



Strictly Embargoed until 07.00: 9th May 2017

TyraTech, Inc.

("TyraTech" or the "Company")

Results for the Year Ended 31 December 2016

TyraTech Inc. (AIM: TYR, and TYRU), a life sciences company focused on nature-derived insect and parasite control products, today announces its results for the year ended 31 December 2016.

Operational highlights

- Vamousse® sales in US grew by 10% to \$5.9 million over 2015 and gained 3% points of market share
- Vamousse sales in UK grew by 27% to £1.3 million in local currency (2015: £1 million) and gained market share over competition
- Vamousse distribution network increased in the US - driven by the addition of Rite Aid, the third largest pharmacy chain in the US with more than 4,500 stores
- Addition of 450 Morrisons stores, the fourth largest chain of supermarkets in the UK
- Vamousse Head Lice Treatment was voted in the UK Pharmacy Product of the Year 2017 – Best Advertising Campaign by *Independent Pharmacy Magazine*
- Launch of two new PureScience™ animal health products for the poultry and swine market in the US

Financial Highlights

- Gross revenue increased to \$8.4 million (FY2015: \$7.4 million)
- Gross product revenue increased by 13% to \$8.0 million (2015: \$7.1 million)
- Gross profit increased to \$4.8 million with gross margins on net revenue of 67% (2015: \$4.6 million and 69%)
- Vamousse generated a positive direct contribution of \$2.2 million on \$6.6 million net sales
- Operating costs and expenses \$7.1 million (2015: \$7.1 million)
- Net loss, before and after taxes, \$2.3 million (2015: \$2.3 million)
- Cash and cash equivalents at 31 December 2016 \$1.8 million (2015: \$4.0 million)
- Net cash used in operations decreased to \$1.8 million (2015: \$2.8 million)

Post period highlights

- Addition of the new product Vamousse Lice Repellent at CVS and Meijer in the US

- Distribution of Guardian® in the US in a limited test market (around 600 stores) with Kroger, the largest grocery store chain and supermarket by retail sales
- Full launch of the equine fly repellent Outsmart™ with our partner SmartPak

Strategic Review

The Company has made significant progress in successfully commercializing its technology in both the human health space (Vamousse) and more recently, in the animal health space (PureScience and Outsmart). With Vamousse, the Company has created a brand with a strong distribution network, a sizable market share and a positive direct contribution margin. With PureScience and Outsmart, the Company has begun to enter the animal health market, answering unmet needs, receiving positive customer feedback and completing efficacious field trials.

However, the Board is of the view that the Company lacks the necessary resources from operating cash flow alone to fund the next phase of its growth in both areas. The increasingly positive cash contribution of the Vamousse product range cannot currently support the financial needs of Vamousse's growth as well as the development of the highly attractive animal health pipeline of new products.

Therefore, as announced on 9 February 2017, the Board implemented a strategic review to determine the most effective way to unlock the future growth potential of the Company's assets and maximize shareholder value.

The Board has now completed the first stage of this review and has concluded that it should divide the Company's intellectual property and products into two separate entities, focused on human health and animal health respectively. Initially, both entities will remain 100% owned by Tyratech.

The human health business as a stand-alone entity could be profitable with growth potential in existing markets, geographical extension, and further innovative products. Investment in this business would be focused on supporting its own marketing and commercial initiatives and could be managed within limited cash resources depending on how aggressive a growth target is set.

The animal health business ultimately has larger growth opportunities, but will require further investment to support activities in research and development. This investment includes the necessary time to fully develop and transform the pipeline into marketable products. The Company believes that the resource requirements to build a successful animal health business would be significant and therefore require some type of private partnership and/or investment.

The Company is moving swiftly to complete the next stage of the strategic review process. It has engaged consultants to assist in the process with the aim of completing the reorganization by the end of the financial year. It is already in the final stages of an external validation of the value of Vamousse and in the early stages of an external validation of the valuation of the animal health business.

To optimize our existing resources, the Company will stay focused in the short term on growing Vamousse in the US and in the UK without major expansion in existing and new geographies. We will also continue to roll-out the existing animal health products in the US.

Commenting on results José Barella, Chairman TyraTech said:

“2016 was a challenging year for the Company. The progress made by Vamousse in difficult market conditions and the launch of the first products in the Animal Health space were significant but not enough to generate the cash resources to fully develop the potential of the Vamousse product range while investing in the R&D of a promising Animal Health pipeline. This situation masks the fact that, on a stand-alone basis, Vamousse, provides a positive business contribution.

