



29 September 2020

## **Eden Research plc (“Eden” or “the Company”)**

### **Half Yearly Report**

Eden Research plc (AIM: EDEN), the AIM-quoted company focused on sustainable biopesticides and plastic-free encapsulation technology for use in crop protection, animal health and consumer products industries, announces its interim results for the six months ended 30 June 2020.

#### **Financial highlights**

- Revenue for the period of £0.75m (H1 2019: £0.58m)
- Product sales £0.73m (H1 2019: £0.45m)
- Upfront and milestone payments of £0.02m (H1 2019: £0.13m)
- Operating loss for the period increased to £1.01m (H1 2019: loss of £0.63m)
- Cash and cash equivalents of £8.66m (H1 2019: £1.36m)

#### **Business & Operational highlights**

- Successful fundraise of £10.4m gross in March 2020 adding a number of new institutional investors.
- One year exclusive Evaluation Agreement signed with Corteva (NYSE: CTVA), the fourth largest agriculture input company in the world in seed treatments.
- Organic approval received for Mevalone in Italy and Spain.
- Appointment of Mike Carroll as Director of Regulatory Affairs and Aoife Dillon as Global Head of Biology and Development.

#### **Lykele van der Broek, Chairman, commented:**

“As a result of our successful fundraise in March we have begun work expanding into new product categories, with a focus on new insecticide formulations and seed treatments. Throughout the period we have made several commitments to further our ambitions in these areas.

In particular, our exclusive one-year evaluation agreement with Corteva Agrisciences represents the first use of Eden's products and technology in the treatment of seeds and is an initial step into this area across a range of functional uses and seed types.

We have entered into new markets with our three EU-registered active ingredients (geraniol, eugenol and thymol) receiving approval for use in organic farming in the EU earlier this year, leading to our entry into two of the biggest European organic markets of Italy and Spain in conjunction with Eden's partner, Sipcam Oxon S.p.A.

Our presence in Europe also continues to grow through new authorisations for both Cedroz™ and Mevalone®, and we anticipate further approvals in Europe and further abroad will follow in due course.

Despite the uncertainty created by the Covid-19 pandemic, we have made continued progress in expanding our business resources. Most pleasing has been the establishment of new product development capabilities in-house, which will save significant time and money compared to out-sourcing, and we have been able to attract high-calibre talent to our team, who will play an integral role in capitalising on the opportunities in our pipeline going forward.”

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**Eden Research plc**  
**Chief Executive's statement for the six months ended 30 June 2020**

**Results**

Revenue for the first half of the year was £0.75m compared to £0.58m for the same period in 2019.

Product sales increased to £0.73m (H1 2019: £0.45m).

Overheads were higher than last year at £0.97m (H1 2019: £0.68m).

Loss before tax for the period increased to £1.02m (H1 2019: loss of £0.65m).

**Capital Raising**

The key corporate milestone in the period was our successful capital raise of £10.4m (gross) in March 2020. This was fundamental to positioning us to capitalise on the work we have done to date and to move forward expeditiously with our programme to develop new, effective insecticide products as well as pursuing other key opportunities such as seed treatments.

The Board remains confident in the market opportunity for biopesticides, which is growing at a compound annual growth rate of approximately 15% per annum and is projected to be worth more than \$10 billion by 2025. While the use of conventional pesticides has been fundamental to the farming revolution over the last 100 years, governments and consumers have increasingly begun to acknowledge the potential risks posed by conventional pesticides to human health and the environment. This has led to well-publicised bans or severe restrictions on the use of some common pesticides in many countries around the world.

Eden's technology and products can solve many of the issues associated with the use of conventional pesticides, including reducing or eliminating the use of microplastics in farming. We continue to make progress towards realising the opportunities identified by the company at the time of the capital raise, as exemplified below.

**Regulatory Update**

*Product approvals*

In January 2020, Eden reported significant progress in its entry to the organic market, receiving clearance for the use of its three EU-registered active ingredients, geraniol, eugenol and thymol, in organic farming following inclusion in the EU's Organic Production Regulation.

Following the initial clearance of its active ingredients, Eden confirmed it had received approval for its foliar biofungicide product Mevalone®, branded "3LOGY®" in Italy and "Araw®" in Spain, for use in organic farming. Post-period end, Eden also received organic approval for Mevalone in France. Eden's entry into the organic grapes market is important given the rate of growth of organic grape farming, and the fact that an allowance for use in organic production also adds a competitive advantage in the conventional farming markets. Organic wine production is forecast to increase by 70% in Spain between 2018-2023 and Italy's organic vineyards account for 15.5% of its total vineyards, the highest proportion in the world.

Early in the period, the onset of the Covid-19 pandemic created uncertainties regarding the timelines of regulatory processes and procedures in the agriculture industry. Whilst the impact remains uncertain, we were pleased to receive several authorisations across a range of geographies from late May onwards (although a number of key authorisations are still pending).

Eden's commercial collaborator, Eastman, received a repeat of the emergency authorisation for Cedroz™ in the key territory of Italy, and at the same time the full authorisation of Cedroz in the Netherlands was granted. Italy is considered a key market for Eden's products, and it was positive to see that after an initial successful summer harvest in 2019 under the initial "emergency use" authorisation, Eastman was granted its second 120-day pass

to coincide with the upcoming growing season. Whilst the “emergency use” authorisations do not influence the full approvals coming through, they help illustrate the strong demand for biopesticide products in the region.

In the same month, Eden was notified that in Greece, the list of authorised uses for Mevalone was expanded to include several minor diseases on olives and tomatoes. Post-period end, Eden has announced additional approvals in the region with the authorisation for the sale of Cedroz in Greece and the authorisation for the sale of Mevalone in Serbia, both to be sold to the market via regional distributor K&N Efthymiadis ('KNE').

