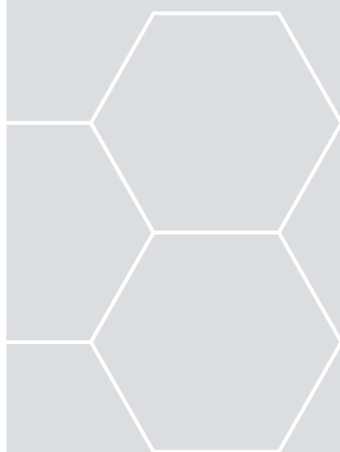
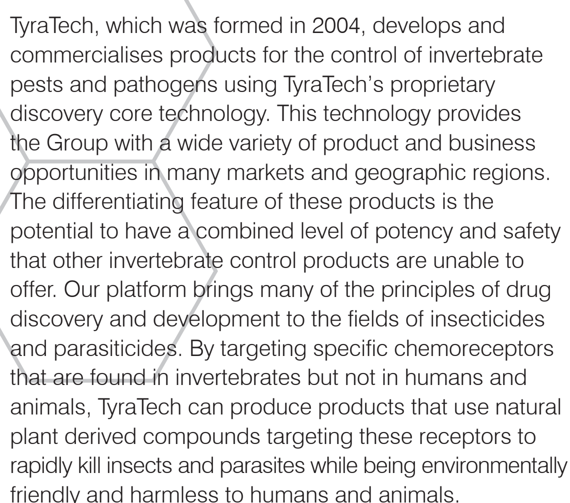
TyraTech, Inc.
Annual Report and Accounts 2007

Naturals that work™

01 CHAIRMAN'S STATEMENT
02 CHIEF EXECUTIVE OFFICER'S REVIEW
05 FINANCIAL REVIEW
08 BOARD OF DIRECTORS
10 DIRECTORS' REPORT
14 STATEMENT OF COMPLIANCE WITH PROVISIONS OF THE COMBINED CODE
18 DIRECTORS' REMUNERATION REPORT
23 DIRECTORS' RESPONSIBILITIES
24 INDEPENDENT AUDITORS' REPORT
25 CONSOLIDATED BALANCE SHEETS
26 CONSOLIDATED STATEMENTS OF OPERATIONS
27 CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
28 CONSOLIDATED STATEMENTS OF CASH FLOWS
30 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
48 NOTICE OF ANNUAL GENERAL MEETING
IBC ADVISORS





TyraTech, which was formed in 2004, develops and commercialises products for the control of invertebrate pests and pathogens using TyraTech's proprietary discovery core technology. This technology provides the Group with a wide variety of product and business opportunities in many markets and geographic regions. The differentiating feature of these products is the potential to have a combined level of potency and safety that other invertebrate control products are unable to offer. Our platform brings many of the principles of drug discovery and development to the fields of insecticides and parasiticides. By targeting specific chemoreceptors that are found in invertebrates but not in humans and animals, TyraTech can produce products that use natural plant derived compounds targeting these receptors to rapidly kill insects and parasites while being environmentally friendly and harmless to humans and animals.

The key elements of the Group's strategy are based on the creation of significant shareholder value through bringing products to market to serve the animal health, human health and the pesticides market via the following routes:

- Development of the core technology to identify more potent and cost effective proprietary Active Ingredients (AIs) needed to support our current products,
- Development of disruptive products using a combination of in house and third party programs,
- Complete new third party development and licensing strategic relationships in consumer, animal health and selected agriculture market segments that deliver milestone and exclusivity payments,
- Bring products to market through partners in key markets,
- Bring products direct to market,
- Complete the milestones for the Kraft project and leverage the data for use in animal health applications,
- Develop a TyraTech brand that is associated with optimal invertebrate pest and pathogen control while providing unsurpassed safety to humans, animals and the environment, and
- Build Sustainable Solutions, a waste reprocessing technology, into a material asset, focusing on the U.S. market.

TyraTech's plan for the use of its technology is to develop selected proprietary active ingredients which can then be used across a wide variety of market segments, either by development partners or by TyraTech itself, The work done to date has confirmed the capability of the platform and provided direction for new AI discovery. TyraTech intends to expand and exploit its platform in order to develop new AIs which will create significant additional value in the market with products that materially improve potency while sustaining or improving safety.

TyraTech also has a separate technology with associated intellectual property that is the basis for the Sustainable Solutions business. This technology has been incorporated into specialised dairy farm equipment for processing cattle manure waste to a usable material for cow bedding and plant growing medium. TyraTech's main emphasis will be to further develop the technology, improve the processing equipment, and develop markets for the processed material.

