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Eden Research plc
06 May 2025

6 May 2025

Eden Research

("Eden" or "the Company")

Preliminary results for the year ended 31 December 2024

Eden Research (AIM: EDEN), a leader in sustainable biopesticide and biocontrol technology, announces its preliminary results for the year ended 31 December 2024.

Commercial and operational highlights

- Authorisation for Mevalone® received in the key US state of California in January 2024.
- Mevalone® authorised for use in new crops and fungal pathogens in Spain in June 2024.
- Authorisation for Mevalone® received in Germany and Czechia (post period-end).
- More than 140 insecticide field trials were run in 2024 by Eden and potential distribution partners, following significant interest in the evaluation of Eden's development insecticide.
- Strengthening of the Commercial Team with the appointment of a skilled team filling roles such as Commercial Lead, Product Management and Marketing Lead and Supply Chain Lead.
- Eden named ESG Company of the Year at the prestigious 2024 Small Cap Network Awards in recognition of its commitment to environmental, social and governance matters and contribution to the green economy.

Financial highlights

- Revenue for the year grew to £4.3 million (2023: £3.2 million), reflecting a growth rate of 34% year-over-year.
- Operating loss for the year was £2.2 million (2023: £1.9 million)
- Cash position at the year-end was £3.7 million (2023: £7.4 million)

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

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

"Eden has seen another strong year of growth with overall revenue up 34% and product sales also up by a similar amount.

In addition to this, several key milestones were reached in 2024 which will all help to drive revenue in the short and medium term and get Eden to the point of cashflow positivity, which will be a significant milestone for the business.

I remain very optimistic about Eden's prospects and believe that the Company is making excellent progress toward achieving its goal of becoming a leader in the biological crop protection products and solutions industry."

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 active ingredients, based on natural plant defence molecules. To date, the Company's products 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 three 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, and it is allowed for use in organic agriculture across the EU and in select other countries. It is approved for sale in a growing number of key countries whilst Eden and its partners pursue regulatory clearance in new territories thereby growing Eden's addressable market globally.

Novellus®+ is an evolution of Mevalone, allowing improved rates in the field, high levels of efficacy and a broader list of plant and disease targets. This product was formulated to address the specific market demands of certain territories and will be launched in these territories based upon local conditions.

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 seed treatment product, **Ecovelex™,** was developed to safely tackle crop destruction caused by birds - a major cause of losses in maize and other crops. Ecovelex works by creating an unpleasant taste or odour that repels birds, leaving the seeds safely intact and the birds unaffected and free to find alternative food sources. The product is based on Eden's plant-derived chemistry, registered in the EU, US and elsewhere, and formulated using Eden's Sustaine® microencapsulation system.

Eden's **Sustaine®** encapsulation technology is used to harness the biocidal efficacy of naturally occurring chemicals produced by plants (terpenes) but 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. You can also follow Eden's latest developments via its social media channels: X (Twitter) and LinkedIn.

Chairman's Statement

I am pleased to report that Eden has seen another strong year of growth with overall revenue up 34% and product sales also up by a similar amount.

In addition to this, several key milestones were reached in 2024 which will help to drive revenue in the short and medium term and get Eden to the point of cashflow positivity, which will be a significant milestone for the business.

Authorisation for Mevalone® was received in the key US state of California at the beginning of 2024. Once certain label restrictions have been removed, which the Company is working hard to achieve, the opportunity in the US should prove to be a considerable one.

Mevalone was also authorised for use in new crops and fungal pathogens in Spain which has increased the addressable market and we are already seeing the benefit of this in 2025.

More than 140 insecticide field trials were run in 2024 by Eden and a number of potential distribution partners, following significant interest in the evaluation of Eden's developmental insecticide and the team at Eden is now negotiating to conclude commercial arrangements.

An emergency use authorisation was received for Ecovelex in Italy for the second year running which led to meaningful sales towards the end of 2024. The Company expects full authorisation by the Rapporteur Member State in mid-2025 which, once granted, will lead to approvals from other concerned Member States being sought which will unlock the full potential throughout Europe.

At the end of 2024, regulatory approval was received for Novellus+, a new, enhanced version of Eden's flagship fungicide, Mevalone, in Mexico. This is an exciting development as Novellus+ represents an evolution of Mevalone, allowing improved rates in the field, high levels of efficacy and a broader list of targets, all contributing to a larger addressable market in select territories.

As I know from my previous roles, such as Chief Operating Officer of Bayer CropScience, the crop protection industry is heavily regulated, methodical, slow-paced and, as such, often frustrating. However, the evolution of biopesticides is not only a very positive development for the industry, the environment and consumers, but also an increasingly valuable one.

The industry has seen a significant increase in investment in this area through both internal development as well as M&A activity. It's clear that there is a consensus that biopesticides, and other sustainable solutions, are the future of crop protection.

As such, I remain very optimistic about Eden's prospects and believe that the Company is making excellent progress toward achieving its goal of becoming a leader in the biological crop protection products and solutions industry.

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

Lykele van der Broek
Non-Executive Chairman

2 May 2025

Chief Executive Officer's Review for the year ended 31 December 2024

Section one: Introduction

Over the past ten years, I've had the privilege of steering the Company's growth from a business with no registered products to a well-established, independent biopesticide leader, with a strong track record in developing plant-derived crop protection solutions for sustainable agriculture. Today, Eden, unique among its peers, boasts a portfolio of three products, with an additional three in the pipeline, regulatory clearance in 24 markets, and over 101 crop use approvals.

The past year encapsulates the Company's evolution to date in more ways than one. Not only have we delivered another year of significant revenue growth, but we have also gained entry into some of the world's most strictly regulated markets in California and Germany, and made significant development advancements to grow our product offering. Advances have also been made in our portfolio as we edge closer towards obtaining regulatory clearance for Ecovelex and prepare for the next steps in the commercialisation of our first bioinsecticide.

Macroeconomic context

Demand for our biopesticides continues to rise as the agriculture industry grapples with an increased regulatory clampdown on conventional pesticides with known detrimental effects on the environment and human health. We have seen a clear trend amongst farmers looking to adopt top-tier technology to efficiently maximise their yields and meet or exceed increasing regulatory restrictions, paving the way for innovative alternatives such as Eden's biopesticides. While these factors add wind to the sails for Eden, more urgent action is needed to create a faster regulatory pathway for biopesticides, helping to address the performance and environmental challenges faced by farmers worldwide.

Across Europe, currently our largest market, product inventories eased somewhat in the 2024 calendar year, following a year of pesticide de-stocking. Purchasing patterns also shifted to a more real-time ordering approach, moving away from the pre-buying trends which became commonplace in the face of supply chain issues following the pandemic. This shift has contributed to greater visibility of the supply chain and distribution channels whilst providing some opportunities for quick sales where regulatory clearances allow.

In the US, growers have faced declining commodity prices, which have depressed farm incomes and led to a 10% decline in pesticide expenditures in 2024 compared to the previous year. With no further indication that prices will continue to fall sharply, these appear to have been short-term challenges, primarily affecting the corn and grain market, which Eden has yet to enter in North America. Looking ahead, ongoing antitrust litigation may disrupt the established crop input distribution chain that has long relied on loyalty schemes, providing new opportunities for alternative suppliers to enter the market. As a relatively new supplier to the market in the US, we are well-placed to take advantage of this shift.

Section two: Delivering on our strategy

Operating in an industry such as ours requires participants to navigate a plethora of regulatory hurdles, more often than not outside of the Company's control. It presents us with a double-edged sword. On one hand, we are at the mercy of a regulator's timeline. On the other hand, the value of our growth story and investment case depends on the growth of our certification count. These regulatory wins define the pace with which we can move and the size of the markets that we can address.

Against this backdrop, our Company strategy remains consistent, 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
    - Proactively pursue Sustaine business development
    - Partnerships for Mevalone and Cedroz in new territories
    - Pursue collaboration with majors and select national partners
    - Route to market optimisation

d) Strengthening and growing the team
    - Added capabilities 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

Taking Ecovelex to market

Since Ecovelex's launch under emergency authorisation in Italy in 2023, we have seen strong demand for the product from Italian farmers as they contend with the pressures arising from the removal of conventional products from the market. The product has so far meaningfully contributed to our revenue and remains a core part of our sales growth strategy. This is despite recording a smaller-than-expected product order in November 2024 compared to the previous year's order (due to adverse weather conditions) which had a significant impact on the number of hectares planted, a static addressable market, and stock carried over from 2023.

In November 2024, we were pleased to have been granted an extension to our licence under EU regulation 1107/2009. This extension permits us to continue selling our sustainable seed treatment to Italian farmers under restricted conditions.

Full, EU-wide authorisation for Ecovelex is currently expected this year, subject to the pace of regulatory review and clearance. The dossier and application have been submitted to the Austrian authorities, who are acting as the interzonal rapporteur member state on behalf of the EU. EU rapporteur member states are then invited to ratify the authorisation or require additional information before granting local authorisations.