There have been four further authorisations post-period end: the authorisations of Eden’s bio-fungicide in Australia, for use on both wine and table grapes under the trade name "Novellus"™, and the authorisations for Eastman to sell Cedroz™ in Spain and France. These are considered important opportunities for Eden and should make an impact on future sales.

We previously reported our expectations to receive US EPA approval for the sale of Mevalone and Cedroz in the United States during 2020. However, partly due to Covid-19 and consequential operational challenges at the EPA, the approval has disappointingly continued to be delayed and timing remains uncertain. The Company continues to actively engage with providing additional data to the EPA to advance the process and assist where possible.

### *Patents*

In the period, patents for Eden's Sustaine® encapsulation technology and compositions for insecticide products were both granted by the US Patent Office (“USPTO”). The initial patent provides broad compositional protection for the encapsulation of terpenes in hollow cell wall particles. The second patent provides protection for the use of compositions in a method of killing mites or treating/preventing mite infestation, which is an intended use for Eden's new insecticide products. Both of these patents had been pending for several years, and so we are pleased to note that a change in patent prosecution strategy yielded the desired results relatively quickly. Also of note is that the USPTO granted Eden patent life adjustments providing protection until May 2030 for Eden’s covered products in the important US market.

Post-period end, the patent protecting Sustaine encapsulation technology was granted in Australia. The patent is for "Encapsulation of High Potency Actives" allowing for the combination of Sustaine with a wide range of active ingredients, including from third parties.

### **Commercial Partnerships**

In January 2020, Eden established a new partnership in the form of a one-year exclusive evaluation agreement with Corteva Agriscience. The agreement granted Corteva time to evaluate Eden's Sustaine encapsulation technology and several formulations in specific biological seed treatment applications in certain major territories and, if successful, will lead to Corteva being granted exclusive distribution rights.

Corteva will have until the end of 2020 for the exclusive evaluation of products which were developed using Sustaine in select seed treatment applications. Following this, Corteva may enter into an exclusive agreement for the distribution of products in the EU, Russia, Ukraine and Turkey. This would represent a major milestone for Eden as it will be the first use of Eden's products and technology in the treatment of seeds and would be an initial step into this area across a range of functional uses and seed types. Success in this area could also mark Eden’s first entry into key broad acre crop markets, diversifying Eden’s focus beyond high value fruit and vegetables.

Work at TerpeneTech continues on the commercial launch of a head lice treatment product. Though the timing of a commercial launch in the UK has become less clear, in part due to issues surrounding Covid-19 and its impact on certain retail product offerings, we do note that TerpeneTech is in advanced conversations with another commercial partner covering numerous territories outside of the UK. This partially validates the strong commercial demand for safe and effective head lice treatment products globally, and it highlights the shortage of products that meet the demand of today’s consumers. TerpeneTech’s sale of biocidal geraniol continues to develop positively, with demand for biocides strengthening as a result of the Covid-19 pandemic.

An amendment to the existing licence agreement between Eden and Bayer Animal Health for animal health products was reported in May, for the purposes of progressing the final development of a portfolio of Bayer products based upon Eden's technology and know-how. This amendment involved an increased investment in the project, which was facilitated in part by Eden's successful capital raise in March. Bayer also completed the sale of its animal health business to Elanco, and the relevant agreements have now been transferred to Elanco.

Post period end, we joined the NIAB EMR viticulture consortium, where we are working together on a project with the viticulture and wine team to develop biocontrol solutions for its members and UK vineyards. This is an important project for the UK wine industry, and we will provide further updates on the progress and outcomes of trials in due course.

## **COVID-19 update**

In March 2020, we published a statement regarding our position on Covid-19. At this time, we stated that we had experienced no direct operational impact and reassured our stakeholders about our strengthened balance sheet and our ability to progress with plans in our pipeline.

As the pandemic has evolved, we have started to see some disruption, and there have been some issues with the import and export of products. In addition, some regulatory authorities are working at reduced capacity. The latter has the potential to impact the Group's on-going product approvals with regulators around the world, which are required for it to sell its products in a broader range of markets to generate new revenues.

The wine industry has clearly experienced major disruptions to production and also demand, which in turn will impact our business. Europe's 2020 wine harvest began relatively early following a warm growing season, but in many areas, it was taking place against a backdrop of lost sales – largely due to the economic impact of Covid-19 lockdowns. The countries that rank highest for total wine consumption (the United States, UK, Spain, Italy, France, etc.) are also the countries that have experienced the most severe impact of the coronavirus pandemic.

Net decreases in both volumes and sales values are projected for parts of Europe due to a fall in bar and restaurant sales, and travel and tourism, resulting in a rising surplus of wine. This has been somewhat countered by the rise in supermarket and e-commerce sales in some regions in the short run, but this is not reflected across all markets.

Eden's foliar biofungicide product, Mevalone®, is currently used primarily to treat botrytis on table and wine grapes in Italy, France and Spain. The need for Mevalone in the upcoming harvest will therefore naturally decrease as a result of the major cutbacks on production to meet demand. In Italy, domestic demand for wine is expected to fall by almost a third and exports have also fallen. Wine makers in Italy fear a loss of around €1 billion this year, or 9% of total sales because of the pandemic.

It remains too early to anticipate the effect that this will have on demand for Eden's products, but it is clear that there is the potential for reduced demand in cases where there is a strong surplus of grapes due to weakened consumer demand. Growers clearly will not continue to invest in agricultural inputs in order to treat crops that may not be harvested or that may be disposed of.

