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Eden Research plc
05 May 2023

5 May 2023

Eden Research

("Eden" or "the Company")

Preliminary results for the year ended 31 December 2022

Eden Research (AIM: EDEN), the AIM-quoted company focused on sustainable biopesticides and plastic-free formulation technology for use in the global crop protection, animal health and consumer products industries, announces its preliminary results for the year ended 31 December 2022.

Commercial and operational highlights

- Regulatory approval granted by the United States Environmental Protection Agency (EPA) in September 2022 for all six petitions submitted, covering the Company's three active ingredients (eugenol, geraniol and thymol), two formulated products (Mevalone® and Cedroz™) and formulation technology (Sustaine®)
- Certification received in November 2022 for use in organic farming in Greece for both of Mevalone® and Cedroz™ products
- Agreement signed with Corteva France in December 2022 which allows Corteva to market, distribute and sell Eden's fungicide product, Mevalone®, in France on an exclusive basis.
- New insecticide product advancing towards commercialisation with extensive registration and commercial evaluation field trials
- Commercialisation of seed treatment product, in partnership with Corteva, progressing towards commercial launch potentially in time for the 2024 growing season
- Richard Horsman appointed as Non-Executive Director, with effect from 1 September 2022
- New Development Team Lead and Formulation Team members recruited

Post period events

- First regulatory approval for the home garden market following clearance for Mevalone® in Italy
- Regulatory approval across a number of US states for Mevalone® and Cedroz™
- Regulatory approval in Poland for use of Mevalone® on grapes and post-harvest storage diseased in apples

Financial highlights

- Revenue for the year was £1.8 million (2021: £1.2 million), with a loss before tax of £2.6 million (2021: £3.4 million) and statutory operating loss of £2.6 million (2021: £3.2 million)
- Adjusted EBITDA was £1.7 million loss (2021: £2.0 million loss)
- Cash position at the year-end was £2.0 million (2021: £3.9 million)

The Group's full Financial Statements are available at: www.edenresearch.com.

Lykele van der Broek, Chairman of Eden Research plc, commented:

"2022 was a positive year for Eden with a return to strong sales growth and approval for Eden's two commercial products, Mevalone® and Cedroz™, and three active ingredients granted approval in the US. 2023 looks set to provide a number of significant opportunities including further territorial expansion and targeted diseases, increased products sales, and the continued development of other product lines such as our seed treatment and insecticide projects."

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Notes to Editors:

Eden Research is the only UK-listed company focused on biopesticides for sustainable agriculture. It develops and supplies innovative biopesticide products and natural microencapsulation technologies to the global crop protection, animal health and consumer products industries.

Eden's products are formulated with terpene active ingredients, based on natural plant defence metabolites. To date, they have been primarily used on high-value fruits and vegetables, improving crop yields and marketability, with equal or better performance when compared with conventional pesticides. Eden has two products currently on the market:

Based on plant-derived active ingredients, **Mevalone**® is a foliar biofungicide which initially targets a key disease affecting grapes and other high-value fruit and vegetable crops. It is a useful tool in crop defence programmes and is aligned with the requirements of integrated pest management programmes. 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. Cedroz is registered for sale on two continents and Eden's commercial collaborator, Eastman Chemical, is pursuing registration and commercialisation of this important new product in numerous countries globally.

Eden's **Sustaine**® encapsulation technology is used to harness 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. Sustaine microcapsules are naturally-derived, plastic-free, biodegradable micro-spheres derived from yeast. It is one of the only viable, proven and immediately registerable solutions to the microplastics problem in formulations requiring encapsulation.

Eden was admitted to trading on AIM on 11 May 2012 and trades under the symbol EDEN. It was awarded the London Stock Exchange **Green Economy Mark** in January 2021, which recognises London-listed companies that derive over 50% of their total annual revenue from products and services that contribute to the global green economy. Eden derives 100% of its total annual revenues from sustainable products and services.
For more information about Eden, please visit: www.edenresearch.com.

Chairman's Statement

2022 has been a positive year for Eden with a return to strong sales growth and approval for Eden's two commercial products, Mevalone® and Cedroz™, and three active ingredients granted in the US. 2023 looks set to provide a number of significant opportunities including further territorial expansion and targeted diseases, increased products sales, and the continued development of other product lines such as our seed treatment and insecticide projects.

The wine grape market in Europe has recovered well, meaning that farmers have been returning to pre-pandemic levels of pesticide applications, with further increase in demand expected in 2023 as the industry returns to normal.

This trend, in conjunction with regulatory approvals and label extensions granted for Mevalone in recent years in countries such as Australia and Spain has resulted in strong product sales growth in 2022 of around 45%, a trend which we expect to continue in 2023.

With time, we expect that the US market will provide Eden with a market opportunity which could rival that of Southern Europe, which has provided the vast majority of Eden's product sales revenue to date.

Our distribution partner for Mevalone in the US, Sipcam Agro USA, is well prepared for commercial launch in 2023. It has already ordered its first batch of product for this coming growing season.

Good progress has also been made with Corteva Agriscience, our partner for our seed treatment product. A significant effort has been made by both parties in developing the product in readiness for launch in the 2024 growing season, subject to the necessary regulatory approvals.

Towards the end of 2022, Eden expanded its relationship with Corteva by entering into an exclusive distribution agreement for Mevalone in France, a key market for that product. This new distribution agreement, in conjunction with our development projects, reflects the growing influence that Eden is building across the agrochemicals sector, particularly amongst the industry's major international corporations.

Work is well advanced to expand Mevalone's label into additional disease targets. It is expected that this will significantly increase the addressable market for Mevalone in France.

Over the past three years, Eden's team has expanded across research and development, sales and distribution, product management, and regulatory affairs functions. This increased capacity means that we are able to undertake an unprecedented level of development activity for current and new products.

To that end, Eden's insecticide product has been formulated and samples provided to multiple interested parties who are undertaking their own trial work, further to Eden running its own field trials in 2021 and 2022 which produced encouraging results.

In the background, we continue to work with several partners with our polymer-free Sustaine microencapsulation technology which enables Eden to provide a solution to incumbent products which currently use microplastics in their formulations as encapsulation systems.

Eden has never been short of opportunities, and this continues to be the case. The market drivers which underpin Eden's investment case continue to increase with growing regulatory pressure on older underpin Eden's investment case continue to increase with growing regulatory pressure on older agrochemicals and a shift in business and consumer preferences to use sustainable, low residue alternatives.

Clearly, the key to Eden's success is converting this opportunity into commercial success through sustained, strong product sales growth. I believe that we have seen the start of that growth in 2022.

Whilst Eden may not have the level of resources that some of its much larger competitors may have, we do have a valuable, diverse product and technology portfolio coupled with a creative, focussed team that can deliver success using the advantages we have of nimbleness, low bureaucracy, free thinking, and individuals who know that their contribution will make a difference.

As ever, I would like to thank Eden's shareholders for their ongoing and much appreciated support.

Lykele van der Broek
Non-Executive Chairman

4 May 2023

Chief Executive Officer's Review for the year ended 31 December 2022

Section one: Introduction

2022 saw an immense effort by the whole Eden team to achieve a number of significant landmarks which has built the foundations for significant growth in 2023 and beyond.

In 2022, we observed some of the hottest temperatures recorded across the globe which led to dry growing conditions across Europe, high food prices, and reduced supply. Furthermore, the war in Ukraine has required companies to navigate difficult supply chain issues while also managing high energy costs against the background of a global energy crisis. This has had an adverse effect on the demand for pesticide products driven by a reduction of fungal disease and a generally reduced demand for pesticides in many major categories.

Despite this, Eden has successfully executed several key label extensions across new crop types and target diseases, as well as authorisations in new territories. We have not only beaten last year's sales performance, but we have also outperformed market expectations in terms of both volume and value.

Most notably, the Company gained US Environmental Protection Agency (EPA) approval, granting us access to the US market, paving the way for a very significant market entry. This has been the result of the regulatory team's tireless efforts over the past four years, working with the EPA to ensure Eden met its extensive list of strict requirements. At the state level we have currently received regulatory approval in 17 US states for Mevalone®, and 8 US states for Cedroz™. We continue to work to gain approvals from the other states, including key states such as California.

Section two: Delivering on our strategy

By 2027, it is estimated that the global biopesticide market will be worth more than $11 billion, growing at a CAGR of 15% per annum. On average, the time it takes to bring new conventional agricultural products to the market is estimated at around 10 to 12 years at a cost of $300 million. With that as the backdrop, it is important to note that Eden's leverage of its three registered active ingredients and formulation delivery system, Sustaine®, allows us to move relatively quickly to formulate new products and introduce new solutions to the increasing challenges facing growers, particularly as regulatory compliance becomes more demanding.

As the only UK-quoted company developing plant-derived biopesticide formulations and plastic free encapsulation technology, we believe that Eden is uniquely positioned to offer investors exposure to a compelling segment of the sustainable agricultural market.

The Company strategy is built on four key objectives:

a) Business line diversification
   - Pursuit of opportunities in seed treatments
   - Development of insecticides
   - Expand crops and diseases treated, increasing the addressable market for existing products
   - Geographic diversification

b) Research, development, and operations
   - Supply chain optimisation
   - Expansion of in-house screening and field trials capability
   - Accelerate commercialisation of Sustaine® for conventional actives
   - Increase self-reliance in R&D
   - Reduce time to market

c) Commercial growth
   - Regulatory clearance in new countries, crops, and diseases
   - Accelerate Sustaine® development
   - Partnerships for Mevalone® in new territories
   - Pursue collaboration with majors and select national partners
   - Route to market optimisation

d) Strengthening and growing the team
   - Added capacity in R&D, including microbiology, plant biology, agronomy, and analytical chemistry
   - Robust approach to data quality
   - Expand commercial team
   - Addition of in-house regulatory expertise - accelerating time to market and reducing regulatory costs

Reflecting on these objectives, I believe that we have made significant progress with expanding the growth of our existing products while also continuing to pursue new opportunities through new product development. Eden has been delivering against these objectives in the following ways:

a) Widening our global market opportunities

USA EPA Approval

In September 2022, Eden was granted regulatory approval from the United States EPA for all five petitions submitted, covering the Company's three active ingredients (eugenol, geraniol and thymol), formulation technology (Sustaine®) and two formulated products (Mevalone® and Cedroz™). It is worth noting that regulatory clearance on a federal level of our active ingredients will allow for easier and faster registration for all future formulations based on these ingredients will allow for easier and faster registration for all future formulations based on these ingredients.

Eden stands amongst very few British crop protection companies to obtain approvals for multiple biopesticides in the US. The market potential in the US for Mevalone® and Cedroz™ alone stands at approximately €94 million and €189 million per annum, respectively. This excludes the opportunities for bioinsecticides which are estimated to be worth an additional €237 million. With increasing regulatory pressure on conventional pesticide products across the country and a general steer towards sustainably grown produce, the market opportunities are only likely to expand.

Since receiving EPA approval at federal level, Eden has also obtained a number of important state authorisation such as Florida, Washington, Oregon, and New York. With these individual approvals now in place, our distribution partner, Sipcam Agro USA, can start to sell Mevalone® in the 2023 growing season. In December 2022, Eden fulfilled its first order for the US market.

Mevalone®

Over the course of the year, Eden received various label extensions for Mevalone®, including in Italy where Eden and Sipcam are now allowed to target two new fungal pathogens and a wide range of new crop types with an expanded Mevalone® label (sold in Italy under the brand name 3logy® by Sipcam). We estimate that this expansion of the label for 3logy® adds thousands of hectares of high-value crops to our addressable market.

