THE NATURAL SOLUTION

24 September 2018

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 2018.

Financial highlights

- Revenue for the period of £0.68m (H1 2017: £1.03m)
- Product sales £0.68m (H1 2017: £0.43m)
- Upfront and milestone payments of £nil (H1 2017: £0.59m)
- Operating loss for the period of £0.93m (H1 2017: profit of £0.21m)
- Cash and cash equivalents of £2.62m (H1 2017: £3.66m)

Business highlights

Commercial, Regulatory and IP:

- Execution of the commercial agreements signed with Sipcam SpA in 2017
- Expanding investment in regulatory clearances unlocking commercial potential in new, important territories
- United States Environmental Protection Agency ("EPA") has commenced its scientific review of Eden's two formulated products and their respective three active ingredients as pesticides for use in the United States of America. These reviews are expected to complete before the end of 2019
- Post period end, Eden's nematicide formulation, marketed as "Cedroz™" by Eden's partner, Eastman Chemical, announced as a finalist for "Best New Biological Product" at the prestigious AGROW Awards

Operational highlights:

- Lykele van der Broek, former COO of Bayer Crop Science and former Head of the Animal Health division of Bayer Health Care, appointed as Chairman of the Company from 1 January 2018

Lykele van der Broek, Chairman, commented:

"It is my pleasure to report to you on the good progress the Company has made during the first six months of this year.

"The Board's focus at the start of 2018 was on increasing sales of Mevalone (Eden's proprietary fungicide formulation), registering existing products in new territories, evaluating new products and evolving our Sustaine encapsulation technology in order to expand our offering in disease and crop protection.

"Significant progress has been made in the areas of production, formulation, regulatory, packaging and supply-chain security during the period. These are important activities which support the growth of the business.

"As we announced on 14 June, the United States Environmental Protection Agency ("EPA") commenced its scientific review of two of Eden's formulated products and their respective three active ingredients as crop protection products for use in the United States. We expect the outcome of these reviews to be announced before the end of 2019.

“I am sure that the remainder of 2018 will be another significant step-forward towards long-term success for Eden and I would like to thank you for your continued support.”

A presentation for analysts will be held at 12.30pm at Powerscourt’s offices, 1 Tudor Street, EC4Y 0AH.

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Eden Research plc
Chief Executive's statement for the six months ended 30 June 2018

Results
Revenue for the first half of the year was £0.68m compared to £1.03m for the same period in 2017. This is due to one-off payments received in 2017 which totalled £0.6m.

Product sales increased 58% to £0.68m (H1 2017: £0.43m).

Overheads were marginally lower than last year at £0.67m (H1 2017: £0.69m).

Loss before tax for the period was £0.94m (H1 2017: Profit of £0.20m or a loss of £0.37m excluding exceptional royalties refund).

Sales and Market Development
Eden's fungicide business, which currently consists of the sale of our botryticide product, Mevalone, for use on table and wine grapes as well as several other high value fruits and vegetables in Europe and Kenya, continued to develop during the year. During the first half of 2018, and well in advance of the peak season for the application of Mevalone, we have seen growing interest and sales demand from a number of our key partners.

Given the current footprint of approvals for Eden's products, which for the moment is limited to the treatment of botrytis on grapes in the EU's Southern Zone, sales progress has met our expectations during the period and we expect to see an increase in product sales volumes in the second half of 2018. The full extent of this increase will be closely linked to the end-of-season weather patterns and their impact on the emergence of botrytis in the late pre-harvest period.

As authorisations in new territories are granted, we expect a further strengthening of this business and a reduced dependency upon regional weather patterns and the seasonality associated with sales being limited to the northern hemisphere. Similarly, further sales gains are expected as we expand the "label" for Mevalone to include major new disease and crop targets.

The majority of Eden's existing partners placed repeat orders for Mevalone during the period and we expect this to continue through the peak of the season with some ongoing sales post season to re-stock depleted distribution channels.