Thus far, the Company has not seen a significant change on its toll manufacturing operations. However, social distancing and other travel restrictions have undoubtedly impacted the ability of our distributors to interact with customers in order to provide field support and promote newer products. Growers' reduced ability to harvest crops due to the lack of appropriate labour may also impact on their investment in agrochemicals.

Given the uncertainty regarding the level and duration of any disruption in each of the markets in which the Group operates or plans to operate, it is difficult at this stage to assess what, if any, commercial and financial impact there may be. We will continue to provide updates as appropriate.

## **Team Development**

It has been a busy time for the Eden team as we have executed on our plans to expand our in-house capabilities and attract high calibre talent.

In mid-April, Dr. Michael Carroll joined as Eden's Director of Regulatory Affairs. Mike is a leading figure in the field of crop protection products development and registration with over 30 years of international experience in the agrochemical industry, having worked in the UK, Germany, Belgium and the USA. Mike served tenures of over 10 years at both Dow AgroSciences and Monsanto Agricultural Group, holding various positions including Global Registration Manager and European Registration Manager. More recently, Mike served as Head of Research and Development for Arysta EMEA, the largest region in Arysta LifeSciences' business.

Post-period end, Eden opened a new laboratory facility at Milton Park to allow the Company to do more in-house, including formulation, microbiological screening, plant and seed evaluations and analytical work. The opening of the new facilities coincided with some new hires, including the appointment of Dr. Aoife Dillon to the role of Head of Biology. Eden will continue to rely upon the outsourcing of certain functions, such as regulatory field trials, but the development of expanded in-house capabilities will enable the Company to accelerate product development and commercialisation. These capabilities are already operational and are playing a key role in the development of new insecticide products.

### **Dividend**

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

### **Outlook**

Following our successful capital raise in March, Eden is in a good position to capitalise on the work it has done to date and move forward expeditiously with its new, effective insecticide products and pursue other key opportunities in its pipeline. Our work on the development of insecticide formulations has been progressing as expected. We plan to update the market on these promising developments in due course.

Our agreement with Corteva Agriscience was Eden's first significant milestone in developing and commercialising, via partnership, a product using Sustaine in the new application area of seed treatments. As announced previously, Corteva currently has until the end of 2020 for the exclusive evaluation of products which use Sustaine in select seed treatment applications. Following this, Corteva may enter into an exclusive agreement for the distribution of products in the EU and potentially several other countries. This would represent a major milestone for Eden as it will be the first use of Eden's products and technology in the treatment of seeds and would be an initial step into this area across a range of functional uses and seed types. Our work with Corteva has progressed largely as planned, and we will update the market on this exciting opportunity as soon as we are able to do so.

We have made positive progress with various regulatory approvals coming to fruition towards the end of the period and post-period end. The approvals are fundamental enablers to increasing our addressable market and, subsequently, sales over the second half of the year and going forward in 2021.

Despite the disruption caused by Covid-19 during the period, we were able to build our team and make some key new hires, as described above. Our new appointments tied in with an exciting development post-period end when Eden opened its new laboratory facilities at Milton Park which will allow the Company to do more in-house, including formulation, microbiological screening, plant and seed evaluations and analytical work. In the second half of the year, we aim to continue to make positive steps towards the development and commercialisation of our products, bolstered by our new in-house capabilities and resources.

**Eden Research plc**  
**Consolidated Statement of Comprehensive Income for the six months ended 30 June 2020**

	<b>Six months ended 30 June 2020 GBP'000 unaudited</b>	Six months ended 30 June 2019 GBP'000 unaudited	Year ended 31 December 2019 GBP'000 audited
Revenue (note 11)	<u>746</u>	<u>581</u>	<u>2,048</u>
Cost of sales	<u>(476)</u>	<u>(250)</u>	<u>(1,164)</u>
Gross profit	<u>270</u>	<u>331</u>	<u>884</u>
Administrative expenses	(970)	(681)	(1,535)
Amortisation of intangible assets	(258)	(242)	(497)
Share based payments (note 10)	<u>(47)</u>	<u>(38)</u>	<u>(209)</u>
Operating loss	(1,005)	(630)	(1,357)
Finance costs	(16)	(12)	(82)
Finance income	6	-	1
Share of loss of equity accounted investee, net of tax (note 7)	<u>(7)</u>	<u>(3)</u>	<u>(41)</u>
Loss before tax	(1,022)	(645)	(1,479)
Tax on (loss)/profit	<u>-</u>	<u>-</u>	<u>347</u>
Loss for the financial period	(1,022)	(645)	(1,132)
Attributable to:			
Equity holder of the company	(1,030)	-	(1,144)
Non-controlling interest	<u>8</u>	<u>-</u>	<u>12</u>
Other Comprehensive Income net of tax	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income	<u><b>(1,022)</b></u>	<u><b>(645)</b></u>	<u><b>(1,132)</b></u>
Profit/(loss) per share (pence) – basic (note 4)	<b>(0.40)</b>	(0.31)	(0.54)
Profit/(loss) per share (pence) – diluted (note 4)	<b>(0.40)</b>	(0.31)	(0.54)

