29 September 2017

Eden Research plc ("Eden" or "the Company")

Half Yearly Report

Eden Research plc (AIM: EDEN), the AIM-listed company that provides breakthrough biocontrol products and natural microencapsulation technologies to the global agrochemicals, animal health and consumer products industries, announces its interim results for the six months ended 30 June 2017.

Financial highlights

- Revenue for the period increased to £1.03m (H1 2016: £0.11m)
- Operating Profit for the period increased to £0.21m (H1 2016: loss of £0.86m)
- Cash and cash equivalents 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

Business highlights

Commercial, Regulatory and IP:

- Multiple commercial agreements signed with Sipcam SpA (Sipcam) including an Evaluation and Option Agreement for which a fee of €0.6m (£0.5m) was paid to Eden, establishing a long term collaborative partnership
- EU approval of Eden's first agrochemical, fungicide product, 3AEY, gained in France and first commercial sales achieved
- Further EU approvals received in Cyprus, Albania and Portugal (post period end)
- Label extensions received in Kenya now include authorisation for the treatment of roses
- Extension of 3AEY patent protection in Spain, Greece and Cyprus and nematicide patent granted in US
- New terms agreed with University of Massachusetts Medical School ("UMMS") for licence to next-generation technology

Operational highlights:

- Lykele van der Broek, former COO of Bayer Crop Science and former Head of the Animal Health division of Bayer Health Care, to be appointed as a Non-Executive Director and Chairman Designate of the Company from 1 October 2017 and Chairman with effect from 1 January 2018
- Tom Lupton to retire as Chairman and Non-Executive Director on 31 December 2017

Tom Lupton, Chairman, commented:

"Eden has achieved a successful first half performance. A significant volume of our first plant protection fungicide, 3AEY, has already been sold by our partners in France, Greece and Kenya with on-going sales in Italy and Spain in the second half of the year. While it is too early to predict the impact of climate and overall conditions on sales, we are pleased to say that interest in 3AEY has been steadily growing, and we expect this to translate into increasing market share as time, regulatory approvals and growing conditions permit.

During the period, we successfully concluded a series of commercial agreements with one of our existing partners, Sipcam SpA, who paid us a fee of €0.6m for certain rights to Eden's agrochemical products in a number of important territories. Additionally, Sipcam made a strategic investment in Eden subscribing to £2.2m in new shares and consequently has become a significant shareholder with a 9.9% stake in the Company.

On 21 December 2016, we announced an exclusive distribution agreement with Eastman Chemical for our nematicide product to be marketed by Eastman as Cedroz™ in nearly thirty countries across the world. Progress during the first half of 2017 has been made in registering Cedroz in a number of territories and we look forward to working closely with Eastman to maximise the potential for Cedroz from first commercial launch.

We are now beginning to see the result of our investments in commercial relationships, intellectual property, technology and regulatory approvals. These investments, along with our evolving business model will continue to fuel growth. Whilst we will continue to leverage our assets into new regulatory approvals and territories and growing sales, we are increasingly focused on developing our capabilities to support future growth.

Having been with Eden since 2012, I have watched its evolution from early stage development to commercial stage, with great prospects and the right team in place to fully exploit the technologies and products and that have been developed over the years. I believe that the time is now right for me to retire and am pleased that I am passing the role of Chairman to Lykele van der Broek, who has the necessary experience to support the executive team and lead the Board through this new and exciting stage that the Company has reached.

I would like to thank my colleagues and our shareholders for their support during my time at Eden and wish the team at Eden all the best for the future. I will continue to watch with a keen interest as the business continues to grow and flourish in the coming years."

A presentation for analysts will be held at 9.00am this morning at Powerscourt's offices, 1 Tudor Street, EC4Y 0AH.

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Chief Executive statement

Results

The business has performed well during the first half of the year. Sales of our first plant protection product, 3AEY, have been pleasing with repeat orders from multiple partners, and with robust sales in France despite a slightly slower start than hoped due to the authorization of the product coming late in the commercialisation “window” for the current year. Although 2017 has been a challenging year for crop protection products due to unusual growing conditions (i.e. hard frosts in April followed by high heat and drought in the summer, resulting in the smallest harvests in 60 years) in key markets such as France and Italy, 3AEY should achieve a reasonable and growing market share based upon early assessments. Indeed, grower feedback has also been positive with growers placing 3AEY performance on par with conventional fungicides. This is, in fact, the standard we aim to achieve.