At the end of 2007 we have US$27.5 million in cash and short term deposits and we will be investing in 2008 to continue to exploit the market opportunities that this exciting technology provides.

GEOFFREY VERNON
CHAIRMAN
APRIL 1, 2008

DOUGLAS ARMSTRONG CHIEF EXECUTIVE OFFICER

INTRODUCTION

TyraTech has had a successful year following its debut on the Alternative Investment Market in London. The Group aims to be the recognised commercial leader for revolutionary products that control invertebrate pests and pathogens and have an unsurpassed combination of efficacy and safety for humans, animals and the environment. The Group looks to maximise sustainable growth and value for its shareholders, customers, partners, and employees through the development of quality industry changing products enabled by our proprietary, targeted, receptor based screening platform.

TYRATECH'S CORE TECHNOLOGY

TyraTech's founding technology has broad applicability, for human and animal health markets, as well as the control of insects and other agricultural pests. The Group's molecular screening technology is principally based on three specific receptors that are members of the G coupled protein receptor (GPCR) class and:

- Is used to assay receptor specific natural and other compounds as putative pesticides;
- Is highly predictive of activity in the in vivo setting; and
- Provides a sensitive quality control procedure for qualifying natural compounds in manufacturing.

TyraTech has focused primarily on certain botanical essential oils which are natural ligands for the targeted receptors and, due to their broad spectrum activity, have an excellent safety profile and can sometimes have a speedier regulatory pathway. However, the receptor based technology can also be used for the characterisation of any chemical (synthetic or natural) to rapidly assess both the binding to receptors and the potency of receptor activation. The biological pathways associated with the receptors also offer a directed way to identify additional active compounds – including other existing pesticides – that may act in a favourable or synergistic fashion with the receptor ligands.

By targeting different modes of action, TyraTech's technology supports the development of a line of products called "TyraTech EXTEND" which are composed of lower concentrations of marketed pesticides combined with TyraTech's natural blends and which demonstrate efficacy at a level equal to that of higher concentrations of these chemicals, with a superior safety profile and more favourable environmental impact. As a result of the different modes of action in the TyraTech EXTEND products, the development of resistance that currently occurs with recurrent use of chemical pesticides is expected to significantly decrease. TyraTech's screening platform can also be used to find other substances, either natural or synthetic chemicals, which dramatically amplify the efficacy of the receptor activating blends without negatively affecting their safety profile. This is the basis for TyraTech's planned amplified potency (called TyraTech AMP) products and will target compounds that have a directed activity at the biology that results following the receptor activation.

Based on the capabilities of its screening platform, TyraTech is able to further expand the use of this platform to support the development of selective blends that target or spare specific invertebrates. This capability is expected to provide TyraTech products to satisfy unmet need in various commercial applications by decreasing the negative environmental impact of pesticides on beneficial species.

SUSTAINABLE SOLUTIONS

In addition to its own core technology, TyraTech has proprietary technology which is used in equipment that converts dairy cow manure into a useful growing or potting soil medium and suitable sphagnum peat alternative. A separate division (TyraTech Sustainable Solutions LLC) has been created to sell this equipment to dairy farms in the U.S., purchase the pathogen free growing medium output at a nominal fee, and resell the manufactured product to either:

- The horticulture and home lawn and garden markets as a natural growing medium or as a substitute to peat moss, with or without the addition of a TyraTech Natural pesticide to protect new plant growth; or
- Local dairy farms as natural bedding, which could incorporate a TyraTech insect repellent to protect the cattle.

TYRATECH'S MARKET AND PARTNERING STRATEGY

The key to TyraTech's success will be the effective development of well structured channels to market. TyraTech will approach market entry, at least in its early years, primarily through strategic marketing and development partnerships. The rationale behind this is that TyraTech's core technology provides such a large base of products in many diverse market segments that it is impossible for an early stage company to maximise the broad scope of commercial opportunities, particularly in an organised and timely fashion. As a result, strategic partnerships with companies that have a strong global and/or key regional presence will provide its products with the most extensive market coverage at a lower cost and with higher operating margins. However, the Group's opportunity for immediate revenues necessitates identifying alternative routes to market directly to customers or through distribution partners in the short and medium term.

When strategic partners are used, TyraTech aims to structure the relationships so that the opportunity for access to a major market share is enabled, and that the partnership arrangement will provide a financial return that is commensurate with the added value that TyraTech provides. Partners are expected, in many cases, to develop their own final formulations/dose forms and products using TyraTech's AIs, IP, and/or prototype formulations. Different approaches will be explored to structure these relationships to enable appropriate financial return, including profit sharing structures, joint ventures and traditional licensing.