## Eden Research plc - Consolidated Statement of Financial Position as at 30 June 2020

	30 June 2020 GBP'000 unaudited	30 June 2019 GBP'000 unaudited	31 Dec 2019 GBP'000 audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets (note 6)	5,619	5,070	5,581
Investments in equity accounted investee (note 7)	742	794	749
Property, plant & equipment (note 9)	361	-	62
	<hr/>	<hr/>	<hr/>
	6,722	5,864	6,392
<b>CURRENT ASSETS</b>			
Stock	356	127	68
Trade and other receivables	1,944	1,068	1,902
Cash and cash equivalents	8,663	1,358	502
	<hr/>	<hr/>	<hr/>
	10,963	2,553	2,472
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>17,685</b>	<b>8,417</b>	<b>8,865</b>
<hr/>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,153	674	1,371
	<hr/>	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,153</b>	<b>674</b>	<b>1,371</b>
	<hr/>	<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	409	67	146
	<hr/>	<hr/>	<hr/>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>409</b>	<b>67</b>	<b>146</b>
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>1,562</b>	<b>741</b>	<b>1,517</b>
<hr/>			
<b>EQUITY</b>			
Called up share capital	3,803	2,072	2,072
Share premium account	39,309	31,290	31,290
Merger reserve	10,210	10,210	10,210
Warrant reserve	383	590	336
Retained earnings	(37,602)	(36,486)	(36,572)
Non-controlling interest	20	-	12
	<hr/>	<hr/>	<hr/>
<b>TOTAL EQUITY attributable to owners of the parent</b>	<b>16,123</b>	<b>7,676</b>	<b>7,348</b>
	<hr/>	<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,685</b>	<b>8,417</b>	<b>8,865</b>
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**Eden Research plc - Company Statement of Financial Position as at 30 June 2020**

	<b>30 June 2020</b> <b>GBP'000</b> <b>unaudited</b>	30 June 2019 GBP'000 unaudited	31 Dec 2019 GBP'000 audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets (note 6)	5,486	5,070	5,448
Investments in equity accounted investee (note 7)	742	794	749
Property, plant & equipment (note 9)	361	-	62
	<b>6,589</b>	5,864	6,259
<b>CURRENT ASSETS</b>			
Stock	356	127	68
Trade and other receivables	1,944	1,068	1,902
Cash and cash equivalents	8,663	1,358	502
	<b>10,963</b>	2,553	2,472
<b>TOTAL ASSETS</b>	<b>17,552</b>	8,417	8,732
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,062	674	1,263
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,062</b>	674	1,263
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	409	67	146
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>409</b>	67	146
<b>TOTAL LIABILITIES</b>	<b>1,471</b>	741	1,409
<b>EQUITY</b>			
Called up share capital	3,803	2,072	2,072
Share premium account	39,309	31,290	31,290
Merger reserve	10,210	10,210	10,210
Warrant reserve	383	590	336
Retained earnings	(37,624)	(36,486)	(36,584)
<b>TOTAL EQUITY attributable to owners of the parent</b>	<b>16,081</b>	7,676	7,323
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,552</b>	8,417	8,732

Eden Research plc  
Consolidated Statement of Changes in Equity as at 30 June 2020

	Share capital	Share premium	Merger reserve	Warrant reserve	Retained earnings	Non-controlling interest	Total
	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
<b><u>Six months ended 30 June 2020</u></b>							
Balance at 1 January 2020 (audited)	2,072	31,290	10,210	336	(36,572)	12	7,348
Loss and total comprehensive income	-	-	-	-	(1,030)	8	(1,022)
Transactions with owners							
- Share issue	1,731	8,019	-	-	-	-	9,750
- Options granted	-	-	-	47	-	-	47
- Options exercised/lapsed	-	-	-	-	-	-	-
Transactions with owners	1,731	8,019	-	47	-	-	9,797
Balance at 30 June 2020 (unaudited)	3,803	39,309	10,210	383	(37,602)	20	16,123
<b><u>Six months ended 30 June 2019</u></b>							
Balance at 1 January 2019 (audited)	2,072	31,290	10,210	653	(35,948)	-	8,277
Loss and total comprehensive income	-	-	-	-	(645)	-	(645)
Transactions with owners							
- Share issue	-	-	-	-	-	-	-
- Options granted	-	-	-	38	-	-	38
- Options exercised/lapsed	-	-	-	(101)	101	-	-
Transactions with owners	-	-	-	(63)	101	-	38
Balance at 30 June 2019 (unaudited)	2,072	31,290	10,210	590	(36,486)	-	7,676

Eden Research plc  
Company Statement of Changes in Equity as at 30 June 2020

	Share capital GBP'000	Share premium GBP'000	Merger reserve GBP'000	Warrant reserve GBP'000	Retained earnings GBP'000	Total GBP'000
<b><u>Six months ended 30 June 2020</u></b>						
Balance at 1 January 2020 (audited)	2,072	31,290	10,210	336	(36,584)	7,324
Loss and total comprehensive income	-	-	-	-	(1,040)	(1,040)
Transactions with owners						
- Share issue	1,731	8,019	-	-	-	9,750
- Options granted	-	-	-	47	-	47
- Options exercised/lapsed	-	-	-	-	-	-
Transactions with owners	1,731	8,019	-	47	-	9,797
Balance at 30 June 2020 (unaudited)	3,803	39,309	10,210	383	(37,624)	16,081
<b><u>Six months ended 30 June 2019</u></b>						
Balance at 1 January 2019 (audited)	2,072	31,290	10,210	653	(35,948)	8,277
Loss and total comprehensive income	-	-	-	-	(645)	(645)
Transactions with owners						
- Share issue	-	-	-	-	-	-
- Options granted	-	-	-	38	-	38
- Options exercised/lapsed	-	-	-	(101)	101	-
Transactions with owners	-	-	-	(63)	101	38
Balance at 30 June 2019 (unaudited)	2,072	31,290	10,210	590	(36,486)	7,676