“To address this situation, the Board has undertaken a comprehensive review of the company structure, resource, and potential pipeline to unlock the full value of the Company for the shareholders. Phase one of this is already complete and we look forward to updating shareholders further in due course.”

Bruno Jactel, CEO TyraTech added:

“Despite difficult market conditions in the US, the overall gross revenues grew 13% year over year mainly driven by Vamousse. The brand made substantial progress in 2016, increasing its market share and retail distribution in the UK and in the US. We added a major distributor, Rite Aid, in the US and placed new products in CVS and gained commitment to expand the offering at Walgreens in 2017. From our innovation pipeline, we launched a new head lice repellent in 2017, which will extend our footprint into the prevention market where we believe significant growth opportunities exist. Despite our focus in resource allocation and management time on Vamousse, we advanced, albeit modestly, the pipeline of our animal health products. We launched products in the equine and poultry segments with major distributors and the biggest producers of poultry and eggs in the US. It also became apparent in 2016 that the Company does not have sufficient resources from operating cash flow alone to fund the next phase of its growth and unlock the full value of its assets. Our focus will be to continue to drive the growth of the Vamousse brand and the existing Animal Health products within the cash resources available and to implement the initial actions of the strategic review as we seek to unlock the full value of the Company for shareholders.

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Chairman's Statement

Overview

2016 was a challenging year for the Company. After a very positive start, it became apparent early in the second half of the year that the previous pattern of strong organic growth in the market for head lice treatments had reversed and that, probably for cyclical or climatic reasons, there was a decline in the overall market.

By the end of the year, the market appeared to have returned to a level position. Against this, the Vamousse product range performed well in these difficult market conditions, with the brand increasing its market share by 3% in the US. We also introduced our first PureScience products in the Animal Health market, initially aimed at niche markets in the poultry industry, and successfully re-introduced an improved Equine fly repellent. Further details of the operational results are given in the Chief Executive's Business Review and the Chief Financial Officer's Review below.

Update on Strategic Review

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However, the Board is of the view that the Company lacks the necessary resources from operating cash flow alone to fund the next phase of its growth in both areas. The increasingly positive cash contribution of the Vamousse product range cannot currently support the financial needs of Vamousse's growth as well as the development of the highly attractive animal health pipeline of new products.

Therefore, as announced on 9 February 2017, the Board implemented a strategic review to determine the most effective way to unlock the future growth potential of the Company's assets and maximize shareholder value.

The Board has now completed the first stage of this review and has concluded that it should divide the Company's intellectual property and products into two separate entities, focused on human health and animal health respectively. Initially, both entities will remain 100% owned by Tyrattech.

The human health business as a stand-alone entity could be profitable with growth potential in existing markets, geographical extension, and further innovative products. Investment in this business would be focused on supporting its own marketing and commercial initiatives and could be managed within limited cash resources depending on how aggressive a growth target is set.

The animal health business ultimately has larger growth opportunities, but will require further investment to support activities in research and development. This investment includes the necessary time to fully develop and transform the pipeline into marketable products. The Company believes that the resource requirements to build a successful animal health business would be significant and therefore require some type of private partnership and/or investment.

The Company is moving swiftly to complete the next stage of the strategic review process. It has engaged consultants to assist in the process with the aim of completing the reorganization by the end of the financial year. It is already in the final stages of an external validation of the value of Vamousse and in the early stages of an external validation of the valuation of the animal health business.

To optimize our existing resources, the Company will stay focused in the short term on growing Vamousse in the US and in the UK without major expansion in existing and new geographies. We will also continue to roll-out the existing animal health products in the US.

Finally, I would like to express my thanks to the TyraTech staff who have worked tirelessly under considerable pressure over the last twelve months, and thank Alan Reade, who retired from the Board in 2016 for his great contribution over many years.

Jose Barella

Non-Executive Chairman

9 May 2017

Chief Executive's Business Review

Operational update

In 2016, TyraTech made significant operational progress. Overall gross product sales grew by 13% reaching revenue of \$8 million (FY15: \$7.1 million), mainly driven by the head lice products under the brand Vamousse. New animal health products were launched in the market, on a limited scale.

Vamousse

In the US, Vamousse performed well under difficult market conditions. Sales grew by 10% over 2015 and gained three percentage points of market share among branded products to reach close to 8% at the end of the year, demonstrating that Vamousse can outpace its competitors.

The growth was driven primarily by adding Rite Aid the third major pharmacy chain in the US with close to 4,600 outlets. It was also linked to additional SKUs placed at CVS (Vamousse Lice Defense shampoo and Vamousse Lice Elimination powder) and targeted marketing efforts.