Total revenue from operations in the period to 30 June 2017 was £1.03m, significantly ahead of last year at £0.11m, partly driven by commercial sales of 3AEY in key grape growing countries and partly by the upfront payment from the Evaluation and Option Agreement entered into with Sipcam in June.

Strategic investment by Sipcam

A highlight for the Company during the period was the execution of a series of agreements with Sipcam SpA covering product distribution, product evaluations, and options for exclusivity in a range of economically important countries. Sipcam is a strong partner with a global footprint and a well-established position, especially in many of our high-value fruit and vegetable market targets, such as vines. Sipcam is also well-recognised in the industry for its excellent formulation and production capabilities.

Whilst we clearly recognise the potential for Sipcam to help grow Eden’s global presence and accelerate product commercialisation across a range of existing and new products, Sipcam has in turn recognised the real potential in Eden’s products, team and technology. Consequently, they have made a strategic investment in Eden taking a 9.9% stake in the Company through the purchase of £2.2 million of new shares. At the same time, the Company also successfully raised c.£200k through an institutional placing and announced that it had received a non-binding indication from an existing institutional investor for £300,000 of new shares (the “Additional VCT Placing”). Further to the Company’s announcement on 30 June 2017, the Company is pursuing the relevant clearance from HMRC that the Company's business will qualify for the relevant tax reliefs in connection with the Additional VCT Placing and will make a further announcement as appropriate.

We look forward to working with Sipcam both on the short-term commercialisation of 3AEY in key vine markets globally, but also in our long-term collaboration focussed on leveraging our respective technical and commercial capabilities for the benefit of both companies, our shareholders, and growers around the world.

Commercial progress

Investment in regulatory clearances unlocks commercial potential in new, important crop targets and territories. During the period, Eden’s product, 3AEY has received regulatory clearance in France with the recently-announced approval in Portugal coming after the period end. Furthermore, 3AEY has also received approval in Cyprus and Albania, and minor use and emergency authorisations have also been granted on new crop targets such as aubergine, kiwi and pomegranate. We are working hard to continue this expansion into new territories including key markets such as the United States and various South American countries.

On 21 December 2016, we announced a major distribution agreement with Eastman Chemical’s subsidiary, Taminco, for Eden’s nematicide product which will be marketed as Cedroz™. Since that time, we have been actively collaborating with Eastman which is busy with the management of field trials and the generation of data supporting product registrations in nearly 30 countries around the world. Registration and commercialisation timing is on track, and we continue to anticipate product sales in 2019, as previously announced. To date, product feedback is positive, and both parties continue to look for opportunities to broaden the segment of the global nematicide business that can be addressed by Cedroz™.

We have previously announced a number of licence agreements and a share-based transaction leading to the acquisition of 29.9% of TerpeneTech Limited. Subsequently, TerpeneTech Limited has been focussed upon the further development, registration, and launch of its head-lice treatment product in the United States and Europe. In parallel, they have been in conversation with several potential channel distribution partners, and we expect that the outcome of these discussions will be announced in the coming months. We currently expect TerpeneTech to announce the launch of its head-lice treatment product in early 2018, subject to timely regulatory submissions and the subsequent authorisations, which are on-going.

This year, we have increased our focus on our intellectual property ("IP") portfolio, including both patents and trademarks. In conjunction with this, we have appointed new patent agents and advisors to manage the overall portfolio and to work with us and with our partner, Xinova (formerly Intellectual Ventures), to devise various IP-related strategies. It is also pleasing to note that the prosecution of Eden's patent applications globally continues to proceed with Eden receiving new granted patents in Australia, the United States, and Japan. Furthermore, we have been granted "supplementary protection certificates" (SPCs) in a number of countries further extending our 3AEY patent protection in territories in which we have authorisation to sell by approximately six years. We will continue to use SPC's to provide additional patent protection for our products.

We continue to engage in active portfolio management. This means that we routinely review our portfolio to assess its fit with our longer-term business objectives, and we actively manage our patents in alignment with these objectives. As a part of this process, we have also agreed new terms with UMMS covering our licence to certain University-owned encapsulation technologies resulting in a net reduction in Eden's short-term financial obligations to UMMS. In Eden's 2016 Report and Accounts, it was noted that an amount of £570,000, (USD$700,000) had been accrued to UMMS for minimum royalties payable under the licence agreement which Eden signed with UMMS in 2011. The amount accrued has now been written off, and Eden has agreed to pay a fee of USD$250,000. A portion of this fee was due upon signature of the Amendment, and the balance is payable in one year's time from signature.

