



**EDEN**

THE NATURAL SOLUTION

**2016 Financial Results and 2017 Update**

Annual General Meeting

30<sup>th</sup> June 2017

Institute of Directors, London

## Overview



- **Our vision** is to be the leader in **naturally-derived bioactive products** enabled or enhanced by our novel encapsulation and delivery technologies
- Our products are based upon **natural chemistries that deliver performance**, ease of use, and cost on par with synthetic pesticides
- Our focus is on **protecting high-value crops** improving crop yields and value
- **Commercial sales have commenced** and are **forecast to grow significantly** in countries entering the second year of commercialisation
- **Eden has regulatory clearance in 9 countries** (including the world's top 3 producers of wine) with applications pending or in preparation in many more



Biocontrol  
products

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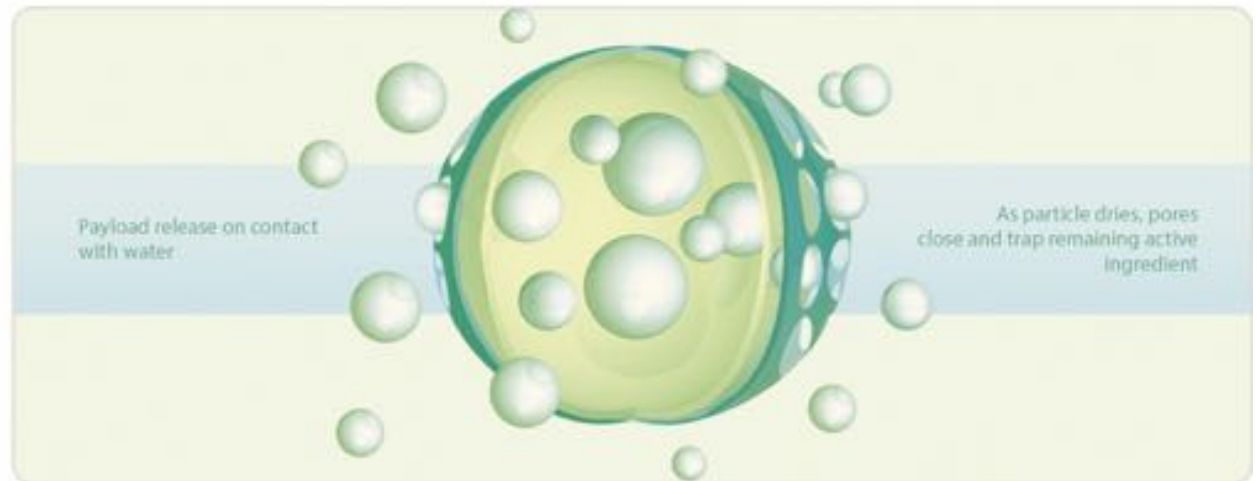
- **Terpenes have well-documented biocidal activity** but are **difficult to use** commercially due to their inherent volatility
- Using Eden's ***Sustaine***<sup>™</sup> microencapsulation system, Eden and its partners have been able to create a **range of natural products with superior efficacy**
- The ***Sustaine*** system allows these volatile, poorly-soluble active substances to be **delivered to their target in a controlled, sustained manner**
- **Terpenes are widely used and diverse** – relatively low cost, regular supply
- **Commercial and development products perform on par with conventional pesticides** but with very low pre-harvest intervals
- **Actives are exempt from Maximum Residue Levels** – a **key consumer driver** in fresh fruit and vegetables

Our  
technology

SUSTAIN<sub>E</sub>

- **Eden own the patents** behind the “**Sustaine**” delivery and release technology
- **Sustaine is a natural microencapsulation system** enabling the **slow release and improved bioavailability** of active substances such as terpenes and/or synthetic compounds
- The microcapsules are **derived from yeast cells**; a waste product from the baking, brewing and bio-ethanol industries.
- **Cost-effective, high capacity, robust, natural and simple processing with standard equipment**