Expanding territorial reach

The growth of our flagship biofungicide, Mevalone, continues apace as we seek new markets for its sale and use, bringing its benefits to farmers in additional corners of the world. Mevalone now has 10 disease targets, 97 crop uses, and market approval in 21 different territories.

We were pleased that 2024 commenced with the announcement of regulatory authorisation for Mevalone in California. This approval is particularly noteworthy, as California is the largest wine-producing region in the United States, representing approximately 84% of the nation's total production. Furthermore, the State enforces stringent agricultural regulations that prioritise sustainable farming practices. With the timing of this authorisation, we are positioned to begin distributing Mevalone to grape growers across California through our commercial partner, Sipcam, and we anticipate generating significant revenue in 2025 as we continue to refine our commercial and marketing strategy. Refinements of the current label will yield additional growth opportunities in years to come even as some restrictions do little to dampen enthusiasm for Mevalone in California and beyond.

We have also had a number of regulatory breakthroughs for Mevalone in Europe and elsewhere in 2024. Notably, Eden received regulatory authorisation for use the use of Mevalone on grape vines to control Botrytis and apples to prevent storage diseases in Germany. This was later complemented by the news in December that Mevalone had been registered as an input for organic farming across the nation. Germany is widely considered as one of the strictest regulatory environments in Europe (and more broadly), and our regulatory success here is clear validation of the strong efficacy of our product, as well as its flexible and environmentally friendly qualities.

Eden also obtained a label extension in Spain for Mevalone, marketed as Araw in the region. This extension expands the biofungicide's use to include 22 new crops on 4 new fungal diseases. Most notably, these new crop additions include almonds, which is one of the largest tree crops in Spain after olives with the nation ranking third in terms of global production.

Our newly formulated version of Mevalone, marketed as Novellus+, has achieved regulatory approval following the Mexican authorities' authorisation for the product's use against botrytis on a range of horticultural crops. We expect the addition of Novellus+ to meaningfully contribute to the Company's revenues in the coming seasons.

Building on our strong partnership with Sumi Agro Europe across central Europe, we were pleased to have appointed the firm as our exclusive distributor for Austria to help grow our market presence in these specialist wine and apple markets.

The growth potential of our bionematicide was also illustrated by Cedroz's temporary approval in Greece for use on potatoes against wireworms for the 2024 growing season. Wireworms, the larvae of click beetles (Elateridae), are a significant global agricultural pest, particularly in temperate regions. They attack the roots, seeds, and underground stems of crops such as potatoes, corn, wheat, and carrots. The severity of the problem varies depending on the species, soil type, climate, and crop rotation practices. The resultant product approval has helped buoy Cedroz sales and we continue to work with Eastman and the local regulators to secure its long-term authorised use in Greece and elsewhere. Moreover, wireworms represent a significant pest for growers in certain parts of the world.

Generally, Cedroz sales continue to rebound after a disappointing period caused by production issues which have now been resolved. Revenue growth in Morocco is particularly noteworthy, as sales there have propelled the country into position as one of Eden's largest commercial markets. We are encouraged by Eastman's new-found confidence in Cedroz following a challenging period, and it truly gratifying to see growers embrace the product with such enthusiasm, as was evident during a recent marketing trip with Eastman to the north African nation.

Enhancing existing products

We are currently working towards a significant label extension for Mevalone to include use on grapes to treat the major crop disease, downy mildew. Given the fast pace with which key competitor products targeting this disease are being removed from the European market, this label extension has the opportunity to dramatically grow Mevalone's addressable market. Subject to regulatory timelines, we anticipate a positive verdict as soon as 2025. As always, the pace of regulatory action is largely outside of Eden's control, and we hope to update the market as soon as we have news on this process.

Progressing our development pipeline

We are also focused on the progression of new products within our development pipeline, which are based on our proprietary terpene-based chemistry and yeast-based microencapsulation technology, though it should be noted that with Eden's newly-developed in-house formulation capabilities, we now possess a great deal of flexibility in terms of how and what we use to formulate our products.

The most advanced of our new products is our first bioinsecticide which will target key pests such as aphids, spider mites, and whiteflies. In June, we announced encouraging results which involved more than 30 laboratory trials, and more than 140 field trials conducted in Europe and the United States. Results showed strong efficacy against all life stages of the target pests and demonstrated equivalence or superior performance when compared with registered biological reference products produced by some of the world's leading biochemical companies. We are now in the process of negotiating an agreement with potential commercial partners to support our marketing efforts and help bring this product to market. We expect to make an announcement on our progress in due course. Concurrently, we are also working towards regulatory submissions in the US and Europe. Subject to authorisation, first sales of the product could be achieved in the coming year in the US, given our active ingredients have already been registered at a federal level.

Over the past year, we have also started work on two additional product candidates which are in the early stages of development. The first of which is a second biofungicide which is being formulated to target late blight and similar pathogens primarily on potatoes and a range of other high-value fruits and vegetables. There has already been a considerable amount of interest in this product, and we are actively engaged with a number of industry partners who are in the early stages of screening the product.

The second of these is another bioinsecticide. This will specifically target Lepidoptera, an important pest target which is not covered by our first bioinsecticide and represents a substantial commercial opportunity for the company where there is a large gap in available sustainable solutions.

Increasing team capacity and capability

As our business continues to evolve, we have needed to ensure that Eden has the capabilities and capacity to keep up with the pace of development and regulatory workstreams. Therefore, we are delighted to have made several important hires in strategic areas to guide Eden through its next growth chapter. These include the filling of key regulatory and commercial roles such as Global Commercial Lead, Head of Regulatory Affairs, and Global Product and Marketing Lead, respectively. Each of the individuals that we have hired brings rich industry experience at international agchem companies and strong leadership in their field.

At Board level, we welcomed Derek McAllan as a new Non-Executive Director and Chairman of the Audit Committee. Derek brings great balance to the Board considering his accounting remit as a Partner of RSM UK and extensive background advising listed and private businesses across the life sciences sector.

Section three: Financial review

Revenue for the year was £4.3 million which marked a 34% increase on the previous year (2023: £3.2m). This reflects a significant increase in product sales which were £3.6m, a 38% rise on last year's product sales (2023: £2.6m).

Our operating loss for the year was £2.2m (2023: loss of £1.9m).

Administrative expenses increased in line with expansion of the development and commercialisation team to £3.5 million (2023: £3.0 million), while additions to intangible assets, including development costs, increased to £2.5 million from £1.7 million in 2023.

While the loss before taxation decreased to £2.2m (2023: £6.9m loss), this was driven by a significant non-cash impairment of intangible assets in 2023 of £5.0m which was not repeated in 2024.

The increased strength of the Pound Sterling against the Euro throughout 2024 (from €1.15 at the beginning of the year to €1.21 per GBP as at 31 December 2024) negatively impacted reported revenue by £0.2 million.

As forecast, regulatory costs have been relatively high in 2024 due to the costs associated with the renewal of Eden's three active ingredients in the EU. Eden has also invested meaningfully in the development of its product portfolio, both through advancing regulatory submissions (new formulations and label extensions of existing products) and through laboratory and field work to assist in the commercialisation of those products.

Our cash balance at year-end was £3.7m (2023: £7.4m).

At present, Eden does not expect to need to raise additional capital to meet its existing working capital requirements for the foreseeable future.

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

Section four: 2025 outlook

On 13 January 2025, we reiterated our £5 million revenue forecast for the 2025 financial year. This has been underpinned by repeat sales of Ecovelex made under extended emergency approval in Italy and other European territories, as well as sales growth of Mevalone and Cedroz due to increased market share and approvals received in 2024.

There are a number of potential approvals and events that have not been included in the 2025 revenue forecast, which would, if realised, add material upside if these took place. These include the following:

- Full EU authorisation for Ecovelex well in advance of the year-end, expanding its use beyond Italy on a long-term basis;
- Approval of Mevalone for the treatment of downy mildew in France, marketed locally as Esseva; and
- Signing of a commercial agreement for exclusive distribution rights for Eden's insecticide

Furthermore, we expect the ban of competitor products to Mevalone and Cedroz to have a positive impact on the Company, where we are well-placed to increase our market share. However, the immediate effects are unpredictable considering the potential stocking (and allowed extended use) of these products before their regulatory ban.

The Company's overheads are expected to increase in 2025 compared to 2024 as a result of the full-year impact of the commercial and regulatory teams, but investments in regulatory and product development are expected to stabilise due to the reregistration costs for our active ingredients in the EU that took place last year.

Section six: Summary

I would like to take the opportunity to thank everyone who has supported our journey to date. The backing of shareholders, regulators, and industry has been outstanding, but it is the efforts and skills of our exceptional workforce that have established a company with such strong foundations and an excellent culture based upon innovation, creativity and the shared purpose of bringing sustainable and effective crop protection to farmers around the world. Eden is very well-placed to continue its growth trajectory and maximise the potential of our upcoming milestones.

