



EDEN

THE NATURAL SOLUTION

Eden Research plc
2017 Interim Results and Update
29th September 2017

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Introduction



- Eden is an **industrial biotechnology company** that delivers **Natural Solutions** to challenges in **plant protection, consumer products and animal health**
- Eden's **key markets** include **biopesticides** for high-value crops, **conventional pesticides, human and animal health**
- There is **excellent potential** for the application of **Eden's Sustaine™ encapsulation technology** and **natural chemistry beyond its current markets**



Board of
directors

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Tom Lupton - Non-Executive Chairman (December 2012)

Tom studied Agriculture and Forest Sciences at Oxford University, and spent 23 years working with the Commonwealth Development Corporation developing and managing large agribusiness companies in Southern Africa, culminating in being Managing Director of the Royal Swaziland Sugar Corporation. On returning to the UK, Tom was appointed to the Board of Linton Park PLC (2002-2006) as Executive Director responsible for the group's worldwide agribusiness investments. Tom has wide experience as both an Executive and Non-Executive PLC Director, including directorships in Australia and Kenya, as well as having been a director of over 30 unlisted companies.

Sean Smith – Chief Executive Officer (September 2014)

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

Alex Abrey - Chief Financial Officer (September 2007)

Alex, a Chartered Certified Accountant, joined the Board in September 2007, having been Chief Accountant to Eden for the previous four years. With a background in audit, he has also acted as Finance Director to a diverse range of businesses including a financial and management consultancy business, a medical waste management company and an intellectual property licensee involved in plastics manufacturing.

Robin Cridland – Non-Executive Director (May 2015)

Rob currently serves as Chief Financial Officer and Company Secretary of Itaconix plc. He joined Itaconix (then Revolymer) in September 2008 from Renovo Group plc where he spent seven years as Executive Director of Finance and Business Development. He has been centrally involved in the listing of both businesses and in a number of significant licences and other product commercialisation deals. Rob has a first-class honours degree in Natural Sciences from the University of Oxford.

Lykele van der Broek – Non-Executive Director, Chairman-Designate (October 2017)

Lykele has over 30 years of experience in the agriculture sector. He was previously Chief Operating Officer and a member of the Board of Management at Bayer Crop Science, Head of Bayer Animal Health, and is currently a Non-Executive Director for FTSE 250 constituent, Genus plc.

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 10 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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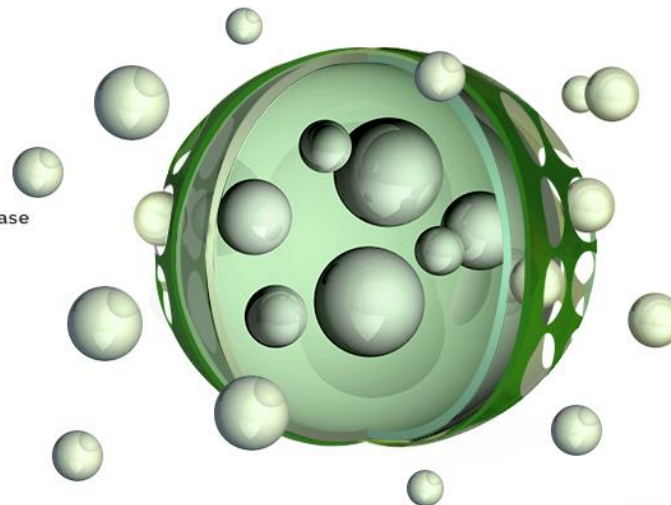
- **Terpenes have well-documented biocidal activity** but are **difficult to use** commercially due to their inherent volatility
- Using Eden's ***Sustaine*** microencapsulation system, Eden and its partners have been able to create a **range of natural products with superior efficacy**
- The ***Sustaine*** 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** with relatively low cost and good commercial availability
- Products have **equal or better performance compared with conventional pesticides** but with **very low (or no) pre-harvest intervals** – important issues for growers
- **Actives are exempt from Maximum Residue Levels** – a **key consumer driver** in fresh fruit and vegetables

