



EDEN

THE NATURAL SOLUTION

**2017 Financial Results and 2018 Update**

Annual General Meeting

21<sup>st</sup> June 2018

Institute of Directors, London

## Overview



- Eden provides **sustainable solutions** for **crop protection, animal health** and **consumer products**
- Our products are based upon **natural chemistries that deliver performance**, ease of use, and cost on par with synthetic pesticides
- In crop protection, our focus is on **protecting high-value crops from disease**, improving crop yields and value
- **Eden's products are sold across the south of the EU**, in several Balkan states and in Kenya
- **Eden has regulatory clearance in 10 countries** (including the world's top 3 producers of wine) with applications pending or in preparation in many more, including the US





# What We Do



## How we do it:



### SECURING PATENT PROTECTION FOR INTELLECTUAL PROPERTY

Our Sustaine™ encapsulation technology is patent protected throughout the world.



### DEVELOPING OUR PRODUCT PIPELINE

We have a pipeline of products at differing stages of development targeting specific opportunities across our key markets. These include new fungicides, insecticides and bactericides as well as new solutions for animal health and consumer products.



### GAINING REGULATORY APPROVAL

We seek regulatory authorisation for our products on a country-by-country or regional basis, with approvals already granted in a number of European countries and Kenya. We are in the process of extending product registration into new territories.

## How this creates value...



### FOR CUSTOMERS

We provide customers in the crop protection, animal health and consumer products sectors with sustainable, cost-efficient and effect alternatives to conventional products



### FOR SHAREHOLDERS

We are well funded and positioned to deliver long-term shareholder value through further commercialisation and sales of our products



### FOR PARTNERS

We give our partners market access to sustainable, efficient and effective alternatives to conventional chemical products



### FOR THE ENVIRONMENT

We use natural chemistries to create environmentally friendly products which support sustainable agriculture



### FOR EMPLOYEES

We promote the development of our employees through skills enhancement and training programmes

### INVESTMENT IN RESEARCH AND DEVELOPMENT

We are executing a significant research and development programme which will move forward multiple pipeline products towards commercialisation.



### GENERATING REVENUE

Revenue is generated through:

- Product sales
- Licence-based royalties
- Up-front or milestone payments from legacy agreements



### IDENTIFYING SUITABLE INDUSTRIAL PARTNERS

We partner with global and regional industry leaders who have existing distribution channels, local experience and knowledge to maximise sales of our products. We also add value to our partners' products using Sustaine to extend IP protection, ease regulatory burdens and enhance performance.



### SIGNING COMMERCIAL AGREEMENTS

We work with our sector-leading partners to commercialise products through a series of commercial production, marketing and distribution agreements.





# Investment Case



## Significant market potential

Growing market for biopesticides and an increasingly rigorous regulatory environment that favours sustainable products with proven efficacy whilst large numbers of products based upon conventional chemistry are forced off the market in most countries

Increasing adoption of biological products by farmers as demand for sustainable solutions grows

Ability to compete with synthetic pesticides on performance, ease of use and cost

## Clear commercial progress

Product sales continue to progress well and expand into new markets

Solid commercial pipeline

Regulatory clearance for product sales across multiple countries with further applications pending

Commercial and collaborative partnerships in place with industry leaders

Significant investment in commercialisation by key partners

## Skilled and experienced professionals

Further strengthening of the Board and management team during the year

Wealth of complementary experience in the agriculture, consumer products and animal health sectors globally

Outsourcing of some specialist functions, such as development trials and certain regulatory expertise, to maintain a low overhead base

## Financial

Increased revenue generation from product sales

Significant investment from one of our commercial partners

A robust balance sheet following a placing of new shares during the year

## Unique technology

Ownership of the patents behind the Sustaine™ encapsulation technology

Significant investment in patent protection

Scope to exploit the core technologies beyond existing markets and products

Proven efficacy with strong commercial validation by farmers and our partners

The global biopesticides market is currently worth more than \$1.8 billion

Between 2014 and 2016 the market grew more than 24%

The US, China and Italy are the largest markets for biopesticides



Biocontrol  
Products



- **Terpenes have well-documented biocidal activity** but are **difficult to use** commercially due to their inherent volatility
- Using Eden's ***Sustaine***<sup>™</sup> microencapsulation system, Eden and its partners have been able to create a **range of natural products with superior efficacy**
- The ***Sustaine*** system allows these volatile, poorly-soluble active substances to be **delivered to their target in a controlled, sustained manner**
- **Terpenes are widely used and diverse** – relatively low cost, regular supply
- **Commercial and development products perform on par with conventional pesticides** but with very short or no pre-harvest intervals
- **Actives are exempt from Maximum Residue Levels** – a **key consumer driver** in fresh fruit and vegetables