The early part of the growing season is important in establishing the potential for botrytis to develop during the peak risk period typically mid-to-late September when cooler and wetter weather is prevalent. However, until this year, and since the first launch of Mevalone in late 2016, Mevalone has been positioned mainly as a late season botryticide, based upon its favourable risk profile, performance, exemption from maximum residue levels and low pre-harvest intervals. This means that unless there is an outbreak of this disease late in the season, sales are likely to be more modest as growers are reluctant to apply products that they perceive as unnecessary (as would be the case in the absence of disease). However, in conjunction with our partners, we are pleased this year with our first efforts to position Mevalone in the early part of the season as a treatment that is effective in reducing the potential for the later stage development of botrytis.

Early season applications act as an insurance policy for growers and provide for more predictable sales for Eden and our partners. This positioning is backed by strong data which has been developed by our partners working with leading academic experts in the field of plant pathology. This has already translated into strong early season sales in the territories in which this positioning was initiated this year. We anticipate a broadening of this product positioning in 2019 and beyond, as we are able to support early season applications with territory specific performance data.

We have also been actively working to understand better the needs of growers so as to refine our products and value proposition – ultimately, with the goal of supporting our distribution partners and increasing sales development in their countries as well as ensuring appropriate pricing in the field. It has been pleasing to hear feedback from growers and buying groups about their positive experiences with Mevalone. It is also very good to hear first-hand how biocontrol products based upon sustainable chemistry fit with their desires for effective products that do not have the risks associated with their use that are common with conventional pesticides. It is important to note that growers are increasingly concerned about the risks that pesticide residues pose to their produce, and there is appreciation of the fact that Mevalone is free from these risks. Produce and wine buying groups rank pesticide residues as one of their top concerns. We view this as an opportunity to further expand upon this message so as to drive further sales and grow our profile with growers and value chain influencers alike.

Investing in Regulatory Approvals

As announced on 14 June 2018, Eden has submitted its application for the authorisation of our three active ingredients and first two products, Mevalone and B2Y (to be marketed as Cedroz by Eastman), in the United States. The US Environmental Protection Agency has confirmed the initiation of its technical review. Upon approval these authorisations will give Eden and our partners the ability to sell Mevalone and B2Y in the US and also ease the way for the approval of future products based upon the same active ingredients.

We are currently pursuing registrations in a number of additional key territories for Mevalone, and we are supporting Eastman in seeking authorisation in nearly 30 territories for Cedroz. Further announcements on regulatory progress will be made as and when appropriate.

TerpeneTech

TerpeneTech is currently in the final stages of seeking clearance to begin selling its head-lice treatment product in European Economic Area ("EEA"), and we expect to make an announcement on their progress in the coming weeks.

Production of the head-lice product will begin before the end of 2018 with product launch in the United Kingdom ("U.K.") in January coinciding with the back-to-school schedule. TerpeneTech's distribution channel in the U.K. has already been established, and sales will commence in other countries in the EEA once arrangements with additional distribution partners have been finalised. This is expected to take place during 2019.

Eden plans to supply a concentrate of encapsulated active ingredients (based upon Eden's microencapsulation technology) to TerpeneTech who will then formulate the finished product, which will initially be sold by its distribution partner into the discount-retail market in the U.K.

The development, efficacy testing, and Medical Device regulatory dossier of this head-lice treatment product has been in progress for approximately three years. The launch of any consumer product into a regulated market, such as the head-lice treatment products market, is significantly more complicated, time consuming and costly than launching products into unregulated markets. Thus, TerpeneTech has made good progress in only three years since it was granted a licence to use Eden's microencapsulation technology for head-lice treatment formulations in 2015.

Commercial Partnerships

Good progress is being made through our partnerships with Eastman Chemical, Sipcam, Sumi Agro, and Bayer Animal Health. These partnerships provide us with many of the resources and capabilities to achieve strong future growth. Collaborations with these partners are on-track to deliver the results that we have anticipated for some time, and we will update the market on the achievement of meaningful milestones as and when appropriate.

Dividend

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

Outlook

The Board is pleased with the significant commercial and regulatory progress made over the last six months and current trading is in line with our expectations.