Our
technology

SUSTAIN_E

- **Eden owns 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**

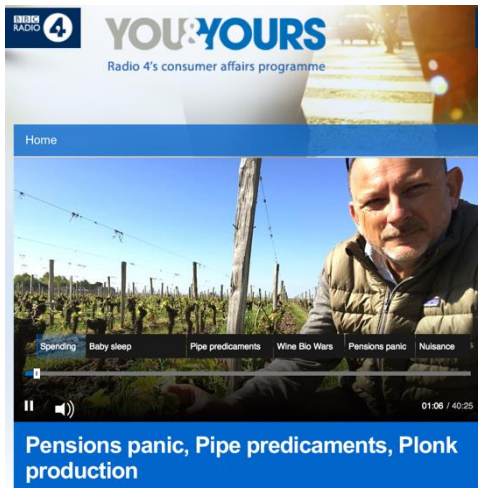
Payload release
on contact
with water



As particle dries,
pores close and
trap remaining
active ingredient

2017
highlights

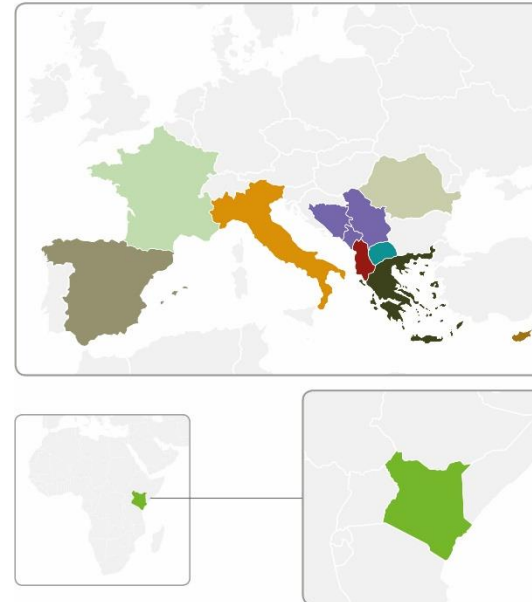
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- **Approval in France** for the marketing, sale and use of 3AEY – marketed in France as Mevalone, Yatto and Nirka
 - First shipments to France
- **Approval in Cyprus and Albania** for the marketing, sale and use of Mevalone – extended label (e.g. Greece)
- **Approval in Portugal** for the marketing, sale and use of 3AEY – marketed as Mevalone by Eden partner K&N Efthymiadis
- Label extension in Italy to include pomegranate
- **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.

Products
on the market

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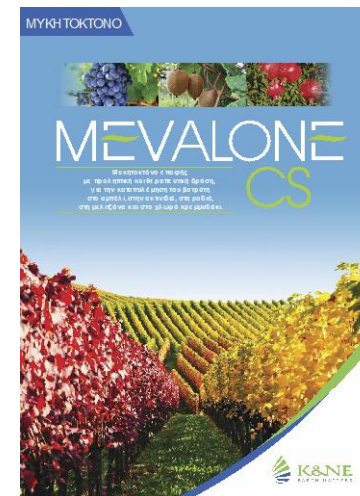


COMMERCIALISATION STATUS
OF 3AEY

Key	Brand Name	Partner	Country
Orange	3logy®	Sipcam	Italy
Brown	ARAW®	Sipcam	Spain
Green	Hawk™	Lachlan	Kenya
Light Green	Mevalone™	Sumi-Agro	France
Dark Green	Mevalone™	Redestos	Greece
Teal	Mevalone™	Redestos	FYROM
Dark Brown	Mevalone™	Redestos	Cyprus
Red	Mevalone™	Redestos	Albania
Light Grey	Mevalone™	Redestos	Romania
Purple	Mevalone™	Redestos	Balkans



MEVALONE





Financial
results H1 2017

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- Revenue of £1.03m (2016: £0.11m)
- Operating Profit for the period increased to £0.21m (H1 2016: loss of £0.86m)
- Profit before tax **of £0.2m** (H1 2016: loss of £0.86m)
- **Profit per share of 0.11p** (H1 2016: loss of 0.44p)