Sean Smith

Chief Executive Officer

2 May 2025

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Notes	2024 £	2023 £
Revenue	4	4,302,603	3,192,027

Cost of sales		(2,430,433)	(1,426,547)
Gross profit		1,872,170	1,765,480
Other operating income		20,866	20,689
Amortisation of intangible assets	**12**	(364,319)	(418,651)
Administrative expenses		(3,510,068)	(2,997,633)
Share-based payments	**22**	(204,928)	(236,576)
Operating loss	**5**	(2,186,279)	(1,866,691)
Interest income	**8**	110,483	34,014
Finance costs	**9**	(10,642)	(17,207)
Foreign exchange (losses)/gains	**9**	(95,988)	(68,802)
Impairment of intangible assets	**12**	-	(4,968,529)
Share of profit/(loss) of equity accounted Investee, net of tax	**15**	2,279	(33,047)
Loss before taxation		(2,180,147)	(6,920,262)
Income tax credit	**10**	267,008	428,326
Loss and total comprehensive loss for the year		(1,913,139)	(6,491,936)
Loss and total comprehensive loss for the year is attributable to:			
- Owners of the Parent Company		(1,906,591)	(6,494,249)
- Non-controlling interests		(6,548)	2,313
		(1,913,139)	(6,491,936)
Loss per share	**11**		
Basic		(0.36p)	(1.54p)
Diluted		(0.36p)	(1.54p)

The income statement has been prepared on the basis that all operations are continuing operations.

Consolidated statement of financial position

As at 31 December 2024

	Notes	**2024 £**	**2023 £**
Non-current assets			
Intangible assets	**12**	6,886,546	4,710,511
Property, plant and equipment	**13**	183,595	230,091
Right-of-use assets	**14**	138,706	212,437
Investments	**15**	299,476	297,197
		7,508,323	5,450,236
Current assets			
Inventories	**17**	532,650	964,552
Trade and other receivables	**18**	3,105,842	2,449,623
Current tax recoverable	**10**	584,209	317,201
Cash and cash equivalents		3,674,796	7,413,107
		7,897,497	11,144,483

Current liabilities			
Trade and other payables	**19**	3,399,502	2,819,153
Lease liabilities	**20**	109,039	142,849
		3,508,541	2,962,002
Net current assets		4,388,956	8,182,481
Non-current liabilities			
Lease liabilities	**20**	59,693	86,920
		59,693	86,920
Net assets		11,837,586	13,545,797

	Notes	2024 £	2023 £
Equity			
Called up share capital	**23**	5,333,529	5,333,529
Share premium account	**24**	6,413,652	6,413,652
Warrant reserve	**25**	790,154	758,234
Merger reserve	**26**	-	-
Retained earnings		(720,016)	1,013,567
Non-controlling interest	**27**	20,267	26,815
Total equity		11,837,586	13,545,797

The financial statements were approved by the Board of Directors and authorised for issue on 2 May 2025 and are signed on its behalf by:

Sean Smith

Director

Company statement of financial position

As at 31 December 2024

	Notes	2024 £	2023 £
Non-current assets			
Intangible assets	**12**	6,820,163	4,630,856
Property, plant and equipment	**13**	183,595	230,091
Right-of-use assets	**14**	138,706	212,437
Investments	**15**	299,476	297,197
		7,441,940	5,370,581
Current assets			
Inventories	**17**	532,650	964,552
Trade and other receivables	**18**	3,215,693	2,559,651
Current tax recoverable	**10**	584,209	317,201
Cash and cash equivalents		3,674,796	7,413,107

	Notes	2024 £	2023 £
		8,007,348	11,254,511
Current liabilities			
Trade and other payables	**19**	3,399,502	2,819,153
Lease liabilities	**20**	109,039	142,849
		3,508,541	2,962,002
Net current assets		4,498,807	8,292,509
Non-current liabilities			
Lease liabilities	**20**	59,693	86,920
		59,693	86,920
Net assets		11,881,054	13,576,170

	Notes	2024 £	2023 £
Equity			
Called up share capital	**23**	5,333,529	5,333,529
Share premium account	**24**	6,413,652	6,413,652
Warrant reserve	**25**	790,154	758,234
Merger reserve	**26**	-	-
Retained earnings		(656,281)	1,070,755
Total equity		11,881,054	13,576,170

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 £1,900,044 (2023: loss of £6,496,561).

The financial statements were approved by the Board of Directors and authorised for issue on 2 May 2025 and are signed on its behalf by:

Sean Smith

Director

Company Registration No. 03071324

Consolidated statement of changes in equity

As at 31 December 2024

	Notes	Share Capital £	Share premium account £	Merger reserve £	Warrant reserve £	Retained earnings £	
Balance at 1 January 2023		3,808,589	39,308,529	10,209,673	701,065	(43,309,440)	10,71

	Notes	Share Capital £	Share premium account £	Merger reserve £	Warrant reserve £	Retained earnings £	
Year ended 31 December 2023:							
Loss and total comprehensive loss		-	-	-	-	(6,494,249)	(6,494
Transactions with owners in their capacity as owners:							
Issue of share capital - net of costs	**23/24**	1,524,940	7,533,299	-	-	-	9,05
Capital reduction	**24**	-	(40,428,176)	-	-	40,428,176	
Transfer of merger reserve	**26**	-	-	(10,209,673)	-	10,209,673	
Options granted	**22**	-	-	-	236,576	-	23
Options lapsed	**22**	-	-	-	(179,407)	179,407	
Balance at 31 December 2023		5,333,529	6,413,652	-	758,234	1,013,567	13,51

	Notes	Share Capital £	Share premium account £	Merger reserve £	Warrant reserve £	Retained earnings £	
Balance at 1 January 2024		5,333,529	6,413,652	-	758,234	1,013,567	13,51
Year ended 31 December 2024:							
Loss and total comprehensive loss		-	-	-	-	(1,906,591)	(1,906
Transactions with owners in their capacity as owners:							
Options lapsed	**22**	-	-	-	(173,008)	173,008	
Options granted	**22**	-	-	-	204,928	-	20
Balance at 31 December 2024		5,333,529	6,413,652	-	790,154	(720,016)	11,81

Company statement of changes in equity

As at 31 December 2024

	Notes	Share Capital £	Share premium account £	Merger reserve £	Wa res
Balance at 1 January 2023		3,808,589	39,308,529	10,209,673	70
Year ended 31 December 2023:					
Loss and total comprehensive loss		-	-	-	
Transactions with owners in their capacity as owners:					
Issue of share capital - net of costs	**23/24**	1,524,940	7,533,299	-	
Capital reduction	**24**	-	(40,428,176)	-	
Transfer of merger reserve	**26**	-	-	(10,209,673)	
Options granted	**22**	-	-	-	23
Options lapsed	**22**	-	-	-	(179
Balance at 31 December 2023		5,333,529	6,413,652	-	75

	Notes	Share Capital £	Share premium account £	Merger reserve £	Wa res
Balance at 1 January 2024		5,333,529	6,413,652	-	75
Year ended 31 December 2024:					
Loss and total comprehensive loss		-	-	-	

Transactions with owners in their capacity as owners:					
Options lapsed	22	-	-	-	(173
Options granted	22	-	-	-	204
Balance at 31 December 2024		5,333,529	6,413,652	-	790

Consolidated statement of cash flows

For the year ended 31 December 2024

		2024		2023	
	Notes	**£**	**£**	**£**	**£**
Cash flow from operating activities					
Cash absorbed by operations	**31**		(1,008,569)		(2,130,252)
R&D tax credit received			-		434,841
Net cash outflow from operating activities			(1,008,569)		(1,695,411)
Investing activities					
Development of intangible assets	**12**	(2,540,060)		(1,650,465)	
Purchase of property, plant and equipment	**13**	(48,649)		(102,391)	
Interest received	**8**	110,483		34,014	
Net cash used in investing activities			(2,478,226)		(1,718,842)
Financing activities					
Issue of share capital - net of costs	**23**	-		9,058,239	
Payment of lease liabilities	**20**	(145,796)		(139,539)	
Interest on lease liabilities	**20**	(9,732)		(17,009)	
Net cash generated from/(used in) financing activities			(155,528)		8,901,690
Net increase/(decrease) in cash and cash equivalents			(3,642,323)		5,487,437
Cash and cash equivalents at beginning of year			7,413,107		1,994,472
Effect of foreign exchange rates			(95,988)		(68,802)
Cash and cash equivalents at end of year			3,674,796		7,413,107
Relating to:					
Bank balances			3,674,796		7,413,107

Non-cash movement on account of financing activities:

Note

14 Right of use asset additions of £63,605 (2023: £14,963).

22 Share-based payment charge of £204,928 (2023: £236,576).

Company statement of cash flows

For the year ended 31 December 2024

			2024		2023
	Notes	**£**	**£**	**£**	**£**
Cash flow from operating activities					
Cash absorbed by operations	**31**		(1,008,569)		(2,130,252)
R&D tax credit received			-		434,841
Net cash outflow from operating activities			(1,008,569)		(1,695,411)
Investing activities					
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Financing activities					
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Interest on lease liabilities	**20**	(9,732)		(17,009)	
Net cash generated from/(used in) financing activities			(155,528)		8,901,690
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Effect of foreign exchange rates			(95,988)		(68,802)
Cash and cash equivalents at end of year			3,674,796		7,413,107
Relating to:					
Bank balances			3,674,796		7,413,107

Non-cash movement on account of financing activities:

14 Right of use asset additions of £63,605 (2023: £14,963).

22 Share-based payment charge of £204,928 (2023: £236,576).

Notes to the Group financial statements

For the year ended 31 December 2024

1 Accounting policies

Company information

Eden Research plc (the "Company") 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 Group is defined as, and 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).