Looking forward, we are well positioned for growth in line with our strategic focus on executing on the commercial agreements with our partners, Sipcam and Eastman, as well as gaining traction on regulatory clearances in new territories. We also expect to see product sales continue to increase in the second half of 2018.

I look forward to working with the Board, our team and our partners to fully realise our ambitions this year and in the future.

Eden Research plc
Statement of Comprehensive Income for the six months ended 30 June 2018

	Six months ended 30 June 2018 GBP'000 unaudited	Six months ended 30 June 2017 GBP'000 unaudited	Year ended 31 December 2017 GBP'000 audited
Revenue (note 10)	**682**	1,026	1,877
Cost of sales	**(479)**	(312)	(832)
Gross profit	**203**	714	1,045
Administrative expenses	**(667)**	(692)	(1,432)
Exceptional royalties refund (note 9)	**-**	570	570
Licence amendment fee	**-**	-	(187)
Amortisation of intangible assets	**(425)**	(387)	(750)
Share based payments (note 8)	**(43)**	-	(27)
Total other operating expenses	**(1,135)**	(509)	(1,826)
Operating (loss)/profit	**(932)**	205	(781)
Finance costs	**(1)**	-	(1)
Finance income	**1**	2	25
Share of loss of equity accounted investee, net of tax (note 7)	**(8)**	(3)	(6)
(Loss)/profit before tax	**(940)**	204	(763)
Tax on (loss)/profit	**4**	-	124
(Loss)/profit for the financial period	**(936)**	204	(639)
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	**(936)**	204	(639)
Profit/(loss) per share (pence) – basic (note 4)	**(0.45)**	0.11	(0.33)
Profit/(loss) per share (pence) – diluted (note 4)	**(0.45)**	0.11	(0.34)

Eden Research plc

Consolidated Statement of Financial Position as at 30 June 2018

	30 June 2018 GBP'000 unaudited	30 June 2017 GBP'000 unaudited	31 Dec 2017 GBP'000 audited
ASSETS			
NON-CURRENT ASSETS			
Intangible assets (note 6)	**4,748**	5,043	4,934
Investments in equity accounted investee (note 7)	**797**	808	805
	5,545	5,851	5,739
CURRENT ASSETS			
Stock	**-**	-	207
Trade and other receivables	**585**	988	962
Cash and cash equivalents	**2,620**	3,663	3,678
	3,205	4,661	4,847
TOTAL ASSETS	**8,750**	10,512	10,586
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**1,049**	1,114	2,005
TOTAL CURRENT LIABILITIES	**1,049**	1,114	2,005
NON-CURRENT LIABILITIES			
Trade and other payables	**67**	67	67
TOTAL NON-CURRENT LIABILITIES	**67**	67	67
TOTAL LIABILITIES	**1,116**	1,181	2,072
EQUITY			
Called up share capital	**2,072**	2,071	2,071
Share premium account	**31,290**	31,278	31,278
Merger reserve	**10,210**	10,210	10,210
Warrant reserve	**611**	615	592
Retained earnings	**(36,549)**	(34,843)	(35,637)
TOTAL EQUITY attributable to owners of the parent	**7,634**	9,331	8,514
TOTAL EQUITY AND LIABILITIES	**8,750**	10,512	10,586

Eden Research plc
Statement of Changes in Equity as at 30 June 2018

	Share capital GBP'000	Share premium GBP'000	Merger reserve GBP'000	Warrant reserve GBP'000	Retained earnings GBP'000	Total GBP'000
Six months ended 30 June 2018						
Balance at 1 January 2018 (audited)	**2,071**	**31,278**	**10,210**	**592**	**(35,637)**	**8,514**
Loss and total comprehensive income	**-**	**-**	**-**	**-**	**(936)**	**(936)**
Transactions with owners						
- Share issue	**1**	**12**	**-**	**-**	**-**	**13**
- Options granted	**-**	**-**	**-**	**43**	**-**	**43**
- Options exercised/lapsed	**-**	**-**	**-**	**(24)**	**24**	**-**
Transactions with owners	**1**	**12**	**-**	**21**	**24**	**58**
Balance at 30 June 2018 (unaudited)	**2,072**	**31,290**	**10,210**	**611**	**(36,549)**	**7,634**
Six months ended 30 June 2017						
Balance at 1 January 2017 as restated (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