We are currently hard at work to further optimise our distribution network, and we anticipate announcing new partnerships in the coming months; all aimed at adding new territories or expanding our use case in existing countries. An outstanding example of such optimisation is the appointment of Corteva France as our exclusive distribution partner in France in December of 2022, replacing the incumbent distributor. Corteva's assessment of the French market is that new opportunities have emerged as the consequence of the removal of key conventional pesticides.

Working with Corteva, Eden is pursuing the significant expansion of the label for Mevalone in France, targeting both downy mildew and powdery mildew and resulting in an up to ten-fold expansion of the addressable market in France. Preparation of the necessary regulatory submissions is well under way with the efficacy trials data required to support these submissions now complete.

Post period end, we were pleased to secure our first regulatory approval for the consumer market with clearance for Mevalone® in Italy for home garden use. This will allow Italian gardeners the same access as commercial farmers to a sustainable fungicide to protect their plants and crops from destructive fungal pathogens.

Organic certification

In November 2022, it was announced that Mevalone® and Cedroz™ received certification for organic farming in Greece. The certification, received by Eden's regional partner, K&N Efthymiadis (K&NE), follows the authorisation of Eden's three EU-registered active ingredients for use in organic farming in 2020.

b) Expanding our product line and applicable uses

Insecticide

Field trials in 2021 and 2022 have produced encouraging results for our insecticide candidates. The Company is pleased to be in position where it has now agreed on a final formulation, entered into testing agreements and sent trial-scale samples to multiple interested parties who are undertaking their own trial work. Eden has started to see results from its potential partners come in and we are pleased to say that they are, thus far, in line with our own results. The Company expects there to be a high level of interest for this product, particularly in the key markets of Europe and the US.

Seed treatment

We continue to make steady progress with the development of our seed treatment product, in partnership with Corteva Agriscience. During the last two years, the companies have worked closely together to undertake field trials and other development work. The field trials conducted during this time yielded positive results with efficacy that is comparable to, or better than, the incumbent product that is being removed from the market. We are now in the final stages of collating the information that is required to make a full submission for authorisation of the product in the EU and selected additional territories. It is expected that launch of the product in the EU will occur in time for the 2024 growing season, although both companies acknowledge that this is an estimate and is subject to revision, dependent on development and product registration milestones being achieved as anticipated and the pace of regulatory action by the authorities.

Eden is also pursuing further opportunities in seed treatments, including fungicidal and nematicidal applications.

Sustaine®

Over the course of Sustaine's existence, Eden has received numerous enquiries about using the technology with third party active ingredients which also require an alternative solution to plastic. Field trials are currently underway with multiple partners to fully exploit its capability and decisions regarding future evaluations based on current trials are expected in due course.

c) New team additions to drive next phase of growth

Our recent growth is largely attributable to the core skills and strengths of the team that drives Eden. Over the course of the year, we have hired new staff across vital divisions of our business from regulatory affairs to research and development. The Eden team now has the necessary capabilities to formulate, develop, test and register products that it has created. Our headcount by year end stood at 19, which we view as the optimum level at this time to continue to progress along our high growth trajectory at a faster pace than possible in the past.

In September 2022, we welcomed Richard Horsman as a Non-Executive Director to the Company. Richard possesses an abundance of industry, commercial and corporate acumen and expertise which will help drive Eden through our next phase of growth. This not only applies to maximising the potential of our existing opportunities, but also driving new opportunities that share synergies with our core business.

Section three: Financial review

Revenue for the year was £1.8 million which marked a 50% increase on the previous year (FY21: £1.2m). This reflects a significant increase in product sales which were £1.6m, a 45% rise on last year's products sales (FY21: £1.1m).

Our earnings before tax have also improved. In 2022, we recorded a reduced loss of £2.6m which compared favourably to the previous year's performance (FY21: £3.4m loss).

Administrative expenses remained flat at £2.7m (2021: £2.7m), while additions to intangible assets, including development costs, reduced to £1.0m from £1.6m in 2021.

Our cash balance at year-end was £2.0m (2021: £3.8m).

At present, there is currently no near-term plan to pay a dividend. However, the Board continues to review the Company's dividend policy.

Section four: 2023 outlook

With the groundwork having been laid throughout the course 2022, our strategy for 2023 is to maximise the sales potential of our current products in existing markets, continue to expand our geographic reach and target disease portfolio, and accelerate the development of new products and formulations based upon our terpene-based active ingredients and yeast-derived, plastic-free formulation technology.

Continuing our progress in the US market in 2022 (where in September we received authorisation for our portfolio of three active ingredients formulation system and two formulated products, Mevalone® and Cedroz™, from the US EPA), subsequently Eden applied for state-level authorisations in multiple states, including Florida, Washington, Oregon and California. A number of states - including New York State - have already granted their authorisations with more due in 2023, including the largest US market for Eden: California.

Eden is also targeting regulatory approval in the United Kingdom where we have submitted an application for authorisation for Mevalone®. While the addressable market potential in the United Kingdom is not as significant as it is elsewhere, the opportunity as a British-based business to provide our products to the British market is exciting. Furthermore, despite its size, the market for botryticides in the UK is growing rapidly as the number of hectares dedicated to wine production increases. We are looking forward to forming close partnerships locally and being part of the UK's efforts to meet its sustainable agricultural goals.

Elsewhere, we continue to pursue other territories across the globe and have numerous applications for regulatory approvals of Mevalone® and Cedroz™ pending. This includes Germany, Poland, New Zealand, Morocco and Tunisia.

Eden is also exploring the suitability for Mevalone® application on cannabis in the US and Canada. The market potential for Eden in cannabis production could be significant considering recent legislation changes in the US and the significant need for pesticides on this crop. Furthermore, cannabis has multiple crop cycles per year which require year-round application of crop protection products. Field trials commenced in 2022 and we continue to assess the effectiveness of Mevalone® against several diseases including botrytis.

Evaluations in additional areas of significant commercial potential include black sigatoka (banana), potato blight and potato cyst nematodes. In each case, the initial evaluations have produced encouraging results.

Following our first regulatory approval for consumer home and garden use in Italy, we look forward to continuing this momentum as we look at accessing other territories worldwide so the home gardener can also benefit from the safety and efficacy that Mevalone® provides. Our breakthrough in one consumer market is the beginning and the ability to offer home gardeners the same tools serves as another demonstration of the versatility of our sustainable products and technology.

Finally, we are working hard to move forward with new products including insecticides, seed treatments, and optimised fungicides. Subject to regulatory authorisation, we expect to see the first sales of our seed treatments developed with Corteva in 2024 and the first sales of our insecticides in the US in 2024/2025 and in the EU in 2025/2026. Ongoing EU regulatory developments around the use of intentionally added microplastics in agricultural products should also prompt accelerated development and deployment of our propriety Sustaine® microencapsulation technology across a number of active ingredients in addition to our own.

Section five: Driving positive impact

Sustainability lies at the heart of what we do at Eden. We are focused on providing innovative and sustainable solutions to the global agriculture industry and beyond. It is with this philosophy that we aim to perform a fundamental role for farmers looking to adopt sustainable farming practices without adversely impacting their output or bottom line.

Sustainability can often pose a systematic challenge for the agricultural industry as it looks to contend with feeding a growing population while also protecting our planet. Our growing portfolio of products helps farmers to protect natural biological ecosystems, as well as their high value crops, meeting the growing demands of both consumers and regulators. The ingredients we use to formulate our products; geraniol, eugenol and thymol, are naturally-occurring materials used by plants themselves as a part of their own defence systems.

Moreover, our products have been certified as organic in the EU. This is a valuable classification for Eden as we are seeing rising demand for organic produce amongst consumers and growers, a trend also reinforced by regulation. Under its Farm to Fork strategy, the EU has proposed that at least 25% of the EU's agricultural land should be farmed organically by 2030, and the action plan supporting this change has now reached the public consultation phase.

Increasingly, regulatory restrictions over crop protection product usage and a drive towards organic farming is apparent right across the globe and demonstrated quite clearly in the UK with the introduction of the Department of Environment, Food, and Rural Affairs' new Environmental Land Management Schemes (ELMS). Under ELMS, farmers in England will be entitled to a Sustainable Farming Incentive payment which focuses on soil health and reducing the use of damaging inputs such as fertilisers and insecticides. In the context of our regulatory application in the UK, we continue to review the associated opportunities and risks. Moving forward, we look forward to working with our distribution partner and local farmers as these regulations evolve in a post-Brexit environment.

TerpeneTech (UK)

Sales of geraniol into the biocide sector have continued to increase year on year and TerpeneTech (UK) is investigating the potential to register additional active ingredients under the EU's Biocide Directive.

Sales of the head-lice treatment product have still not started outside of the U.K. as had been expected. Eden is in discussion with TerpeneTech (UK) to determine the best way forward with this product.

TerpeneTech (Ireland)

TerpeneTech (Ireland) was established in 2019 to hold the registration of geraniol under the EU's Biocidal Products Regulation, due to changes brought about by Brexit. As such, TerpeneTech (Ireland) receives royalty income from TerpeneTech (UK) on the sales of geraniol but is otherwise non-operational.

Ukraine

Eden does not currently have any business activities in Russia or Ukraine and, as such, has not seen any direct impact on its business.

The knock-on effect of the conflict on other countries also appears to be minimal and so we do not envisage significant disruption to the current business in the short term.

Section six: Summary

Eden has pivoted from being a small agrochemical development and licensing company to an operating business with meaningful and growing product sales and a strong development pipeline. This is reflected in our 2022 results which show that we have beaten last year's sales performance and outperformed market expectations in terms of volume and value. With each milestone that we pass, Eden remains ambitious in our plans to continue expanding our regulatory and commercial footprint, growing our network of partners, and increasing the size our addressable markets. We also remain risk-aware to changing consumer and regulatory trends as well as global climatic and economic conditions, and I can confidently say that our business model has so far proven to be resilient to all these factors and we will continue to ensure Eden remains firmly grounded.

I am proud of the role Eden is playing in helping create more sustainable agricultural practices as the only UK-quoted company focused on sustainable chemistry for the biopesticide industry. Today we are viewed by our peers as *the* biocontrol standard for biofungicides. I would like to

Today we are viewed by our peers as *the* biocontrol standard for biofungicides. I would like to take this opportunity to thank our team which has played a significant role in delivering the results for 2022, and to our shareholders who have backed us throughout the year.