Unfortunately, as reported in the Interim Results the head lice category slowed significantly in the middle of the year, and despite signs of recovery at the back end of the year it finished essentially flat for 2016. In addition, some major competitors invested heavily in their marketing efforts in 2016. Although Vamousse continued to gain market share, because of this slowdown coupled with the onboarding of a new retailer and the one-time cost of adding new SKUs on the shelves of other retailers, revenues generated were not sufficient to maintain cash resources as expected. We consequently reduced operating and marketing expenditure in the second half of the year.

Nevertheless, the Company is launching a new Vamousse product, Vamousse Lice Repellent, in CVS and Meijer in 2017. As a repellent, this product will protect children and families when exposed to a potential risk of lice infestation. Combined with the Vamousse Lice Defense shampoo, this product will

reinforce the unique positioning of Vamousse in the prevention market, which offers strong growth potential.

In the UK, Vamousse sales grew by 27% in local currency terms, an impressive outcome. The brand gained significant market share and extended its distribution network adding around 450 Morrison's stores. Morrisons is the UK's fourth largest chain of supermarkets. In addition, further stores were added at both Sainsbury's and Tesco.

Importantly, approval for the listing of Vamousse Treatment on Part IX of the Drug Tariff, allowed the brand to now be prescribed. In addition, Vamousse Treatment obtained its listing on the Minor Ailment Scheme in Scotland, allowing free distribution for those qualifying under the scheme to be reimbursed by the NHS.

In recognition of the exceptional work done on the marketing of the product, despite a reduction of the total investment compared to 2015, Vamousse Head Lice Treatment was awarded the UK Pharmacy Product of the Year 2017 – Best Advertising Campaign by *Independent Pharmacy Magazine*.

Overall Vamousse provided a positive direct contribution margin of \$2.2 million over net sales of \$6.6 million, a 34% contribution margin on net revenues. The direct contribution margin is defined as Vamousse net sales less associated cost of sales and sales and marketing expenses for the brand.

Guardian

As in the previous year, fewer resources were allocated to the launch and growth of Guardian, TyraTech's personal mosquito and tick repellent. Guardian was promoted online in the US and earned media coverage in *Woman's World* magazine, with a circulation of around 1.3 million. In the UK, the product was sampled at outdoor shows in the summer, with user surveys validating strong consumer appreciation for the brand across a variety of important attributes.

A significant achievement post-period end was the 2017 listing of Guardian with the largest grocery chain in the US, Kroger, for a limited test in over 600 stores, which we hope will be a precursor to achieving further retail expansion.

PureScience

TyraTech launched two new products in the animal health segment in the US under the brand PureScience, targeting first the poultry industry, where significant unmet needs have been identified for insect and parasite control

The first product launched in 2016 was a powder that controls mites on chickens, for either breeder/broiler or layer producers. By year-end, the product captured an estimated 50% of the small market of breeders and headway has been made in the much bigger layer business, to be developed further in 2017.

The Company is currently working with the biggest producers of eggs in the US (Cal-Maine Foods Inc.; Rose Acre Farms Inc.) as well as with the biggest producers of breeder and broiler chickens (Tyson Foods Inc.; Perdue Food). The feedback given by these producers has so far been very encouraging. It is expected that new products will be launched in 2017 for both the poultry and swine producing markets.

The first foray into the animal health market in 2016 was limited due to a resource focus on Vamousse. Nevertheless, the test market of avian mite control demonstrated the existence of a customer demand for efficacious and safe products. TyraTech's technology can address this need. In addition, good relationships have been established with some of the biggest producers of animal protein.

OutSmart

As previously announced, TyraTech re-developed its formulation to repel flies, mosquitoes and ticks on horses. After extensive laboratory work and clinical testing, a new patent has been filed and the product was pre-launched, at the end of 2016 with our partner SmartPak, the biggest distributor of equine products and equipment in the US. The product has been fully launched in 2017 in time for the fly season.

Background

TyraTech is a life sciences company focused on nature-derived insect and parasite control products. The Company's technology, based on more than 10 years of research and more than 33 granted and 33 pending patents, relies upon plant-based formulations that offer a unique combination of effectiveness, safety and convenience. It has the potential, already demonstrated in several markets and usages, to effectively compete with traditional pesticides which are plagued with resistance and safety issues.