Eden Research plc
Statement of cash flows for the six months ended 30 June 2018

	Six months ended 30 June 2018 GBP '000 unaudited	Six months ended 30 June 2017 GBP '000 unaudited	Year ended 31 December 2017 GBP '000 audited
Cash flows from operating activities			
Cash outflow from operations (note 5)	**(836)**	(16)	223
Tax credit received	**4**	-	8
Finance costs	**(1)**	-	(1)
Net cash used in operating activities	**(833)**	(16)	230
Cash flows from investing activities			
Capitalisation of development expenditure	**(239)**	(218)	(324)
Capitalisation of patents	**-**	-	(148)
Foreign exchange gains	**-**	-	23
Finance income	**1**	2	3
Net cash used in investing activities	**(238)**	(216)	(447)
Cash flows from financing activities			
Share issue costs	**-**	(35)	(35)
Issue of equity shares	**13**	2,398	2,398
Net cash from financing activities	**13**	2,363	2,538
(Decrease)/increase in cash and cash equivalents	**(1,058)**	2,131	2,146
Cash and cash equivalents at beginning of period	**3,678**	1,532	1,532
Cash and cash equivalents at end of period	**2,620**	3,663	3,678

Cash and cash equivalents comprise bank account balances.

<u>Notes to the Interim Results</u>

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 2017, 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 2018. 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 2017.

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 loss for the period after taxation of £936,000 (2017: profit of £204,000). Net current assets at that date amounted to £2,156,000 (2017: £3,547,000).

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 31 December 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 31 December 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 2017, except for the application of the following standards at 1 January 2018:

• IFRS 15 “Revenue from Contracts with Customers”

IFRS 9 “Financial Instruments”

• Annual Improvements 2014-16 (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 2018 Pence unaudited	Six months ended 30 June 2017 Pence unaudited	Year ended 31 December 2017 Pence audited
(Loss)/profit per ordinary share (pence) - basic	**(0.45)**	0.11	(0.33)
(Loss)/profit per ordinary share (pence) - diluted	**(0.45)**	0.10	(0.34)

(Loss)/profit per share – basic has been calculated on the net basis on the loss after tax of £936,000 (30 June 2017: profit £204,000, 31 December 2017: £639,000) using the weighted average number of ordinary shares in issue of 207,103,702 (30 June 2017: 184,654,119, 31 December 2017: 195,705,733).

(Loss)/profit per share – diluted has been calculated on the net basis on the loss after tax of £936,000 (30 June 2017: profit £204,000, 31 December 2017: £639,000) using the weighted average number of ordinary shares in issue of 207,365,489 (30 June 2017: 184,140,041, 31 December 2017: 190,686,632).

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

	Six months ended 30 June 2018 GBP '000 unaudited	Six months ended 30 June 2017 GBP '000 unaudited	Year ended 31 December 2017 GBP '000 audited
(Loss)/profit after tax	**(936)**	204	(639)
Share of associate's losses	**8**	3	6
Amortisation charges	**425**	387	750
Share based payment charge	**43**	-	27
Finance costs	**1**	-	1
Finance income	**(1)**	(2)	(25)
Tax credit	**(4)**	-	(124)
	(464)	592	(3)
(Decrease)/increase in trade and other receivables	**377**	(757)	(606)
Increase/(decrease) in trade and other payables	**(956)**	149	1,039
Decrease/(increase) in stock	**207**	-	(207)
Cash used by operations	**(836)**	(16)	223