SUSTAIN<sub>E</sub>™ – RELEASE



Financial  
Results 2016



- **Revenue of £0.4m** (2015: £0.9m)
- **Excluding licensing and evaluation fees,** revenue received from ongoing commercial sales, both from **direct product sales and royalty revenue, was £0.19m** (2015: £0.04m)
- **Operating loss of £1.9m** (2015: £1.1m)
- Operating loss, before non-cash share based payment charge and amortisation, of £1.1m (2015: £0.2m)
- **Loss before tax of £1.9m** (2015: £1.3m)
- **Loss per share of 1.03p** (2015: 0.74p)

Financial  
Results 2016



- **Net cash of £1.5m** (2015: £0.15m)
- **Equity accounting adopted in 2016 for Eden's investment in its associate, TerpeneTech, with prior period restated accordingly.**
- **Placing in March 2016 of £2.6m**
  - **New institutional investors**
  - Participation from **multiple existing institutional shareholders**



2016  
Highlights

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- **Registration of 3AEY in Spain, Italy and Bulgaria**
  - **Label extensions in Greece and Spain**
  - 3AEY (“ARAW”™) now approved for **grapevine powdery mildew**
  - **Aubergines** (field & greenhouse), **Kiwis**, **Pomegranates** and **Fresh Onions**
- **Applications submitted in Albania, Cyprus and FYROM**
- **First product shipments – Greece**
- **Enlargement of team – commercial strategy, regulatory strategy**
- **Initiation of IV collaboration**
  - IP sourcing focussed on protecting work-arounds and new product concepts
- **New collaboration** with a leading a.i. producer, ongoing evaluations elsewhere
  - **Co-encapsulation** of their proprietary active ingredient
- Ongoing **discussions with global** crop protection **leaders**
  - Evaluations Eden’s of insecticide ongoing

2016  
Highlights



- **Successful trials** in Australia - Botrytis
- **Appointment of Stähler** – Botrytis, Switzerland
  - Exclusive distributor for 3AEY in Switzerland
- **Application for Registration** in CH
- **Extension** of the evaluation agreement in lawn and garden
- **3AEY wins Macfrut Gold Medal** for innovation
- **Distribution Agreement with Eastman Chemical**
  - Distribution rights in **29 countries**
  - **Eastman to fund product registrations**
  - **Significant investment** in registrations, trials and market development
  - Up-front and annual milestone payments until 2020



# Products on the Market



## COMMERCIALISATION STATUS OF 3AeY

Key	Brand Name	Partner	Country
Orange	3logy <sup>®</sup>	Sipcam	Italy
Brown	APAA <sup>®</sup>	Sipcam	Spain
Green	Haxi <sup>®</sup>	Lachlan	Kenya
Light Green	Mevalone <sup>™</sup>	Sumi-Agro	France
Dark Green	Mevalone <sup>™</sup>	Redotas	Greece
Teal	Mevalone <sup>™</sup>	Redotas	CYPRUS
Brown	Mevalone <sup>™</sup>	Redotas	Cyprus
Red	Mevalone <sup>™</sup>	Redotas	Albania
Light Green	Mevalone <sup>™</sup>	Redotas	Romania
Purple	Mevalone <sup>™</sup>	Redotas	Bulgaria



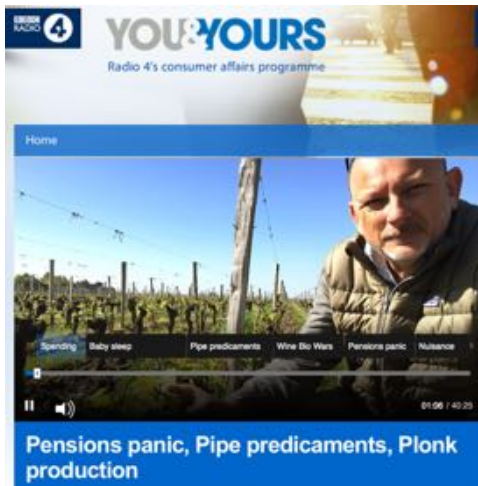
MEVALONE



## Post-period Highlights



- **Approval in France** for the marketing, sale and use of 3AEY – marketed in France as Mevalone, Yatto and Nirka
- **First shipments to France**
- **Approval in Cyprus** for the marketing, sale and use of Mevalone – extended label (e.g. Greece)
- **Approval in Albania** for the marketing, sale and use of Mevalone – extended label (e.g. Greece)
- **Agreement with Sipcam SpA** covering a **wide range of activities:**
  - **Collaboration** on product development
  - **Eden has ownership of registrations** and label extensions
  - **Exclusive distribution rights** in multiple territories
  - **Comprehensive evaluation** of Eden products and technologies
    - **Up-front investment includes a fee of €0.6m**
    - **Further fee paid upon execution of option** with further exercise fees due before 1/19.



