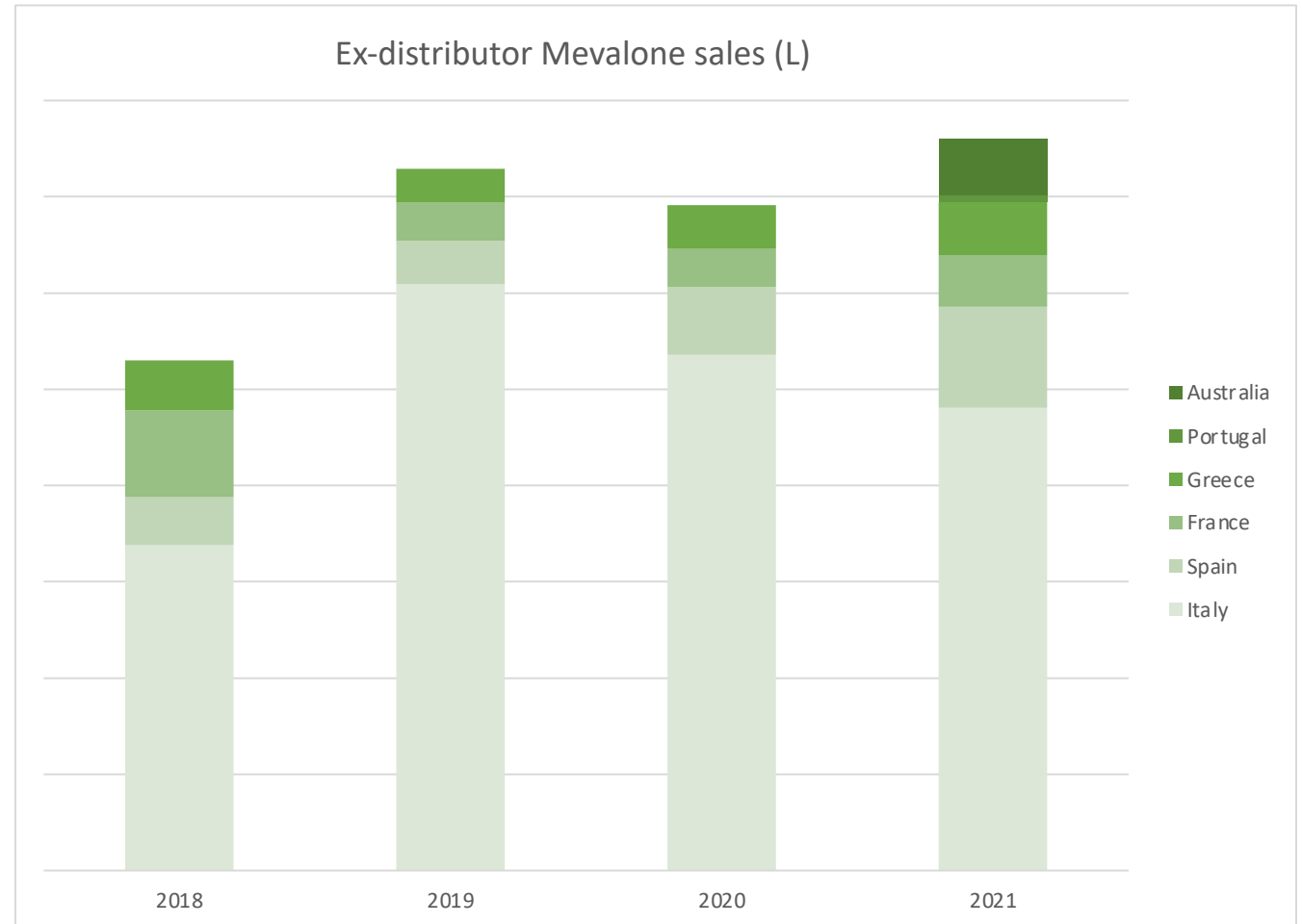
Mevalone® – Eden sales to distributors 2018 - 2021

- As has been previously communicated to shareholders, **post-season sales in 2019 were strong**, with **good ex-distributor sales growth expected in 2020**, following **ex-distributor sales growth of 35% seen in 2019**.
- The global **COVID-19 pandemic significantly affected demand for grapes** for wine production which led to **lower sales and a higher stock position** at the end of 2020 held by our distributors.
- As such, there were **almost no post-season sales in 2020** which resulted in a considerable reduction in Mevalone sales.
- **Unfavourable weather conditions**, including hard frosts, in parts of southern Europe **significantly affected grape production in 2021**.