As a "green" platform, TyraTech's technology offers an innovative answer to a growing trend of customers looking for clean food, devoid of artificial chemicals, and safe for children, home and the environment. TyraTech's technology has applications in multiple markets across agriculture, home and garden, human and animal health - everywhere there are insects and parasites.

In 2012, TyraTech licensed its products and technology targeted at agriculture to the American Vanguard Corporation (NYSE: AVD). TyraTech created Envance®, a joint venture with American Vanguard Corporation to develop and explore the best way to commercialize products for home and garden usage. TyraTech holds 13.3% of Envance.

For human health, TyraTech, has successfully commercialized its own brand of head lice products, Vamousse, in the retail and OTC pharmacy markets in the US and in Europe. It has also commercialized Guardian, an innovative personal repellent product, on a very limited scale in the US.

Finally, TyraTech is developing new products for the animal health market: some of which have already been launched into the US in limited market segments (such as: equine fly repellent; avian mite control), but most of which are in the research and development phase.

TyraTech has evolved successfully from a technology platform into a company dedicated to the development and commercialization of products, targeting the control of insects and parasites. This strategic move has demonstrated that:

- The technology, built on a "green" backbone offers a credible alternative to existing traditional chemical pesticides. With a priority on efficacy, products designed from nature-derived alternatives can answer a growing demand for insect and parasite control that is clean and safe for people, animals, the environment and the food chain;
- The technology is validated through multiple product applications showing a unique value proposition attractive to end consumers;

- As evidenced by the Vamousse brand, the technology is competitive against the biggest established brands in the category;
- TyraTech can develop and manage a solid infrastructure able to address the needs of the biggest retailers in the world and in multiple geographies;
- TyraTech can create brands with significant growth potential.

The Company's activities are at different stages of maturity:

- Human health (Vamousse and Guardian) is at a monetization and commercialization phase and Vamousse provides a positive direct contribution margin of \$2.2 million
- Animal health (PureScience) is largely at an early phase of innovation and product development.

As shown in the operational update, TyraTech made substantial progress in 2016 in increasing the market penetration and market share of its head lice product and advancing the pipeline of its animal health products. However, it also became clear that the Company lacks the necessary resources from operating cash flow alone to fund the next phase of its growth in both areas. With limited available resources, Tyratech has not been able to effectively pursue growth in both the OTC human care market and the development of products for the animal health market, because each requires investment, either in marketing or in R&D.

Accordingly, and as set out in more detail above in the Chairman's statement, the Board has undertaken a comprehensive strategic review of the business to determine the best strategy to grow and/or capture value from both businesses and to enhance shareholder value.

Market Potential and Business Model

Human health and personal care

The worldwide market for the control of insects and parasites is estimated to be worth in the region of \$800 million in 2016 driven mainly by need for the control of head lice and on-skin mosquito and tick repellents.

The global lice market, estimated at \$370 million at the manufacturer level in 2016, is growing annually between 5% and 8% in value. Unmet needs exist in this market because globally people in all geographies, and socio-economic groups are susceptible to lice infestation, and the incidences are frequent. Consumer needs have not been well met in the market due to growing resistance to the pesticides commonly used to treat lice infestation and the frustrating cosmetics of alternative technologies like dimethicone.

With its unique technology, Vamousse can fulfill these unmet needs. Vamousse represents the next generation of lice control products, uniquely combining high levels of efficacy, safety and convenience. Compared to earlier products in the category, Vamousse Lice Treatment uses a different mode of action to kill both lice and eggs in the same application. Vamousse Lice Treatment is pesticide-free and works by dehydrating and desiccating adult lice and their eggs.

Additionally, the market for personal insect repellents is estimated to be worth in the region of \$430 million at the manufacturer level in 2016 and is dominated by the pesticide molecule DEET, which is now more than 60 years old.

Some issues are arising from the intensive usage of this molecule. It is now well documented that DEET dissolves some plastics, synthetic fabrics and painted surfaces. In Europe, personal repellent products with high concentrations of DEET have restrictions of use for children. Additionally, instances of DEET resistance have been reported in flies. Customers frequently express their dissatisfaction with products using synthetic pesticides and are looking for alternatives. TyraTech's Guardian offers a plant-based solution that is safe and effective. Multiple laboratory and field studies, published in peer-reviewed scientific journals, have demonstrated that Guardian offers the same and sometimes more effective protection than DEET but with a better safety profile.

Growth prospects for TyraTech in the human health market for the control of insects and parasites will be mainly linked to the performance of Vamousse and Guardian in the categories of head lice and insect repellent.