The Group and Company's principal activities and nature of its operations are disclosed in the Directors' report.

1.1 Accounting convention

The Group and Company financial statements have been prepared in accordance with UK-adopted international accounting standards ("IFRS') 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 and Company. Monetary amounts in these financial statements are rounded to the nearest £ unless otherwise stated.

The financial statements have been prepared on the historical cost basis, except for the re-measurement of certain financial instruments that are measured at fair value at the end of each reporting period. The principal accounting policies adopted are set out below.

The Company applies accounting policies consistent with those applied by the Group except where specified within the accounting policies disclosed below.

See note 2 for further information on changes to standards adopted during the year and standards that have been issued but are not yet effective at the year end.

The preparation of the Group and Company financial statements involves making accounting estimates and assumptions concerning the future. The critical accounting estimates and assumptions that have a significant risk to the carrying amounts of assets and liabilities within the next financial year are discussed in note 3.

1.2 Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings up to 31 December each year. The profits and losses of the Company and its subsidiary undertakings 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 £1,913,139 (2023: £6,491,936). Net current assets at that date amounted to £4,388,956 (2023: £8,182,481). Cash at that date amounted to £3,674,796 (2023: £7,413,107).

The Company has reported a loss for the year after taxation of £1,900,044 (2023: £6,496,561). Net current assets at that date amounted to £4,498,807 (2023: £8,292,509). Cash at that date amounted to £3,674,796 (2023: £7,413,107).

Net cash outflow from operating activities for the Group was £1,008,569 (2023: £1,695,411) and net cash used in investing activities was £2,478,226 (2023: £1,718,842).

The Directors have prepared budgets and projected cash flow forecasts, based on forecast sales provided by the Group'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 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.

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 the Company 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:

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 included milestone payments of £141,293 received in 2021, a further £164,148 in 2022 and £195,884 in 2023. In 2024, a milestone payment of £450,904 was recorded in the year. These milestone payments were assessed to relate to a performance obligation being satisfied at a point in time.

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 a specific milestone is met, then the Group 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 the Group to use its intellectual property and who have sold products, which then gives rise to an obligation to pay the Group 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 the Group, following the period to which the royalties relate, payment is due to the Company in 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 the Group's licensees. It is recognised when the underlying sales occur.

Data sharing

The Group receives revenue generated from partners who wish to access certain data and/or studies that Eden has generated for its own registration purposes.

The partner will pay an agreed fee to get access to, and use of, the data for their own commercial and regulatory purposes.

This revenue is recognised when the data has been shared, and a Data Sharing Agreement signed, with the partner.

Product sales

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

At that point, the Group 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 delivered to the partner, the partner is liable for the product and obliged to pay the Group. 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 (2023: 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 delivered to the customer.

No warranty provision is required as products are sold on the basis of meeting an agreed specification, confirmation of which is provided by way of a certificate of analysis.

Segmental information

The Group reports on operating segments in a manner consistent with the internal reporting provided to the chief operating decision-maker in accordance with IFRS 8. Please see note 4 for further details.

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 6 years (2023: 7 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 the Group 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 Group 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 straight-line basis:

Leasehold land and buildings	Over the term of the lease
Fixtures and fittings	5 years
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. See note 12 for further details in the intangible asset impairment review completed in the year.

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 (including trade payables) 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.

(i) 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.

(a) Subsequent measurement and gains and losses

Financial assets at amortised cost 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.

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.

Financial liabilities and equity

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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 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 £nil (2023: £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

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 on an accruals basis 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.

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.

1.12 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 the Company 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 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 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 in 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 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 UK. For each entity, the Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency.

1.16 Research and development

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

1.17 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 30 for further information.

1.18 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.

1.19 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.

1.20 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 over nominal value in share premium. Share premium represents the proceeds from shares, less the nominal value and directly attributable costs.

1.21 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 effects 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 2024

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024:

Standard or Amendment	Material impact on financial statements
Amendment to IFRS 16 - Leases: Leases on sale and leaseback	No
Amendment to IAS 1 - Presentation of Financial Statements: Non-current liabilities with covenants	No
Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Supplier finance	No

ii) Forthcoming requirements

As at 31 December 2024, the following standards and interpretations had been issued but were not mandatory for annual reporting periods commencing on or after 1 January 2025:

Standard or Amendment	Effective for accounting periods beginning on or after	Expected Impact
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability	1 January 2025	None
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026	None
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards	1 January 2026	None
Amendments to IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7	1 January 2026	None
Amendments to IFRS 9 Financial Instruments	1 January 2026	None
Amendments to IFRS 10 Consolidated Financial Statements	1 January 2026	None
Amendments to IAS 7 Statement of Cash flows	1 January 2026	None
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS	1 January 2026	None
IFRS 18 Presentation and Disclosure of Financial Statements	1 January 2027	Assessment ongoing

The Directors do not expect the adoption of these amendments and new standards to have a material impact on the Group's financial statements, with the exception of presentational changes as a result of IFRS 18. Given that IFRS 18 is not effective until the period beginning 1 January 2027, the impact assessment of this standard is ongoing and will be considered further in the coming years.

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 the Group exerts significant influence on TerpeneTech (UK) such that it is an associate company and, as such, adoption of equity accounting is appropriate. See note 1.2 for further information of assumptions made. See note 15 for the carrying value of associates.

Impairment assessment of intangibles and investments

The Group and Company have made estimates of 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 along with the carrying value.

Assessment of useful life of intangible assets

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

Share-based payments

The Group and Company have 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 and Company have 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 and Company.
- 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.

£37,627 of research expenditure, not including R & D payroll costs, 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 (2022: £64,273).

Revenue - Performance obligations

The Directors exercised a judgement that the performance obligations set out in a contract with a customer had not yet been met and, as such, did not recognise revenue which had been invoiced but not paid at the year end. See note 1.4 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 of 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 Group and Company's primary focus.

The segment information for the year ended 31 December 2024 is as follows:

	Agrochemicals	**Consumer products**	**Total**
	£	**£**	**£**
Revenue			
R&D charges	444,480	198,576	**643,056**
Royalties	8,900	73,627	**82,527**
Product sales	3,577,020	-	**3,577,020**
Total revenue	**4,030,400**	**272,203**	**4,302,603**
Adjusted EBITDA(1)	**(1,656,754)**	**272,203**	**(1,384,551)**
Share Based Payment charge	(204,928)	-	**(204,928)**
EBITDA	(1,861,682)	272,203	**(1,589,479)**
Amortisation of intangible assets	(350,753)	(13,566)	**(364,319)**
Depreciation of plant, property and equipment and right-of-use assets	(232,481)	-	**(232,481)**
Finance costs, foreign exchange and investment revenues	3,853	-	**3,853**
Income Tax	267,008	-	**267,008**
Share of Associate's profit	-	2,279	**2,279**
(Loss)/Profit for the Year	**(2,174,055)**	**260,916**	**(1,913,139)**
Total Assets	**15,219,079**	**186,741**	**15,405,820**
Total assets includes:			
Additions to Non-Current Assets	**2,592,254**	**60,061**	**2,652,315**
Total Liabilities	**3,568,234**	**-**	**3,568,234**

(1) Adjusted EBITDA is adjusted to remove the effect of the non-cash share based payment charge only.

The segment information for the year ended 31 December 2023 is as follows:

	Agrochemicals	**Consumer products**	**Total**
Revenue	**£**	**£**	**£**
R&D charges	501,324	9,133	**510,457**
Royalties	17,391	50,811	**68,202**
Product sales	2,613,368	-	**2,613,368**
Total revenue	**3,132,083**	**59,944**	**3,192,027**
Adjusted EBITDA(1)	**(1,064,982)**	**59,944**	**(1,005,038)**
Share Based Payment charge	(236,576)	-	**(236,576)**
EBITDA	(1,301,558)	59,944	**(1,241,614)**
Amortisation of intangible assets	(405,379)	(13,272)	**(418,651)**
Depreciation of plant, property and equipment and right-of-use assets	(206,426)	-	**(206,426)**
Finance costs, foreign exchange and investment revenues	(51,995)	-	**(51,995)**
Impairment of intangible assets	(4,968,529)	-	**(4,968,529)**
Income Tax	428,326		**428,326**

Income Tax	428,320	-	**428,320**
Share of Associate's loss	-	(33,047)	**(33,047)**
(Loss)/Profit for the Year	**(6,505,561)**	**13,625**	**(6,491,936)**
Total Assets	**16,458,177**	**136,542**	**16,594,719**
Total assets includes:			
Additions to Non-Current Assets	**1,730,280**	**37,539**	**1,767,819**
Total Liabilities	**3,048,922**	**-**	**3,048,922**

	2024 £	**2023 £**
Revenue analysed by geographical market		
UK	90,819	59,944
Europe	4,211,784	3,132,083
	4,302,603	3,192,027

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

Revenues of approximately £3,855,566 (2023: £2,464,372) are derived from three customers who each account for greater than 10% of the Group's total revenues:

Customer	**2024 £**	**2024 %**	**2023 £**	**2023 %**
A	1,269,185	29.5%	1,594,410	49.9%
B	2,046,109	47.6%	869,962	27.3%
C	540,272	12.6%	-	-

100% of the revenue generated in the year (2023: 100%) was recognised at a point in time.