FUTURE STRATEGY

TyraTech has formed a key strategic partnership with Kraft Foods Inc. for the development of a functional food that can aid in the control of human intestinal parasites. This project and relationship is progressing well and together we achieved the first major milestone at the end of 2007. TyraTech's pesticide technology has matured over the past year and now demonstrates an opportunity for broader pest control capabilities. With this progress, we are changing our strategic partnering approaches are changing to better coordinate bringing a broader array of products to the marketplace. The Group is now in a position to explore strategic development and marketing partnerships that have broader segment opportunity to better leverage our new active ingredient formulations. Our current insecticide relationships with Arysta and Syngenta also progressed this year, successfully achieving target performance and financial milestones. However these relationships are for relatively narrow segments in pest control, namely professional pest control operators, vector control, and limited horticultural applications. Having broader, rather than narrow market rights is also a preferred objective of Arysta and Syngenta.

FUTURE STRATEGY CONTINUED

As we are now pursuing these broader market segment partnerships, we expect our current partners will compete along with other pesticide companies as we determine the best partner options for TyraTech, which will likely result in changes in the scope of rights. For example in preparing for this new phase, Syngenta and TyraTech have recently mutually agreed to suspend development activity in the current narrow market segments and to explore the Group's technology for a potentially different relationship with broader and larger market segments. Arysta continues to move forward with the lead TyraTech insecticide products, while discussing new areas of partnership.

Not only are we targeting a revamped partner strategy for the agricultural and horticultural markets, but we expect new relationships in the consumer and professional pest control markets, and in our animal health business. Our shareholders should begin to see the results of these strategic alliance activities over the coming year.

In the future, the Group will target relationships and license agreements that will be more "product" specific rather than providing the partner with rights to all technology within a market segment. As a result, TyraTech plans to:

- Create development and product license agreements with competent partners for those products that require very specialised and onerous development and/or marketing skills (more specifically, functional foods, shelf space consumer products, human acute treatment products).
- Create product license agreements with partners to sell products that are generated from existing technology and AIs in market segments with many end customers,
- Enter, on its own, those market segments where there is, together, an unmet need (safety and/or efficacy), the development process is not onerous and the number of key customers is limited, and
- Go to market with its own sales force for Sustainable Solutions equipment and through distributors for the processed Nature's Natural growing medium.

In the longer term TyraTech will seek to enter markets with its own products where its core technology can create AIs that have the ability to disrupt market dynamics.

OUTLOOK AND SUMMARY

We have had a successful year in the Kraft relationship, achieving the first major milestone, as well as development milestones with Arysta and Syngenta. 2008 promises to be an exciting year with the continued focus on the Kraft development, new partnerships to be created, new products to be released and the continued focus on the development of the technology. To this last point, we believe that the technology platform can serve to generate the market changing products that we all strive for: products that can control the targeted pests in a way that provides safety to people, animals and the environment. In doing this, the era of toxic chemical pesticides should end, with pesticides that we don't have to be afraid to use, and food crops that won't carry poisons. We have an increasingly strong organisation in place to help achieve these ambitious goals and I am optimistic for the future. We look forward to building and returning value to our shareholders and thank them for their support. Finally I would like to thank our employees for the significant effort they have put in, to make this a successful year for the Group.

R. DOUGLAS ARMSTRONG, PH.D.
CHIEF EXECUTIVE OFFICER
APRIL 1, 2008

KEITH BIGSBY CHIEF FINANCIAL OFFICER

OVERVIEW

Results for the year to December 31, 2007 show a successful year in achieving key milestones, bringing products to market and investing in key resources. Revenues increased to US$5.5 million from US$(0.3) million and we grew the operating expenses to US$18.9 million from US$7.1 million.

REVENUES

The Group achieved major milestones during the year from Kraft and other contract milestones from Arysta and Syngenta resulting in payments of US$5.2 million (2006: US$2.3 million); the amounts recognised for revenue during the year was US$5.6 million (2006: US$0.2 million). In the year ended December 31, 2007, we also released products to the market and we invoiced and recognised US$0.4 million of revenue in new areas. Revenue was offset by an amount relating to the fair value of warrants issued to a commercial partner and treated as a sales incentive of US$(0.5) million (2006: US$(0.5) million).