## Sipcam Summary

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- **Strategic investment**
- Sipcam has **proven itself as a good partner** in Italy and Spain
- Sipcam is a **valued formulator, partner and supplier to nearly all of the industry leaders**
- **Not likely to be a ‘blocking’ investment**
- The **three year lock-in** indicates that Sipcam intends to be a longer term partner with a vested interest in helping to grow Eden
- **Sustaine** is an excellent, **non-overlapping fit** with Sipcam’s own formulation technologies
- **Sipcam will provide Eden with a strong partner** in important geographical markets and crop segments (vine, high-value fruit and vegetables) for its portfolio of products
- The **deal facilitates the expedited development** of future products and growth of Eden
- **Sipcam will invest their own resources** in the registration and commercialisation of Eden’s products and technology whilst helping to build Eden’s asset base

## Details of agreements



- **Collaboration and Evaluation & Option Agreements**
  - Provides Sipcam with the first right to negotiate for the distribution rights for new plant protection products that Eden develops in countries where Sipcam has an affiliate, subject to certain ongoing commitments and evaluations.
  - Grants Eden access to Sipcam-owned technologies and R & D facilities.
  - Grants Sipcam the right to evaluate a number of Sipcam-Oxon Group's active substances encapsulated using Eden's **Sustaine** microencapsulation technology. This includes combinations with Eden's own active ingredients.
  - Provides a framework agreement for subsequent licence and/or supply agreements under the collaboration.
  - Financial terms have been agreed including an upfront payment to Eden of €0.6m and potential further future fees which are dependent upon which rights, if any, Sipcam decides to take.
- **Distribution Agreements**
  - Eden has agreed to appoint Sipcam as Eden's exclusive distributor in Italy, Spain and Australia for 3AEY.
  - 3AEY is Eden's first product that targets botrytis on grapes and a range of additional high value fruits and vegetables. It is sold as 3logy® in Italy and Araw® in Spain.
  - The existing licence agreements with Sipcam (covering Italy and Spain) will be terminated and replaced with the new distribution agreements reflecting the evolution of Eden's business model (from licensing to product sales) and providing Eden with the potential for both additional [future] revenue and improved profits.



# Sipcam overview

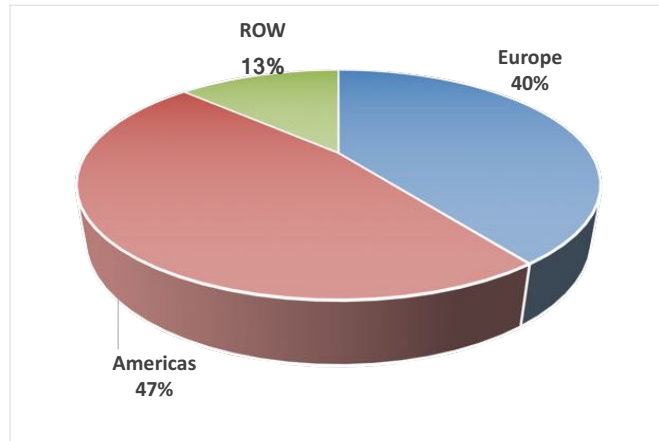


Sipcam was founded in 1946 in Milan, by Dr. Emilio Gagliardini and Prof. Baldo Ciocca as a company specialized in manufacturing and marketing of agrochemicals for agriculture in Italy