5 Operating loss

	2024 £	**2023 £**
Operating loss for the year is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's financial statements*	75,000	78,000
Fees payable to the Company's auditor for interim review of half-yearly results	4,295	8,000
Depreciation of right-of-use assets (note 14)	137,336	135,340
Depreciation on property, plant and equipment (note 13)	95,145	71,086
Amortisation of intangible assets (note 12)	364,319	418,651
Bad debt write off	34,057	-
Research expenses	1,816	37,627
Share-based payment charge (note 22)	204,928	236,576

*Included in the fees payable to the Company's auditor for the audit of the Company's financial statements are overruns from the prior year audit of £nil (2023: £10,000).

6 Employees

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

	2024 Number	**2023 Number**
Management	5	5
Operational	18	14

Operational	16	14
	23	19

Their aggregate remuneration (including Directors) comprised:

	2024 £	2023 £
Wages and salaries	1,670,854	1,569,096
Social security costs	218,821	154,538
Pension costs	66,288	54,991
Benefits in kind	8,152	7,186
Share-based payment charge	204,928	236,576
	2,169,043	2,022,387

7 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	661,821	780,706
Company pension contributions to defined contribution schemes	33,339	31,010
Non-executive Directors' fees	122,921	120,000
Share-based payment charge relating to all Directors	174,363	198,749
	992,444	1,130,465
Benefits in kind	8,152	7,186
Social security costs	115,612	77,384
	1,116,208	1,215,035

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2023: 2).

The number of Directors who are entitled to receive shares under long term incentive schemes during the year is 2 (2023: 2).

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

	2024 £	2023 £
Remuneration for qualifying services (including pension and excluding share-based payment charge)	396,949	463,539

2024	Salary	Bonus	Fees	Pension	Share-based Payments	Total
	£	£	£	£	£	£
A Abrey	228,042	55,870	-	14,299	74,793	373,004
S Smith	303,541	74,368	-	19,040	99,570	496,519
R Cridland	-	-	40,000	-	-	40,000
L van der Broek	-	-	45,000	-	-	45,000
D McAllan			26,254			26,254

R Horsman	-	-	11,667	-	-	11,667
	531,583	130,238	122,921	33,339	174,363	992,444

2023	**Salary**	**Bonus**	**Fees**	**Pension**	**Share-based Payments**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
A Abrey	217,100	117,777	-	13,300	85,242	433,419
S Smith	289,030	156,799	-	17,710	113,507	577,046
R Cridland	-	-	40,000	-	-	40,000
L van der Broek	-	-	45,000	-	-	45,000
R Horsman	-	-	35,000	-	-	35,000
	506,130	274,576	120,000	31,010	198,749	1,130,465

Benefit in kind relates to cumulative life insurance charge and cannot be allocated to individual directors.

8 Interest income

	2024	**2023**
	£	**£**
Interest income		
Bank Deposits	110,483	34,014

Total interest income for financial assets that are not held at fair value through profit or loss is £110,483 (2023: £34,014).

9 Finance costs and foreign exchange differences

	2024	**2023**
	£	**£**
Interest on lease liabilities	9,732	17,009
Credit charges	910	198
Finance costs	10,642	17,207
Foreign exchange losses	(95,988)	(68,802)

10 Income tax credit

	2024	**2023**
	£	**£**
Current tax		
UK corporation tax on loss for the current year	(309,636)	(317,201)
Adjustments in respect of prior years	42,628	(111,125)
Total UK current tax income	(267,008)	(428,326)

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

	2024	**2023**
	£	**£**
Loss before tax	(2,180,147)	(6,920,262)
Expected tax credit based on a corporation tax rate of 25% (2023:	(545,037)	(1,627,682)

23.52%)	(545,037)	(1,627,683)
Ineligible fixed asset differences	527	138,762
Income not taxable for tax purposes	(570)	-
Expenses not deductible for tax purposes	58,956	72,069
Additional deduction for R&D expenditure	(357,913)	(324,836)
R&D claim	(309,636)	(317,201)
Surrender of tax losses for R&D tax credit refund	774,090	660,006
Adjustment in respect of prior years	42,628	(111,125)
Temporary differences not recognised in the computation	(2,321)	-
Deferred tax not recognised	72,268	1,081,682
Taxation credit for the year	(267,008)	(428,326)

There are no future factors at the reporting date that are expected to impact the Group's future tax charge. The Group is not within the scope of the OECD Pillar Two model rules.

The taxation credit for the year represents the research and development credit for the year ended 31 December 2024.

The current tax recoverable as at 31 December 2024 represents R&D tax credits and is made up as follows:

	2024 £	2023 £
Current tax		
R&D cash tax credit for the current year	(309,636)	(317,201)
R&D cash tax credit for the prior year	(317,201)	-
Adjustments in respect of prior years	42,628	-
Total UK current tax recoverable	(584,209)	(317,201)

Deferred Tax

The losses carried forward, after the above offset, for which no deferred tax asset has been recognised, amount to approximately £36,087,896 (2023: £29,635,304).

The unprovided deferred tax asset of £9,021,974 (2023: £7,408,826) arises principally in respect of trading losses. It has been calculated at 25% (2023: 25%) 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

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 the loss incurred and therefore are not considered for computing diluted EPS.

	2024	2023

	£	£
Weighted average number of ordinary shares for basic and diluted earnings per share	533,352,523	420,921,123
Earnings (all attributable to equity shareholders of the Company)		
Loss for the period	(1,906,591)	(6,494,249)
Basic and diluted earnings per share	(0.36p)	(1.54p)

12 Intangible assets

Group

	Licences and trademarks	Development costs	Intellectual property	Total
	£	£	£	£
Cost				
At 1 January 2023	456,684	9,074,031	9,507,057	19,037,772
Additions	-	1,605,299	45,166	1,650,465
At 31 December 2023	456,684	10,679,330	9,552,223	20,688,237
Additions	-	2,392,285	147,775	2,540,060
At 31 December 2024	456,684	13,071,615	9,699,998	23,228,297
Amortisation and impairment				
At 1 January 2023	450,192	2,993,379	7,146,681	10,590,252
Impairment charge for the year	2,545	3,260,862	1,705,122	4,968,529
Amortisation charge for the year	1,388	253,811	163,452	418,651
At 31 December 2023	454,125	6,508,052	9,015,255	15,977,432
Amortisation charge for the year	1,044	296,237	67,038	364,319
At 31 December 2024	455,169	6,804,289	9,082,293	16,341,751

Carrying amount				
At 31 December 2024	1,515	6,267,326	617,705	6,886,546
At 31 December 2023	2,559	4,171,278	536,674	4,710,511

Company

	Licences and trademarks	Development costs	Intellectual property	Total
	£	£	£	£
Cost				
At 1 January 2023	456,684	9,074,030	9,374,314	18,905,028
Additions	-	1,605,299	45,166	1,650,465
At 31 December 2023	456,684	10,679,329	9,419,480	20,555,493
Additions	-	2,392,285	147,775	2,540,060
At 31 December 2024	456,684	13,071,614	9,567,255	23,095,553
Amortisation and impairment				
At 1 January 2023	450,192	2,993,379	7,107,158	10,550,729
Impairment charge for the year	2,545	3,260,862	1,705,122	4,968,529
Amortisation charge for the year	1,388	253,811	150,180	405,379
At 31 December 2023	454,125	6,508,052	8,962,460	15,924,637
Amortisation charge for the year	1,044	296,237	53,472	350,753
At 31 December 2024	455,169	6,804,289	9,015,932	16,275,390
Carrying amount				
At 31 December 2024	1,515	6,267,325	551,323	6,820,163
At 31 December 2023	2,559	4,171,277	457,020	4,630,856

Intellectual property represents intellectual property in relation to use of encapsulated terpenes in agrochemicals in the form of licences, patents and development costs. Intellectual property includes patents and know-how acquired by the Group. The remaining useful economic life of these assets is 6 years (2023: 7 years) to 31 December 2030.

Licences and trademarks include 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 the Group and Company.

£ 1,045,040 (2023: £1,096,545) of development costs relate to assets under development for which no amortisation has been charged in 2024 or 2023.

Impairment review at 30 June 2023

The impairment review that was undertaken as part of the Group's 2022 accounts preparation resulted in headroom over the carrying value of only £0.9m (down from £8.3m in 2021), a small margin given intangible assets amounted to £8.4m at that time.

Given the marginal headroom and general downward trend, the management team and Audit Committee agreed it was appropriate to undertake a further impairment review of the Group's intangible assets, as part of the preparation of the Group's 2023 Interim reporting.