Sean Smith
Chief Executive Officer

4 May 2023

Consolidated statement of comprehensive income for the year ended 31 December 2022

	Notes	2022 £	2021 £
Revenue	4	1,827,171	1,228,580
Cost of sales		(997,011)	(667,343)
Gross profit		830,160	561,237
Amortisation of intangible assets		(495,818)	(434,630)
Administrative expenses		(2,749,240)	(2,694,290)
Share based payments		(152,135)	(640,597)

Operating loss	**5**	(2,567,033)	(3,208,280)
Interest income	**8**	192	98
Finance costs	**9**	(22,046)	(32,074)
Foreign exchange gains/(losses)	**9**	52,736	(97,247)
Share of loss of equity accounted Investee, net of tax	**15**		
		(31,444)	(58,177)
Loss before taxation		(2,567,595)	(3,395,680)
Income tax income	**10**	323,716	618,137
Loss and total comprehensive income for the year		(2,243,879)	(2,777,543)
Total comprehensive income for the year is attributable to:			
- Owners of the parent Company		(2,237,262)	(2,788,973)
- Non-controlling interests		(6,617)	11,430
		(2,243,879)	(2,777,543)
Earnings per share	**11**		
Basic		(0.59p)	(0.73p)
Diluted		(0.59p)	(0.73p)

Consolidated statement of financial position as at 31 December 2022

	Notes	2022	2021
		£	£
Non-current assets			
Intangible assets	**12**	8,447,226	7,919,780
Property, plant and equipment	**13**	198,786	232,278
Right-of-Use assets	**14**	332,814	372,787
Investments	**15**	330,244	361,688

		9,309,070	8,886,533
Current assets			
Inventories	**17**	625,458	521,351
Trade and other receivables	**18**	658,866	886,587
Current tax recoverable	**10**	323,716	903,245
Cash and cash equivalents		1,994,472	3,829,369
		3,602,512	6,140,552
Current liabilities			
Trade and other payables	**19**	1,813,341	1,711,518
Lease liabilities	**20**	139,547	99,924
		1,952,888	1,811,442
Net current assets		1,649,624	4,329,110
Non-current liabilities			
Trade and other payables	**19**	-	87,740
Lease liabilities	**20**	215,776	298,428
		215,776	386,168
Net assets		10,742,918	12,829,475

	Notes	2022 £	2021 £
Equity			
Called up share capital	**23**	3,808,589	3,803,402
Share premium account	**24**	39,308,529	39,308,529
Warrant reserve	**25**	701,065	937,505
Merger reserve	**26**	10,209,673	10,209,673
Retained earnings		(43,309,440)	(41,460,753)
Non-controlling interest	**27**	24,502	31,119
Total equity		10,742,918	12,829,475

Total equity		10,742,918	12,825,475

The financial statements were approved by the Board of Directors and authorised for issue on 4 May 2023 and are signed on its behalf by:

Sean Smith
Director

Company statement of financial position as at 31 December 2022

	Notes	2022 £	2021 £
Non-current assets			
Intangible assets	**12**	8,354,299	7,813,583
Property, plant and equipment	**13**	198,786	232,278
Right-of-Use Assets	**14**	332,814	372,787
Investments	**15**	330,244	361,688
		9,216,143	8,780,336
Current assets			
Inventories	**17**	625,458	521,351
Trade and other receivables	**18**	786,791	970,587
Current tax recoverable	**10**	323,716	903,245
Cash and cash equivalents		1,994,472	3,829,369
		3,730,437	6,224,552
Current liabilities			
Trade and other payables	**19**	1,813,341	1,667,557
Lease liabilities	**20**	139,547	99,924
		1,952,888	1,767,481
Net current assets		1,777,549	4,457,071
Non-current liabilities			

Trade and other payables	**19**	-	87,740
Lease liabilities	**20**	215,776	298,428
		215,776	386,168
Net assets		10,777,916	12,851,239
Equity			
Called up share capital	**23**	3,808,589	3,803,402
Share premium account	**24**	39,308,529	39,308,529
Warrant reserve	**25**	701,065	937,505
Merger reserve	**26**	10,209,673	10,209,673
Retained earnings		(43,249,940)	(41,407,870)
Total equity		10,777,916	12,851,239

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's loss for the year was £2,230,645 (2021 - £2,764,403).

The financial statements were approved by the Board of Directors and authorised for issue on 4 May 2023 and are signed on its behalf by:

Sean Smith
Director

Company Registration No. 03071324

Consolidated statement of changes in equity for the year ended 31 December 2022

	Notes	Share capital	Share premium account	Merger reserve	Warrant reserve	Retained earnings	
		£	£	£	£	£	
Balance at 1 January 2021		3,803,402	39,308,529	10,209,673	429,915	(38,842,259)	14,[illegible]

Year ended 31 December 2021:							
Loss and total comprehensive income for the year		-	-	-	-	(2,788,973)	(2,7
Issue of share capital	**23/24**	-	-	-	-	-	
Options granted	**22**	-	-	-	678,069	-	6
Options lapsed	**22**	-	-	-	(170,479)	170,479	
Balance at 31 December 2021		3,803,402	39,308,529	10,209,673	937,505	(41,460,753)	12,7
Year ended 31 December 2022:							
Loss and total comprehensive income for the year		-	-	-	-	(2,237,262)	(2,2
Issue of share capital	**23/24**	5,187	-	-	-	-	
Options granted	**22**	-	-	-	152,135	-	1
Options lapsed	**22**	-	-	-	(388,575)	388,575	
Balance at 31 December 2022		3,808,589	39,308,529	10,209,673	701,065	(43,309,440)	10,7

Share capital is the number of shares issued in the Company at their nominal value. The share premium account represents the gross proceeds from issue of shares, less their nominal value.

Company statement of changes in equity for the year ended 31 December 2022

	Notes	Share capital	Share premium account	Merger reserve	Warrant reserve
		£	£	£	£
Balance at 1 January 2021		3,803,402	39,308,529	10,209,673	429,915
Year ended 31 December 2021:					
Loss and total comprehensive income for the year		-	-	-	-
Issue of share capital	**23/24**	-	-	-	-
Options granted	**22**	-	-	-	678,069
Options lapsed	**22**	-	-	-	(170,479)
Balance at 31 December 2021		3,803,402	39,308,529	10,209,673	937,505
Year ended 31 December 2022:					
Loss and total comprehensive income for the year		-	-	-	-
Issue of share capital	**23/24**	5,187	-	-	-
Options granted	**22**	-	-	-	152,135
Options lapsed	**22**	-	-	-	(388,575)

Balance at 31 December 2022	3,808,589	39,308,529	10,209,673	701,065

Share capital is the number of shares issued in the Company at their nominal value. The share premium account represents the gross proceeds from issue of shares, less their nominal value.

		2022		**2021**	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash absorbed by operations	**33**		(1,586,531)		(1,586,582)
R&D tax credit received			903,244		-
Net cash outflow from operating activities			(683,287)		(1,586,582)
Investing activities					
Development of intangible assets		(1,023,262)		(1,624,927)	
Purchase of property, plant and equipment		(30,929)		(101,269)	
Interest received		192		98	
Net cash used in investing activities			(1,053,999)		(1,726,098)
Financing activities					
Payment of lease liabilities		(128,301)		(90,387)	
Interest on lease liabilities		(22,046)		(32,074)	
Net cash generated from/(used in) financing activities			(150,347)		(122,461)
Net increase/(decrease) in cash and cash equivalents			(1,887,633)		(3,435,141)
Cash and cash equivalents at beginning of year			3,829,369		7,286,503

of year	3,829,369	7,286,505
Effect of foreign exchange rates	52,736	(21,993)
Cash and cash equivalents at end of year	1,994,472	3,829,369
Relating to:		
Bank balances	1,994,472	3,829,369

Non-cash movement on account of financing activities:

Note

14 Lease liability additions £87,228 (2021: £76,464)

22 Share based payment charge £152,135 (2021: £640,957)

23 Issue of shares £5,187 (2021: £nil) where proceeds remain unpaid at the year end.

Company statement of cash flows for the year ended 31 December 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					

Cash absorbed by operations	**33**		(1,586,531)		(1,586,582)
R&D tax credit received			903,244		-
Net cash outflow from operating activities			(683,287)		(1,586,582)
Investing activities					
Development of intangible assets		(1,023,262)		(1,624,927)	
Purchase of property, plant and equipment		(30,929)		(101,269)	
Interest received		192		98	
Net cash used in investing activities			(1,053,999)		(1,726,098)
Financing activities					
Payment of lease liabilities		(128,301)		(90,387)	
Interest on lease liabilities		(22,046)		(32,074)	
Net cash generated from/(used in) financing activities			(150,347)		(122,461)
Net increase/(decrease) in cash and cash equivalents			(1,887,633)		(3,435,141)
Cash and cash equivalents at beginning of year			3,829,369		7,286,503
Effect of foreign exchange rates			52,736		(21,993)
Cash and cash equivalents at end of year			1,994,472		3,829,369
Relating to:					
Bank balances			1,994,472		3,829,369

Non-cash movement on account of financing activities:

Note

14 Lease liability additions £87,228 (2021: £76,464)

22 Share based payment charge £152,135 (2021: £640,957)

23 Issue of shares £5,187 (2021: £nil) where the proceeds remain unpaid

Notes to the Group financial statements for the year ended 31 December 2022

1 Accounting policies

Company information

Eden Research plc is a public company limited by shares incorporated in England and Wales. The registered office is 67C Innovation Drive, Milton Park, Abingdon, Oxfordshire, OX14 4RQ. The Company's principal activities and nature of its operations are disclosed in the Directors' report.

The Group consists of Eden Research plc, its subsidiaries, TerpeneTech Limited (Ireland), Eden Research Europe Limited (Ireland) (see note 16) and its associate company, TerpeneTech Limited (UK) (see note 15).

1.1 Accounting convention

The Group and Company financial statements have been prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006.

The financial statements are prepared in pound sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

They have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

See note 2 for further information on changes to standards adopted or in issue during the year end.

1.2 Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings up to 31 December 2022. The profits and losses of the

Company and its subsidiary are consolidated from the date from which control is achieved. All members of the Group have the same reporting period.

Subsidiary undertakings are entities controlled by the Company. The Company controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Associates

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity, or where the Company has a lower interest but the right to appoint a Director. The Company acquired 29.9% of TerpeneTech Limited ("TerpeneTech (UK)") during 2015; TerpeneTech (UK) is an associated undertaking.

Application of the equity method to associates

The investment in TerpeneTech (UK) is accounted for using the equity method. The investment was initially recognised at cost. The Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses and any separable intangible assets. The financial statements include the Company's share of the total comprehensive income and equity movements of TerpeneTech (UK), from the date that significant influence commenced.

1.3 Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for at least 12 months from the approval of the financial statements. Thus, 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 year after taxation of £2,243,879 (2021: £2,777,543). Net current assets at that date amounted to £1,649,624 (2021: £4,329,110). Cash at that date amounted to £1,994,472 (2021: £3,829,369).

The Company has reported a loss for the year after taxation of £2,230,645 (2021 - £2,764,403). Net current assets at that date amounted to £1,777,549 (2021: £4,457,071). Cash at that date amounted to £1,994,472 (2021: £3,829,369).

The Directors have prepared budgets and projected cash flow forecasts, based on forecast sales provided by Eden's distributors where available, for a period of at least 12 months from the date of approval of the financial statements and they consider that the Group and Company will be able to operate with the cash resources that are available to it for this period.

The forecasts adopted include revenue derived from existing contracts as well as expected new contracts in respect of products not yet available for use.

The impact of COVID has been considered in the forecasts. The Group has been impacted by the pandemic as it has led to some delays in regulatory approvals, product development process and limited promotional activity, which resulted in lower than forecast sales in 2020 and 2021. The forecasts reflect this with the development expenditure timing based on the latest experience with regulatory authorities and sales volumes on the latest distributors' information which reflects their post-COVID demand.

In addition, the Group has relatively low fixed running costs, as production is undertaken through toll manufacturers, and the Directors have previously demonstrated ability and willingness to delay certain costs, such as research and development expenditure, where required and are willing and able to delay costs in the forecast period should the need arise. A positive cash balance is forecasted to be maintained in this base scenario throughout the entire forecast period.