**Eden Research plc**  
**Consolidated Statement of cash flows for the six months ended 30 June 2020**

	Six months ended 30 June 2020 GBP '000 unaudited	Six months ended 30 June 2019 GBP '000 unaudited	Year ended 31 December 2019 GBP '000 audited
<b>Cash flows from operating activities</b>			
Cash outflow from operations (note 5)	(963)	(813)	(1,233)
Finance costs paid	-	-	(1)
Payment of interest element of lease liabilities	(3)	-	(7)
Foreign exchange losses	(13)	-	(45)
Tax credit received	-	-	273
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Net cash used in operating activities	(979)	(825)	(1,014)
<b>Cash flows from investing activities</b>			
Capitalisation of development expenditure and intellectual property costs	(295)	(296)	(836)
Capitalisation of patents	-	-	(78)
Capitalisation of lease	(310)	-	-
Finance income	6	-	1
	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(599)	(296)	(913)
<b>Cash flows from financing activities</b>			
Issue of equity shares	9,750	-	-
Share issue costs	-	-	-
Payment of principal element of lease liabilities	(11)	-	(21)
	<hr/>	<hr/>	<hr/>
Net cash from financing activities	9,739	-	(21)
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>8,161</b>	<b>(1,121)</b>	<b>(1,948)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>502</b>	<b>2,479</b>	<b>2,478</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>-</b>	<b>-</b>	<b>(29)</b>
	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>	<b>8,663</b>	<b>1,358</b>	<b>502</b>

Cash and cash equivalents comprise bank account balances.

**Eden Research plc**  
**Company Statement of cash flows for the six months ended 30 June 2020**

	Six months ended 30 June 2020 GBP '000 unaudited	Six months ended 30 June 2019 GBP '000 unaudited	Year ended 31 December 2019 GBP '000 audited
<b>Cash flows from operating activities</b>			
Cash outflow from operations (note 5)	(963)	(813)	(1,233)
Finance costs paid	-	-	(1)
Payment of interest element of lease liabilities	(3)	-	(7)
Foreign exchange losses	(13)	-	(45)
Tax credit received	-	-	273
	<hr/>	<hr/>	<hr/>
Net cash used in operating activities	(979)	(825)	(1,014)
<b>Cash flows from investing activities</b>			
Capitalisation of development expenditure and intellectual property costs	(295)	(296)	(836)
Capitalisation of patents	-	-	(78)
Capitalisation of lease	(310)	-	-
Finance income	6	-	1
	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(599)	(296)	(913)
<b>Cash flows from financing activities</b>			
Issue of equity shares	9,750	-	-
Share issue costs	-	-	-
Payment of principal element of lease liabilities	(11)	-	(21)
	<hr/>	<hr/>	<hr/>
Net cash from financing activities	9,739	-	(21)
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>8,161</b>	<b>(1,121)</b>	<b>(1,948)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>502</b>	<b>2,479</b>	<b>2,478</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>-</b>	<b>-</b>	<b>(29)</b>
	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>	<b>8,663</b>	<b>1,358</b>	<b>502</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2019, prepared under International Financial Reporting Standards as adopted by the European Union, has been delivered to the Registrar of Companies and is 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 2020. 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 2019.

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 Group has reported a loss for the period after taxation of £1.02m (H1 2019: £0.65m). Net current assets at 30 June 2020 amounted to £9.81m (30 June 2019: £1.88m).

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 31 December 2019 and they consider that the Group will be able to operate with the cash resources that are available to it for this period. The ability of the Group to continue as a going concern is ultimately dependent upon the amounts and timing of cash flows from the exploitation of the Group's intellectual property and the availability of additional funding to meet the short term needs of the business until the commercialisation of the Group'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 or not occur 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 Group 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 Group receives no revenue from the date of this Report. On this basis, the directors believe that the Group 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 31 December 2020, and beyond, and are confident that the Group 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 Group 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 2019, except for the application of the following standards at 1 January 2020:

- Amendments to IFRS 3 Business Combinations (issued on 22 October 2018)
- Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform (issued on 26 September 2019)
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018)
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018)

The adoption of these new standards would not result in any material changes to the financial statements.

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. Group profit/(loss) per share

	<b>Six months ended 30 June 2020 Pence unaudited</b>	Six months ended 30 June 2019 Pence unaudited	Year ended 31 December 2019 Pence audited
(Loss)/profit per ordinary share (pence) - basic	<b>(0.40)</b>	(0.31)	(0.54)
(Loss)/profit per ordinary share (pence) - diluted	<b>(0.40)</b>	(0.31)	(0.54)

Loss per share – basic has been calculated on the net basis on the loss after tax of £1.03m (30 June 2019: £0.65m, 31 December 2019: £1.13m) using the weighted average number of ordinary shares in issue of 255,812,826 (30 June 2019: 207,189,337, 31 December 2019: 208,244,677).

Loss per share – diluted has been calculated on the net basis on the loss after tax of £1.03m (30 June 2019: £0.65m, 31 December 2019: £1.13m) using the weighted average number of ordinary shares in issue of 255,812,826 (30 June 2019: 207,189,337, 31 December 2019: 208,244,677).