Mevalone® – Distributor sales 2018 - 2021

- **Sales of Mevalone made by our distribution partners in the same period reflect a positive overall trend** driven by the addition of new territories (e.g., Australia) and label expansions (e.g., Spain).
- Despite a small decrease in 2020, there is a general growth trend (14% year-on-year) in distributor sales of Mevalone over the four-year period, **exceeding industry estimates of 12% growth during the same period.**
- **We expect to return to strong sales growth in 2022** for both Mevalone and Cedroz, even when only considering the countries in which we currently have approval.
- **Growth is anticipated at both the producer level (Eden) and distributor level (Sipcam, et. al.).**





Organic Growth: Current Products

Product Characteristics



CEDROZ™
post-planting nematicide

Enabling sustained delivery, increasing residual efficacy and reducing use rates

Tackling resistance build-up

Solvent-free, stable formulations with high loadings of active ingredients

Protecting plants from potentially damaging chemicals

Polymer-free formulation technology

'Residue free'

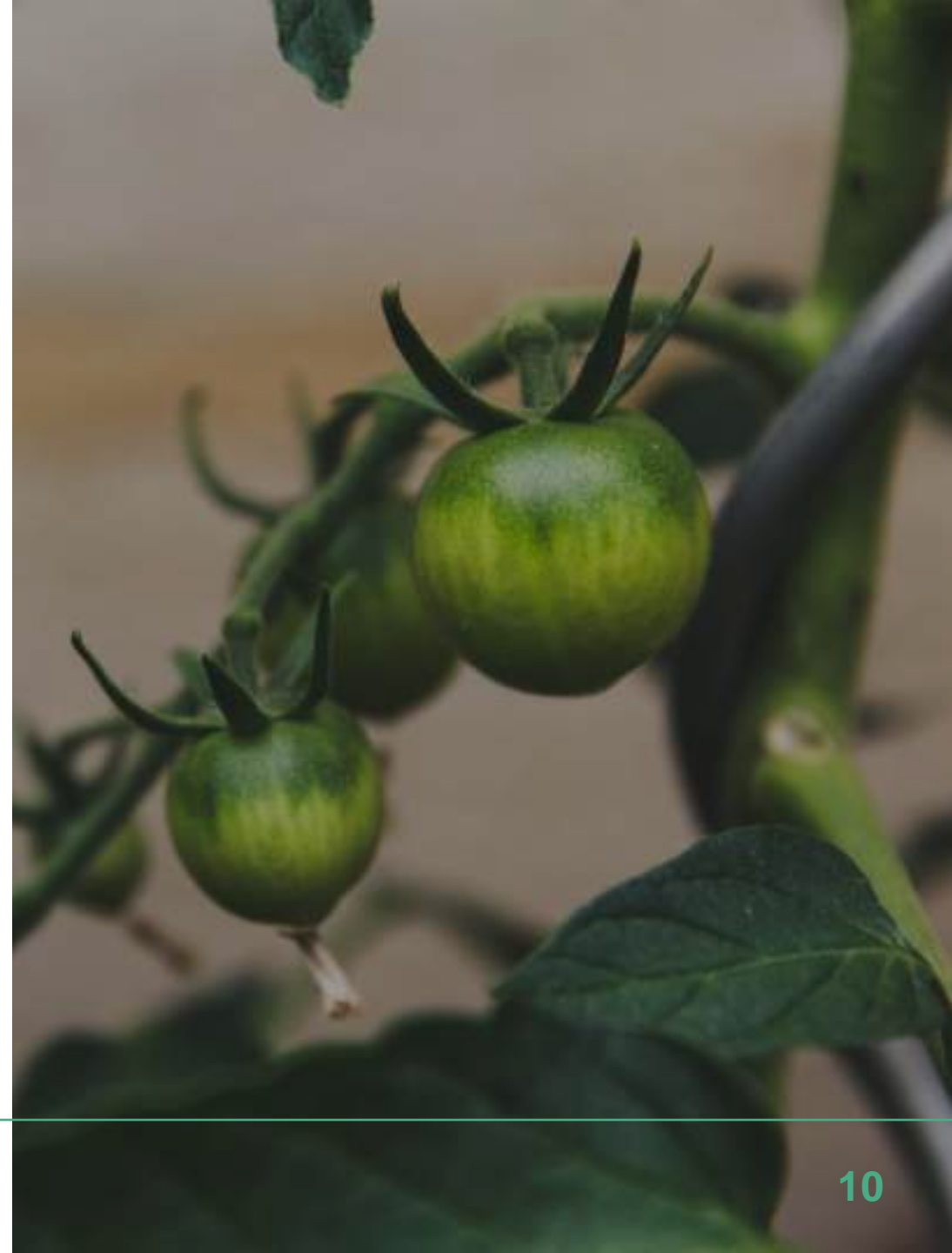
Low or no pre-harvest intervals giving growers flexibility, security and control