The Directors have also considered a downside scenario which includes reductions to revenue derived from existing contracts as well as elimination of revenue from products not yet available for use offset by mitigations around research and development expenditure as well as some reductions in expansionary overheads. Under this scenario, a positive cash balance would be maintained over the forecast period.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The Group's achievement of long-term positive cash generation is reliant on the completion of ongoing product development and successful initial approval and registration of these products with various regulatory bodies, as well as the registration of existing products in new territories. While the Group is forecasted to become cash generative in 2024 under the base budget, the Directors consider it reasonably possible that the Group may seek further funding prior to that point.

The Group has planned its cashflows taking into account its current cash availability and is satisfied that it can continue for the foreseeable future, albeit with careful management of the levels of investment in the short term, depending on the positive outcome and/or timing of certain commercial and regulatory events.

However, given the plethora of opportunities and strong interest that the Group is presented with, the Board of Eden may seek to invest to a greater extent than it is currently able to and to expedite the commercialisation of its product portfolio. To that end, the Board continues to assess all funding and commercial opportunities, taking into account commercial and market conditions.

1.4 Revenue

Revenue received by the Group is recognised net of any taxes and in accordance with IFRS 15. Policies for each significant revenue stream are as follows:

Licensing fees

The Group receives licensing fees from partners who have taken a licence for the right to use Eden's intellectual property, usually defined by field of use and territory. These are identified as the right to use as the Group does not have an obligation to undertake activities that significantly affect the relevant intellectual property.

Each sale of a licence by the Group is assessed to determine whether the licence is distinct from the sale of other goods and services, and whether the licence granted provides use of the Group's intellectual property as it exists at that point in time, with no ongoing obligation on the Group, or alternatively provides access to the intellectual property as it develops over time. Where the Group has discharged all of its ongoing obligations associated with the licence granted, revenue is recognised on invoicing of the licence fee payment at which point the customer can use and benefit from the licence. Where there is an ongoing obligation on the Group, revenue is recognised in the periods to which the obligations pertain.

Milestone payments

The Group receives milestone payments from other commercial arrangements, including any fees it has charged to partners for rights granted in respect of distribution agreements.
These agreements are bespoke and any such revenue is specific to the particular agreement. Consequently, for each such agreement, the nature of the underlying performance obligations is assessed in order to determine whether revenue should be recognised at a point in time or over time.

Revenue is then recognised based on the above assessment upon satisfaction of the performance obligation.

The Corteva agreement entered into in 2021 includes milestone payments of £141,293 received in 2021 and a further £164,148 in 2022. These milestone payments have been assessed to relate to a performance obligation being satisfied at a point in time. As at year end, this performance obligation had not been reached and, consequently, the amounts received deferred (presented within Accruals and Deferred Income in note 19).

Further milestone payments are contractually due in the year ending 31 December 2023. The performance obligation is expected to be met no later than by 31 December 2023.

The second performance obligation relates to product sales and will be accounted for in line with the product sales policy disclosed below once the commercial sales have commenced.

Upfront and annual payments made by customers at commencement and for renewal of distribution and other agreements are recognised in accordance with the terms of the agreement. Where there is no ongoing obligation on the Group under the agreement, the payment is recognised in full in the period in which it is made. Where there is an ongoing obligation on the Group, the separate performance obligations under the agreement are identified and revenue allocated to each performance obligation. Revenue is then recognised when a corresponding performance obligation has been met.

R & D charges

The Group sometimes charges its partners for R&D costs that it has incurred which usually relate to specific projects and which it has incurred through a third party.

Upon agreement with a partner, or if some specific milestone is met, then Eden will raise an invoice which is usually payable between 30 and 120 days. Revenue is recognised upon satisfaction of the underlying performance obligation.

Royalties

The Group receives royalties from partners who have entered into a licence arrangement with Eden to use its intellectual property and who have sold products, which then gives rise to an obligation to pay Eden a royalty on those sales.

Generally, royalties relate to specific time periods, such as quarterly or annual dates, in which product sales have been made. Revenue is recognised in line with when these sales occur.

Once an invoice is raised by Eden, following the period to which the royalties relate, payment is due to the Company is 30 to 60 days.

Sales-based royalty income arising from licences of the Group's intellectual property is recognised in accordance with the terms of the underlying contract and is based on net sales value of product sold by Eden's licensees. It is recognised when the underlying sales occur.

Product sales

Generally, where the Group has entered into a distribution agreement with a partner, Eden is responsible for supplying product to that partner once a sales order has been signed.

At that point, Eden has the product manufactured through a third-party, toll manufacturer. At the point at which the product is finished and is made available to the partner to collect, or, if the Group is responsible for the shipping, the product has been shipped, the partner is liable for the product and obliged to pay Eden. Normal terms for product sales are 90 to 120 days. Returns are accepted and refunds are only made when product supplied is notified as defective within 60 days.

The Group does not have any contract assets or liabilities other than the liability in respect of the Corteva milestone payments noted in the milestone section (2021: none, other than the

Corteva milestone payment).

Product sales are recorded once the ownership and related rights and responsibilities are passed to the customer and the product is made available to the partner to collect, or, if the Group is responsible for the shipping, the product has been shipped to the customer.

1.5 Intangible assets other than goodwill

Intellectual property, which is made up of patent costs, trademarks and development costs, is capitalised and amortised on a straight-line basis over its remaining estimated useful economic life of 8 years (2021: 9 years) in line with the remaining life of the Group's master patent, which was originally 20 years, with additional Supplementary Protection Certificates having been granted in the majority of the countries in the EU in which Eden is selling Mevalone® and Cedroz™. The useful economic life of intangible assets is reviewed on an annual basis.

An internally generated intangible asset arising from the Group's development activities is recognised only if all the following conditions are met:

- the project is technically and commercially feasible;
- an asset is created that can be identified;
- the Company intends to complete the asset and use or sell it and has the ability to do so;
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably; and
- there are sufficient resources available to complete the project.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives from the date they are available for use. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the term of the lease
Fixtures and fittings	5 years straight line
Motor vehicles	Over the term of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.7 Impairment of tangible and intangible assets

The Directors regularly review the intangible assets for impairment and provision is made if necessary. Assets that are subject to amortisation and those that are under development are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price, less costs to complete and sell. Cost is based on the first-in-first-out principle. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

1.9 Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a part to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable with a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequently to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in associates accounted for using the equity method and subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group 's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

(iii) Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. During the year, an expected credit loss provision of £107,188 (2021: £Nil) has been recognised on trade receivables over 12 months old, on which payment is uncertain.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date. The current tax charge includes any research and development tax credits claimed by the Group.

R&D tax credits are accounted for by reference to IAS 12 and are calculated based on development costs incurred by the Group through third party contractors, as well as members of staff who are involved in research and development of the Group's products.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Share-based payments

The Company has applied the requirements of IFRS 2 Share-Based Payments.

Unapproved share option scheme

The Company operated an unapproved share option scheme for executive directors, senior management and certain employees up to September 2017.

Long-Term Incentive Plan ('LTIP')

In 2017, the Company established a LTIP to incentivise the Executives to deliver long-term value creation for shareholders and ensure alignment with shareholder interest. Awards were made annually and were subject to continued service and challenging performance conditions usually over a three year period. The performance conditions were reviewed on an annual basis to ensure they remained appropriate and were based on increasing shareholder value. Awards were structured as nil cost options with a seven year lift after vesting.

Other than in exceptional circumstances, awards were up to 100% of salary in any one year and granted subject to achieving challenging performance conditions set at the date of the grant. A percentage of the award vested for 'Threshold' performance with full vesting taking place for equalling or exceeding the performance 'Target'. In between the Threshold and Target there was pro rata vesting.

The LTIP was adopted by the Board of Directors of Eden on 28 September 2017.

Long-Term Incentive Plan ('LTIP') (continued)

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Profit or Loss and Other Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that ultimately the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted, as long as other vesting conditions are satisfied. The cumulative expense is options granted, as long as other vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification is also charged to the Statement of Profit or Loss and Other Comprehensive Income over the remaining vesting period.

In June 2021, the Company made changes to the LTIP.

The changes to the LTIP have been treated as a modification of the existing plan for financial reporting purposes which means that the Fair Value of previous awards has been recognised over their remaining term and the incremental Fair Value of the new options granted has been recognised separately over their own vesting period.

The Company issued options under the modified LTIP, details of which can be found on note 22. These include graded vesting.

Share options which vest in instalments over a specified vesting period (graded vesting) where the only vesting condition is service from grant date to vesting date of each instalment are accounted for as separate share-based payments. Each instalment's fair value is assessed separately based on its term and the resulting charge recognised over each instalment's vesting period.

Other share options

In addition to the LTIP grants, the Company awarded certain employees approved options. Details of these options can be found in note 22. The accounting treatment for these options is consistent with that indicated under the LTIP section at the start of this page.

1.14 Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at, or before, the commencement date, plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Group's estimate of the amount expected to be payable under a residual value guarantee; or the Group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.15 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

Whilst the majority of the Group 's revenue is in Euros, the Company also incurs a significant level of expenditure in that currency. As such, the Company does not currently use any hedging facilities and instead chooses to keep some of its cash at the bank in Euros.

1.17 Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

1.18 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

1.19 Financial risk management

The Group 's activities expose it to a variety of financial risks: market risks (including currency risk and interest rate risks), credit risk and liquidity risk. Risk management focuses on minimising any potential adverse effect on the Company's financial performance and is carried out under policies approved by the Board of Directors. See note 32 for further information.

1.20 Functional and presentation currency

The Group's consolidated financial statements are presented in pound sterling, which is the Group's functional currency due to its own operations and assets being based in the U.K.. For each entity, the Group determines the functional currency, and items included in the financials tatements of each entity are measured using that functional currency.The Company's financial statements are prepared and presented in sterling, which is its functional currency.

1.21 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation (where items are remeasured). Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Foreign exchange gains and losses resulting from the settlement of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All foreign exchange gains and losses are presented in the income statement within administrative expenses.

Translation differences related to items classified through other comprehensive income are recognised in other comprehensive income (OCI), while remaining translation differences are recognised in the income
statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) or the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

1.22 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term highly liquid investments with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

1.23 Current versus non-current classification

The Group classifies assets and liabilities in the statement of financial position as either current or non-current.
An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:
Expected to be settled in the normal operating cycle
Held primarily for the purpose of trading
Due to be settled within twelve months after the reporting period ; or
There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

1.24 Equity and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds shown in share premium. Share premium represents the proceeds from shares, less the nominal value and directly attributable costs.

1.25 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

2 New standards and interpretations

The IASB and IFRS Interpretations Committee have issued the following standards and interpretations with an effective date of implementation for accounting periods beginning after the date on which the Group's financial statements for the current year commenced.

i) New standards and amendments - applicable 1 January 2022
The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

	Effective for accounting periods beginning on or after	**Impact**
Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 16	1 January 2022	None
Reference to the Conceptual Framework - Amendments to IFRS 3	1 January 2022	None
Onerous Contracts: Cost of Fulfilling a Contract - Amendments to IAS 37	1 January 2022	None
Annual Improvements to IFRS Standards 2018-2020	1 January 2022	None

ii) Forthcoming requirements
As at 31 December 2022, the following standards and interpretations had been issued but were not mandatory for annual reporting periods commencing on or after 1 January 2023.

Effective for

	accounting periods beginning on or after	Expected Impact
IFRS 17 Insurance Contracts	1 January 2023	None
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023	None
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023	None
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023	None
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	1 January 2023	None

3 Critical accounting estimates and judgements

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Going concern
The Directors have considered the ability of the Group and the Company to continue as a going concern and this is considered to be a significant judgement made by the Directors in preparing the financial statements.