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

	Six months ended 30 June 2020 GBP '000 unaudited	Six months ended 30 June 2019 GBP '000 unaudited	Year ended 31 December 2019 GBP '000 audited
(Loss)/profit after tax	(1,022)	(645)	(1,157)
Share of associate's losses	7	3	41
Amortisation charges	257	242	497
Share based payment charge	47	38	209
Depreciation of right of use assets	11	-	22
Finance costs	16	12	82
Finance income	(6)	-	(1)
Tax credit	-	-	(347)
	<b>(690)</b>	<b>(350)</b>	<b>(676)</b>
(Decrease)/increase in trade and other receivables	(42)	(149)	(908)
Increase/(decrease) in trade and other payables	56	(201)	382
Decrease/(increase) in stock	(287)	(113)	(54)
<b>Cash used by operations</b>	<b>(963)</b>	<b>(813)</b>	<b>(1,234)</b>

## Reconciliation of loss before income tax to cash used by operations - Company

	Six months ended 30 June 2020 GBP '000 unaudited	Six months ended 30 June 2019 GBP '000 unaudited	Year ended 31 December 2019 GBP '000 audited
(Loss)/profit after tax	(1,040)	(645)	(1,157)
Share of associate's losses	7	3	41
Amortisation charges	257	242	497
Share based payment charge	47	38	209
Depreciation of right of use assets	11	-	22
Finance costs	16	12	82
Finance income	(6)	-	(1)
Tax credit	-	-	(347)
	<b>(708)</b>	<b>(350)</b>	<b>(676)</b>
(Decrease)/increase in trade and other receivables	(42)	(149)	(908)
Increase/(decrease) in trade and other payables	72	(201)	382
Decrease/(increase) in stock	(287)	(113)	(54)
<b>Cash used by operations</b>	<b>(963)</b>	<b>(813)</b>	<b>(1,234)</b>



## 6. Intangible assets - Group

	Intellectual property	Licences and trademarks	Development Costs	Total
	GBP '000	GBP '000	GBP '000	GBP '000
<b>COST</b>				
At 1 January 2019	8,971	447	4,209	13,627
Additions	-	-	296	296
At 30 June 2019	8,971	447	4,505	13,923
Additions	210	-	555	765
At 31 December 2019	9,181	447	5,060	14,688
<b>Additions</b>	<b>-</b>	<b>2</b>	<b>293</b>	<b>295</b>
<b>At 30 June 2020</b>	<b>9,181</b>	<b>449</b>	<b>5,353</b>	<b>14,983</b>
<b>AMORTISATION</b>				
At 1 January 2019	6,251	412	1,948	8,611
Charge for the period	120	13	109	242
At 30 June 2019	6,371	425	2,057	8,853
Charge for the period	119	13	122	254
At 31 December 2019	6,490	438	2,179	9,107
<b>Charge for the period</b>	<b>107</b>	<b>11</b>	<b>139</b>	<b>257</b>
<b>At 30 June 2020</b>	<b>6,597</b>	<b>449</b>	<b>2,318</b>	<b>9,364</b>
<b>CARRYING AMOUNT</b>				
<b>At 30 June 2020</b>	<b>2,584</b>	<b>-</b>	<b>3,035</b>	<b>5,619</b>
At 31 December 2019	2,691	10	2,880	5,581
At 30 June 2019	2,600	22	2,448	5,070

## 6. Intangible assets - Company

	Intellectual property	Licences and trademarks	Development Costs	Total
	GBP '000	GBP '000	GBP '000	GBP '000
<b>COST</b>				
At 1 January 2019	8,971	447	4,209	13,627
Additions	-	-	296	296
At 30 June 2019	8,971	447	4,505	13,923
Additions	77	-	555	632
At 31 December 2019	9,048	447	5,060	14,555
<b>Additions</b>	<b>-</b>	<b>2</b>	<b>293</b>	<b>295</b>
<b>At 30 June 2020</b>	<b>9,048</b>	<b>449</b>	<b>5,353</b>	<b>14,850</b>
<b>AMORTISATION</b>				
At 1 January 2019	6,251	412	1,948	8,611
Charge for the period	120	13	109	242
At 30 June 2019	6,371	425	2,057	8,853
Charge for the period	119	13	122	254
At 31 December 2019	6,490	438	2,179	9,107
<b>Charge for the period</b>	<b>107</b>	<b>11</b>	<b>139</b>	<b>257</b>
<b>At 30 June 2020</b>	<b>6,597</b>	<b>449</b>	<b>2,318</b>	<b>9,364</b>
<b>CARRYING AMOUNT</b>				
<b>At 30 June 2020</b>	<b>2,451</b>	<b>-</b>	<b>3,035</b>	<b>5,486</b>
At 31 December 2019	2,558	10	2,880	5,581
At 30 June 2019	2,600	22	2,448	5,070

## 7. Investment in equity accounted investee

	Six months ended 30 June 2020 GBP'000 unaudited	Six months ended 30 June 2019 GBP'000 unaudited	Year ended 31 December 2019 GBP'000 audited
<b>Percentage ownership interest</b> and proportion of voting rights	<b>29.90%</b>	<b>29.90%</b>	29.90%
	£	£	£
Non-current assets	<b>534</b>	623	565
Current assets	<b>241</b>	293	210
Non-current liabilities	<b>(99)</b>	(47)	(99)
Current liabilities	<b>(195)</b>	(185)	(195)
<b>Net assets (100%)</b>	<b>481</b>	684	481
Company's share of net assets	<b>166</b>	206	166
Separable intangible assets	<b>163</b>	177	170
Goodwill	<b>413</b>	413	413
<b>Carrying amount of interest in associate</b>	<b>742</b>	794	749
Revenue	<b>147</b>	155	130
Profit/(loss) from continuing operations	-	14	(88)
Post tax profit from discontinued operations	-	-	-
100% of total post-tax profits	-	14	(88)
29.9% of total post-tax profits	-	4	(26)
Amortisation of separable intangible assets	<b>(7)</b>	(7)	(14)
<b>Company's share of profit/(loss)</b>	<b>(7)</b>	(3)	<b>(41)</b>
Other comprehensive income	-	-	-
100%	-	-	-
29.90%	-	-	-
<b>Company's share of other comprehensive income</b>	<b>-</b>	-	-
Total comprehensive income (100%)	-	14	(88)
<b>Company's share of total comprehensive income</b>	<b>(7)</b>	(3)	(41)
<b>Dividends received by the Company</b>	<b>-</b>	-	-

## 8. Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Country of incorporation	Ownership interest (%)	Voting power held (%)	Nature of business
TerpeneTech Limited	Republic of Ireland	50.00	50.00	Sale of biocide products

TerpeneTech Limited (Ireland), whose registered office is 108 Q House, Furze Road, Sandyford, Dublin, Ireland was incorporated on 15 January 2019 and was jointly owned by both Eden Research Plc and TerpeneTech Limited (UK), the company's associate.