Dividend

There was no dividend paid or proposed for the six month period. The Board continues to monitor its dividend policy.

Outlook

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.

We are focussed on execution under 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 our internal capabilities, thereby ensuring appropriate resources and assets for future continued growth. I look forward to working with the Board, our team and our partners to fully realise our ambitions.

Eden Research plc
Statement of Comprehensive Income for the six months ended 30 June 2017

	Six months ended 30 June 2017 GBP'000 unaudited	Six months ended 30 June 2016 GBP'000 unaudited re-stated	Year ended 31 December 2016 GBP'000 audited
Revenue	**1,026**	109	392
Cost of sales	**(312)**	(11)	(29)
Gross profit	**714**	98	363
Administrative expenses	**(692)**	(550)	(1,439)
Exceptional royalties refund (note 9)	**570**	-	-
Amortisation of intangible assets	**(387)**	(337)	(680)
Share based payments (note 8)	**-**	(73)	(130)
Total other operating expenses	**(509)**	(960)	(2,249)
Operating profit/(loss)	**205**	(862)	(1,886)
Finance income/(costs)	**2**	2	(15)
Share of loss of equity accounted investee, net of tax	**(3)**	(2)	(12)
Profit/(loss) on ordinary activities before taxation	**204**	(862)	(1,913)
Tax on profit/(loss) on ordinary activities	**-**	82	82
Profit/loss for the financial period	**204**	(780)	(1,831)
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss	**-**	-	-
Items that will be reclassified subsequently to profit or loss	**-**	-	-
Other Comprehensive Income net of tax	**-**	-	-
Total Comprehensive Income since last Report	**204**	(780)	(1,831)
Profit/(loss) per share (pence) – basic and diluted (note 4)	**0.11**	(0.44)	(1.03)

Eden Research plc
Consolidated Statement of Financial Position as at 30 June 2017

	30 June 2017 GBP'000 Unaudited	30 June 2016 GBP'000 Unaudited re-stated	31 Dec 2016 GBP'000 Audited
ASSETS			
NON-CURRENT ASSETS			
Intangible assets (note 6)	**5,043**	5,290	5,212
Investments in equity accounted investee (note 7)	**808**	822	811
	5,851	6,112	6,023
CURRENT ASSETS			
Trade and other receivables	**998**	238	241
Cash and cash equivalents	**3,663**	2,007	1,532
	4,661	2,245	1,773
TOTAL ASSETS	**10,512**	8,357	7,796
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**1,114**	598	965
TOTAL CURRENT LIABILITIES	**1,114**	598	965
NON-CURRENT LIABILITIES			
Trade and other payables	**67**	-	67
TOTAL NON-CURRENT LIABILITIES	**67**	-	67
TOTAL LIABILITIES	**1,181**	598	1,032
EQUITY			
Called up share capital	**2,085**	1,846	1,846
Share premium account	**31,264**	29,140	29,140
Merger reserve	**10,210**	10,210	10,210
Warrant reserve	**615**	808	615
Retained earnings	**(34,843)**	(34,245)	(35,047)
TOTAL EQUITY attributable to owners of the parent	**9,331**	7,759	6,764
TOTAL EQUITY AND LIABILITIES	**10,512**	8,357	7,796

Eden Research plc
Statement of Changes in Equity as at 30 June 2017

	Share capital GBP'000	Share premium GBP'000	Merger reserve GBP'000	Warrant reserve GBP'000	Retained earnings GBP'000	Total GBP'000
<u>Six months ended 30 June 2017</u>						
Balance at 1 January 2017 (audited)	**1,846**	**29,140**	**10,210**	**615**	**(35,047)**	**6,764**
Profit and total comprehensive income	**-**	**-**	**-**	**-**	**204**	**204**
Transactions with owners						
- Share issue	**239**	**2,124**	**-**	**-**	**-**	**2,363**
- Options granted	**-**	**-**	**-**	**-**	**-**	**-**
- Options exercised/lapsed	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with owners	**239**	**2,124**	**-**	**-**	**-**	**2,363**
Balance at 30 June 2017 (unaudited)	**2,085**	**31,264**	**10,210**	**615**	**(34,843)**	**9,331**
<u>Six months ended 30 June 2016</u>						
Balance at 1 January 2016 as restated (audited)	1,587	26,861	10,210	735	(33,465)	5,928
Loss and total comprehensive income	-	-	-	-	(780)	(780)
Transactions with owners						
- Share issue	259	2,279	-	-	-	2,538
- Options granted	-	-	-	73	-	73
- Options exercised/lapsed	-	-	-	-	-	-
Transactions with owners	259	2,279	-	73	-	2,611
Balance at 30 June 2016 (unaudited)	1,846	29,140	10,210	808	(34,245)	7,759