The Company has not yet identified other segments in human health that would offer a significant opportunity for TyraTech's technology. This is however, not the case with the animal health market, which represents a larger market opportunity, given its size and greater unmet needs.

Animal health

The market for animal health, estimated at \$24 billion in 2015 at manufacturer level, is traditionally split between the market for companion animals (dogs, cats, and horses) representing more than 40% of the total and the market for production animals (ruminant, poultry, and swine) totaling almost 60% of the market.

The market for companion animals is driven by the strengthening of the human-animal bond. Pets are more and more considered members of the family. Market growth is fueled by increased pet medicalization; a strong elasticity to product innovation; and a relatively low elasticity to price increases.

Tyratech's technology would be applicable in the control of fleas and ticks and internal parasites, representing close to a \$4 billion market worldwide. Even though it is a very competitive and crowded market, there is a growing demand for products that are effective and, importantly, not derived from traditional pesticides. Families are reluctant to use pesticides on their pets, the same way they are more and more eager to ban the usage of pesticides on their children. The products for flea and tick control are sold either by vets or as OTC products in major retail and pet shop chains. This is typically a business-to-consumer market model, not completely different from the head lice business model.

The market for production animals is driven by the necessity to provide affordable proteins to a growing population and a rising middle class in certain nations. Because the availability of arable land is limited and diminishing per capita, it will be very difficult to increase the number of animals. The principal way to achieve the goal of feeding the planet will be through increasing animal productivity. Even though there are numerous factors that influence animal productivity (feed efficiency, husbandry, genetics), it is widely recognized that insects and parasites are a major impediment to animal health and productivity. These insects and parasites can directly cause nuisance and spoliation of nutrients while indirectly constituting vectors for disease transmission and aggravation of virus or bacterial infections.

The usage of traditional chemical pesticides is more and more contested for the following reasons:

- The products are less efficacious because insects and parasites have in some cases developed a very high level of resistance. There are now several need states in which there are no pesticides able to control parasites any longer.
- The cost of launching new pesticides or parasiticides in the animal health market is increasing rapidly, mainly due to the long and complex studies required to ensure the safety of the molecules for the food chain and the environment. This is dramatically slowing the pace of innovation.
- The regulatory agencies around the world are increasingly restricting the usage of chemical pesticides on animals destined to enter the food chain.

Finally, there is a growing demand from customers for “clean” food devoid of chemicals, hormones, antibiotics and pesticides. This is probably the strongest and most significant force that will drive the production systems of animal protein in the next decade. The major producers of poultry and eggs are already responding to the ‘voice of the consumer’ by voluntarily banning the usage of hormones and antibiotics and moving to a cage-free system of egg production.

Products for production animals are sold through distributors with the recommendation of vets and professionals. This is a business-to-business model that requires convincing customers one by one and managing key accounts in markets that are more and more concentrated in the hands of few major multinational operations.

TyraTech’s technology offers multiple benefits to the animal health market:

- Superior efficacy:
 - The formulations are highly effective, even against insects and parasites that are resistant to traditional pesticides
 - The products are active against all stages (eggs to adults) requiring only one application where two or more traditional pesticide applications must be used
 - The treatment is economical, offering extended control and less frequent application due to the holistic control of all stages of insect development
- Safety:
 - The formulations are plant-based, therefore they offer a superior level of safety
 - The products are easy to use so there is no requirement for licensed applicators to be hired
 - Application can be made when animals are present due to the safe ingredient profile
 - The products do not leave residues in the environment and can be used where traditional pesticides are forbidden

The animal health market, by its size, growth potential and unmet needs, represents a major opportunity for TyraTech. The Company tested its unique value proposition through the launch of PureScience products in the poultry sector in the US. Some of the biggest players in the market, responded very positively to TyraTech’s innovative solutions.

Outlook and Summary

For 2017, our operational focus will be to execute upon the increased distribution of Vamousse in both the US and the UK and growth of brand awareness with expansion of the portfolio. We will continue to roll-out the existing animal health products in the US.

To optimize our existing resources, the operations will stay focused in the short term on growing Vamousse in the US and in the UK without major expansion in existing and new geographies. It is expected that a great deal of time will be spent by management to prepare and execute the new strategy.

Bruno Jactel
Chief Executive Officer
9 May 2017

Financial Overview

Revenue

Overall, gross revenue for 2016 was \$8.4 million versus \$7.4 million in 2015. Of this, gross product revenue was \$8.0 million compared to \$7.1 million in 2015, an increase of 13%. This increase in gross product revenue is primarily a result of the expansion of the Vamousse distribution network in both the US and UK, in both number of stores and additional product listing. Gross product revenue by geography was 78% US and 22% UK/EU for both 2016 and 2015.