The company has effective control over the entity through the significant influence it exerts over the other shareholder, TerpeneTech Limited (UK).

Eden owns 500 ordinary shares in TerpeneTech Limited (Ireland).

### Non-controlling interests

The following table summarises the information relating to the Group's subsidiary with material non-controlling interest, before intra-group eliminations:

	30 June 2020 GBP'000 unaudited	30 June 2019 GBP'000 unaudited	31 Dec 2019 GBP'000 audited
<b>NCI percentage</b>	50%	50%	50%
Non-current assets	133	-	132
Current assets	-	-	-
Non-current liabilities	-	-	-
Current liabilities	(92)	-	(108)
<b>Net assets</b>	<u>41</u>	<u>-</u>	<u>24</u>
<i>Carrying amount of NCI</i>		-	-
Revenue	164	-	247
Profit/(loss)	16	-	24
OCI	-	-	-
<b>Total comprehensive income</b>	<u>16</u>	<u>-</u>	<u>24</u>
Profit/(loss) allocated to NCI	16	-	24
OCI allocated to NCI	16	-	24
Cash flows from operating activities	-	-	-
Cash flows from investment activities	-	-	-
Cash flows from financing activities	-	-	-

Net increase/(decrease) in cash and cash equivalents	-	-	-
<b>Dividends paid to non-controlling interests</b>	-	-	-

## 9. Group tangible assets

	<b>Land and buildings GBP '000</b>	<b>Vehicles GBP '000</b>	<b>Total GBP '000</b>
<b>COST</b>			
At 1 January 2019	-	-	-
Additions	-	-	-
At 30 June 2019	-	-	-
Additions	-	-	-
Recognition of right-of-use asset on initial application of IFRS 16	79	36	115
At 31 December 2019	79	36	115
<b>Additions</b>	<b>310</b>	<b>-</b>	<b>310</b>
<b>At 30 June 2020</b>	<b>389</b>	<b>36</b>	<b>425</b>
<b>AMORTISATION</b>			
At 1 January 2019	-	-	-
Charge for the period	-	-	-
At 30 June 2019	-	-	-
Recognition of right-of-use asset on initial application of IFRS 16	26	5	31
Charge for the period	13	9	22
At 31 December 2019	39	14	53
<b>Charge for the period</b>	<b>7</b>	<b>4</b>	<b>11</b>
<b>At 30 June 2020</b>	<b>46</b>	<b>18</b>	<b>64</b>
<b>CARRYING AMOUNT</b>			
<b>At 30 June 2020</b>	<b>343</b>	<b>18</b>	<b>361</b>
At 31 December 2019	39	23	62
At 30 June 2019	-	-	-

## 10. Share based payments

### Share Options

#### Unapproved option scheme

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

	Six months ended 30 June 2020		Six months ended 30 June 2019	
	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)	Number
Outstanding at the beginning of the period	13	1,050,000	11	4,400,000
Granted during the period	-	-	-	-
Exercised during the period	-	-	-	-
Lapsed during the period	-	-	10	(2,350,000)
	<b>13</b>	<b>1,050,000</b>	14	2,050,000

The exercise price of options outstanding at the end of the period was 13p (30 June 2019: between 13p and 16p) and their weighted average contractual life was 0.5 years (30 June 2019: 0.9 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 2019: 10p).

The share-based payment charge for the period was £47,088 (30 June 2019: £37,554).

#### **Long-Term Incentive Plan (“LTIP”)**

Eden Research Plc operates an unapproved option scheme for executive directors, senior management and certain employees under a LTIP which it adopted in 2017. On 28 June 2019, 5,891,111 shares under the LTIP scheme were awarded to the Chief Executive Officer and the Chief Financial Officer.

Details of the existing LTIP can be found on page 34 of the 2019 Report and Accounts. A new LTIP scheme is expected to be put in place in 2020 of which further details can also be found on page 35 of the 2019 Report and Accounts.

The share-based payment charge for the year ended 31 December 2017 and subsequent years is set out as follows:

Financial year ended 31 December	Share based payment charge £
2017	27,210
2018	85,370
2019	110,743
2020	94,176
2021	51,909
2022	16,959
	<b>386,367</b>

The following information is relevant in the determination of the fair value of options granted during the year under the unapproved options scheme under the LTIP operated by Eden Research Plc.

	<b>2015 Award</b>	<b>2016 Award</b>	<b>2017 Award</b>	<b>2018 Award</b>
Grant date	28/09/2017	28/09/2017	28/06/2019	28/06/2019
Number of awards	1,908,680	2,108,000	2,868,889	3,022,222
Share price	0.125	0.125	0.115	0.115
Exercise price	£nil	£nil	£nil	£nil
Expected dividend yield	-%	-%	-%	-%
Expected volatility	73.20%	73.20%	50.82%	50.82%
Risk free rate	0.80%	0.80%	0.614%	0.614%
Vesting period	2 years	3 years	2 years	3 years
Expected Life (from date of grant)		10 years	2 years	3 years

For those options and warrants which were not granted under the Company's LTIP, fair value is measured using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural conditions.