Positive Outlook for Organic Growth

How organic growth will be achieved:

- The team at Eden now has the necessary capabilities to formulate, develop, test (up to pot plant level) and register products that it has created.
- **Label extensions and country approvals of Mevalone and Cedroz continue to increase, which directly increases the Company's addressable market.**
- **Numerous applications for regulatory approval of Mevalone and Cedroz are pending** around the world in key markets:
 - USA, UK, Germany, Poland, New Zealand, Morocco, Tunisia, etc.
- The pipeline of products that Eden is developing covers the following addressable markets/applications:
 - Seed treatment
 - Insecticide
 - Downy mildew
 - Cannabis
 - Potato Cyst Nematodes
 - Potato Blight
- **Projects with multiple partners are well underway using Eden's Sustaine encapsulation technology with third party active ingredients, tackling the ever-increasing issue of intentionally-added microplastics.**



Mevalone® – Biofungicide

Background:

- Mevalone is a foliar biofungicide which was developed initially to target botrytis on grapes.
- Since its launch in the EU in 2016, the label for Mevalone has been significantly expanded, as shown in the table below:



Current status:

- Approved in Southern EU on a wide range of targets and crops
- Approved in Kenya and Australia
- Approval in the US and New Zealand expected in 2022**
- Approval in Central EU expected in 2023 – SumiAgro appointed**
- Approval in the UK expected in 2023 – Distributor appointment pending
- Submissions pending for approval in various other key markets around the world, including **Brazil, South Africa, Chile, Argentina**

Opportunity:

	Current		Future			Total
	S.EU	ROW	US	C.EU	ROW	
Addressable market €m	101	10	94	106	271	582
Potential Eden sales €m*	3.0	0.3	2.8	3.2	5.4	14.7

*Based on peak sales and a full label of all key target diseases and crops

Cedroz™ – Bio-nematicide

Background:

- Cedroz is a bio-nematicide targeting root-knot nematodes in high value crops.
- A development and commercialisation agreement was signed with Eastman Chemical in December 2016.
- The agreement covers 29 countries on providing Eastman with the exclusive distribution rights.
- Sales of the product began in the EU in 2020.
- **Approval has also been granted in Mexico which gives access to the all-important US agricultural import market.**

Current status:

- Approved in Southern and Central EU on a wide range of high-value crops
- **Approval in the US expected in 2022**
- Sales growth has been slower than expected due to production issues
- Submissions made for approval in various additional key markets around the world

Opportunity:

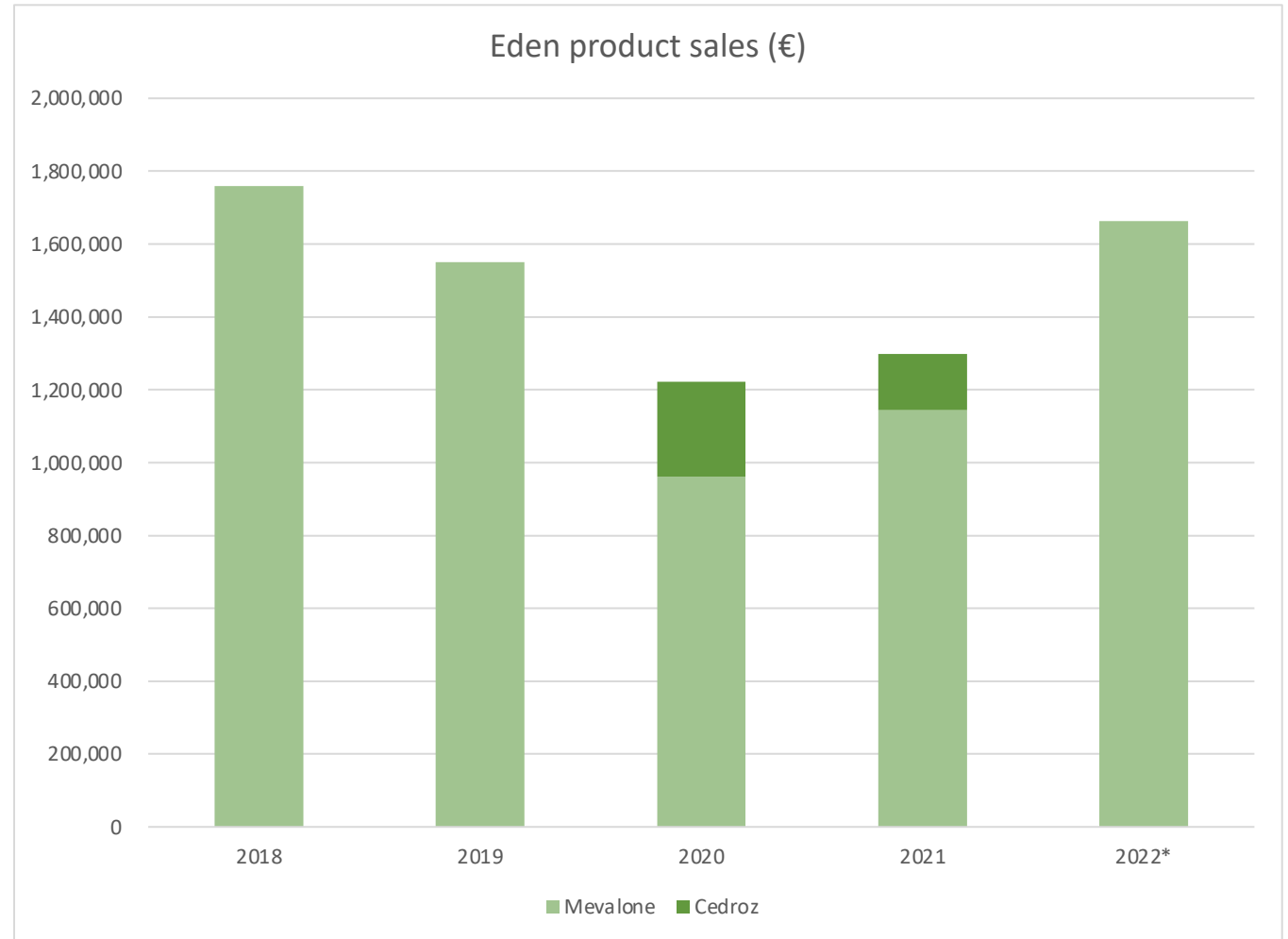
	Current		Future		Total
	EU	ROW	US	ROW	
Addressable market €m	113	8	189	301	611
Potential Eden sales €m*	2.3	0.2	5.7	6.0	14.2

*Based on peak sales and a full label of all key target diseases and crops

Return to product sales growth

Current status:

- The table shows forecast growth in **Eden's product sales for Mevalone and Cedroz in 2022 of around 28%**, per Cenkos' forecast*.
- There are **additional opportunities for further sales growth in 2022**, such as the approvals of Mevalone and Cedroz in the US which are expected this calendar year.
- Although it remains to be seen how impactful US sales are likely to be during 2022 due to timing uncertainties, **we expect that US approval could result in meaningful sales in 2023** and beyond.
- **Label extensions and new territory regulatory submissions are currently under review in several additional countries**, and these will continue to pay off in the form of ongoing sales growth.



*Per Cenkos forecast converted @ €1.16/GBP; combined product sales



Organic Growth: New Products

Seed Treatments – Corteva: on the path to commercialisation

Background:

- Two incumbent ingredients used in Corteva’s seed treatment **products have been, or will shortly be, banned in key markets.**
- Eden has developed a formulation for use in seed treatments** for a specific application area.
- A development and commercialisation **agreement was signed with Corteva in May 2021.**
- Initial markets are the EU, plus the UK.
- In time, **it is expected that the product will be commercialised into other geographies, such as the US.**

Current status:

- Semi-field studies have shown good efficacy.**
- Field trials**, undertaken by both parties, showed **efficacy and produced successful trials.**
- Formulation testing by Corteva has been successful.**
- We are aiming to submit an application for regulatory authorization as soon as possible. If successful, this will result in sales of the product by Eden to Corteva in time for the 2024 growing season.