The ability of the Group and Company to continue as a going concern is ultimately dependent upon the amount and timing of cash flows arising from the exploitation of the Group and Company's intellectual property and the availability of existing and/or additional funding to meet the short term needs of the business until the commercialisation of the Group and Company's portfolio is reached. The Directors consider it is appropriate for the financial statements to be prepared on a going concern basis based on the estimates they have made. See note 1 for further information.

Associate
A judgement has been made that Eden exerts significant influence on TerpeneTech (UK) such that it is an associate company and, as such, adoption of equity accounting is appropriate.

COVID-19
The Group has made accounting judgements and estimates based on there being minimal impact of COVID-19 on the business in the long term. This is impacting, in particular, the forecasts used as the basis for intangibles impairment review, investment impairment review and going concern. Clearly, this is still a degree of uncertainty as to exactly how and if the business could be impacted and the Directors will continue to monitor the situation closely.

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business could be impacted and the Directors will continue to monitor the situation closely

Impairment assessment of intangibles and investments

The Group has made estimates future revenues that are likely to be derived from the business when considering the carrying value of intangible assets owned by the Group. Assumptions have been made the products will be successfully developed, registered and commercialised in reasonable timescales and at reasonable cost. Estimates have also been made for weighted average cost of capital and profit margins. See note 12 and note 15 for further information of assumptions and estimates made.

Assessment of useful life of intangible assets

The Group has estimated the useful life of intangible assets by considering intellectual property protection that it owns, such a patents which have a known expiry date. See note 12 and note 15 for further information of assumptions and estimates made.

Share based payments

The Group has used appropriate models to value share options granted by the Company. Please refer to note 22 for information on estimates and judgements used.

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Share based payments

The Group has used appropriate models to value share options granted by the Company. Please refer to note 22 for information on estimates and judgements used.

Other accounting judgements

In addition to the above, the Group has made other judgements which are considered of lesser significance.

Capitalised development costs and Intellectual property
The Directors have exercised a judgement that the development costs incurred meet the criteria in IAS 38*Intangible Assets* for capitalisation. In making this judgement, the Directors considered the following key factors:

- The availability of the necessary financial resources and hence the ability of the Group and Company to continue as a going concern.
- The assumptions surrounding the perceived market sizes for the products and the achievable market share for the Group.
- The successful conclusion of commercial arrangements, which serves as an indicator as to the likely success of the projects and, as such, any need to potential impairment.

£64,273 of research expenditure has been recognised as an expense in the current year in the P&L in excess of the amortisation of intangible assets as disclosed in note 12 (2021: £11,215).

Revenue - Performance obligations

The Directors have exercised a judgement that the performance obligations set out in a contract with a customer have note yet been met and, as such, have not recognised revenue which has been invoiced and paid. See note 1 for further information on policies applied.

4 Revenue and Segmental Information

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 operating loss of the segment after excluding the share based payment charge, amortisation on intangible and Right of Use assets and depreciation of plant, property and equipment. These items, together with interest income and expense are allocated to Agrochemicals, being the Company's primary focus.

The segment information for the year ended 31 December 2022 is as follows:

	Agrochemicals	**Consumer products**	**Animal health**	**Total**
Revenue	£	£	**£**	**£**
Milestone payments		-	-	**-**
R & D charges	75,334	14,309	-	**89,643**
Royalties	17,694	100,038	-	**117,732**
Product sales	1,619,796	-	-	**1,619,796**
Total revenue	**1,712,824**	**114,347**	**-**	**1,827,171**
Adjusted EBITDA	**(1,841,805)**	**114,347**	**-**	**(1,727,458)**
Share Based Payment charge	(152,135)	-	-	**(152,135)**
EBITDA	**(1,993,940)**	**114,347**	**-**	**(1,879,593)**
Amortisation on intangible and Right of Use assets	(482,546)	(13,272)	-	**(495,818)**
Depreciation of plant, property and equipment	(191,622)	-	-	**(191,622)**
Finance costs, foreign exchange and investment revenues	30,882	-	-	**30,882**
Income Tax	323,716	-	-	**323,716**
Share of Associate's loss	-	(31,444)	-	**(31,444)**
(Loss)/Profit for the Year	**(2,313,510)**	**69,631**	**-**	**(2,243,879)**
Total Assets	**12,812,579**	**99,003**	**-**	**12,911,582**
Total assets includes:				
Additions to Non-Current Assets	1,141,418	-	-	**1,141,418**
Total Liabilities	**2,168,664**	**-**	-	**2,168,664**

The segment information for the year ended 31 December 2021 is as follows:

	Agrochemicals	Consumer products	Animal health	Total
Revenue	£	£	**£**	**£**
Milestone payments	5,250	-	-	**5,250**
R & D charges	-	7,760	-	**7,760**
Royalties	57,170	36,131	-	**93,301**
Product sales	1,122,269	-	-	**1,122,269**
Total revenue	**1,184,689**	**43,891**	**-**	**1,228,580**
Adjusted EBITDA	**(2,021,602)**	**43,891**	**-**	**(1,977,711)**
Share Based Payment charge	(640,597)	-	-	**(640,597)**
EBITDA	**(2,662,199)**	**43,891**	**-**	**(2,618,308)**
Amortisation on intangible and Right of Use assets	(421,358)	(13,272)	-	**(434,630)**
Depreciation of plant, property and equipment	(155,342)	-	-	**(155,342)**
Finance costs, foreign exchange and investment revenues	(129,223)	-	-	**(129,223)**
Impairment of investment in associate	-	-	-	**-**
Income Tax	618,137	-	-	**618,137**
Share of Associate's loss	-	(58,177)	-	**(58,177)**
(Loss)/Profit for the Year	**(2,749,985)**	**(27,558)**	**-**	**(2,777,543)**
Total Assets	**15,004,888**	**22,197**	**-**	**15,027,085**
Total assets includes:				
Additions to Non-Current Assets	1,802,660	-	-	**1,802,660**
Total Liabilities	**2,153,649**	**43,961**	-	**2,197,610**

	2022	2021
	£	**£**
Revenue analysed by geographical market		
UK	114,347	83,891
Europe	1,712,824	1,144,689
	1,827,171	1,228,580

The above analysis represents sales to the Group's direct customers who further distribute these products to their end markets.

Revenues of approximately £1,655,329 (2021: £1,036,156) are derived from two customers who each account for greater than 10% of the Group's total revenues:

Customer	2022 £	2022 %	2021 £	2021 %
A	1,450,518	75.4	900,364	73.3
B	204,811	10.6	134,192	10.9

100% of the revenue generated in the year (2021: 100%) was recognised at a point in time.

5 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the Company's auditor for the audit of the Company's financial statements	67,000	55,000
Fees payable to the Company's auditor for interim review of half-yearly results	3,500	-
Depreciation of right-of-use assets (included within administrative expenses)	127,200	98,287
Depreciation on property, plant and equipment	191,622	155,343
Amortisation of intangible assets	495,818	434,630
Provision for doubtful debts	107,188	-
Research expenses	64,273	11,215
Share-based payments	152,135	640,597

6 Employees

The average monthly number of persons (including directors) employed by the Group during the year was:

	2022	2021
	Number	Number
Management	4	4
Operational	13	12
	17	16

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	1,205,424	1,422,841
Social security costs	145,871	172,142
Pension costs	47,964	53,836
Benefits in kind	6,486	5,826
Share based payment charge	152,135	678,069
	1,557,880	2,332,714

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	478,440	629,060
Company pension contributions to defined contribution schemes	33,491	31,009
Non-executive Directors' fees	96,667	85,000
Share based payment charge relating to all Directors	119,083	632,836
	727,681	1,377,905
Benefits in kind	6,486	5,826
Social security costs	71,708	91,901
	805,875	1,475,632

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

The number of Directors who are entitled to receive shares under long term incentive schemes during the year is 2 (2021 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid Director:

	2022	2021
	£	£
Remuneration for qualifying services including pension	292,367	376,972

The Executive Directors are considered to also be the key management personnel of the Company and Group.

2022	**Salary**	**Bonus**	**Fees**	**Pension**	**Share Based Payments**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
A Abrey	205,200	-	-	14,364	51,074	**270,638**
S Smith	273,240	-	-	19,127	68,009	**360,376**
R Cridland	-	-	40,000	-	-	**40,000**
L van der Broek	-	-	45,000	-	-	**45,000**
R Horsman	-	-	11,667	-	-	**11,667**
	478,440	**-**	**96,667**	**33,491**	**119,083**	**727,681**

2021	**Salary**	**Bonus**	**Fees**	**Pension**	**Share Based Payments**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
A Abrey	190,000	79,800	-	13,297	271,256	**554,353**
S Smith	253,000	106,260	-	17,712	361,580	**738,552**
R Cridland	-	-	40,000	-	-	**40,000**
L van der Broek	-	-	45,000	-	-	**45,000**
	443,000	**186,060**	**85,000**	**31,009**	**632,836**	**1,377,905**

8 Interest income

	2022	2021
	£	£
Interest income		
Bank deposits	192	98

Total interest income for financial assets that are not held at fair value through profit or loss is £192 (2021: £98).

9 Finance costs and foreign exchange (gains)/losses

	2022	2021
	£	£
Interest on lease liabilities	22,046	32,074
Finance costs	**22,046**	**32,074**
Exchange differences on working capital	(2,825)	75,254
Effect of exchange rate fluctuations on cash	(49,911)	21,993
Exchange losses and (gains)	**(52,736)**	**97,247**

10 Income tax income

	2022	2021
	£	£
Current tax		
UK corporation tax on profit or loss for the current period	(323,716)	(572,585)
Adjustments in respect of prior periods	-	(45,552)
Total UK current tax income	(323,716)	(618,137)

The credit for the year can be reconciled to the loss per the income statement as follows:

	2022	2021
	£	£
Loss	(2,567,595)	(3,395,680)
Expected tax credit based on a corporation tax rate of 19% (2021: 19.00%)	(487,843)	(645,179)
Ineligible fixed asset differences	9,489	11,639
Expenses not deductible for tax purposes	75,663	129,845
Additional deduction for R&D expenditure	(239,754)	(424,074)
R&D claim	(323,716)	(572,585)
Surrender of tax losses for R&D tax credit refund	424,180	750,284
Adjustment in respect of prior years	-	(45,552)
Deferred tax not recognised	218,265	177,485

Taxation credit for the year	(323,716)	(618,137)

On 10 June 2021, the Finance Act 2021 received Royal Assent, confirming that the UK rate of corporation tax will increase from 19% to 25% from 1 April 2023.

The taxation credit for the year represents the research and development credit for the year ended 31 December 2022.

The current tax recoverable as at 31 December 2022 represents R&D tax credits and is made up as follows:

	2022	**2021**
	£	**£**
Current tax		
R & D cash tax credit for the current period	(323,716)	(572,585)
R & D cash tax credit for the prior period	-	(330,660)
Total UK current tax recoverable	(323,716)	(903,245)

Deferred Tax

The losses carried forward, after the above offset, for which no deferred tax asset has been recognised, amount to approximately £29,199,472 (2021: £27,548,529).

The unprovided deferred tax asset of £7,299,868 (2021: £5,234,221) arises principally in respect of trading losses. It has been calculated at 25% (2021: 19%) and has not been recognised due to the uncertainty of timing of future profits against which it may be realised.

Only U.K. tax is considered as most of the operations are in the U.K. and Ireland is immaterial in terms of operations.