For those options which were granted under the Company's LTIP, Monte Carlo techniques were used to simulate future share price movements of the Company to assess the likelihood of the performance criteria being met and the fair value of the awards upon vesting. The modelling calculates many scenarios in order to estimate the overall fair value based on the average value where awards vest.

## Warrants

	<b>Six months ended 30 June 2020</b>		<b>Six months ended 30 June 2019</b>	
	<b>Weighted average exercise price (pence)</b>	<b>Number</b>	<b>Weighted average exercise price (pence)</b>	<b>Number</b>
Outstanding at the beginning of the period	<b>19</b>	<b>2,989,865</b>	14	3,350,000
Granted during the period	-	-	-	-
Lapsed during the period	-	-	16	(950,000)

19	2,989,865	13	2,400,000
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The exercise price of warrants outstanding at the end of the period ranged between 12p and 30p (30 June 2019: 11p and 30p) and their weighted average contractual life was 2.0 years (30 June 2019: 0.8 years).

## 11. Revenue

IFRS 8 requires operating segments to be reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for the resource allocation and assessing performance of the operating segments has been identified as the Executive Directors as they are primarily responsible for the allocation of the resources to segments and the assessment of performance of the segments.

The Executive Directors monitor and then assess the performance of segments based on product type and geographical area using a measure of adjusted EBITDA. This is the result of the segment after excluding the share-based payment charges, other operating income and the amortisation of intangibles. These items, together with interest income and expense are not allocated to a specific segment.

The segmental information for the six months ended 30 June 2020 is as follows:

	Milestone Payments	Evaluation Fees	Royalties	Product Sales	R & D charges	Total
	GBP '000	GBP '000	GBP '000	GBP '000	GBP '000	GBP '000
Human health and biocides	-	-	-	164	19	183
Animal health	-	-	-	-	-	-
Agrochemicals	-	-	-	563	-	563
<b>TOTAL</b>	-	-	-	727	19	746

The segmental information for the six months ended 30 June 2019 is as follows:

	Milestone Payments	Evaluation Fees	Royalties	Product Sales	Total
	GBP '000	GBP '000	GBP '000	GBP '000	GBP '000
Human health and biocides	-	-	-	-	-
Animal health	-	-	-	-	-
Agrochemicals	135	-	-	446	581
<b>TOTAL</b>	135	-	-	446	581



The segmental information for the year ended 31 December 2019 is as follows:

	<b>Milestone Payments</b>	<b>R &amp; D charges</b>	<b>Royalties</b>	<b>Product Sales</b>	<b>Total</b>
	<b>GBP '000</b>	<b>GBP '000</b>	<b>GBP '000</b>	<b>GBP '000</b>	<b>GBP '000</b>
Human health and biocides	-	6	-	247	253
Animal health	-	-	-	-	-
Agrochemicals	348	-	17	1,429	1,795
<b>TOTAL</b>	<b>348</b>	<b>6</b>	<b>17</b>	<b>1,676</b>	<b>2,048</b>

### Geographical Reporting

	<b>Six months ended 30 June 2020</b>	<b>Six months ended 30 June 2019</b>	<b>Year ended 31 December 2019</b>
	<b>GBP '000</b>	<b>GBP '000</b>	<b>GBP '000</b>
UK	-	-	6
Europe	<u>746</u>	<u>581</u>	<u>2,042</u>
	<u><b>746</b></u>	<u><b>581</b></u>	<u><b>2,048</b></u>

The revenue derived from Milestone Payments and Licensing Fees relates to agreements which cover a number of countries both in the EU and throughout the rest of the world.

All of the non-current assets are in the UK.

## Notes:

**Eden Research** is an AIM quoted company that develops and supplies breakthrough biopesticide products and natural microencapsulation technologies to the global crop protection, animal health and consumer products industries

Eden's **Sustaine**® encapsulation technology harnesses the biocidal efficacy of naturally occurring chemicals produced by plants (terpenes) and can be used with both natural and synthetic compounds to enhance their performance and ease-of-use.

**Sustaine** microcapsules are naturally derived, **plastic-free**, biodegradable micro-spheres derived from yeast extract. They produce stabilised aqueous suspensions which, are easy to mix and apply, have phased release patterns, are safer for the environment and the crops themselves.

The European Chemicals Agency (ECHA) has proposed an EU-wide restriction on the placing on the market or use of "intentionally-added" microplastic particles. The proposed restriction includes the use of microplastics for agricultural and horticultural purposes, including polymers utilized for controlled-release fertilizers, encapsulated plant protection products (PPPs), seed coatings, and biocides.

By 2025 in the EU, pesticides containing synthetic polymer microplastics are likely to be banned and removed from the market. The only acceptable alternative is the substitution with biodegradable formulations. Reformulated products will need to be evaluated and registered within the five-year transition period.

**Sustaine** is one of the only viable, proven and immediately registerable solutions to the microplastics problem in formulations requiring encapsulation.

Historically, terpenes have had limited commercial use in the agrochemical sector due to their volatility, phytotoxicity and poor solubility. **Sustaine** 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 14m 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, Mevalone, were approved as new ingredients for use in plant protection products by the European Commission ("EC"). 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 2013, Eden's approvals represented 3 of only 10 new active ingredients approved by the EC.

**Mevalone**® is a foliar biofungicide which initially targets a key disease affecting grapes and other high-value fruit and vegetable crops. It is approved for sale in a number of key countries whilst Eden and its partners pursue regulatory clearance in new territories thereby growing Eden's addressable market globally.

**Cedroz**™ is a bionematicide that targets free living nematodes which are parasitic worms that affect a wide range of high-value fruit and vegetable crops globally. Eden's commercial collaborator, Eastman Chemical, is pursuing registration and commercialisation of this important new product in numerous countries globally.

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

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