Opportunity:

	Current	Future		Total
	EU,UK	EU,UK	US	
Addressable market €m	40	95	240	375
Potential Eden sales €m*	3.6	8.6	21.6	33.8

*Based on peak sales and a full label of all key target diseases and crops

Insecticide: significant opportunities for effective, new products

Background:

- **Due to a ban on numerous insecticides**, such as neonicotinoids, **there is a large opportunity for effective, new products.**
- **Eden has developed new formulations** for use as an insecticide against at least **four key target pests, including spider mites, whitefly, aphids and thrips.**
- Formulation stability issues led to a change in formulation in 2020.
- **Two lead formulations were created, both of which have shown good efficacy in field trials.**
- **Field trials of the current formulations** have taken place in 2021 and **are underway in 2022.**

Current status:

- **Initial data received from the field trials which are currently underway shows good efficacy**, consistent with that in 2021.
- **Following successful trials, Eden will provide samples of the final formulation to a list of potential distribution partners.**
- It is expected that **announcements on the appointment of distribution partners will be made in due course.**
- **Regulatory submissions are planned for 2023** in both the US and EU.
- **Subject to regulatory authorization, first sales of product are estimated to be 2024/5 in the US and 2025/6 in the EU.**

Opportunity:

	Future			Total
	EU,UK	US	ROW	
Addressable market €m	338	237	1,320	1,895
Potential Eden sales €m*	6.2	6.8	17.4	30.4

*Based on peak sales and a full label of all key target diseases and crops

Downy mildew: filling a gap in the market

Background:

- Due to the recent restriction of a number of key downy mildew products, there is a **strong need for replacement products.**
- Eden has **already tested Mevalone against downy mildew in the past with encouraging results.**
- Now that key competitor products are being removed from the market, the **opportunity to sell Mevalone as part of an integrated pest management programme has arisen.**
- **The key market, in the first instance, is France.**

Current status:

- **Second year regulatory field trials are currently underway** with results expected in Q3, 2022.
- There are currently **three potential partners for the product**, two of whom are existing distributors, who have already expressed a strong interest in this opportunity.
- **Regulatory submissions are planned for Q4 2022** in the EU.

Opportunity:

	Future				Total
	France	S EU (exc. France)	US	ROW	
Addressable market €m	272	592	144	1,392	2,400
Potential Eden sales €m*	8.2	11.8	4.3	13.9	38.2

*Based on peak sales and a full label of all key target diseases and crops

Sustaine® projects: addressing the rising microplastics issue

Background:

- In addition to using microencapsulation system, Sustaine, in our in-house developed products, such as Mevalone and Cedroz, **it is possible to use Sustaine with third-party active ingredients.**
- Using Sustaine brings multiple benefits including formulation stability, residual effect and patent protection.
- More recently, the **issue of microplastics**, which are currently used in agrochemical formulations has **created a new demand for plastic-free, sustainable alternative encapsulation systems.**
- Eden has received numerous enquiries about using Sustaine with third party active ingredients.

Current status:

- **Field trials underway** with multiple industry partners.
- **Decisions regarding future evaluations** based upon current trials are expected in due course.
- The **EU has recently provided likely timescales for the ban on the use of intentionally added microplastics in agchem.**

Opportunity:

	Future			Total
	EU	US	ROW	
Addressable market €m	TBC	TBC	TBC	TBC
Potential Eden sales €m*	TBC	TBC	TBC	TBC

*Based on peak sales and a full label of all key target diseases and crops

Additional growth opportunities

Cannabis:

- Eden has been approached by a new potential partner to see if Mevalone, or any other Eden formulation, would be suitable to target the cannabis market in the US and Canada.
- The targets for the crop include botrytis, which is well known to Eden and against which Mevalone is highly efficacious on numerous other crops.
- A project plan is under development which will see field trials taking place in 2022.
- Cannabis has multiple crop cycles per year, meaning that the necessary field trials for efficacy and regulatory purposes can be undertaken in a relatively short timeframe.
- Due to recent legislation changes in Canada and the US, the pesticides market for cannabis is growing rapidly, with particular focus on sustainable products, such as Eden's.

Other:

- Evaluations in additional areas of significant commercial potential include black sigatoka (banana), potato blight and potato cyst nematodes. In each case, the initial evaluations have produced encouraging results.