In 2016, \$7.7 million, or 96% of gross product revenue was generated by the Vamousse product line (2015: \$ 6.9 million, or 97%), and animal health product revenue at \$0.3 million grew 45% year over year (2015: \$0.2 million).

Net revenue (excluding sales discounts, returns and allowances) grew by \$0.5 million, year-over-year to \$7.2 million from \$6.7 million, an increase of 8%. 2016 net revenue was depressed by \$0.3 million as a result of increased expense incurred for new products sold in new distribution channels. The growth in net product revenue was 8% (\$6.9 million versus \$6.4 million).

Net revenue for the Vamousse product line was \$6.6 million after sales discounts, returns and allowances despite the increase of \$0.3 million year on year of slotting fees in new retail outlets (2015: \$6.2 million).

Cost of Revenue, Gross Profit, and Gross Margin

Overall, cost of revenue for 2016 was \$2.4 million versus \$2.1 million in 2015. Product cost of revenue was \$2.3 million and \$2.0 million for 2016 and 2015, respectively; while collaborative cost of revenue remained unchanged at \$0.1 million respectively.

Gross profit for 2016 was \$4.8 million (gross margin 67% on net revenue) versus \$4.6 million (69% on net revenue) in 2015. Gross margin decreased slightly in 2016 due to the heavy investment to place new product and a slight increase in product mix.

As our business model continues to move to a product-based model, product gross profit and product gross margin will continue to be primary measures.

In 2016, product gross profit was \$4.6 million or 67% on net revenue versus \$4.4 million or 70% on net revenue in 2015.

In 2016, the cost of revenue for the Vamousse product line was \$2 million producing a product gross margin on net revenue of 69% on the brand (2015: \$1.8 million or 70%).

Operating Performance

Operating costs and expenses for 2016 were \$7.1 versus \$7.1 million in 2015.

Net of non-cash and other one-time expenses, operating costs and expenses were approximately \$6.9 million and \$7.0 million in 2016 and 2015, respectively, a decrease of \$0.1 million.

The loss from operations for 2016 was \$2.3 million versus \$2.4 million in 2015, and the net loss, before and after taxes, for 2016 was \$ 2.3 million versus \$2.3 million in 2015. In 2015, the main driver of the \$0.1 million difference between loss from operations and net loss, before and after taxes, was the income received from AMVAC for the partial sale of TyraTech's ownership percentage in Envance.

Direct business development expenses related to Vamousse were \$2.3 million in 2016 (2015: \$2.3 million). Overall, Vamousse provided a positive direct contribution margin of 34% on net revenue, or \$2.2 million (2015: 33% or \$2.1 million respectively). Direct contribution is defined as Vamousse net sales less associated cost of sales and sales and marketing expenses for the brand. In 2016 both direct contribution margin and gross margin were reduced by \$0.3 million as against 2015 margins as a result of additional "slotting fees" incurred to expand the retail distribution of the Vamousse product range. These fees should provide ongoing benefits in future years from the resulting enhanced distribution.

Balance Sheet

At 31 December 2016 and 2015, cash and cash equivalents were \$1.8 million and \$4.0 million, respectively.

Working capital was \$2.3 million at 31 December 2016 versus working capital of \$4.8 million at 31 December 2015. The \$2.5 million decrease is attributable primarily to the use of working capital in commercial operations without additional fundraise during 2016. Additionally, accounts receivable decreased slightly which was partially offset by a small increase in inventory and an increase in deferred revenue from service and licensing fees to be released in 2017.

At 31 December 2016 shareholders' equity was approximately \$2.7 million versus \$5.0 million at 31 December 2015. The \$2.3 million decrease was primarily due to approximately \$4.5 million received in net proceeds from the stock issuance in November 2015 offset by the current year \$2.3 million net loss, before and after taxes.

Cash Flow and Liquidity

Net cash used in operations was \$1.8 million in 2016 compared to \$2.8 million for 2015, a decrease of \$1 million. This decrease was primarily the result of an increase in product sales and related cash

collections combined with a deferral of revenue from service and licensing fees representing \$0.3 million which will be released in 2017.

Net cash used in investing during 2016 was approximately \$0.2 million, resulting primarily from the capitalization of intangible assets. For 2015, net cash provided by investing represents \$0.1 million received for the partial ownership sale of Envance to AMVAC along with minimal amounts of cash received from the sale of laboratory equipment, netted against the \$0.1 million expense for intangible acquisition costs.