11 Earnings per share

	2022	**2021**
	£	**£**
Weighted average number of ordinary shares for basic and diluted earnings per share	380,549,418	380,340,229

Earnings (all attributable to equity shareholders of the Company)

Loss for the period	(2,243,879)	(2,777,543)
Basic earnings per share	(0.59p)	(0.73p)
Diluted earnings per share	(0.59p)	(0.73p)

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Share options outstanding are anti dilutive in nature due to loss incurred and therefore not considered for computing diluted EPS

12 Intangible assets

Group

	Licences and trademarks	Development costs	Intellectual property	Total
	£	£	£	£
Cost				
At 1 January 2021	448,896	6,624,406	9,316,281	16,389,583
Additions	7,788	1,525,734	91,405	1,624,927
At 31 December 2021	456,684	8,150,140	9,407,686	18,014,510
Additions	-	923,891	99,371	1,023,262
At 31 December 2022	456,684	9,074,031	9,507,057	19,037,772
Amortisation and impairment				
At 1 January 2021	448,896	2,494,523	6,716,681	9,660,100
Charge for the year	-	214,682	219,948	434,630
At 31 December 2021	448,896	2,709,205	6,936,627	10,094,728
Charge for the year	1,296	284,174	210,348	495,818
At 31 December 2022	450,192	2,993,379	7,146,975	10,590,546
Carrying amount				
At 31 December 2022	6,492	6,080,652	2,360,082	8,447,226
At 31 December 2021	7,788	5,440,935	2,471,057	7,919,780

Company

	Licences and trademarks	Development costs	Intellectual property	Total
	£	£	£	£
Cost				
At 1 January 2021	448,896	6,624,406	9,183,538	16,256,840
Additions	7,788	1,525,734	91,405	1,624,927
At 31 December 2021	456,684	8,150,140	9,274,943	17,881,767
Additions	-	923,890	99,371	1,023,261
At 31 December 2022	456,684	9,074,030	9,374,314	18,905,028
Amortisation and impairment				
At 1 January 2021	448,896	2,494,523	6,703,407	9,646,826
Charge for the year	-	214,682	206,676	421,358
At 31 December 2021	448,896	2,709,205	6,910,083	10,068,184
Charge for the year	1,296	284,174	197,075	482,545
At 31 December 2022	450,192	2,993,379	7,107,158	10,550,729
Carrying amount				
At 31 December 2022	6,492	6,080,651	2,267,156	8,354,299
At 31 December 2021	7,788	5,440,935	2,364,860	7,813,583

Intellectual property represents intellectual property in relation to use of encapsulated terpenes in agrochemicals in the form of licences, patents and development costs. The remaining useful economic life of these asset is 8 years (2021: 9 years).

Licences and trademarks includes an inward licence in respect of a patented technology.

Development costs includes trials and study costs relating to products that have been, or are being developed by Eden.

Intellectual property includes patents and know-how acquired by Eden.

£3,799,161 (2021: £2,985,482) of development costs relate to assets under development for which no amortisation has been charged in 2022 or 2021.

An annual impairment review is undertaken by the Board of Directors. The Directors have considered the progress of the business in the current year, including a review of the potential market for its products, the progress the Company has made in registering its products and other key commercial factors to perform the review.

Of £8,447,226 carrying amount of intangible assets, £3,799,161 are under development and £4,555,138 have been allocated to the Agrochemicals Cash Generating Unit (CGU). The remaining intangible assets, £92,927, have been allocated to the Consumer products CGU. For impairment assessment we have allocated asset under development to the agrochemical CGU as all the assest under delvelopment relates to the agrochemical industry.

The Directors have prepared a discounted cash-flow forecast, based on product sales forecasts including those provided by the Company's commercial partners, and have taken into account the market potential for Eden's products and technologies using third party market data that Eden has acquired licences to. The discounted cash-flow forecast is limited to those products which are already being sold, or are expected to be sold in 2023, or early 2024.

The forecast covers a period of 8 years, with no terminal value, reflecting the useful economic life of the patent in respect of the underlying technology. Financial forecasts for 2023 are based on the approved annual budget. Financial forecasts for 2024-2025 are based on the approved long-term plan. Financial forecasts for 2026-2030 are extrapolated based on the long-term growth rate average of 25%.

The estimated recoverable amount of the CGU exceeded its carrying amount by £0.9m and based on the review carried out management is satisfied that intangible assets are not impaired.

As set out in the Strategic Report, the business is in a critical phase of its development as the development of products is transitioned to revenue generation. The value of the CGU is supported by forecasts of continued revenue growth of existing products and the successful introduction and growth of sales of products currently under development.

The key assumptions of the forecast are the future cash flows, driven primarily by level of sales, and the discount rate. The discount rate is estimated using pre-tax rates that reflect current market assessments of the time value of money and the risk specific to the CGU. The rate used was 13.5% (2021: 12.4%). The increase in the rate reflects the wider market movements as based on the comparable group as well as increased forecasting risk given high, current inflation rates.

The impact of increasing the discount rate by 1%, which is considered a reasonably possible change, would be a decrease in the recoverable amount to £0.4m. The discount rate would have to increase to over 15% to reduce the headroom to £nil.

The average annual growth rate has been assumed at 45% (2021: 51%), reflecting the latest forecasts based on information provided by customers and own market analysis. The rate stands at 79% up to 2025, reflecting commercialisation of new products in the period, reducing to 25% from 2026 onwards.

Forecast sales would have to reduce by an average of, approximately, 15% per annum to reduce headroom to £nil, which is not considered likely.

13 Property, plant and equipment

Consolidated and Company

	Fixtures and fittings	Total

	£	£
Cost		
At 1 January 2021	200,758	200,758
Additions - owned	101,269	101,269
At 31 December 2021	302,027	302,027
Additions - owned	30,929	30,929
At 31 December 2022	332,956	332,956
Accumulated depreciation and impairment		
At 1 January 2021	12,693	12,693
Charge for the year	57,056	57,056
At 31 December 2021	69,749	69,749
Charge for the year	64,421	64,421
At 31 December 2022	134,170	134,170
Carrying amount		
At 31 December 2022	198,786	198,786
At 31 December 2021	232,278	232,278

14 Right-of-Use Assets

Consolidated and Company

	Leasehold premises	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2021	417,521	35,865	453,386
Additions	26,256	50,208	76,464
Disposals	-	-	-
At 31 December 2021	443,777	86,073	529,850

At 31 December 2021	443,777	86,073	529,850
Additions	-	87,228	87,228
Disposals	-	(35,865)	(35,865)
At 31 December 2022	443,777	137,436	581,213
Accumulated depreciation and impairment			
At 1 January 2021	36,361	22,415	58,776
Charge for the year	83,504	14,783	98,287
At 31 December 2021	119,865	37,198	157,063
Charge for the year	90,876	36,325	127,201
Eliminated on disposals	-	(35,865)	(35,865)
At 31 December 2022	210,741	37,658	248,399
Carrying amount			
At 31 December 2022	233,036	99,778	332,814
At 31 December 2021	323,912	48,875	372,787

15 Investments

	Current		Non-current	
	2022	2021	2022	2021
	£	£	£	£
Investments in associates	-	-	330,244	361,688

Details of the Group's associates at 31 December 2022 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% held Direct	% held Voting
TerpeneTech Limited (UK)	United Kingdom	Research and experimental development on biotechnology	Ordinary	29.90	29.90

	2022	2021
	£	£
Non-current assets	378,271	440,601
Current assets	382,753	287,576
Non-current liabilities	(92,341)	(98,806)
Current liabilities	(340,419)	(269,026)
Net assets (100%)	**328,264**	**360,345**
Company's share of net assets	98,151	107,743
Separable intangible assets	126,249	140,817
Goodwill	412,649	412,649
Impairment of investment in associate	(299,521)	(299,521)
Carrying value of interest in associate	**337,528**	**361,688**
Revenue	497,292	361,307
100% of loss after tax	(56,440)	(145,849)
29.9% of loss after tax	(16,876)	(43,609)

Amortisation of separable intangible	(14,568)	(14,568)
Company's share of loss including amortisation of separable intangible asset	**(31,444)**	**(58,177)**

The separable intangible assets relate to the biocide registration for geraniol which TerpeneTech co-owns which was originally valued using discounted cashflows.

The associate is included in the Consumer Products operating segment.

TerpeneTech Limited's ("TerpeneTech (UK)") registered office is Kemp House, 152 City Road, London, EC1V 2NX and its principal place of business is 3 rue de Commandant Charcot, 22410, St Quay Portrieux, France.

The Directors have considered the progress of the business in the current year, including a review of the potential market for its products, the progress TerpeneTech (UK) has made in registering its products and other key commercial factors to determine whether any indicators of impairment exist. As a result of identification of indicators of impairment, an impairment review of the investment in TerpeneTech (UK) was undertaken by the Board of Directors.

The Directors have used discounted cash-flow forecasts, based on product sales forecasts provided by TerpeneTech (UK), and have taken into account the market potential for those products. These forecasts cover an 8-year period, with no terminal value, in line with the patent of the underlying technology.

The key assumptions of the forecast are the growth rate and the discount rate. The discount rate is estimated using pre-tax rates that reflect current market assessments of the time value of money and the risk specific to the asset. The rate used was 13.5% (2021: 15%). The use of a reduced discount rate reflects a reduction in uncertainty in geraniol sales, following another year of double digit growth, offset by increased inflation rates globally.

Based on the review the Directors carried out, it was determined that the Investment was not impaired and, as such, no impairment charge (2021: £nil) was recognised.

An increase in the discount rate has to be substantial to result in an impairment.

The growth rates are derived from discussions with the Company's commercial partner, TerpeneTech (UK), as described above.

The average annual growth rate has been assumed at 15% (2021: 21%) and is based on the sales of geraniol only.

Even with no growth in the forecast geraniol sales over the entire forecast period there would be no impairment.

The Directors have also considered whether any reasonable change in assumptions would lead to a material change in impairment recognised and are satisfied that this is not the case.

16 Subsidiaries

Details of the Company's subsidiaries at 31 December 2022 are as follows:

Name of	Registered office	Principal	Class of	% Held

undertaking		activities	shares held	Direct	Voting
TerpeneTech Limited	Republic of Ireland	Sale of biocide products	Ordinary	50.00	50.00
Eden Research Europe Limited	Republic of Ireland	Dormant	Ordinary	100.00	100.00

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

Eden has the right to appoint a director as chairperson who will have a casting vote, enabling the Group to exercise control over the Board of Directors in the absence of an equivalent right for TerpeneTech (UK). Eden owns 500 ordinary shares in TerpeneTech (Ireland).

Eden Research Europe Limited, whose registered office is 108 Q House, Furze Road, Sandyford, Dublin, Ireland, was incorporated on 18 November 2020 and is wholly owned by both Eden Research plc.

Non-controlling interests

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

	2022	2021
	£	**£**
NCI percentage	**50%**	**50%**
Non-current assets	92,927	106,199
Current assets	6,076	-
Non-current liabilities	-	-
Current liabilities	(50,000)	(43,962)
Net liabilities (100%)	**49,003**	**62,237**
Carrying amount of NCI (50% of net liabilities)	**24,502**	**31,119**
Revenue	50,038	36,131
Loss after tax	(13,234)	22,859
OCI	-	-
Total comprehensive income	**(13,234)**	**22,859**
Share of NCI (50% of net Total comprehensive income)	**(6,617)**	**11,430**

Cash flows from operating activities	-	-
Cashflows form investing activities	-	-
Cashflows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Dividends paid to non-controlling interests	**-**	**-**

17 Inventories

	Group and
	2022
	£
Raw materials	115,929
Goods in transit	411,181
Finished goods	98,348
	625,458
Inventory above is shown net of a provision of:	
Provision for obsolete inventory	76,250
	76,250

Raw materials of £580,851 (2021:£646,786) were consumed during the year.