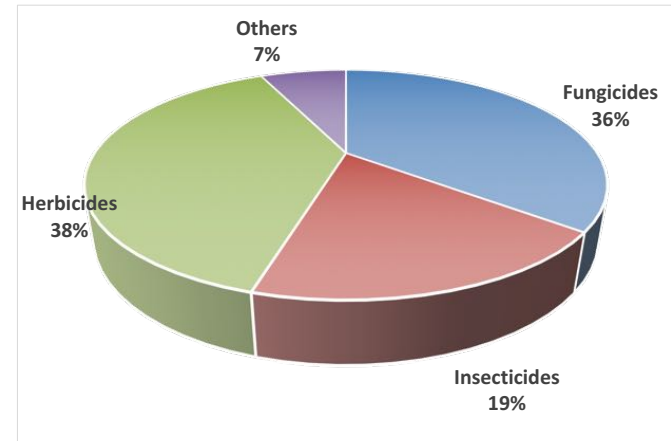
## Sipcam-Oxon: a global player & 70 years of history

## Sipcam-Oxon: a global player & 70 years of history

Sales % by Geography: 600 M\$



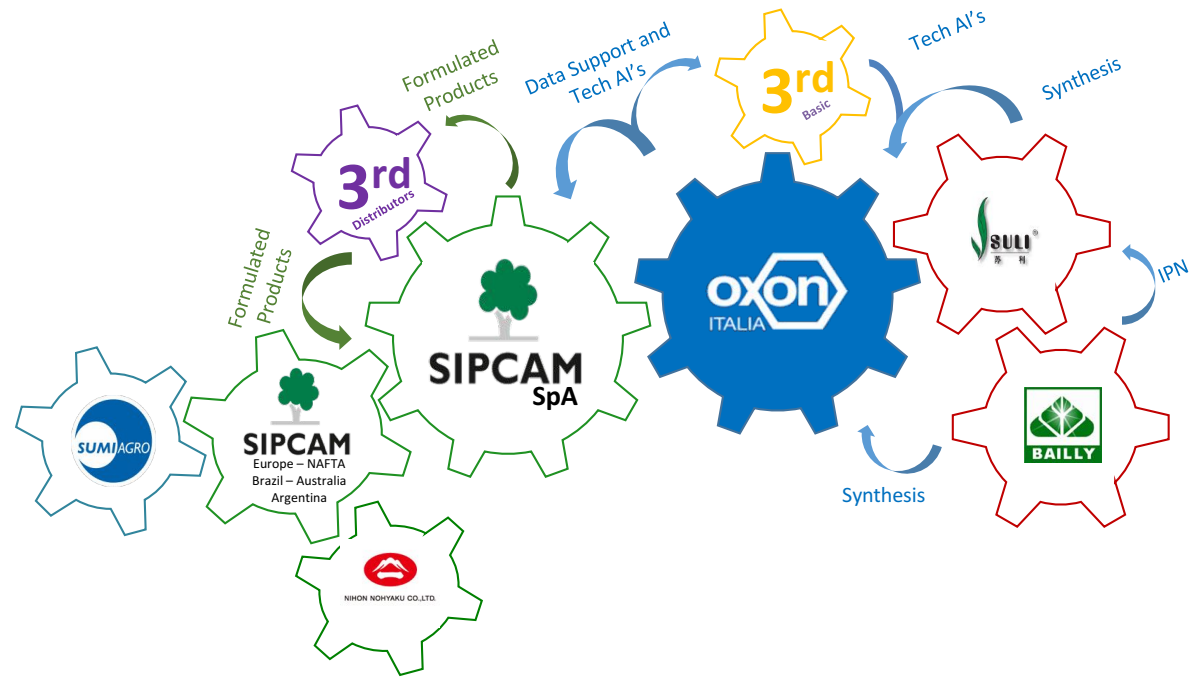
Sales % by Category: 600 M\$



Sipcam  
overview



# Sipcam-Oxon: a global player & 70 years of history



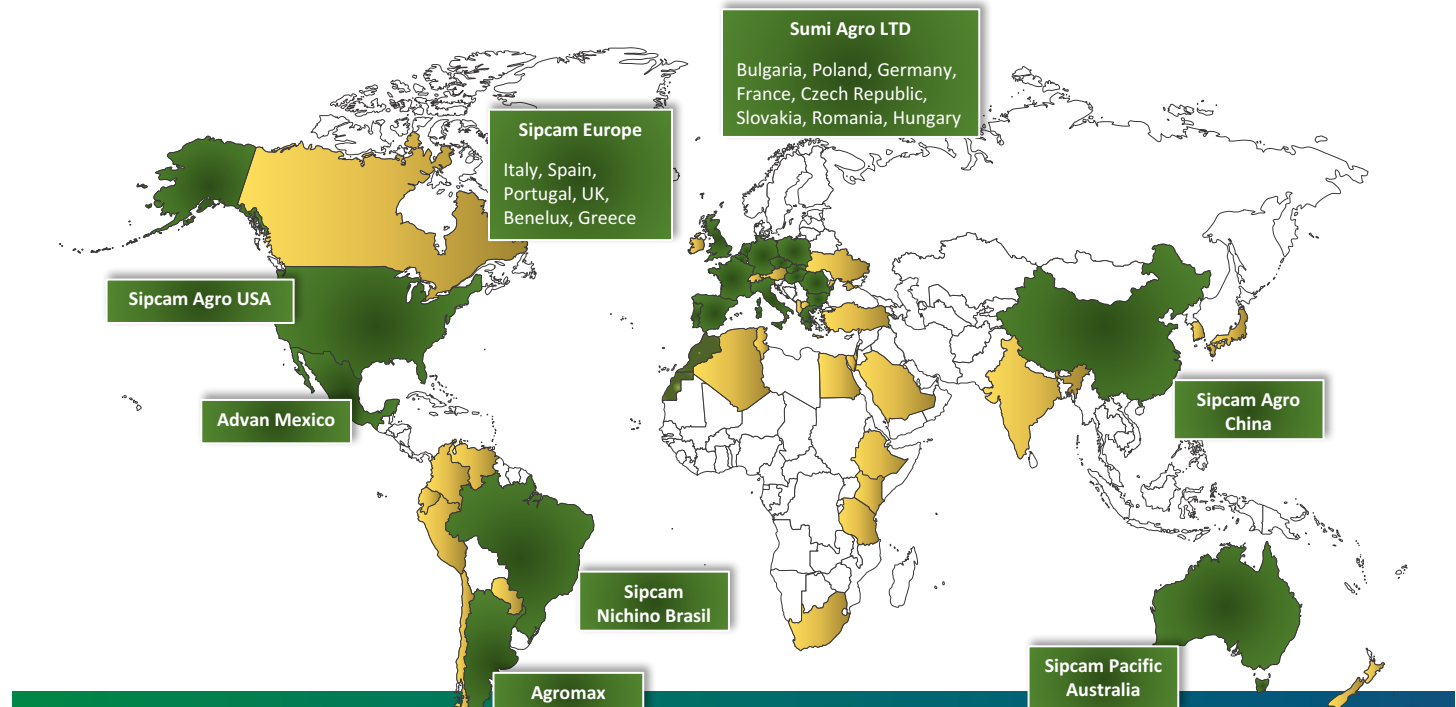
# Sipcam overview



## Distribution Network

Sipcam Participated or Controlled Companies

Third Parties Distribution



2016 Focus



- ✓ **Nematicide deal** completion
- ✓ Partnerships for **3AEY** in **key new territories**
- ✓ **Regulatory** strategy and **expansion**
- ✓ Pursue **collaboration with the majors**
- ✓ **Strengthening the team:** Commercial, Regulatory, Technical
- ✓ **Supply chain** and commercialisation **partnerships**
- ✓ Product optimisation for **pipeline products**
- **Regulatory submission** in **head lice** by TerpeneTech
- Pursue opportunities in the \$4.2B **seed treatments market**



2017 Focus



- **Nematicide deal** execution
- **Sipcam deal** execution
- Further partnerships for **3AEY** in **key new territories**
- **Re-initiation** of screening and field **trials**
- Pursue opportunities in the \$4.2B **seed treatments market**
- Accelerate commercialisation of ***Sustaine***
- **Regulatory** strategy and **expansion**
- Pursue **collaboration with the majors**
- **Strengthening and growing the team:** Commercial, Regulatory, Technical
- **Regulatory submission** in **head lice** by TerpeneTech
- **TerpeneTech** commercial focus

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