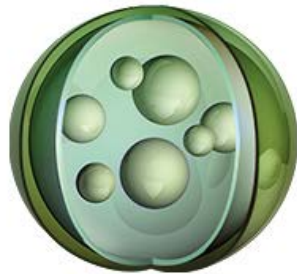
Our  
Technology

SUSTAIN<sub>E</sub>

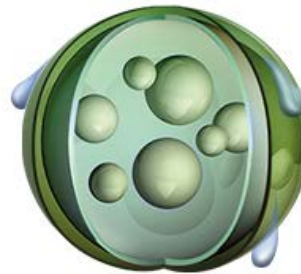
- **Eden owns the patents** behind the “**Sustaine**” delivery and release technology
- **Sustaine is a natural microencapsulation system** enabling the **slow release and improved bioavailability** of active substances such as terpenes and/or synthetic compounds for agricultural and non-agricultural uses
- **Sustaine is derived from yeast cells** that are a product of widely used production processes
- **Cost-effective, high capacity, robust, natural and simple processing with standard equipment**



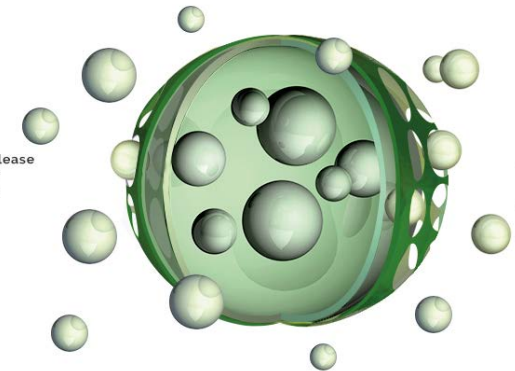
Active ingredient



Encapsulated Payload  
Stabilised Aqueous Emulsion



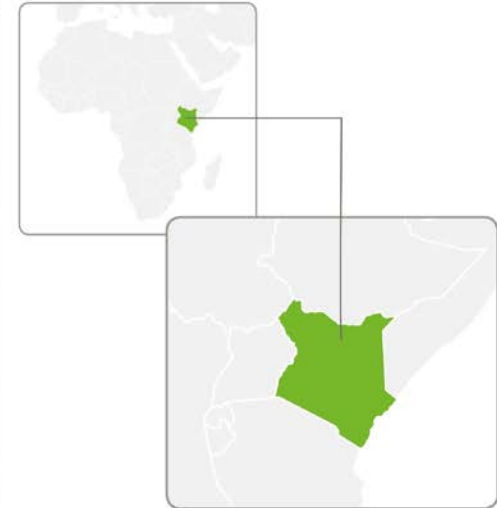
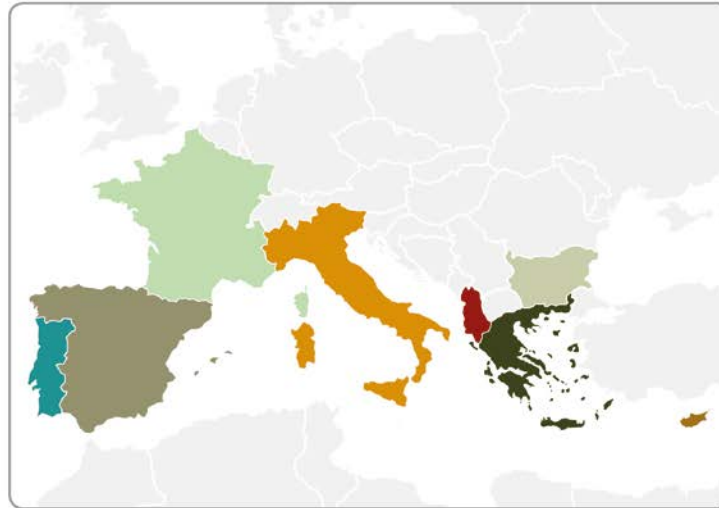
Payload release  
on contact  
with water



As particle dries,  
pores close and  
trap remaining  
active ingredient



# Commercial Status



Key	Brand Name	Partner	Country
	3logy®	Sipcam	Italy
	ARAW®	Sipcam	Spain
	Hawk™	Lachlan	Kenya
	Mevalone™	Sumi-Agro	France
	Mevalone™	Redestos	Greece
	Mevalone™	Redestos	Portugal
	Mevalone™	Redestos	Cyprus
	Mevalone™	Redestos	Albania
	Mevalone™	Redestos	Bulgaria



# Product Pipeline



Mevalone (3AEY): Botrytis (Grapes & Soft Fruits)
Cedroz® (B2Y): Nematodes (protected crops, outdoor vegetables)
Developmental Insecticide: white fly, spider mites
Developmental Fungicide: powdery mildew, downy mildew, apple scab, and others
Developmental Molluscicide: slugs



Companion Animal Health (N. America): shampoos, conditioners, odour controls, flea & tick control
Companion Animal (Europe): shampoos, conditioners, odour controls, flea & tick control
Bio-Control Global: animal hygiene
Parasite Treatments, Insect Sprays