18 Trade and other receivables

	Group		Company
	2022	**2021**	**2022**
	£	**£**	**£**
Trade receivables	322,489	693,948	322,489
VAT recoverable	179,214	104,760	179,214
Other receivables	67,410	65,957	195,335
Prepayments	89,753	21,922	89,753
	658,866	886,587	786,791

	Group and
	2022
	£
Trade receivables above are shown net of a provision for doubtul debt of:	
Provision for doubtful debts	107,188
	107,188

Trade receivables disclosed above are measured at amortised cost. The Directors consider that the carrying amo trade and other receivables approximates their fair value.

Trade receivables disclosed above are measured at amortised cost. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

19 Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Current				
Trade payables	1,150,873	1,147,823	1,150,873	1,147,823
Accruals and deferred income	515,860	440,416	515,860	440,416
Social security and other taxation	52,849	45,495	52,849	45,495
Other payables	93,759	77,784	93,759	33,823
	1,813,341	1,711,518	1,813,341	1,667,557
Non-current				
Other payables (note 22, 'Xinova liability')	-	87,740	-	87,740
	-	87,740	-	87,740

20 Lease liabilities

	Group and Company	
	2022	2021
Maturity analysis - total payments due under leases:	£	£
Within one year	156,548	128,553
In two to five years	226,541	307,275
Total undiscounted liabilities	383,089	435,828
Future finance charges and other adjustments	(27,766)	(37,476)
Lease liabilities in the financial statements	355,323	398,352

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022	2021
	£	£
Current liabilities	139,547	99,924
Non-current liabilities	215,776	298,428
	355,323	398,352

	2022	2021
Amounts recognised in profit or loss include the following:	£	£
Interest on lease liabilities	22,046	32,074

Other leasing information is included in note 29.

21 Retirement benefit schemes

Defined contribution schemes

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The total costs charged to the income statement in respect of defined contribution plans is £47,964 (2021: £53,836).

22 Share-based payment transactions

Long-Term Incentive Plan ("LTIP")

Since September 2017 Eden has operated an option scheme for executive directors, senior management and certain employees under an LTIP which allows for certain qualifying grants to be HMRC approved.

2019 Award

On 28 June 2019, 5,891,111 shares were awarded under the LTIP scheme to the Chief Executive Officer and the Chief Financial Officer ("2019 Award").

The share-based payment charge for the 2019 Award is set out as follows:

Financial year ended 31 December	Share based payment charge £
2017	27,210
2018	85,372
2019	110,743
2020	94,176
2021	51,909
2022	16,959*
	386,369

* As these options lapsed in 2021, the charge of £16,959 was not made in 2022.

The following information is relevant in the determination of the fair value of options granted under the 2019 Award.

	2017 Award	2018 Award
Grant date	28/06/2019	28/06/2019
Number of awards	2,868,889	3,022,222
Share price	0.115	0.115
Exercise price	£nil	£nil
Expected dividend yield	-%	-%
Expected volatility	50.82%	50.82%
Risk free rate	0.614%	0.614%
	80	80
Vesting period	2 years	3 years
Expected Life (from date of grant)	2 years	3 years

A summary of the number of awards modified in the year ended 31 December 2021 and their fair values is set out in the table below:

Fair Value of Awards at 31 December 2021	Incremental Fair Value £	Incremental Fair Value per Award £
2017 Awards	231,846	0.048
2018 Awards	229,998	0.046
Total	461,844	

Share-based payment charge

The total share-based payment charge to be recognised by Eden in respect of the LTIP Replacement Award in the year ended 31 December 2021 and subsequent periods are as follows:

	2017 Awards		2018 Awards		Total
Charge for grants during the period	Original Annual £	Replacement Annual £	Original Annual £	Replacement Annual £	Annual £
31 Dec 21	17,735	231,846	34,174	229,998	513,753
31 Dec 22	-	-	16,959*	-	16,959

* As these options lapsed in 2021, the charge of £16,959 was not made in 2022.

The following information is relevant in the determination of the fair value of options granted under the LTIP Replacement Award.

	Replacement Awards
Grant date	30/06/2021
Number of awards	10,500,000
Share price	£0.10
Exercise price	£0.06
Expected dividend yield	-%

Expected dividend yield	
Expected volatility	55%
Risk free rate	0.03%
	80
Vesting period	Nil
Expected Life (from date of grant)	0.5/1/1.5 years

As the options have been issued at a significant discount to the share price, the expected exercise has been assumed to equal the midpoint between the vest and lapse date.

During the year, 3,500,000 of the above options lapsed and £171,251 (2021: £nil) was transferred from the warrant reserve to retained earnings.

2021 Award

Also in 2021, the Company made a further grant of options in order to ensure continuity of long term incentive of options over 7,183,784 new Ordinary Shares in Eden, at a strike price of 10.37p each, in the amounts of 4,102,703 awarded to Sean Smith and 3,081,081 awarded to Alex Abrey.

These grants expire on 31 July 2025 and vest as follows:

1/3 upon grant
1/3 12 months from the date of grant
1/3 24 months from the date of grant

The share-based payment charge for the year ended 31 December 2022 in respect of the above 2021 LTIP awards was £119,083 (2021: £119,083).

Other share options

2021 Award

In addition to the options granted under the LTIP, certain employees were awarded approved options over a total of 996,220 shares. These have been issued at a strike price of 10-10.37p with expiry date between 30 June 2022 and 30 June 2024. 640,664 of these vested immediately with the remainder vesting over a 3-year period. The share-based payments charge in respect of all these options for the year ended 31 December 2022 was £nil (2021: £45,233). During the year, 518,738 of these options were exercised and 355,556 lapsed and £63,498 (2021: £nil) was transferred from the warrant reserve to retained earnings.

2022 Award

During the year, the Company granted to employees a total of 2,006,939 options at an average exercise price of 6p. No awards were made to directors in 2022.

50% of the options vest immediately, with the remaining 50% vesting after one year.

Grant date	30/6/22
Number of awards	2,006,939
Share price	£0.04
Exercise price	£0.06
Expected dividend yield	-
Expected volatility	63%
Risk free rate	0.95%
Vesting period	1 year
Expected Life (from date of grant)	3 years

The share-based payment charge for the year ended 31 December 2022 was £33,052

A summary of all the above options is set out in the table below.

Options awards

	Number of share options		Weighted average exercise price (pence)	
	2022	**2021**	**2022**	**2021**
Outstanding at 1 January	18,680,004	5,891,111	7	-
Granted during the year	2,006,939	18,680,004	5	7
Exercised during the year	(518,738)	-	1	-
Lapsed during the year	(3,855,556)	(5,891,111)	6	-
Exercisable at 31 December	**16,312,649**	**18,680,004**	8	**7**

The exercise price of options outstanding at the end of the year ranged between 6p and 10p (2021: 1p and 10p) and their weighted average contractual life was 1.9 years (2021: 2.4 years.)

The share-based payment charge for the year, in respect of options, was £152,135 (2021: £678,069).

Options granted prior to the 2017 LTIP

Prior to the implementation of the LTIP in 2017, Eden had granted options to its Executive Directors, senior management and certain employees, as follows:

	Number of share options		Weighted average exercise price (pence)	
	2022	**2021**	**2022**	**2021**
Outstanding at 1 January	-	1,050,000	-	13
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	(1,050,000)	-	13
Exercisable at 31 December	-	-	-	-

Warrants

	Number of warrants		Weighted average exercise price (pence)	
	2022	**2021**	**2022**	**2021**
Outstanding at 1 January	2,989,865	2,989,865	19	19
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	(2,989,865)	-	19	-
Exercisable at 31 December	**-**	**2,989,865**	**-**	**19**

The exercise price of warrants outstanding at the end of the year was nil p (2021: 12p and 30p) and their weighted average contractual life was nil years (2021: 0.4 years.)

The share-based payment charge for the year, in respect of warrants, was £nil (2021: £nil).

During the year, 2,989,865 of these options lapsed and £153,826 (2021: £nil) was transferred from the warrant reserve to retained earnings.

For those options which were granted under the Company's LTIP, except for the 2021 Award, 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.

All other options and warrants, 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.

Xinova liability

In September 2015, the Company entered into a Collaboration and Licence agreement with Invention Development Management Company LLC (part of Intellectual Ventures, now called Xinova LLC) ("Xinova"). As part of this agreement, upon successful completion of a number of different tasks, Xinova will be entitled to a payment which is calculated using a percentage (initially 3.17%, reduced to 1.6% following the fundraise in March 2020) of the fully diluted equity value, reduced by cash and cash equivalents, of the Company on the date on which payment becomes due which is expected to be 30 September 2025. This has been accounted for as a cash-settled share-based payment under IFRS 2.

An amount of £67,462, being the estimated fair value of the liability due to Xinova, was recognised during 2016 and included as a non-current liability, as disclosed in note 19 to the accounts. It was not believed that the value of the services provided by Xinova can be reliably measured, and so this amount was calculated based on the Company's market capitalisation at 31 December 2016, adjusted to reflect the percentage of work completed by Xinova at that date based on a pre-determined schedule of tasks.

During the year, Eden was informed that Xinova had begun to wind down its operations.

As a consequence, Eden began communications with an agent acting on behalf of Xinova to effect the wind down in respect of the liability owed to Xinova by Eden.

On 22 April 2022, Eden signed a 'full and final' settlement agreement with Xinova which resulted in Eden paying an amount of £43,870, which represented a 50% discount to the liability of £87,740 as at 31 December 2021, in line with the then existing contract.

At the year end, an amount of £nil (2021: £87,740) was owed to Xinova and is shown in note 19 as non-current other liabilities.

23 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of 1p each	380,858,607	380,240,229	3,808,589	3,803,402

Each ordinary share of £0.01 has voting and dividend rights attached to them.

24 Share premium account

	Group and Company	
	2022	**2021**
	£	**£**
At the beginning of the year	39,308,529	39,308,529
Issue of new shares	-	-
At the end of the year	39,308,529	39,308,529

25 Warrant reserve

	Group and Company
	£
Balance at 1 January 2021	429,915
Share-based payment expense in respect of options granted	678,069
Share-based payment expense in respect of options lapsed	(170,479)
Balance at 1 January 2022	937,505
Share-based payment expense in respect of options granted	152,135
Share-based payment expense in respect of options/ warrants lapsed/ exercised	(388,575)
Balance at 31 December 2022	701,065

The warrant reserve represents the fair value of share options and warrants grants, and not exercised or lapsed, in accordance with the requirements of IFRS 2 Share Based Payments.

26 Merger reserve

	Group and Company	
	2022	2021
	£	£
At the beginning and end of the year	10,209,673	10,209,673

The merger reserve arose on historical acquisitions of subsidiary undertakings for which merger relief was permitted under the Companies Act 2006.

27 Non-controlling interest

		Group
	2022	2021
	£	£
Non-controlling interest	24,502	31,119

The non-controlling interest arose from Eden Research plc's 50% share in TerpeneTech (Ireland) Limited. See note 16 for further information.