Financial
results H1 2017

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- **Net cash of £3.66m** (H1 2016: £2.01m)
- Strategic investment of £2.2m by Sipcam and placing of £0.2m (gross) to institutional investors
- Expanding investment in regulatory clearances unlocking commercial potential in new, important territories
- **Current trading is in line with the Board's** expectations

H1 2017 income statement

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	H1 2017 GBP '000	H1 2016 GBP '000
Revenue	<u>1,026</u>	<u>109</u>
Cost of sales	<u>(312)</u>	<u>(11)</u>
Gross profit	<u>714</u>	<u>98</u>
Administrative expenses	(692)	(550)
Exceptional royalties refund	570	-
Amortisation of intangible assets	(387)	(337)
Share based payments	-	(73)
Total other operating expenses	<u>(509)</u>	<u>(960)</u>
Operating profit/(loss)	205	(862)
Finance income/(costs)	2	2
Share of loss of equity accounted investee, net of tax	(3)	(2)
Profit/(loss) on ordinary activities before taxation	<u>204</u>	<u>(862)</u>
Tax on profit/(loss) on ordinary activities	-	82
Profit/loss for the financial period	<u>204</u>	<u>(780)</u>
Total Comprehensive Income since last Report	<u>204</u>	<u>(780)</u>
Profit/(loss) per share (pence) – basic and diluted	0.11	(0.44)

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**
- 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



Sipcam overview

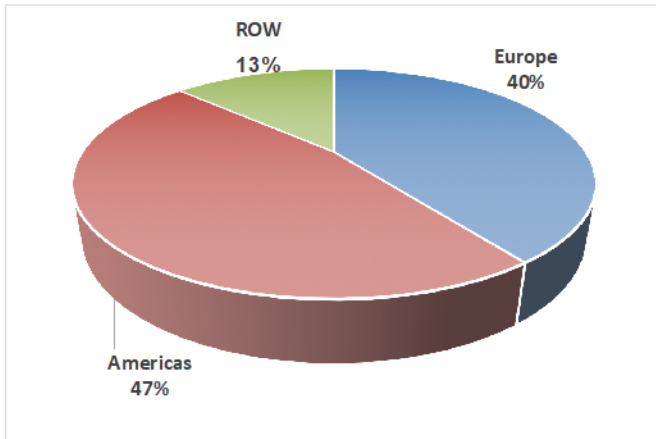


Sipcam was founded in 1946 in Milan, by Dr. Emilio Gagliardini and Prof. Baldo Ciocca as a company specialized in manufacturing and marketing of agrochemicals for agriculture in Italy

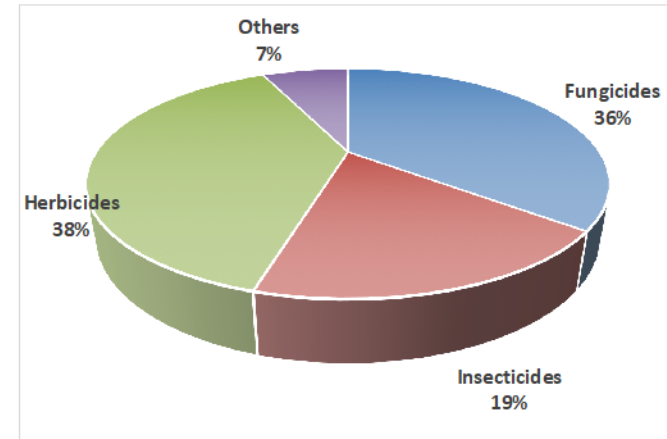
Sipcam-Oxon: a global player & 70 years of history