6. Intangible assets

	Intellectual property GBP '000	Licences and trademarks GBP '000	Development Costs GBP '000	Total GBP '000
COST				
At 1 January 2017	8,740	447	3,455	12,642
Additions	-	115	103	218
At 30 June 2017	8,740	562	3,558	12,860
Additions	148	(115)	221	254
At 31 December 2017	8,888	447	3,779	13,114
Additions	**-**	**-**	**240**	**240**
At 30 June 2018	**8,888**	**447**	**4,019**	**13,354**
AMORTISATION				
At 1 January 2017	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
Charge for the period	220	13	131	364
At 31 December 2017	6,011	405	1,765	8,181
Charge for the period	**240**	**13**	**172**	**425**
At 30 June 2018	**6,251**	**418**	**1,937**	**8,606**
CARRYING AMOUNT				
At 30 June 2018	**2,637**	**29**	**2,082**	**4,748**
At 31 December 2017	2,877	43	2,014	4,934
At 30 June 2017	2,949	170	1,924	5,043

7. Investment in equity accounted investee

	Six months ended 30 June 2018 GBP '000 unaudited	Six months ended 30 June 2017 GBP '000 unaudited	Year ended 31 December 2017 GBP '000 audited
Percentage ownership interest			
and proportion of voting rights	**29.90%**	29.90%	29.90%
	£	£	£
Non-current assets	**592**	608	584
Current assets	**140**	190	134
Non-current liabilities	**(98)**	(73)	(44)
Current liabilities	**(13)**	(93)	(28)
Net assets (100%)	**621**	632	645
Company's share of net assets	**186**	189	193
Separable intangible assets	**199**	206	199
Goodwill	**413**	413	413
Carrying amount of interest in associate	**797**	808	805
Revenue	**116**	148	225
Profit/(loss) from continuing operations	**(5)**	13	28
Post tax profit from discontinued operations	**-**	-	-
100% of total post-tax profits	**(5)**	13	28
29.9% of total post-tax profits	**(1)**	4	8
Amortisation of separable intangible assets	**(7)**	(7)	(15)
Company's share of profit/(loss)	**(8)**	(3)	(6)
Other comprehensive income	-	-	-
100%	-	-	-
29.90%	-	-	-
Company's share of other comprehensive income	**-**	**-**	-
Total comprehensive income (100%)	**(5)**	13	28
Company's share of total comprehensive income	**(8)**	(3)	(6)
Dividends received by the Company	**-**	**-**	-

8. 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 2018		Six months ended 30 June 2017	
	Weighted average exercise price (pence)	**Number**	Weighted average exercise price (pence)	Number
Outstanding at the beginning of the period	**11**	**5,025,000**	11	5,025,000
Granted during the period	**-**	**-**	-	-
Exercised during the period	**-**	**(125,000)**	-	-
Lapsed during the period	**-**	**(500,000)**	-	-
	11	**4,400,000**	11	5,025,000

The exercise price of options outstanding at the end of the period ranged between 8p and 16p (30 June 2017: 8p and 18p) and their weighted average contractual life was 1 year (30 June 2017: 1.4 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 2017: 13p).

The share-based payment charge for the period was £42,686 (30 June 2017: £nil).

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.

During the year ended 31 December 2017, the following options were granted under the LTIP:

Description	**Date of grant**	**Number of awards granted**	**Fair value per award £**	**Total fair value £**
2015 awards	28/09/2017	1,908,680	0.0601	114,712
2016 awards	28/09/2017	2,108,000	0.0461	97,179
		4,016,680		211,891

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	85,372 (H1, 2018: £42,686)
2019	75,108
2020	24,201
	211,891

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.

	2015 Award	**2016 Award**
Grant date	28/09/17	28/09/17
Number of awards	1,908,680	2,108,000
Share price	£0.125	£0.125
Exercise price	£nil	£nil
Expected dividend yield	-%	-%
Expected volatility	73.20%	73.20%
Risk free rate	0.80%	0.80%
Vesting period	2 years	3 years
Expected Life (from date of grant)	10 years	10 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

	Six months ended 30 June 2018		Six months ended 30 June 2017	
	Weighted average exercise price (pence)	**Number**	Weighted average exercise price (pence)	Number
Outstanding at the beginning of the period	**14**	**3,350,000**	14	5,497,867
Granted during the period	**-**	**-**	-	-
Lapsed during the period	**-**	**-**	-	-
	14	**3,350,000**	14	5,497,867

The exercise price of warrants outstanding at the end of the period ranged between 11p and 30p (30 June 2017: 11p and 30p) and their weighted average contractual life was 1.4 years (30 June 2017: 1.7 years).