COST OF SALES AND GROSS PROFIT

Cost of sales for the year was US$2.4 million (2006: nil). This related to significant first costs of our "Wastesolver" manure management equipment of US$0.7 million, cost of new insecticide products introduced in the US and India of US$0.1 million, research and development costs related to collaborative revenue projects of US$1.4 million, and an inventory write off from last year of US$0.2 million relating to business that we did not pursue with AgCert International Plc.

OPERATING EXPENSES

Overall operating expenses increased to US$18.9 million (2006: US$7.1 million) and include non-cash compensation expense relating to founder share grants and options of US$4.0 million (2006: US$0.4 million). The net cash expenditure in operating expenses grew to US$14.9 million (2006: US$6.7 million).

Research and development expenditure increased to US$5.9 million (2006: US$4.5 million) gross and $4.5 million net after allocating $1.4 million (2006: nil) to cost of goods sold, as we increased the number of staff in the department and expanded the work on patent protection. The cash expenditure grew to US$5.3 million (2006: US$4.3 million). General and administrative spending also increased to US$8.1 million from US$1.4 million, reflecting the development of a management team and supply chain organisation. The cash expenditure grew to US$6.0 million (2006: US$1.3 million). Business Development expenditure also grew to US$6.2 million (2006: US$1.2 million) as the Group recruited business development and sales and marketing teams to take the Group's technology to market. The cash expenditure grew to US$4.9 million (2006: US$1.1 million).

OTHER INCOME AND COSTS

Finance income increased to US$0.8 million (2006: nil) earned from the funds raised from the listing on June 1, 2007. Part of the proceeds was used to pay of all the outstanding debt to XL TechGroup, Inc. to which the interest expense of US$1.0 million (2006: US$1.6 million) relates.

Changes in the fair value of warrants amounted to US$(11) thousand (2006: US$2.2 million) and relates to warrants issued to the underwriters of the IPO. The charge in 2006 of US$2.2 million is for warrants issued to XL TechGroup, Inc.

An arrangement to accelerate payment of the Vanderbilt University licensing agreement resulted in a US$518 thousand loss on extinguishment of the discounted Vanderbilt license liability. Payment of the liability was made through a combination of cash (US$0.5 million) and 65,457 shares of TyraTech, Inc. common stock valued at US$651,000.

Results before and after tax for the year were a loss of US$16.5 million compared to a loss before and after tax of US$11.2 million in the previous year.

BALANCE SHEET

Non-current assets increased to US$1.3 million (2006: US$0.7 million) as a result of the fit out of new offices and laboratories to accommodate the expansion of staff and the upgrade of our information technology infrastructure and new ERP systems. Current assets show a significant increase to US$29.1 million (2006: US$2.1 million). Cash and cash equivalents were US$27.5 million (2006: 1.7 million) as a result of the fundraising completed June 1, 2007, while trade and other receivables increased to US$0.5 million (2006: US$0.2 million). Inventories grew to US$0.8 million (2006: US$0.2 million) with a build of materials to support the growth in revenues for 2008. Prepayments and short term deposits grew to US$0.3 million (2006: US$0.0 million) due to the separation of operations from XL TechGroup, Inc.

Total liabilities decreased to US$6.4 million (2006: US$14.8 million). The Group has no debt at the end of 2007, part of the proceeds from the IPO were used to pay down the debt of US$6.0 million payable to XL TechGroup, Inc. at the end of 2006. The accounts payable and accrued liabilities have grown to US$3.8 million (2006: US$1.9 million) with the increase in the size of the Group's operations. The deferred revenue has reduced by a small amount to US$1.6 million (2006 US$2.2 million) due to the timing and size of milestone payments and when they are recognised as revenue. The deferred revenue outstanding at the end of 2007 is expected to be recorded as revenue during the first half of 2008 as costs are incurred on collaborative research and development activities. The warrant liability at the end of 2007 of US$1.0 million, which will not be settled in cash, relates to warrants issued to the underwriters of the IPO. The warrant liability at the end of 2006 of US$4.6 million was for warrants issued to XL TechGroup, Inc., which were reclassified to equity upon completion of the IPO.

During the year TyraTech, LLC a Delaware LLC was merged with and into TyraTech Inc, a company formed on April 27, 2007 as a Delaware Corporation. The existing members of TyraTech LLC received 16,934,565 common shares in TyraTech Inc. A further 5,000,000 shares were issued with the admission of the Group to trading on the AIM market of the London Stock Exchange for net cash proceeds of US$43.7 million. At that time 65,457 common shares were issued to Vanderbilt University in conjunction with a cash payment for the assignment of outright ownership to the Group of certain patents and patent applications. Further warrants for 198,002 common shares were granted to the Group's advisers on admission of the shares to the AIM exchange. During the year the Group acquired 129,121 treasury shares under the terms of a buy back agreement with an employee who had retired.