Net cash provided by financing activities was \$0.0 million for 2016 (2015: \$4.5 million).

As of 31 December 2016, the Company had approximately \$1.8 million in cash and cash equivalents. The Company had no indebtedness as of 31 December 2016 but currently has no committed external sources of funds.

Based upon the Company's existing cash and cash equivalents, implementation of the board's strategic review conclusion, anticipated revenues from product sales and other collaborative arrangements, and the ability to control operating costs, the Company's forecast indicates it will have sufficient cash to meet its working capital needs through the next twelve months.

Currency Effects

In 2016, the Company recorded foreign currency translation consolidation adjustment of \$0.1 million. Going forward, as the Company pursues current and future growth opportunities in geographic regions outside the US, the Company may evaluate the need to use financial derivatives to mitigate foreign currency risk.

Erica H. Boisvert

Chief Financial Officer
9 May 2017

TyraTech, Inc.

Consolidated Statements of Operations and Comprehensive Loss in thousands

Year Ended December 31,	2016	2015
Gross Revenue:		
Product	\$ 8,026	\$ 7,108
Collaborative	333	335
Total gross revenue	8,359	7,443
Less: sales, discounts, returns, and allowances	1,142	708
Total net revenue	7,217	6,735
Cost of revenue:		
Product	2,266	1,959
Collaborative	129	137

Total cost of revenue	2,395	2,096
Gross profit	4,822	4,639
Costs and expenses:		
General and administrative	3,079	3,285
Business development	2,848	2,726
Research and development	1,204	1,042
Total costs and expenses	7,131	7,053
Loss from operations	(2,309)	(2,414)
Other income (expense):		
Other income	30	1
Gain on partial sale of Envance ownership	-	129
Change in fair value of warrant liabilities	-	23
Total other income	30	153
Loss before income taxes	(2,279)	(2,261)
Income tax expense	-	-
Net loss	\$ (2,279)	\$ (2,261)
Other comprehensive loss:		
Foreign currency translation adjustments	(121)	(7)
Comprehensive Loss	\$ (2,400)	\$ (2,268)
Net loss per common share		
Basic and diluted	\$ (\$0.01)	\$ (0.01)
Weighted average number of common shares (000's)		
Basic and diluted	366,582	273,946

TyraTech, Inc.

Consolidated Balance Sheets in thousands, except for share data

December 31,	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,755	\$ 3,955
Accounts receivable	985	1,117
Inventory	988	829
Prepaid expenses	162	218
Total current assets	3,890	6,119
Property and equipment, net of accumulated depreciation	23	32
Intangible assets, net of accumulated amortisation	300	129
Long term deposits	69	69
Total assets	\$ 4,282	\$ 6,349

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities

Accounts payable	\$	742	\$	591
Accrued liabilities		501		704
Deferred revenue		298		70
Total current liabilities		1,541		1,365
Other long-term liabilities		20		20
Total liabilities		1,561		1,385

Commitments and Contingencies

Shareholders' equity

Common stock, at \$0.001 par authorized 480 million; 367.7 million shares issued, 366.6 million shares outstanding as of

31 December 2016 and 2015		367		367
Additional paid in capital		92,053		91,896
Accumulated deficit		(89,460)		(87,181)
Accumulated other comprehensive income		(126)		(5)
Treasury stock of 1.1 million shares as of 31 December 2016 and 2015		(108)		(108)
Total shareholders' equity		2,726		4,969
Non-controlling interest		(5)		(5)
Total shareholders' equity		2,721		4,964
Total liabilities and shareholders' equity	\$	4,282	\$	6,349

TyraTech, Inc.

Consolidated Statements of Shareholders' Equity in thousands

	Common	Additional	Accumulated	Treasury	Non-controlling	Accumulated	Total
	Stock	Paid-in	Deficit	Stock	Interest	Other	Equity
		Capital				Comprehensive	
						Income (Loss)	
Balance as of 31 December 2014	\$ 261	\$ 87,341	\$ (84,920)	\$ (108)	\$ (5)	\$ 2	\$ 2,571
Proceeds from issuance of common stock, net of expenses	106	4,279	-	-	-	-	4,385
Equity warrants issued (also reduces proceeds above)	-	144	-	-	-	-	144
Stock based compensation - SARS	-	132	-	-	-	-	132
Foreign currency translation	-	-	-	-	-	(7)	(7)
Consolidated net loss	-	-	(2,261)	-	-	-	(2,261)
Balance as of 31 December 2015	\$ 367	\$ 91,896	\$ (87,181)	\$ (108)	\$ (5)	\$ (5)	\$ 4,964

Stock based compensation - SARS	-	157	-	-	-	-	157							
Foreign currency translation	-	-	-	-	-	(121)	(121)							
Consolidated net loss	-	-	(2,279)	-	-	-	(2,279)							
Balance as of 31 December 2016	\$	367	\$	92,053	\$	(89,460)	\$	(108)	\$	(5)	\$	(126)	\$	2,721

TyraTech, Inc.