The need for an interim impairment review was also driven by external factors such as continuing high interest rates and inflation which it was felt might impact the discount rate used in the Cash Generating Unit (CGU) calculations. The Board agreed to appoint an independent advisor to undertake an impairment review, based on the current position of the Group and Company, and the current financial environment.

The total carrying value of the intangible assets was allocated to the Agrochemicals CGU as the largest CGU in which cash inflows are generated. The recoverable amounts of the intangible assets were determined based on value in use calculations based on the Agrochemicals CGU.

The Directors prepared a discounted cash-flow forecast, based on product sales forecasts including those provided by the Group's commercial partners, and have taken into account the market potential for the Group's products and technologies using third party market data that the Group 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 covered a period of 7.5 years to 31 December 2030, with no terminal value, reflecting the useful economic life of the patent in respect of the underlying technology. Financial forecasts were based on the approved budget. Financial forecasts were used on the approved long-term plan.

The discount rate was derived from the Group's weighted average cost of capital, taking into account the cost of equity and debt, to which specific market-related premium and company-related premium adjustments were made. The discount rate used was 16.36%.

Tax rate was assumed at 25% which is in line with the rate in the years the Group have earnings, however the current losses brought forward as at 30 June 2023 exceed £30m so not tax charge was included in the forecasted years where the Group is profitable.

Based on the above assumptions, the value in use of the intangible assets was £4,968,529 lower than the carrying value of the intangible assets indicating that an impairment of intangible assets is required at 30 June 2023. The impairment charge of £4,968,529 was charged immediately to the statement of comprehensive income.

An impairment review was performed at December 2024, and no further impairments have been identified at 31 December 2024.

Impairment review at December 2024

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 Group and Company have made in registering its products and other key commercial factors to perform the review.

The total carrying value of the intangible assets was allocated to the Agrochemicals CGU as the largest CGU in which cash inflows are generated. The recoverable amounts of the intangible assets were determined based on value in use calculations based on the Agrochemicals CGU.

The Directors prepared a discounted cash-flow forecast, based on product sales forecasts including those provided by the Group's commercial partners, and have taken into account the market potential for the Group's products and technologies using third party market data that the Group 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 2025.

The forecast covered a period of 6 years to 31 December 2030, with no terminal value, reflecting the useful economic life of the patent in respect of the underlying technology. Financial forecasts were based on the approved budget. Financial forecasts for 2025-2028 were used on the approved long-term plan. Financial forecasts for 2029-2030 were extrapolated based on a long-term growth rate of 50%.

The discount rate was derived from the Group's weighted average cost of capital, taking into account the cost of equity and debt, to which specific market-related premium and company-related premium adjustments were made. The discount rate used was 17.11%.

Tax rate was assumed at 25% which is in line with the rate in the years the Group have earnings, however the current losses brought forward as at 31 December 2024 exceed £30m so not tax charge was included in the forecasted years where the Group is profitable.

The estimated recoverable amount of the CGU was higher than its carrying amount by £0.01m.

As this initial assessment resulted in minimal headroom, the Board also considered other factors such as the continued revenue growth seen over the past few years, which is expected to continue for the foreseeable future and beyond 2030.

Based on the overall review carried out, the Board is satisfied that intangible assets are not impaired further.

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 17.11% (2023: 16.62%). The increase in the rate reflects wider market movements as well as increased forecasting risk given high, current inflation rates.

As part of the impairment review, a sensitivity analysis was conducted to stress test the impairment review. The assumed sensitivities included increasing the discount rate by 1% and reducing the growth rate in which YE2029 and YE2030 are projected on by 1%. On a sensitised scenario, an impairment of £0.7m would be required. However, as above, the Board believe there to be additional value of the business which is not captured in the Group's discounted cashflow forecast.

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 forecasts are highly sensitive to the revenue growth assumptions and are reliant on the Group meeting the forecast sales, with small deviations from this leading to impairment indicators.

The Board is therefore satisfied that reasonable changes in assumptions have been considered and no further impairments have been identified at 31 December 2024.

13 Property, plant and equipment

Group and Company

	Fixtures and Fittings £	Total £
Cost		
At 1 January 2023	332,956	332,956
Additions - owned	102,391	102,391
At 31 December 2023	435,347	435,347
Additions - owned	48,649	48,649
At 31 December 2024	483,996	483,996
Accumulated depreciation and impairment		
At 1 January 2023	134,170	134,170
Charge for the year	71,086	71,086
At 31 December 2023	205.256	205.256

Charge for the year	95,145	95,145
At 31 December 2024	300,401	300,401
Carrying amount		
At 31 December 2024	183,595	183,595
At 31 December 2023	230,091	230,091

14 Right-of-use assets

Group and Company

	Leasehold premises £	Motor vehicles £	Total £
Cost			
At 1 January 2023	443,777	137,436	581,213
Additions	-	14,963	14,963
Disposals	-	(22,282)	(22,282)
At 31 December 2023	443,777	130,117	573,894
Additions	-	63,605	63,605
Disposals	-	(50,208)	(50,208)
At 31 December 2024	443,777	143,514	587,291
Accumulated depreciation and impairment			
At 1 January 2023	210,741	37,658	248,399
Charge for the year	90,876	44,464	135,340
Eliminated on disposals	-	(22,282)	(22,282)
At 31 December 2023	301,617	59,840	361,457
Charge for the year	90,876	46,460	137,336
Eliminated on disposals	-	(50,208)	(50,208)
At 31 December 2024	392,493	56,092	448,585
Carrying amount			
At 31 December 2024	51,284	87,422	138,706
At 31 December 2023	142,160	70,277	212,437

15 Investments

Group and Company	Current 2024 £	Current 2023 £	Non-current 2024 £	Non-current 2023 £
Investment in associates	-	-	299,476	297,197

Details of the Group's associates at 31 December 2024 are as follows:

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

	2024 £	2023 £
Non-current assets	253,566	315,918
Current assets	406,880	311,599
Non-current liabilities	-	(23,819)
Current liabilities	(300,756)	(309,349)
Net assets (100%)	**359,690**	**294,349**
Company's share of net assets	107,547	88,010
Separable intangible assets	81,491	96,059
Goodwill	412,649	412,649
Impairment of investment in associate	(302,211)	(299,521)
Carrying value of interest in associate	**299,476**	**297,197**
Revenue	736,271	515,647
100% of loss after tax	56,344	(61,802)
29.9% of loss after tax	16,847	(18,479)
Amortisation of separable intangible	(14,568)	(14,568)
Company's share of profit/(loss) including amortisation of separable intangible asset	**2,279**	**(33,047)**

The separable intangible assets relate to the biocide registration for geraniol which TerpeneTech (UK) 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, 124 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 a 6-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 17.11% (2023: 16.62%). 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.

Based on the review the Directors carried out, it was determined that the Investment was not impaired and, as such, no impairment charge (2023: £nil) was recognised.

An increase in the discount rate of 11% would 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 20% (2023: 20%) and is based on the sales of geraniol only.

With no growth in the forecast geraniol sales from 2025 over the entire forecast period, there would be an impairment of £138,835.

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 2024 are as follows:

Name of undertaking	**Registered office**	**Principal activities**	**Class of shares held**	**% 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 the Company and TerpeneTech (UK), the Company's associate.

The Company 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). The Company 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 the Company.

Non-controlling interests

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

	2024	**2023**
Non-controlling interest (NCI) percentage	**50%**	**50%**
	£	**£**
Non-current assets	66,383	79,655
Current assets	120,358	56,887
Non-current liabilities	-	-
Current liabilities	(230,208)	(166,914)
Net liabilities (100%)	(43,467)	(30,372)
Carrying amount of NCI (50% of net liabilities)	(21,734)	(15,186)

Carrying amount of NCI (50% of net liabilities)	[illegible]	[illegible]
Revenue	73,627	50,811
Profit/(loss) after tax	(13,095)	4,625
Other comprehensive income	-	-
Total comprehensive loss	(13,095)	4,625
Share of NCI (50% of total comprehensive (loss)/profit)	(6,548)	2,313
Cash flows from operating activities	-	-
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Dividends paid to non-controlling interests	-	-

17 Inventories

	Group and Company 2024 £	2023 £
Raw materials	409,367	149,644
Goods in transit	-	27,736
Finished goods	123,283	787,172
	532,650	964,552

No provision was made for obsolete inventory in the current year (2023: £nil).

Raw materials of £722,535 (2023: £1,276,677) were consumed during the year. This has been recognised within cost of sales in the Consolidated statement of comprehensive income.

18 Trade and other receivables

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Trade receivables	2,138,725	1,788,151	2,138,725	1,788,151
VAT recoverable	244,974	386,684	244,975	386,684
Other receivables	177,061	112,375	286,911	222,403
Prepayments and accrued income	545,082	162,413	545,082	162,413
	3,105,842	2,449,623	3,215,693	2,559,651

No provision for doubtful debts in the current year (2023: £nil).

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.