Head-lice
Deodorants
Odour Neutralisers
Fragrances

## Financial Results 2017



Product  
approvals in 10  
countries

Products sold in  
the top 3 wine-  
producing  
countries

On-going trials  
on 5 continents

- **Revenue of £1.9m** (2016: £0.4m)
- **Excluding licensing and evaluation fees**, revenue received from ongoing commercial sales, both from **direct product sales and royalty revenue**, was **£0.9m** (2016: £0.19m)
- **Operating loss of £0.8m** (2016: £1.9m)
- Operating loss, before non-cash share based payment charge and amortisation, of **£0.03m** (2016: £1.1m)



Financial  
Results 2017



- **Loss before tax of £0.8m** (2016: £1.9m)
- **Loss per share of 0.33p** (2016: 1.03p)
- **Net cash of £3.7m** (2016: £1.5m)
- **Net assets of £8.5m** (2016: £6.8m)
- **Tax losses of £22.2m** (2016: £23.8m)
- **Placing on 30 June 2017 of £2.4m**
  - **Strategic investment of £2.2m (9.9%) by Sipcam SpA**
  - **Participation from existing institutional shareholders**



2017  
Highlights

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- **Approval in France** for the marketing, sale and use of 3AEY – marketed in France as Mevalone, Yatto and Nirka
- **First and repeated product sales in France**
- **Approval in Cyprus** for the marketing, sale and use of Mevalone – extended label (e.g. Greece)
- **Approval in Albania** for the marketing, sale and use of Mevalone – extended label (e.g. Greece)
- **Approval in Portugal** for the marketing, sale and use of Mevalone
- **Agreement with Sipcam SpA covering a wide range of activities:**
  - **Collaboration** on product development and **strategic investment**
  - **Eden has ownership of registrations** and label extensions
  - **Exclusive distribution rights** in multiple territories
  - **Comprehensive evaluation** of Eden products and technologies
    - **Up-front investment includes a fee of €0.6m**
    - **Further fee paid upon execution of option** with further exercise fees 12 due before 1/19





## 2017 Highlights

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### Key milestones 2017

January  
Mevalone™  
approved for sale  
in France

March  
Extension of  
Mevalone™ patent  
protection in Greece

June  
New terms agreed for licence  
agreement with University of  
Massachusetts Medical School

September  
Approval of Mevalone™ in  
Portugal

December  
Submission of the regulatory  
dossiers for new nematicide,  
Cedroz™, by commercial  
partner, Eastman Chemical

Appointment of Lykele van  
der Broek as Non-Executive  
Director and Chairman-  
designate

Multiple commercial &  
development agreements  
signed with Sipcam SpA,  
establishing a long-term  
collaborative partnership

£13 million  
invested in IP &  
registrations

44  
countries with IP  
protection

130  
granted  
& pending  
patents

- **Appointment of Lykele van der Broek as Non-Executive Director and Chairman (from 1 January 2018)**
- **Extension of patent protection in Greece**
- **New, more-favourable terms agreed for the licence of second and third generation encapsulation technology from the University of Massachusetts Medical School**
- **Submission of first applications for the regulatory approval of Eden's second product, Cedroz™ (B2Y), in Israel, Europe and Mexico for the use in fruit and vegetable farming against root knot nematodes**

## Sipcam Deal Summary



- Sipcam has **proven itself as a good partner** in Italy and Spain
- Sipcam is a **valued formulator, partner and supplier to nearly all of the industry leaders**
- The **three year lock-in** indicates that Sipcam intends to be a longer term partner with a vested interest in helping to grow Eden
- **Sustaine** is an excellent, **non-overlapping fit** with Sipcam's own formulation technologies
- **Sipcam will provide Eden with a strong partner** in important geographical markets and crop segments (vine, high-value fruit and vegetables) for its portfolio of products
- The **deal facilitates the expedited development** of future products and growth of Eden
- **Sipcam will invest their own resources** in the registration and commercialisation of Eden's products and technology whilst helping to build Eden's asset base



## 2017 Focus



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



2018 Focus

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- **Commercial growth:**
  - **Regulatory applications in new countries** for Mevalone and Cedroz: US EPA application under review
  - **Revenue growth**
  - **Partnerships** for Mevalone in **key new territories**
  - **Regulatory submission for head lice treatment** product by TerpeneTech
- **Business line diversification:**
  - **TerpeneTech commercial focus: international product launches**
  - **Bayer Animal Health commercial launches**
  - **Pursue opportunities in the \$4.2B seed treatments market**
- **Research, development and production:**
  - **Supply chain optimisation** – risk and cost reductions
  - **Expansion of screening and field trials** based upon **positive results in 2017**
  - **Accelerate commercialisation** of Sustaine
  - **Pursue collaboration with the majors**
- **Strengthening and growing the team:**
  - **Recruit new employees** into commercial, regulatory and technical roles

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