LIQUIDITY AND CASH FLOW

Net loss before and after tax for the year was US$16.5 million (2006: US$11.2 million) including non-cash expenses such as amortisation of employee stock awards of US$4.0 million (2006: US$0.4 million), depreciation and amortisation of US$0.9 million (2006: US$1.4 million) and warrants issued and changes in the value of existing warrants of US$0.5 million (2006: US$2.7 million). The increased operational activity including sales and product development has increased accounts receivable, prepaid expenses and inventory by US$1.5 million (2006: US$0.3 million), this is offset by an increase in payables and accruals of US$2.5 million (2006: US$1.0 million). All this together has resulted in a net cash outflow from operating activities in the year of US$10.3 million (2006: US$3.8 million).

Cash invested in property, plant and equipment increased to US$0.9 million (2006: US$0.6 million). This was largely for the fit out of new offices and laboratories to accommodate the expansion of staff and the upgrade of our information technology infrastructure and new ERP systems.

As noted above, during the year the Group issued 5,000,000 shares with the admission of the Group to trading on the AIM market of the London Stock Exchange, for net proceeds of $43.7 million.

Part of the proceeds from the issue was used to repay the notes payable to XL TechGroup, Inc.

Cash and cash equivalents were US$27.5 million (2006: US$1.7 million). We invest our cash resources in deposits with banks with the highest credit ratings, putting security before absolute levels of return.

CURRENCY EFFECTS

The Group has no significant overseas currency exposures and does not use financial derivatives to manage currency risk.

KEITH BIGSBY
CHIEF FINANCIAL OFFICER
APRIL 1, 2008

GEOFFREY VERNON
NON-EXECUTIVE CHAIRMAN
Geoffrey Vernon was appointed on May 25, 2007. He is Chairman of XL TechGroup, Inc. and is a former executive director of Rothschild Asset Management Ltd., partner of the venture capital group Advent Limited, and has over 20 years' experience in healthcare and life sciences. Dr. Vernon is chairman and/or non-executive director of a number of quoted and privately owned companies in the UK, Germany, Ireland and Israel. He is also a Fellow of the Institute of Directors and one of the first directors in the UK to be admitted as a Chartered Director. He is member of the Audit Committee and chairman of the Nomination Committee.

DOUG ARMSTRONG
CHIEF EXECUTIVE OFFICER
Doug Armstrong was appointed on February 2, 2007. He has over twenty years' experience in the assessment and development of biotechnologies, as well as in depth corporate management experience at public and private biotechnology, medical device and developmental research companies. Prior to his appointment at TyraTech, he was CEO and Chairman of Aastrom Biosciences Inc., which he led from start up, through development, and a public offering on NASDAQ. He currently serves on the board of VisualSonics Inc. where he earned fees of US$9,650 in 2007 which he has retained. He has also served on the boards Nephros Therapeutics Inc., Cytomedix Inc., Zellera AG (Germany), and the Burnham Institute, where he also served as the Executive Vice President. In addition, he has served as a member of the advisory board of Wolverine Venture Fund, and an advisor to Auxol Capital. Dr. Armstrong is a graduate in Chemistry from the University of Richmond, Virginia and he also holds a Ph.D. in Pharmacology & Toxicology from the Medical College of Virginia, at Virginia Commonwealth University.

ALAN READE
NON-EXECUTIVE DIRECTOR
Alan Reade was appointed on May 25, 2007. He is owner of Global Strategy Expression Limited, a consulting and advisory services business in the life sciences industry. From 2000 until his retirement in 2005, he served as executive chairman of Merial Limited, a leading animal health company and joint venture between Merck & Co. Inc. and Sanofi Aventis. Earlier in his career he was head of global integration at Aventis, where he was in charge of merger integration, and Chief Executive Officer and member of the Global Executive Committee at Rhone Poulenc Inc. He previously has been a director of Sygen International and IFAH, a global animal health association as well as more than 40 Merial subsidiaries. He is chairman of the Remuneration Committee and member of the Nominations Committee.

BARRY RILEY
NON-EXECUTIVE DIRECTOR
Barry Riley was appointed on May 25, 2007. After qualifying as a Chartered Accountant, he joined the Bowater Organisation, where he had responsibility for the finance function at several operations. From there he moved to FMC Corporation, the U.S. conglomerate where he had finance and general management responsibilities for a specialty chemical operation, and also oversaw the head office finance function for all UK operations. He joined Proteus International plc in 1995 as Finance Director and was closely involved in the merger with Therapeutic Antibodies Inc. in 1999, which became Protherics Plc where he was Finance Director until 2007. He is chairman of the Audit Committee and member of the Nominations Committee.