Trade receivables of £1,571,516 (2023: £1,355,690) at the reporting date were held in Euros and £112,540 (2023: £111,654) were held in USD, with the remainder being in GBP. Please see note 30 for further details.

19 Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current				
Trade payables	2,559,056	1,925,559	2,559,056	1,925,559
Accruals and deferred income	634,614	640,342	634,614	640,342
Social security and other taxation	108,490	56,841	108,490	56,841
Other payables	97,342	196,411	97,342	196,411
	3,399,502	2,819,153	3,399,502	2,819,153

Trade payables of £1,023,914 (2023: £597,876) at the reporting date were held in Euros and £558,234 (2023: £382,852) were held in USD, with the remainder being in GBP. Please see note 30 for further details.

20 Lease liabilities

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:

	Group and Company	
	2024	2023
	£	£
Current liabilities	109,039	142,849
Non-current liabilities	59,693	86,920
	168,732	229,769

	Group and Company	
	2024	2023
Maturity analysis - total future payments due under leases:	£	£
Within one year	109,039	152,694
In two to five years	69,426	89,285
Total undiscounted liabilities	178,465	241,979
Future finance charges and other adjustments	(9,733)	(12,210)
Lease liabilities in the financial statements	168,732	229,769

Set out below are the future undiscounted cash outflows to which the lessee is exposed to that are reflected in the measurement of lease liabilities, categorised by type of leased item:

	2024	2023
Land and buildings	£	£
Within one year	59,012	106,735
Between two and five years	-	59,949
	59,012	166,684

	2024	2023
Motor vehicles	£	£
Within one year	50,027	45,959
Between two and five years	59,693	29,336
	109,720	75,295

Cash paid in respect of lease liabilities in the year was £155,528 (2023: £156,548) excluding interest and

Cash paid in respect of lease liabilities in the year was [illegible] (2023: [illegible]) excluding interest and expenses relating to leases of low-value assets.

The Group holds nine leases, for two properties and seven vehicles. All leases have fixed lease repayments and average remaining terms of 0.6 years (2023: 1.6 years) for the properties and 2.1 years (2023: 1.7 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.

Amounts recognised in profit or loss include the following:	**2024** **£**	**2023** **£**
Interest on lease liabilities	9,732	17,009
Expense relating to leases of low-value assets	-	740

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 £66,288 (2023: £54,991).

Retirement benefit contributions of £10,695 remained unpaid as at 31 December 2024 (2023: £nil).

22 Share-based payment transactions

Long-Term Incentive Plan ("LTIP")

Since September 2017, the Group 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.

LTIP Replacement Award

In 2021, the Company made changes to the LTIP in line with the requirements of a fundraise completed in 2020. The new plan was deemed a more appropriate scheme to incentivise management given the Company's stage of development and replaced the 2019 Award, which lapsed in its entirety in 2021.

Pursuant to the updated plan, in 2021 the Company granted options over 10.5 million new Ordinary Shares, at a strike price of 6p each, in the amounts of 6 million awarded to Sean Smith and 4.5 million awarded to Alex Abrey. The options vested immediately and lapse in three equal tranches in June 2022, June 2023 and June 2024. For the first five years following grant, no shares arising from the exercise of these options may be sold unless the Company's prevailing share price is equal to, or in excess of, 10p.

The shares arising from exercise of options are subject to a one-year lock-in restriction, followed by a one-year orderly market restriction.

For accounting purposes, the options granted under the LTIP Replacement Award have been treated as a modification of the 2019 Award as per IFRS 2. Where awards previously granted have been deemed to be modified, IFRS 2 requires the share-based payment charge to comprise the original fair value of the awards, together with an incremental fair value.

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 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 (2023: 3,500,000) of the above options lapsed and £171,251 (2023: £171,251) was transferred from the warrant reserve to retained earnings.

At 31 December 2024, there were nil (2023: 3,500,000) options still in issue. The share-based payment charge for the year ended 31 December 2024 in respect of the above LTIP Replacement Awards was £nil (2023: £nil).

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 the Company, 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; and
- 1/3 24 months from the date of grant.

The share-based payment charge for the year ended 31 December 2024 in respect of the above 2022 LTIP awards was £nil (2023: £119,083).

22 Share-based payment transactions (continued)

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 in 2021. 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 2024 was £nil (2023: £nil). During the year, none (2023: none) of these options were exercised and 121,926 (2023: none) lapsed and £1,757 (2023: £nil) was transferred from the warrant reserve to retained earnings.

2022 Award

In 2022, 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.

The following information is relevant in the determination of the fair value of options granted under the 2022 Award.

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 payments charge in respect of all these options for the year ended 31 December 2024 was £nil (2023: £nil). During the year, none (2023: none) of these options were exercised, 190,476 (2023: none) lapsed and £4,245 (2023: £nil) was transferred from the warrant reserve to retained earnings.

2023 Award to Directors

The Company made a further grant of options in order to ensure continuity of long-term incentive of options over 8,698,909 new Ordinary Shares in the Company, at a strike price of 5.1p each, in the amounts of 4,968,000 awarded to Sean Smith and 3,730,909 awarded to Alex Abrey.

The Options expire on 31 August 2027 and vest as follows:

- 1/3 upon grant;
- 1/3 12 months from the date of grant; and
- 1/3 24 months from the date of grant.

The following information is relevant in the determination of the fair value of options granted under the 2023 Award to Directors.

Grant date	30/8/23
Number of awards	8,698,909
Share price	£0.06
Exercise price	£0.05
Expected dividend yield	-
Expected volatility	65.6%
Risk free rate	5.4%
Vesting period	2 years
Expected Life (from date of grant)	3 years

The share-based payments charge in respect of all these options for the year ended 31 December 2024 was £79,666 (2023:£79,666). During the year, none of these options were exercised and none lapsed and £nil was transferred from the warrant reserve to retained earnings.

2023 Award to Employees

In addition to the above options granted to Directors, the Company granted employees a total of 2,224,976 options at an average exercise price of 6p.

The Options expire on 30 June 2026 and vest as follows:

- 1/2 upon grant; and

- 1/2 12 months from the date of grant.

The following information is relevant in the determination of the fair value of options granted under the 2023 Award to Employees.

Grant date	18/12/23
Number of awards	2,224,976
Share price	£0.04
Exercise price	£0.05
Expected dividend yield	-
Expected volatility	65.4%
Risk free rate	5.4%
Vesting period	2 years
Expected Life (from date of grant)	3 years

The share-based payments charge in respect of all these options for the year ended 31 December 2024 was £nil (2023: £37,827). During the year, none (2023: none) of these options were exercised and none (2023: none) lapsed and £nil (2023: £nil) was transferred from the warrant reserve to retained earnings.

2024 Award to Directors

The Company made a further grant of options in order to ensure continuity of long-term incentive of options over 11,918,901, new Ordinary Shares in the Company, at a strike price of 6.5p each, in the amounts of 6,805,852 awarded to Sean Smith and 5,113,049 awarded to Alex Abrey.

The Options expire on 30 June 2028 and vest as follows:

- 1/3 upon grant;
- 1/3 12 months from the date of grant; and
- 1/3 24 months from the date of grant.

The following information is relevant in the determination of the fair value of options granted under the 2024 Award to Directors.

Grant date	04/07/24
Number of awards	11,918,901
Share price	£0.04
Exercise price	£0.07
Expected dividend yield	-
Expected volatility	65.6%
Risk free rate	5.4%
Vesting period	2 years
Expected Life (from date of grant)	3 years

The share-based payments charge in respect of all these options for the year ended 31 December 2024 was £108,411 (2023: £nil). During the year, none of these options were exercised and none lapsed and £nil was transferred from the warrant reserve to retained earnings.

2024 Award to Employees

In addition to the above options granted to Directors, the Company granted employees a total of 2,605,322 options at an average exercise price of 6.5p.

The Options expire on 30 June 2028 and vest as follows:

- 1/2 upon grant; and
- 1/2 12 months from the date of grant.

The following information is relevant in the determination of the fair value of options granted under the 2024 Award to Employees.

Grant date	31/12/24
Number of awards	2,605,322
Share price	£0.04
Exercise price	£0.07
Expected dividend yield	-
Expected volatility	65.4%
Risk free rate	5.4%
Vesting period	2 years
Expected Life (from date of grant)	3 years

The share-based payments charge in respect of all these options for the year ended 31 December 2024 was £16,852. During the year, none of these options were exercised and none lapsed and £nil was transferred from the warrant reserve to retained earnings.

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)**	
	2024	**2023**	**2024**	**2023**
Outstanding at 1 January	23,486,534	16,312,649	7	8
Granted during the year	14,524,223	10,923,885	7	5
Exercised during the year	-	(250,000)	-	1
Lapsed during the year	(3,812,402)	(3,500,000)	6	6
Exercisable at 31 December	34,198,355	23,486,534	9	7

The exercise price of options outstanding at the end of the year ranged between 6p and 10p (2023: 5p and 10p) and their weighted average contractual life was 2.1 years (2023: 2.2 years).

The share-based payment charge for the year, in respect of options, was £204,928 (2023: £236,576).