9. Exceptional royalties refund

In the year ended 31 December 2017, 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 was credited to the Income Statement in the year ended 31 December 2017.

10. Segmental reporting

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 2018 is as follows:

	Licensing Fees	Milestone Payments	Evaluation Fees	Royalties	Grant Funding	Product Sales	Un-allocated	Total
	GBP '000	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**
Human health and biocides	-	-	-	-	-	-	-	-
Animal health	-	-	-	-	-	-	-	-
Agrochemicals	-	-	-	-	-	**682**	-	**682**
TOTAL	-	-	-	-	-	**682**	-	**682**
Adjusted EBITDA	-	-	-	-	-	-	**(464)**	**(464)**
Amortisation	-	-	-	-	-	-	**(425)**	**(425)**
Depreciation	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	**(43)**	**(43)**
Net Finance Costs	-	-	-	-	-	-	-	-
Income Tax	-	-	-	-	-	-	**4**	**4**
Share of Associate's loss	-	-	-	-	-	-	**(8)**	**(8)**
Loss for the Period	-	-	-	-	-	-	**(936)**	**(936)**
Total Assets	-	-	-	-	-	-	**8,750**	**8,750**
Total assets includes:								
Additions to Non-Current Assets	-	-	-	-	-	-	**240**	**240**
Total Liabilities	-	-	-	-	-	-	**(1,116)**	**(1,116)**

The segmental information for the six months ended 30 June 2017 is as follows:

	Licensing Fees	Milestone Payments	Evaluation Fees	Royalties	Grant Funding	Product Sales	Un-allocated	Total
	GBP '000	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**
Human health and biocides	-	-	-	-	-	-	-	-
Animal health	-	-	-	-	-	-	-	-
Agrochemicals	-	592	-	-	-	434	-	1,026
TOTAL	-	592	-	-	-	434	-	1,026
Adjusted EBITDA	-	-	-	-	-	-	592	592
Amortisation	-	-	-	-	-	-	(387)	(387)
Depreciation	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-
Net Finance Income	-	-	-	-	-	-	2	2
Income Tax	-	-	-	-	-	-	-	-
Share of Associate's loss	-	-	-	-	-	-	(3)	(3)
Profit for the Period	-	-	-	-	-	-	204	204
Total Assets	-	-	-	-	-	-	10,512	10,512
Total assets includes:								
Additions to Non-Current Assets	-	-	-	-	-	-	218	218
Total Liabilities	-	-	-	-	-	-	(1,181)	(1,181)

The segmental information for the year ended 31 December 2017 is as follows:

	Licensing Fees	Milestone Payments	Evaluation Fees	Royalties	Grant Funding	Product Sales	Un-allocated	Total
	GBP '000	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**	**GBP '000**
Human health and biocides	15	-	-	13	-	-	-	28
Animal health	-	-	-	-	-	-	-	-
Agrochemicals	-	968	-	116	-	765	-	1,849
TOTAL	15	968	-	129	-	765	-	1,877
Adjusted EBITDA	-	-	-	-	-	-	(3)	(3)
Amortisation	-	-	-	-	-	-	(750)	(750)
Depreciation	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	(27)	(27)
Net Finance Income	-	-	-	-	-	-	24	24
Income Tax	-	-	-	-	-	-	124	124
Share of Associate's loss	-	-	-	-	-	-	(6)	(6)
Loss for the Year	-	-	-	-	-	-	(639)	(639)
Total Assets	-	-	-	-	-	-	10,586	10,586
Total assets includes:								
Additions to Non-Current Assets	-	-	-	-	-	-	472	472
Total Liabilities	-	-	-	-	-	-	(2,072)	(2,072)

Geographical Reporting

	Six months ended 30 June 2018 GBP '000	**Six months ended 30 June 2017 GBP '000**	**Year ended 31 December 2017 GBP '000**
UK	**-**	-	28
Europe	**682**	1,026	1,849
	682	1,026	1,877

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.

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 products 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 £13m 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.