DAVID SZOSTAK
NON-EXECUTIVE DIRECTOR

David Szostak was appointed on 4 April 2008. He is the Chief Financial Officer and Company Secretary of XL TechGroup and has over 20 years' experience in industry. Other positions held by Mr Szostak was CFO for Hetra Computer, Inc. and Corporate Controller at Extel, Inc. Mr Szostak has a Bachelor of Science in Finance at Southern Illinois University with Graduate Studies at DePaul University in Chicago.

KEITH BIGSBY
CHIEF FINANCIAL OFFICER

Keith Bigsby was appointed on April 27, 2007. After qualifying as a Chartered Accountant, Mr. Bigsby has had over 30 years of senior financial management and board room experience in the technology sector. He has held senior finance positions across Europe, the USA and the Far East, a significant proportion of which has been as Chief Financial Officer (including for publicly listed companies) most recently at Geotrupes Energy Plc and Tadpole Technology Plc. Prior to this he was for six years the European Regional CFO for Wang and held Regional Finance Director roles in the UK and France for Sun Microsystems. He has a significant background in complex business environments, strategic planning and process re-engineering.

KEN NOONAN
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Ken Noonan was appointed on May 25, 2007. He is Partner at LEK Consulting LLP based in London, where he leads the firm's life sciences practice in the UK and Europe, with responsibility for pharmaceuticals, biotechnology and in vitro diagnostics. He is currently a technology partner at Advanced Technology Partners. Other positions held by Dr. Noonan included Senior Vice President of Corporate Development for Applera Corporation and Vice President at Booz Allen & Hamilton and head of its European Pharmaceutical Practice. He currently serves on the Board of Orchid Biosciences Inc. and Intercept Pharmaceuticals Inc. During his academic career he authored over 50 articles in the cancer biology/cell replication and holds a B.S. from St Josephs University and a Ph.D. in Biochemistry from Princeton University. He is a member of the Audit Committee and of the Remuneration Committee.

The Directors present their report and the audited financial statements of TyraTech Inc. for the year ended December 31, 2007.

RESULTS AND DIVIDENDS

The net loss for the year, after taxation, amounted to US$16.5 million against a net loss of US$11.2 million in 2006. No dividends have been declared or paid.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the developing and commercializing of proprietary insecticide and parasiticide products which incorporate unique blends of natural, plant oil derived active ingredients.

BUSINESS REVIEW

A review of the Group's operations during the year, and the outlook for the future are given in the Chief Executive Officer's Review on pages 2 to 4.

Where the Director's Report (including the Chairman's Statement, Chief Executive Officer's Review and Financial Review) contains forward looking statements, these are made by the Directors in good faith based on the information available to them at the time of the approval of this report. Consequently, such statements should be treated with caution due to their inherent uncertainties, including both economic and business risk factors, underlying such forward looking statements or information.

RESEARCH AND DEVELOPMENT

The Directors believe that research and product development play a vital role in the Group's long term success. Research and development expenditure is expensed when incurred and for the year was gross US$5.9 million (2006: US$4.5 million) and net US$4.5 million (2006: US$4.5 million) after charging amounts to cost of sales.

INTELLECTUAL PROPERTY

The Group owns intellectual property and has taken steps to protect this through patent applications, where, as of the date of this report, 21 patents are pending (2006: 10). The Group's key intellectual property is built around the screening methods for identifying active ingredients for synergistic receptor activation and the active ingredient combinations. The Directors believe that the intellectual property is of significant value to the business.

SUPPLIER PAYMENT POLICY

The Group's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, or the terms of a continuing trading relationship, ensuring that suppliers are made aware of the terms of payment, and to abide by these terms whenever possible. The creditor days at the year end were 37 days (2006: 26 days) for the Group.

EQUAL OPPORTUNITY EMPLOYER

The Group is committed to a policy that provides all employees and potential employees with equality of opportunity for selection and development regardless of age, gender, nationality, race, creed, disability or sexual orientation.

POLICY ON EMPLOYEE INVOLVEMENT

Briefing and consultative procedures exist throughout the Group to keep employees informed of general business issues and other matters of concern.

CHARITABLE DONATIONS

The Group has made charitable donations to local charities during the year of US$180,000 (2006: nil) to educational institutions involved in the development of our technology.