A total of £173,008 (2023: £179,407) was transferred from the warrant reserve to retained earnings in relation to share options that lapsed in the year.

23 Share capital

Ordinary share	**2024 Number**	**2023 Number**	**2024 £**	**2023 £**
Authorised, Issued and fully paid				
At the beginning of the year	533,352,523	380,858,607	5,333,529	3,808,589
Issue of shares	-	152,493,916	-	1,524,940
At the end of the year	533,352,523	533,352,523	5,333,529	5,333,529

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

24 Share premium account

	Group and Company	
	2024 £	**2023 £**
At the beginning of the year	6,413,652	39,308,529
Issue of shares	-	8,373,415
Share issue costs	-	(840,116)

Share issue costs		[illegible]
Capital reduction	-	(40,428,176)
At the end of the year	6,413,652	6,413,652

25 Warrant reserve

	Group and company £
Balance at 1 January 2023	701,065
Share-based payment expense in respect of options granted	236,576
Share-based payment expense in respect of options/warrants lapsed/exercised	(179,407)
Balance at 31 December 2023	758,234
Share-based payment expense in respect of options granted	204,928
Share-based payment expense in respect of options/ warrants lapsed/ exercised	(173,008)
Balance at 31 December 2024	790,154

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	
	2024 £	2023 £
At the beginning of the year	-	10,209,673
Transfer of merger reserve	-	(10,209,673)
At the end of the year	-	-

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

In 2023, the carrying value of the intellectual property which had arisen from an acquisition in 2003 had been reduced to zero. As such, under the Companies Act 2006, the full balance of the merger reserve of £10,209,673 was transferred to retained earnings.

27 Non-controlling interest

	Group	
	2024 £	2023 £
At the beginning of the year	26,815	24,502
Share of total comprehensive loss/profit for the year	(6,548)	2,313
At the end of the year	20,267	26,815

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

28 Other interest-bearing loans and borrowings

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

Group and Company	2024 £	2023 £
Balance at 1 January	229,769	355,323
Changes from financing cashflows		
Payment of lease liabilities*	(145,796)	(139,539)
Total changes from financing cashflows	(145,796)	(139,539)
Other changes		
New leases	63,605	14,963
Adjustment to Right of Use Assets	21,154	(978)
Total other changes	84,759	13,985
Balance as at 31 December	168,732	229,769

*excluding lease interest of £9,732 (2023: £17,009)

29 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, the Group invoiced its associate, TerpeneTech (UK), £8,900 for administration charges (2023: £9,133).

Also, during the year the Group recharged £10,769 (2023: £7,054) of expenses to TerpeneTech (UK) and incurred consultancy charges of £8,292 (2023: £13,274).

At the year end, an amount of £167,586 was due from TerpeneTech (UK) (2023: £233,686) to the Company. This amount is included within Trade Receivables.

At the year end, an amount of £97,342 was due to TerpeneTech (UK) (2023: £99,820) from the Company. This amount is included within Other Payables.

At the year end, a net amount of £120,358 was due to TerpeneTech (Ireland) from TerpeneTech (UK) (2023: £56,887 due to TerpeneTech (Ireland) from TerpeneTech (UK)). It represents the amount due in respect of the intangible asset reduced by fees receivable in respect of sales which amounted to £73,627 (2023: £50,811). This amount is included within Other Receivables.

Company

During the year, the Company invoiced its associate, TerpeneTech (UK), £8,900 for administration charges (2023: £9,133).

Also, during the year the Company recharged £10,769 (2023: £7,054) of expenses to TerpeneTech (UK) and incurred consultancy charges of £8,292 (2023: £13,274).

Further, at year end, £63,000 has been accrued in respect of management recharges from the Company to TerpeneTech (Ireland) (2023: £10,000) and £10,156 has been recharged for audit fees (2023: £22,914). An amount of £240,070 (2023:

£166,914) is included within the Other Receivables.

At the year end, an amount of £167,586 was due from TerpeneTech (UK) (2023: £233,686). This amount is included within Trade Receivables.

At the year end, an amount of £97,342 was due to TerpeneTech (UK) (2023: £99,820). This amount is included within Other Payables.

Related party transactions are made on an arms' length basis.

30 Financial risk management

Credit risk

	Group		Company	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Cash and cash equivalents	3,674,796	7,413,107	3,674,796	7,413,107
Trade receivables*	2,138,725	1,788,151	2,138,725	1,788,151
VAT recoverable*	244,975	386,684	244,975	386,684
Other receivables*	177,061	112,375	286,354	222,403
	6,235,557	9,700,317	6,344,850	9,810,345

*See note 18

The average credit period for sales of goods and services is 175 days (2023: 204). No interest is charged on overdue trade receivables. At 31 December 2024, trade receivables of £681,441 (2023: £262,322) were past due. During the year the Group and Company provided for doubtful debts in the amount of £nil (2023: £nil).

Trade receivables of £1,571,516 (2023: £1,355,690) at the reporting date were held in Euros and £112,540 (2023: £111,654) were held in "USD".

Cash at bank of £1,512,694 (2023: £48,515) at the reporting date were held in Euros and £4,826 (2023: £28,510) were held in "USD".

The Group'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, information credit assessment and including forward-looking information and consideration of any actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

The Group considers a financial asset to be in default and its credit risk to have increased significantly when:

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

Liquidity risk (excluding lease liabilities)

		Group and Company	
		2024	**2023**
	Notes	**£**	**£**
Trade payables	**19**	2,559,056	1,925,559
Other payables	**19**	97,342	196,411
Social security and other taxation	**19**	108,490	56,841
		2,764,888	2,178,811

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

The average credit period on purchases of goods is 113 days (2023: 117 days). No interest is charged on trade payables. The Group has policies in place to ensure that trade payables are paid within the credit timeframe or as otherwise agreed.

Trade payables of £1,023,914 (2023: £597,876) at the reporting date were held in Euros and £558,234 (2023: £382,852) were held in USD.

Maturity of financial liabilities (excluding lease liabilities)

The maturity profile of the Group's financial liabilities at 31 December 2024 was as follows:

	2024 £	2023 £
In one year or less, or on demand	2,764,888	2,178,811
Over one year	-	-
	2,764,888	2,178,811

Liquidity risk is managed by regular monitoring of the Group'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 Group and Company. For details of lease liabilities, see note 20.

Market price risk

The Group'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 Group's sensitivity analysis model should be used in conjunction with other information about the Group's risk profile.

The Group's policy towards currency risk is to eliminate all exposures that will impact on reported results as soon as they arise. Based on the foreign 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 Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

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

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

The Group 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 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 10% (2023: below 10%). The Group includes within net debt, any interest-bearing loans and borrowings (none in the 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. The Group is not subject to any externally imposed capital requirements.

31 Cash absorbed by operations

Consolidated

	2024 **£**	**2023** **£**
Loss for the year after tax	(1,913,139)	(6,491,936)
Adjustments for:		
Taxation credited	(267,008)	(428,326)
Interest on lease liabilities	9,732	17,009
Interest income	(110,483)	(34,014)
Foreign exchange currency losses	95,988	68,802
Amortisation and impairment of intangible assets	364,319	5,387,180
Depreciation and property, plant and equipment and right-of-use assets	232,481	206,426
Share of associate's loss	(2,279)	33,047
Share-based payment expense	204,928	236,576
Bad debt write off	34,057	-
Movements in working capital:		
Decrease/(Increase) in inventories	431,902	(339,094)
Increase in trade and other receivables	(656,219)	(1,790,757)
Increase in trade and other payables	567,152	1,004,833
Cash absorbed by operations	(1,008,569)	(2,130,252)

Company

	2024 **£**	**2023** **£**
Loss for the year after tax	(1,900,044)	(6,496,561)
Adjustments for:		
Taxation credited	(267,008)	(428,326)
Interest on lease liabilities	9,732	17,009
Interest income	(110,483)	(34,014)
Foreign exchange currency (gains)/losses	95,988	68,802
Amortisation and impairment of intangible assets	350,753	5,373,908
Depreciation and property, plant and equipment and right-of-use assets	232,481	206,426
Share of associate's loss	(2,279)	33,047
Share-based payment expense	204,928	236,576
Doubtful debt provision	34,057	-
Movements in working capital:		
Decrease/(Increase) in inventories	431,902	(339,094)
Increase in trade and other receivables	(656,042)	(1,772,860)
Increase in trade and other payables	567,446	1,004,833
Cash absorbed by operations	(1,008,569)	(2,130,252)

32 Capital commitments

As at 31 December 2024, an amount of £251,226 (2023: £481,557) had been committed to by the Group and Company, for work not yet completed, or invoiced. Work performed in both years related to on-going field trials and other regulatory studies. Work related to prior year commitments was invoiced during 2024.

33 Contingent liabilities

The Company provides a two-year warranty for one of its products which solely relates to the product not being defective.

Given the quality control processes that are in place, the Company is satisfied that no provision is required in this respect.

34 Post balance sheet events

There were no adjusting or significant non-adjusting events between 31 December 2024 and the approval of the financial statements.

35 Controlling party

There is no ultimate controlling company or party of Eden Research plc.

END

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