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

Sales % by Geography: 600 M\$



Sales % by Category: 600 M\$



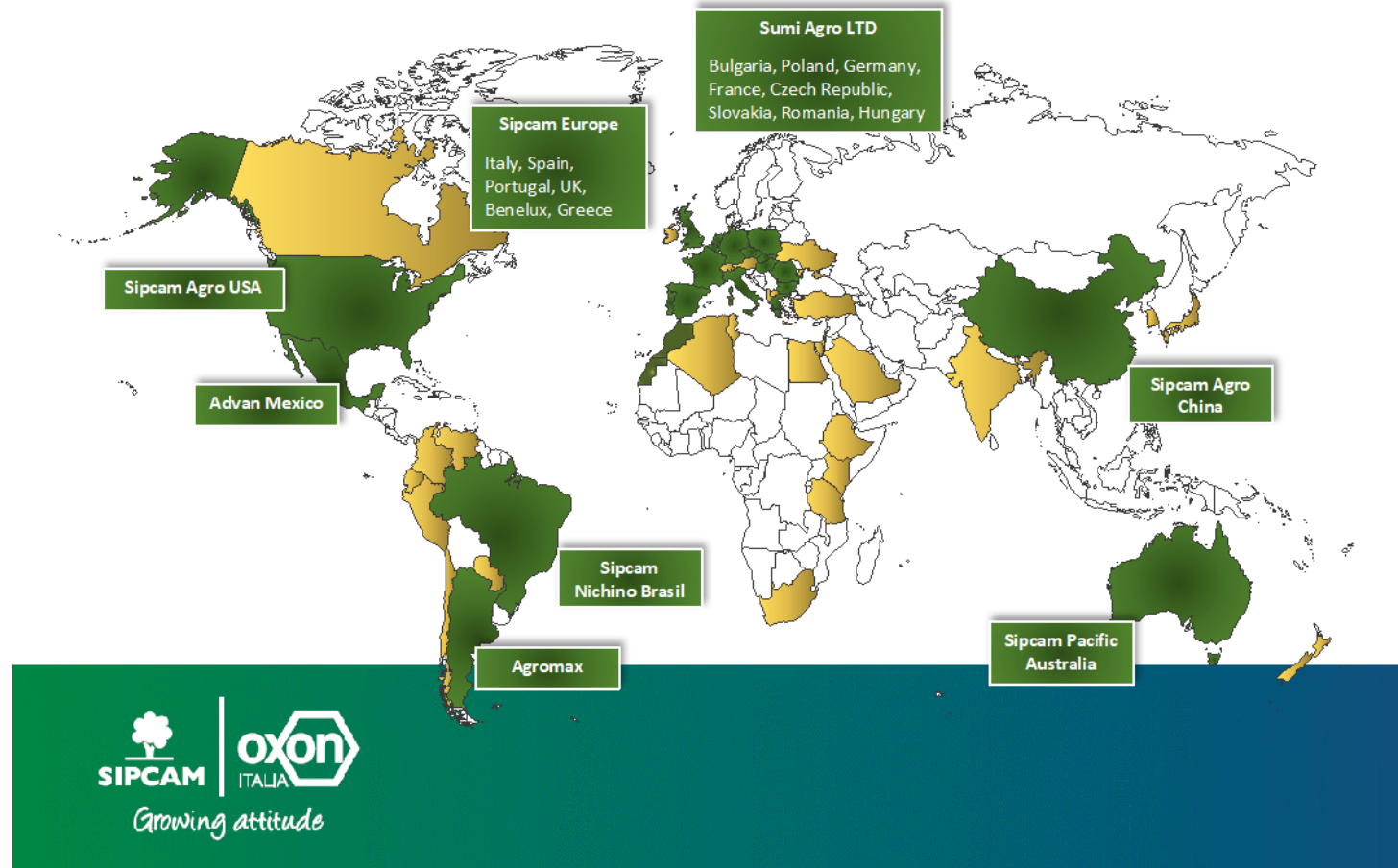
Sipcam overview



Distribution Network

Sipcam Participated or Controlled Companies

Third Parties Distribution



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 filing** for **head lice product** by TerpeneTech
- **TerpeneTech** commercial focus



Outlook

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- Based on these interim results, and the significant commercial and regulatory progress made over the last six months, **current trading is in line with the Board's expectations for the full year.**
- The Company is **well-placed to continue its growth** and to leverage its new and existing relationships in support of its objectives.
- We are **focused on execution** of our recent agreements with Sipcam and Eastman Chemical, as **these partnerships provide us with the resources and capabilities to achieve strong future growth.**
- We are also **increasing our focus on the development of Eden's internal capabilities**, thereby ensuring appropriate resources and assets for future continued growth.

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