Eden Research plc
Statement of cash flows for the six months ended 30 June 2017

	Six months ended 30 June 2017 GBP '000 unaudited	Six months ended 30 June 2016 GBP '000 unaudited	Year ended 31 December 2016 GBP '000 audited
Cash flows from operating activities			
Cash outflow from operations (note 5)	**(16)**	(598)	(983)
Tax credit received	**-**	-	82
Net finance charges paid	**-**	-	(16)
Net cash used in operating activities	**(16)**	(598)	(917)
Cash flows from investing activities			
Capitalisation of development expenditure	**(218)**	(83)	(238)
Finance income	**2**	2	1
Net cash used in investing activities	**(216)**	(81)	(237)
Cash flows from financing activities			
Share issue costs	**(35)**	(131)	(131)
Issue of equity shares	**2,398**	2,669	2,669
Net cash from financing activities	**2,363**	2,538	2,538
Increase/(decrease) in cash and cash equivalents	**2,131**	1,859	1,384
Cash and cash equivalents at beginning of period	**1,532**	148	148
Cash and cash equivalents at end of period	**3,663**	2,007	1,532

Cash and cash equivalents comprise bank account balances.

Notes to the Interim Results

1. The information in these financial statements does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and is un-audited. These financial statements have been prepared in accordance with the AIM rules, and IAS 34 has not been adopted. A copy of the Company's statutory accounts for the period ended 31 December 2016, prepared under International Financial Reporting Standards as adopted by the European Union, has been delivered to the Registrar of Companies and are available on the Company's website. The auditors' report on those accounts was unqualified and did not contain statements under section 498(2) or section 498(3) of the Companies Act 2006.

2. Nature of operations and general information

Eden Research is a technology development and commercialisation company with intellectual property and expertise in encapsulation, terpenes and environmentally friendly technologies to provide naturally occurring solutions for the global agrochemicals, animal health, and consumer product industries.

Eden's encapsulation technology harnesses the biocidal efficacy of naturally occurring chemicals produced by plants (terpenes) and can also be used with both natural and synthetic compounds to enhance their performance and ease-of-use. The technology uses yeast cells that are a by-product of numerous commercial production processes to deliver a slow release of natural compounds for agricultural and non-agricultural uses. Terpenes are already widely used in the food flavouring, cosmetics and pharmaceutical industries.

Historically, terpenes have had limited commercial use in the agrochemical sector due to their volatility, phytotoxicity and poor solubility. Eden's platform encapsulation technology provides a unique, environmentally friendly solution to these problems and enables terpenes to be used as effective, low-risk agrochemicals.

Eden is developing these technologies through innovative research and a series of commercial production, marketing and distribution partnerships.

3. Accounting Policies

Basis of Preparation

These interim condensed consolidated financial statements are for the six months ended 30 June 2017. They have been prepared following the recognition and measurement principles of IFRS. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the company for the year ended 31 December 2016.

These financial statements have been prepared on the going concern basis and under the historical cost convention.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company has reported a profit for the period after taxation of £204,000 (2016: £780,000 loss). Net current assets at that date amounted to £3,547,000 (2016: £1,647,000).

The directors have prepared budgets and projected cash flow forecasts, based in part on forecasts provided by Eden's commercial partners, for a period of two years from 30 June 2017 and they consider that the Company will be able to operate with the cash resources that are available to it for this period. The ability of the Company to continue as a going concern is ultimately dependent upon the amounts and timing of cash flows from the exploitation of the Company's intellectual property and the availability of additional funding to meet the short term needs of the business until the commercialisation of the Company's portfolio is reached.

The forecasts adopted only include revenue derived from existing contracts and, while there is a risk these payments might be delayed if milestones are not reached, there is also potential upside from on-going discussions and negotiations with other parties, as well as other "blue sky" opportunities.

In addition, the Company has relatively low fixed running costs and has a demonstrable ability to delay certain other costs, such as the forecast Research and Development expenditure, in the event of unforeseen cash constraints.