Growth Through Acquisition

Growth opportunities through acquisition

Current status:

- Eden has identified multiple acquisition opportunities which it believes will provide immediate growth in revenue and provide a positive contribution to EBITDA.
- The acquisition opportunities are in the consumer products sector.
- Having formed a strong foundation for growth in the agrochemicals sector, Eden is keen to exploit its know-how and technologies into consumer products.
- There are several synergies which Eden expects to arise from the potential acquisitions:



Use of newly-acquired active ingredient in agchem applications

Use of Sustaine to provide various benefits to existing consumer products

Use of existing agchem data for Eden-registered active ingredients into the consumer products sector

Expansion of newly-acquired active ingredient into the home and garden market

Management team brought in who is experienced in consumer products

Potential cost savings through in-house toll manufacturing capabilities

Ideal consumer products target profile

Ideal profile:

- UK-based, private companies in the consumer products sector
- Owner of patented active ingredients
- Registered active ingredient(s) with supportive regulatory dossiers
- Toll manufacturing and supply chain capabilities
- Potential for use of Sustaine for the existing product
- Established and stable customer base
- Growing revenue, EBITDA positive
- Technical, commercial and regulatory synergies

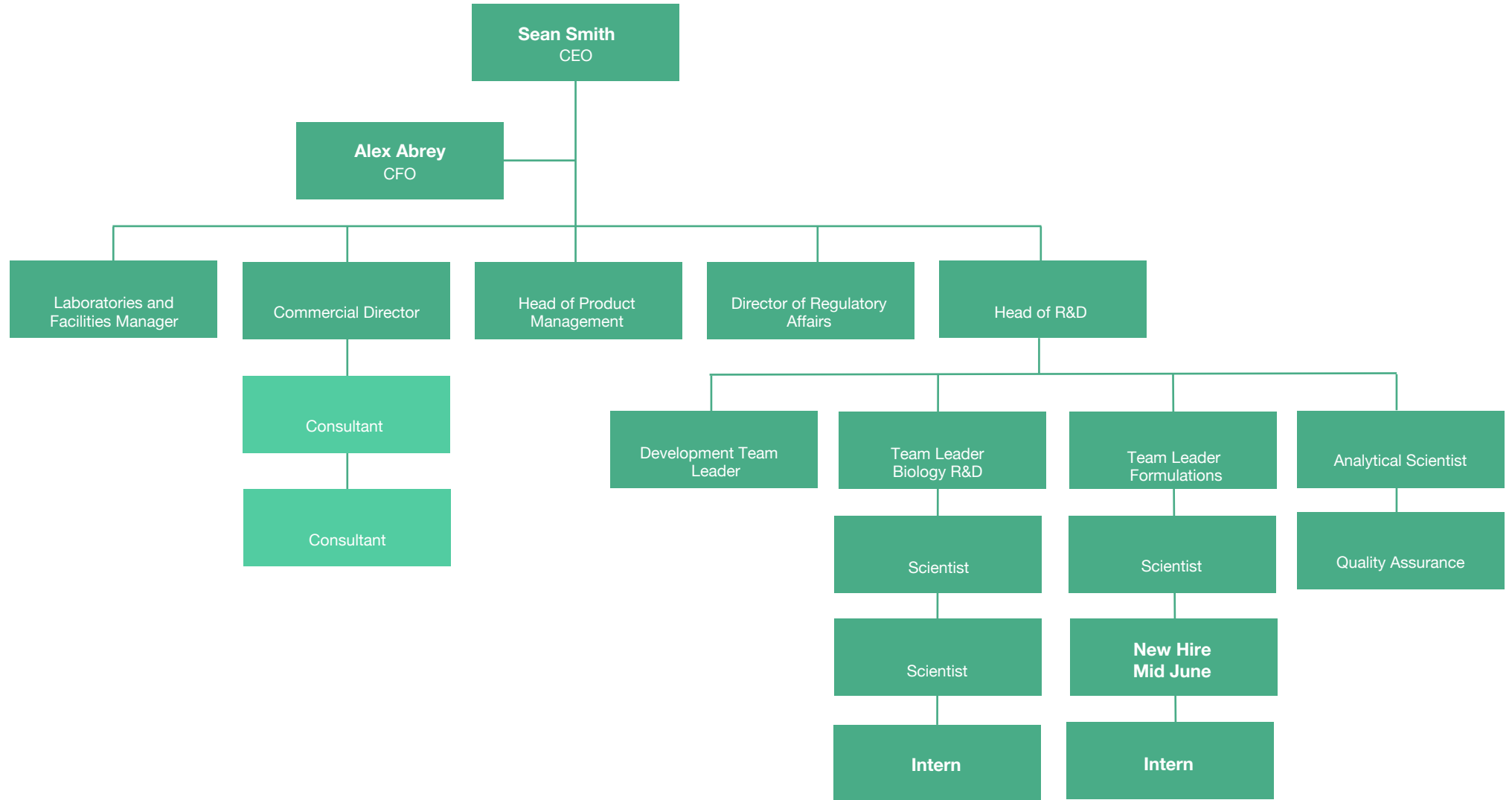
Benefits of acquisition:

- Immediate expansion in the consumer products ingredients market
- Opportunity for two-way leverage of EU registered active ingredients into the plant protection and animal health sectors and vice versa
- Profitability (EBITDA), with revenues expected to grow considerably, post-pandemic
- Market experience and access



Firm Foundations

A Strong Team



Strong leadership

Chairman – Lykele van der Broek

Lykele retired as a Member of the Board of Management of Bayer CropScience, a division of Bayer AG, in 2014, being responsible for the commercialisation of innovative agricultural products and services globally. Prior to this, he held senior international roles including the Head of Bayer CropScience's BioScience division and President of the Bayer HealthCare Animal Health division.

CEO – Sean Smith

Sean has a bachelors degree in microbiology and over 25 years of experience in the speciality chemicals and industrial biotechnology industries. He has held senior commercial leadership roles ranging from sales and marketing to business management and intellectual property licensing in blue chip companies such as Ciba (now BASF) and Honeywell. In recent years, Sean has focussed on technology commercialization through licensing and company formation working with Intellectual Ventures and several start-ups.

CFO – Alex Abrey

Alex, a Chartered Certified Accountant, joined the Board in September 2007, having been Chief Accountant to Eden for the previous four years. He has acted as Financial Director to a diverse range of businesses including a financial and management consultancy business based in Oxfordshire, a medical waste management company and an intellectual property licensee involved in plastics manufacturing. Alex has over 20 years' experience in both practice and industry.

NED – Robin Cridland

Rob served as Chief Financial Officer and Company Secretary of Itaconix plc until the end of August 2018. He joined Itaconix in September 2008 from Renovo Group plc where he spent seven years as Executive Director of Finance and Business Development. He began his career at Coopers & Lybrand Deloitte, before moving on to senior transactional roles at Enskilda Securities and senior finance and transactional roles at GlaxoWellcome and GlaxoSmithKline. He was also a Governor and a Non-Executive Director of Cheadle Hulme School, Cheshire.

Innovation Capabilities

Background:

- Development of in-house R&D – reduces dependency on 3rd parties, CROs, etc.
- In-house capabilities now include formulation, microbiological screening, plant and seed evaluations and analytical work.
- Laboratories are now GLP-ready and operating to this standard adding credibility and opportunities for cost savings and revenue generation.
- Costs partially offset by reduced external spend on CROs, significantly reduces development cycle time, enables new IP development.
- Progress is being made on the potential benefits of the second-generation encapsulation technology licensed in from University of Massachusetts Medical School.
- The Company's patent portfolio, including new patent filings, is managed by D Young & Co.



Regulatory position

EFSA (EU):

- Application for the renewal of Eden's three active ingredients (eugenol, geraniol and thymol) has been submitted to EFSA for its review.
- The renewed approvals will provide an additional ten years of data protection.
- Much of the newly submitted data will likely be useful for active ingredient and product registrations in other parts of the world.

EPA (US):

- The latest news is that EPA approval for Eden's three active ingredients, as well as Mevalone and Cedroz will be published in 2022.
- This would allow for some sales of Mevalone, in particular, in 2022, but could result in meaningful sales in 2023 and beyond.

Organic (EU):

- All three of Eden's active ingredients have been approved as inputs for organic agriculture in the EU.
- The organic market in the EU is expanding at a faster pace than any other part of the agrochemicals sector and, as such, the ability to sell inputs for organic agriculture is a valuable tool for Eden.

Organic (US):

- As in the EU, the organic market is growing significantly, and Eden is investigating organic certification in the US.



Thank you