28 Other interest-bearing loans and borrowings - Group and Company

Changes in liabilities, arising from financing activities are presented below:

	2022	2021
	£	£
Balance as at 1 January	398,352	415,248
Changes from financing cashflows		
Payment of lease liabilities*	(128,301)	(90,388)
Total changes from financing cashflows	(128,301)	(90,388)

Other changes

Other changes		
New leases		
Inter	87,228	50,209
Adjustment to Right of Use Assets		
Inter	33,909	23,283
Surrender of lease	(35,865)	-
Total other changes	85,272	73,492
Balance as at 31 December	355,323	398,352

*excluding lease interest of £22,047 (2021: £32,074)

29 Other leasing information

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2022 £	2021 £
Expense relating to leases of low-value assets	740	740

Set out below are the future cash outflows to which the lessee is exposed to that are reflected in the measurement of lease liabilities:

Land and buildings	2022 £	2021 £
Within one year	106,735	92,143
Between two and five years	166,684	256,935
	273,419	349,078

Motor vehicles	2022 £	2021 £
Within one year	49,813	18,361
Between two and five years	59,857	30,914
	109,670	49,275

Cash paid in respect of lease liabilities in the year was £128,301. The Group holds eight leases, for two properties and six vehicles. All leases have fixed lease repayments and average remaining terms of 2.6 years (2021: 3.5 years) for the properties and 2.3 years (2021: 2.2 years) for the vehicles.

The incremental borrowing rates applied to lease liabilities recognised in the statement of financial position at the date of initial application of IFRS 16 were 4.75% for land and buildings and 8.71% for other assets.

Information relating to lease liabilities is included in note 20.

30 Capital risk management

The Group is not subject to any externally imposed capital requirements.

31 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out in note 7 in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

Group

During the year, Eden invoiced its associate, TerpeneTech (UK), £7,212 for R&D charges (2021: £7,760) and accrued income of £50,000 (2021: £40,000) for minimum royalties due under the head-lice agreement.

Also, during the year Eden paid £7,096 (2021: £8,787) for expenses on behalf of TerpeneTech (UK).

At the year end, an amount of £238,375 was due from TerpeneTech (UK) (2021: £165,644) to Eden. This amount is included within Trade Receivables.

At the year end, an amount of £93,759 was due to TerpeneTech (UK) (2021: £5,085) from Eden. This amount is included within Other Payables. The movement in the year is due to the reallocation to Eden of royalties paid by TerpeneTech (UK) to Eden instead of TerpeneTech (Ireland) of £88,780 (2021: £nil).

At the year end, a net amount of £6,076 was due to TerpeneTech (Ireland) from TerpeneTech (UK) (2021: £43,962 due from TerpeneTech (Ireland) to TerpeneTech (UK)). It represents the amount due in respect of the intangible asset reduced by fees receivable in respect of sales which amounted to £50,038 (2021: £36,131). This amount is included within Other Receivables.

Company

During the year, Eden invoiced its associate, TerpeneTech (UK), £7,212 for R&D charges (2021: £7,760) and accrued income of £50,000 (2021: £40,000) for minimum royalties due under the head-lice agreement.

Also, during the year Eden paid £7,096 (2021: £8,787) for expenses on behalf of TerpeneTech (UK).

Further, at year end, £50,000 has been accrued in respect of management recharges from Eden to TerpeneTech (Ireland) (2021: £36,000). An amount of £134,000 (2021: £84,000) is included within the Other Receivables.

At the year end, an amount of £238,375 was due from TerpeneTech (UK) (2021: £165,644). This amount is included within Trade Receivables.

At the year end, an amount of £93,759 was due to TerpeneTech (UK) (2021: £5,085) from Eden. This amount is included within Other Payables. The movement in the year is due to the reallocation to Eden of royalties paid by TerpeneTech (UK) to Eden instead of TerpeneTech (Ireland) of £88,780 (2021: £nil).

32 Financial risk management

Credit risk

	Group and Company	
	2022	2021
	£	£
Cash and cash equivalents	1,994,472	3,829,369
Trade receivables (net of provision)	322,489	693,948
	2,316,961	**4,523,317**

The average credit period for sales of goods and services is 64 days (2021: 206). No interest is charged on overdue trade receivables. At 31 December 2022, trade receivables of £219,727 (2021: £272,912) were past due. During the year the Company provided for doubtful debts in the amount of £107,188 (2021: £nil).

Trade receivables of £184,746 (2021: £563,273) at the reporting date were held in Euros and £117,229 (2021: £104,866) were held in USD.

Cash at bank of £1,824,866 (2021: £1,171,856) at the reporting date were held in Euros and £10,829 (2021: £1,044) were held in USD.

The Company's policy is to recognise loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considered reasonable and supportable information that is relevant and available without undue cost of effect. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and information credit assessment and including forward-looking information.

The largest trade debtor at the year is TerpeneTech (UK), Eden's associate company, which owed gross £238,375 (2021: £170,279) to Eden at the year-end.

TerpeneTech (UK), is a cash-positive business, albeit in its infancy, with good shareholder support and, again, Eden has had no issue of collecting debtors due from TerpeneTech (UK) before and does not expect to have any going forward.

Considering these factors, the Directors consider the ECL to be immaterial.

Liquidity risk

	Group and Company	
	2022	2021
	£	£
Trade payables	1,150,873	1,147,823
Other payables	93,759	77,784
Accruals	210,419	299,123
	1,455,051	**1,524,730**

The carrying amount of trade and other payables approximates their fair value.

The average credit period on purchases of goods is 141 days (2021: 95 days). No interest is charged on trade payables. The Company has policies in place to ensure that trade payables are paid within the credit timeframe or as otherwise agreed.

Trade payables of £233,410 (2021: £273,211) at the reporting date were held in Euros and £460,470

(2021: £528,552) were held in USD.

Maturity of financial liabilities (excluding lease liabilities)

The maturity profile of the Group's financial liabilities at 31 December 2022 was as follows:

	2022	2021
	£	£
In one year or less, or on demand	1,813,341	1,711,518
Over one year	-	87,740
	1,813,341	**1,799,258**

Liquidity risk is managed by regular monitoring of the Company's level of cash and cash equivalents, debtor and creditor management and expected future cash flows. See note 1 for further details on the going concern position of the Company. For details of lease liabilities, see notes 20 and 29.

Market price risk

The company's exposure to market price risk comprises currency risk exposure. It monitors this exposure primarily through a process known as sensitivity analysis. This involves estimating the effect on results before tax over various periods of a range of possible changes in exchange rates. The sensitivity analysis model used for this purpose makes no assumptions about any interrelationships between such rates or about the way in which such changes may affect the economies involved. As a consequence, figures derived from the Company's sensitivity analysis model should be used in conjunction with other information about the Company's risk profile.

The Company's policy towards currency risk is to eliminate all exposures that will impact on reported results as soon as they arise. Based on the forign currency break down provided under credit risk and liquidity risk, the impact of 5%-10% movement in foreign exchange will not have material effect.

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company seeks to enhance shareholder value by capturing business opportunities as they develop. To achieve this goal, the Company maintains sufficient capital to support its business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

The Company looks to maintain a reasonable debt position by repaying debt or issuing equity, as and when it is deemed to be required.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 31 December 2021.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 10% (2021: below 10%). The Company includes within net debt, any interest bearing loans and borrowings (none in current or prior year), any loans from a venture partner (none in the current or prior year), trade and other payables, less cash and cash equivalents.

33 Cash absorbed by operations

Consolidated

	2022	2021
	£	£
Loss for the year after tax	(2,243,879)	(2,777,543)

Loss for the year after tax	(2,243,879)	(2,777,543)
Adjustments for:		
Taxation charged/(credited)	(323,716)	(618,137)
Finance costs	22,046	122,311
Interest income	(192)	(98)
Foreign exchange currency (gains)/losses	(74,782)	21,993
Amortisation and impairment of intangible assets	495,818	434,630
Xinova liability written off	43,855	-
Depreciation and property, plant and equipment and right-of-use assets	191,622	155,341
Share of associate's loss	31,444	58,177
Share-based payment expense	152,135	640,597
Inventory provision	76,250	-
Doubtful debt provision	107,188	-
Movements in working capital:		
Increase in inventories	(180,357)	(296,929)
Decrease in trade and other receivables	125,720	509,721
(Decrease)/Increase in trade and other payables	(9,683)	163,355
Cash absorbed by operations	(1,586,531)	(1,586,582)

33 Cash absorbed by operations

Company

	2022 £	2021 £
Loss for the year after tax	(2,230,645)	(2,764,402)
Adjustments for:		
Taxation charged/(credited)	(323,716)	(618,137)
Finance costs	22,046	122,311
Interest income	(192)	(98)
Foreign exchange currency (gains)/losses	(74,782)	21,993
Amortisation and impairment of intangible assets	482,546	421,358
Xinova liability written off	43,855	-
Depreciation and impairment of property, plant and equipment and right-of-use assets	191,622	155,341
Share of associate's loss	31,444	58,177
Share-based payment expense	152,135	640,597
Inventory provision	76,250	-
Doubtful debt provision	107,188	-
Movements in working capital:		
Increase in inventories	(180,357)	(296,929)
Decrease in trade and other receivables	75,720	473,721
Increase in trade and other payables	40,355	199,486
Cash absorbed by operations	(1,586,531)	(1,586,582)

Cash absorbed by operations	(1,580,551)	(1,580,582)

34 Capital commitments

As at 31 December 2022, an amount of £102,109 (2021: £54,831) had been committed to by Eden, but the work not yet completed, or invoiced. The work relates on-going field trials and other regulatory studies and is expected to be invoiced during 2023.

35 Post balance sheet events

Since the year end, the Group has received regulatory authorisation in Poland. The certification will allow farmers to apply Mevalone to their wine and table grapes to protect and treat outbreaks of *Botrytis cinerea* as well as on apples to prevent post-harvest storage diseases thereby helping to reduce food waste in the supply chain.

Poland represents a significant new market for Eden and the commercialisation of Mevalone, given it is the EU's largest producer of apples, producing almost 2.5 million tons annually. Eden expects to receive additional regulatory approvals in due course in additional Central European member states such as Germany, Austria, and Hungary, where high levels of wine production are found. Central Europe is a strategic target market for Eden with the ultimate addressable market for Eden's products being comparable in value to that of Southern Europe and potential sales of Mevalone estimated to peak at €3.2m.

Also since the year end, Eden announced that it has to date received regulatory approval in 17 US states for its formulated product Mevalone®, and 8 US states for its formulated product Cedroz™.

These approvals follow regulatory authorisation from the United States Environmental Protection Agency (EPA) in September 2022 for all six petitions submitted by Eden (three active ingredients, two formulated products and Eden's Sustaine® polymer-free encapsulation technology; making up the building blocks of current and future products), opening up significant revenue opportunities for the Company with a market potential in the United States of approximately €94 million for Mevalone and €189 million for Cedroz.

Mevalone has been approved for use on botrytis on table and wine grapes in the following states: Alabama, Arizona, Florida, Georgia, Idaho, Illinois, Michigan, Mississippi, Missouri, New York, North Carolina, Oregon, Pennsylvania, Texas, Virginia, Washington, and West Virginia.

Eden has also received approval for its second commercial product, Cedroz, which can now be applied to fruits and vegetables to defend against destructive parasitic nematodes that affect crops grown both indoors and outdoors. Cedroz approvals have been granted for a wide range of crops, including eggplant, peppers, tomatoes, cantaloupes, cucumbers, pumpkins, squash, zucchini, carrots, strawberries, and grapes; in the following states: Florida, Georgia, Michigan, New York, Oregon, Texas, Washington, and Wisconsin.

END

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