DIRECTORS

The Directors who served during the year were as follows:

Dr. G. N. Vernon (appointed May 25, 2007)
Dr. R. D. Armstrong (appointed April 27, 2007)
R. K. Brenner (appointed April 27, 2007 and resigned April 4, 2008)
K. E. Bigsby (appointed April 27, 2007)
A. J. Reade (appointed May 25, 2007)
B. M. Riley (appointed May 25, 2007)
Dr. K. D. Noonan (appointed May 25, 2007)
D. P. Szostak (appointed April 4, 2008)

TyraTech, Inc. was formed on April 27, 2007 and the predecessor company TyraTech LLC was merged with and into TyraTech Inc. on May 23, 2007. The Directors who served as Directors of TyraTech LLC from January 1 until the merger were as follows:

R.D. Armstrong
R.K. Brenner
H.R. Gubnitsky (resigned May 25, 2007)
T.D. Nolan (resigned April 20, 2007)

Biographies of the Directors are shown on pages 8 and 9.

DIRECTORS' INTERESTS

The Directors at December 31, 2007 and their beneficial interests in the share capital of the Group, other than with respect to options to acquire ordinary shares (which are detailed in the analysis of options included in the Directors' Remuneration Report) are as follows:

	December 31, 2007 (or earlier date of resignation) common shares of US $0.001 each	January 1, 2007 (or later date of appointment) common shares of US $0.001 each
Dr. G. N. Vernon	**—**	—
Dr. R. D. Armstrong	**602,561**	602,561
R. K. Brenner	**—**	—
K. E. Bigsby	**172,161**	—
A. J. Reade	**—**	—
B. M. Riley	**—**	—
Dr. K. D. Noonan	**—**	—

The information for January 1, 2007 show the equivalent shares in TyraTech, Inc. of the unit grant holdings in TyraTech LLC converted at the conversion factor applied in the merger on May 25, 2007.

There have been no reported changes in the Directors' shareholdings in the period from December 31, 2007 to April 1, 2008.

DIRECTORS INDEMNITY INSURANCE

The Group has taken out insurance to indemnify, against third party proceedings, the Directors of the Group whilst serving on the Board of the Group and of any subsidiary, associate or joint venture. This cover indemnifies all employees of the Group who serve on the Boards of all subsidiaries. These qualifying third party indemnity policies subsisted from listing on June 1, 2007 and remain in place at the date of this report.

CAPITAL STRUCTURE

The capital structure of the Group comprises common shares of US$0.001 each.

There are specific restrictions on the transfer of shares by key shareholders (XL TechGroup, Inc. and Vanderbilt University), Directors and key employees until June 1, 2008. There are no significant agreements to which the Group is a party that take effect, alter or terminate upon a change in control of the Group following a takeover bid.

SUBSTANTIAL SHAREHOLDINGS

At March 31, 2008, the Group has been advised, in accordance with DTR 5 (Disclosure and Transparency Rules), of the following shareholdings amounting to 3% or more of the ordinary share capital of the Group.

	Number	Percentage
XL TechGroup, Inc.	10,542,681	47.9%
Vanderbilt University	5,086,799	23.1%
The Bank of New York (Nominees) Ltd	1,602,000	7.3%
Vidacos Nominees Limited	1,208,939	5.5%
BBHISL Nominees Limited	737,000	3.3%

AUDITORS

A resolution to reappoint KPMG LLP, a U.S. limited liability partnership, as auditors and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting (AGM).

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving this report are listed on page 14. Having made enquiries of fellow Directors and of the Group's auditors, each of these Directors confirms that:

- To the best of his knowledge and belief, there is no information relevant to the preparation of their report of which the Group's auditors are unaware; and
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board

GEOFFREY VERNON
CHAIRMAN
APRIL 1, 2008

STATEMENT OF COMPLIANCE WITH PROVISIONS OF THE COMBINED CODE

The Board supports the principles of good corporate governance and in particular the Combined Code on Corporate Governance which is appended to the Listing Rules of the Financial Services Authority (the Combined Code), issued in June 2006. Though the Group as an AIM listed company is not required to fully comply with the current version of the Combined Code on Corporate Governance, the Board is committed to a level of compliance appropriate for a smaller public company.

As such, the Board considers that it has maintained an appropriate level of compliance with the provisions set out in Section 1 of the Combined Code throughout the period from June 1, 2007 to December 31, 2007, but notes the following:

- Code A.2.2: The Group considers that the Chairman does not meet the independence criteria in that he is Non-executive chairman of the Group's principal shareholder XL TechGroup, Inc. The Board considers, however, that Dr. Vernon brings significant and valuable experience to the position of Chairman of smaller technology-based companies.