The directors have also considered a scenario whereby the Company receives no revenue from the date of this Report. On this basis, the directors believe that the Company has sufficient cash to cover a period of at least 12 months from the date of this Report.

The directors have been and will continue to closely monitor performance against cash flow projections that have been prepared for the period to 30 June 2019, and beyond, and are confident that the Company will be able to rely on the necessary cash resources at least at the levels referred to above.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a failure by the Company to meet these forecasts.

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2016, except for the application of the following standards at 1 January 2017:

- IFRS 13 “Fair Value Measurements” (IFRS 13)
- Annual Improvements 2009-11 (Annual Improvements)

The accounting policies have been applied consistently for the purposes of preparation of these condensed interim financial statements.

Copies of the interim statement are available from the Company at its registered office, 6 Priory Court, Priory Court Business Park, Poulton, Cirencester, Gloucestershire, GL7 5JB, as well as on the Company’s website.

4. Profit/(loss) per share

	Six months ended 30 June 2017 Pence unaudited	Six months ended 30 June 2016 Pence unaudited	Year ended 31 December 2016 Pence audited
Profit/(loss) per ordinary share (pence) - basic and diluted	**0.11**	(0.44)	(1.03)

Profit/(loss) per share has been calculated on the net basis on the profit after tax of £204,000 (30 June 2016: loss £780,000, 31 December 2016: loss £1,831,000) using the weighted average number of ordinary shares in issue of 184,654,119 (30 June 2016: 178,432,719, 31 December 2016: 178,441,431).

Due to the average share price during the period being less than the average exercise price of the options which were outstanding at 30 June 2017, there is no dilution arising from options in existence.

5. Reconciliation of loss before income tax to cash used by operations

	Six months ended 30 June 2017 GBP '000 unaudited	Six months ended 30 June 2016 GBP '000 unaudited	Year ended 31 December 2016 GBP '000 audited
Profit/(loss) before income tax	**204**	(862)	(1,913)
Share of associate's losses	**3**	2	12
Depreciation charges	**387**	337	680
Share based payment charge	**-**	73	130
Finance costs	**-**	-	15
Finance income	**(2)**	(2)	(1)
	592	(452)	(1,077)
Increase in trade and other receivables	**(757)**	(74)	(76)
Increase/(decrease) in trade and other payables	**149**	(72)	170
Cash used by operations	**(16)**	(598)	(983)

6. Intangible assets

	Intellectual property	**Licences and trademarks**	**Development Costs**	**Total**

	£	£	£	£
COST				
At 1 January 2016	8,657	447	3,189	12,293
Additions	-	-	83	83
At 30 June 2016	8,657	447	3,272	12,376
Additions	83	-	183	266
At 31 December 2016	8,740	447	3,455	12,642
Additions	**-**	**115**	**103**	**218**
At 30 June 2017	**8,740**	**562**	**3,558**	**12,860**
AMORTISATION				
At 1 January 2016	5,132	368	1,250	6,750
Charge for the period	219	9	108	336
At 30 June 2016	5,351	377	1,358	7,086
Charge for the period	220	7	117	344
At 31 December 2016	5,571	384	1,475	7,430
Charge for the period	**220**	**8**	**159**	**387**
At 30 June 2017	**5,791**	**392**	**1,634**	**7,817**
CARRYING AMOUNT				
At 30 June 2017	**2,949**	**170**	**1,924**	**5,043**
At 31 December 2016	3,169	63	1,980	5,212
At 30 June 2016	3,306	70	1,914	5,290

7. Investment in equity accounted investee

	Six months ended 30 June 2017 GBP '000 unaudited	Six months ended 30 June 2016 GBP '000 unaudited	Year ended 31 December 2016 GBP '000 audited
Percentage ownership interest			
and proportion of voting rights	**29.90%**	29.90%	29.90%
	£	£	£
Non-current assets	**608**	652	632
Current assets	**190**	98	92
Non-current liabilities	**(73)**	(100)	(79)
Current liabilities	**(93)**	(20)	(27)
Net assets (100%)	**632**	630	618
Company's share of net assets	**189**	188	184
Separable intangible assets	**206**	221	214
Goodwill	**413**	413	413
Carrying amount of interest in associate	**808**	822	811
Revenue	**148**	105	145
Profit/(loss) from continuing operations	**13**	14	7
Post tax profit from discontinued operations	**-**	-	-
100% of total post-tax profits	**13**	14	7
29.9% of total post-tax profits	**4**	4	2
Amortisation of separable intangible assets	**(7)**	(7)	(14)
Company's share of profit/(loss)	**(3)**	(3)	(12)
Other comprehensive income	-	-	-
100%	-	-	-
29.90%	-	-	-
Company's share of other comprehensive income	**-**	-	-
Total comprehensive income (100%)	**13**	14	7
Company's share of total comprehensive income	**(3)**	(3)	(12)
Dividends received by the Company	**-**	**-**	-

8. **Share based payments**

Share Options

Eden Research plc operates an unapproved option scheme for executive directors, senior management and certain employees.