Consolidated Statements of Cash Flows in thousands

Year Ended December 31,	2016	2015
Cash flows from operating activities:		
Net loss	\$ (2,279)	\$ (2,261)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	17	42
Amortisation of intangible assets	56	-
Stock based compensation	157	132
Change in fair value of warrants	-	(23)
Gain on partial sale of unconsolidated sub	-	(125)
Net gain from sale of equipment	-	(4)
Changes in operating assets and liabilities:		
Accounts receivable	132	(208)
Inventory	(159)	96
Prepaid expenses and long-term deposits	56	(27)
Accounts payable and accrued liabilities	(52)	(340)
Deferred revenue and other long-term liabilities	228	(71)
Net cash used in operating activities	(1,844)	(2,789)
Cash flows from investing activities:		
Intangible asset acquisition costs	(227)	(129)
Purchase of property and equipment	(8)	(2)
Proceeds from sales of equipment	-	16
Proceeds from partial sale of unconsolidated subsidiary	-	125
Net cash (used in) provided by investing activities	(235)	10
Cash flows from financing activities:		
Net proceeds from sale of common stock	-	4,385
Equity warrants issued	-	144
Net cash provided by financing activities	-	4,529
Net increase in cash	(2,079)	1,750
Cash and cash equivalents, beginning of year	3,955	2,212
Effect of exchange rate changes on cash and cash equivalents	(121)	(7)
Cash and cash equivalents, end of year	\$ 1,755	\$ 3,955

Notes to Consolidated Financial Statements

(1) Basis of Preparation

The financial information set out in this document does not constitute the Group's financial statements for the year ended 31 December 2016 or 31 December 2015. The annual report and financial statements for the year ended 31 December 2016 were approved by the Board of Directors on 9 May 2017 along with this preliminary announcement. The financial statements for the year ended 31 December 2016 have been reported on by the Independent Auditor. The Independent Auditor's report on the financial statements for 2016 was unqualified and did not draw attention to any matters by way of emphasis.

The financial information set out in this preliminary announcement has been using accounting principles generally accepted in the United States of America ("U.S. GAAP"). The accounting policies adopted in these preliminary results have been consistently applied to all the years presented and are consistent with the policies used in the preparation of the financial statements for the year ended 31 December 2015. The principal accounting policies adopted are unchanged from those used in the preparation of the financial statements for the period ended 31 December 2016. New standards, amendments and interpretations to existing standards, which have been adopted by the Group, have not been listed since they have no material impact on the financial statements.

(2) Liquidity and Capital Resources

At 31 December 2016, the Company had \$1.8 million (2015: \$4.0 million) in cash and cash equivalents and no indebtedness. The Company currently has no committed external source of funds.

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of the annual report and financial statements, which foresees that the Group will be able to operate within its existing working capital facilities based upon the following forecast assumptions: existing cash and cash equivalents, implementation of the board's strategic review conclusion, anticipated revenues from product sales and other collaborative arrangements, and the ability to control operating costs.

Overall, the Directors are of the view that the Group has adequate financing to be able to meet its financial obligations for a period of at least 12 months from the date of approval of the annual report and financial statements.

(3) Distribution of Annual Report and Financial Statements

Following distribution to stockholders of copies of its full Annual Report and Financial Statements that comply with US GAAP, copies will be available either from the registered office of the Company (The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, USA). Or from the Company's website: www.tyratech.com.

(4) Cautionary Statement

Tyratech ('the group') has made forward-looking statements in this preliminary announcement. The Group considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risk and uncertainty that may cause actual results and the

financial performance of the Group to differ materially from those contained in any forward-looking statement. These statements are made in good faith based on information available to them and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

(5) Date of Annual General Meeting

The Annual General Meeting (AGM) of the stockholders of TyraTech, Inc. will be held at the offices of the Company 5151 McCrimmon Parkway, Suite 275, Morrisville NC, USA 27560, on 28 June 2017 at 12:00PM (EDT).