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Weighted average exercise price (pence)	**Number**	Weighted average exercise price (pence)	Number
Outstanding at the beginning of the period	**11**	**5,025,000**	12	6,255,000
Granted during the period	**-**	**-**	13	1,050,000
Exercised during the period	**-**	**-**	13	(530,000)
Lapsed during the period	**-**	**-**	13	(2,750,000)
	11	**5,025,000**	10	4,025,000

The exercise price of options outstanding at the end of the period ranged between 8p and 18p (30 June 2016: 8p and 18p) and their weighted average contractual life was 1.4 years (30 June 2016: 1.9 years). None of the options have vesting conditions.

The weighted average share price (at the date of exercise) of options that lapsed during the period was nil p (30 June 2016: 13p).

The share based payment charge for the period was £nil (30 June 2016: £73,300).

Warrants

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Weighted average exercise price (pence)	**Number**	Weighted average exercise price (pence)	Number
Outstanding at the beginning of the period	**14**	**5,497,867**	14	5,497,867
Granted during the period	**-**	**-**	-	-
Lapsed during the period	**-**	**-**	-	-
	14	**5,497,867**	14	5,497,867

The exercise price of warrants outstanding at the end of the period ranged between 11p and 30p (30 June 2016: 11p and 30p) and their weighted average contractual life was 1.7 years (30 June 2016: 2.6 years).

9. **Exceptional royalties refund**

In Eden's 2016 Report and Accounts, an accrual had been made of £570,000, being minimum royalties due to University of Massachusetts Medical School ("UMMS") under the licence agreement Eden signed with UMMS in 2011. Eden successfully re-negotiated some of the terms of the licence with UMMS and, as such, the full amount accrued has been credited to the Income Statement.

Other notes:

Eden Research is a technology development and commercialisation company with intellectual property and expertise in encapsulation, terpenes and environmentally friendly technologies to provide naturally occurring solutions for the global agrochemicals, animal health, and consumer product industries.

Eden's encapsulation technology harnesses the biocidal efficacy of naturally occurring chemicals produced by plants (terpenes) and can also be used with both natural and synthetic compounds to enhance their performance and ease-of-use. The technology uses yeast cells that are a by-product of numerous commercial production processes to deliver a slow release of natural compounds for agricultural and non-agricultural uses. Terpenes are already widely used in the food flavouring, cosmetics and pharmaceutical industries.

Historically, terpenes have had limited commercial use in the agrochemical sector due to their volatility, phytotoxicity and poor solubility. Eden's platform encapsulation technology provides a unique, environmentally friendly solution to these problems and enables terpenes to be used as effective, low-risk agrochemicals.

Eden is developing these technologies through innovative research and a series of commercial production, marketing and distribution partnerships.

The Company has a number of patents and a pipeline of products at differing stages of development targeting specific areas of the global agrochemicals industry. To date, the Company has invested in the region of £12m in developing and protecting its intellectual property and seeking regulatory approval for products that rely upon the Company's technologies. Revenues earned by the Company have been modest whilst the Company has concentrated on securing patent protection for its intellectual property, gaining regulatory approvals, identifying suitable industrial partners, and entering into commercial agreements.

In May 2013, the three actives that comprise Eden's first commercial product, 3AEY, were approved as new ingredients for use in plant protection products. This represented a major milestone in the commercialisation of Eden's technology and is a significant accomplishment for any company. To illustrate this point, one should note that in all of 2013, Eden's approvals represented 3 of only 10 new active ingredients approved by the EC.

3AEY has been authorised for sale in Kenya, Malta, Greece, Bulgaria, Spain, Italy, France, Cyprus, Albania and Portugal.

Eden was admitted to trading on AIM on 11 May 2012 and trades under the symbol EDEN.

For more information about Eden, please visit: www.edenresearch.com