BOARD OF DIRECTORS

During the period from listing on June 1, 2007 to December 31, 2007, the Board consisted of a Non-executive Chairman, three Executive Directors and three Non-executive Directors. Dr. Armstrong, Mr. Brenner and Mr. Bigsby were appointed Directors on incorporation. Dr. Vernon, Dr. Noonan, Mr. Reade and Mr. Riley were appointed on May 25, 2007.

On joining the Board, all Directors received a full induction and have the opportunity to meet with shareholders at the Annual General Meeting.

Biographies of the Board members appear on pages 8 and 9 of this report. These indicate the high level and range of experience, which enables the Group to be managed effectively.

The Board has established three committees in relation to Directors' remuneration and audit matters and nominations to the Board.

The membership of all Board Committees was established on May 25, 2007 and is set out below:

- Remuneration Committee: On the May 25, 2007 Mr. Reade and Dr. Noonan were appointed to the Remuneration Committee and Mr. Reade was appointed Chairman.
- Audit Committee: On the May 25, 2007 Mr. Riley, Dr Noonan and Dr. Vernon were appointed to the Audit Committee and Mr. Riley was appointed Chairman.
- Nomination Committee: On the May 25, 2007 Dr. Vernon, Mr. Riley and Mr. Reade were appointed to the Nomination Committee and Dr. Vernon was appointed Chairman.

The Board is responsible to the shareholders for the proper management of the Group. The Board has adopted a formal schedule of matters specifically reserved for the Board's decision that covers key areas of the Group's affairs including overall responsibility for the business and commercial strategy of the Group, policy on corporate governance issues, review of trading performance and forecasts, the approval of major transactions and the approval of the interim management and financial statements, Annual Report and financial statements and operating and capital expenditure budgets.

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organizing the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman has no involvement in the day to day business of the Group. The Chairman facilitates the effective contribution of Non-executive Directors and constructive relations between Executive and Non-executive Directors, ensuring Directors receive accurate, timely and clear information. The Chairman gives feedback to the Board on issues raised by major shareholders.

The Board delegates the day to day responsibility for managing the Group to the Chief Executive Officer and is accountable to the Board for the financial and operational performance of the Group.

BOARD OF DIRECTORS CONTINUED

The Group regards A.J. Reade, B.M. Riley and K.D. Noonan as independent Non-executive Directors and these Directors constructively challenge and help develop proposals on strategy, and bring strong independent judgment, knowledge and experience to the Board's deliberations. The Independent Directors are of sufficient calibre and number that their views carry significant weight in the Board's decision making. K.D. Noonan is the Senior Independent Director. As Senior Independent Director, he is available to shareholders if they have concerns where contact through the normal channels of Chairman, Chief Executive or Finance Director has failed to resolve matters or for which such contact would be inappropriate.

The Board has six regularly scheduled meetings annually with additional meetings to discuss strategy and other pertinent issues organised as necessary during the year.

Prior to each meeting the Board members receive copies of the management accounts and is furnished with information in a form and quality appropriate for it to discharge its duties concerning the state of the business and performance compared to plan. All Directors have access to the services of the Group Secretary and may take independent professional advice at the Group's expense in the furtherance of their duties.

The Non-executive Directors meet after each Board meeting without the Executive Directors being present.

The attendance of individual Directors at Board meetings during the year is set out in the table below:

	Number of meetings	Meetings attended
Dr. G. N. Vernon	5	5
Dr. R. D. Armstrong	6	6
R. K. Brenner	6	6
K. E. Bigsby	6	6
A. J. Reade	5	5
B. M. Riley	5	5
Dr. K. D. Noonan	5	5

In accordance with bye laws of the Group, one third of the Directors must resign and may offer themselves for re-election. At the forthcoming Annual General Meeting Dr. Armstrong, Mr. Brenner and Mr. Bigsby will offer themselves for re-election.

BOARD COMMITTEES

The Remuneration Committee is responsible for establishing and monitoring appropriate levels of remuneration and individual remuneration packages for Executive Directors. No Director is involved in deciding his own remuneration. The report of the Remuneration Committee is set out on pages 18 to 22.

The attendance of individual Directors at Remuneration Committee meetings during the year is set out in the table below:

	Number of meetings	Meetings attended
A.J. Reade	3	3
K.D. Noonan	3	3
By invitation:		
G.N. Vernon	3	3
B.M. Riley	3	3
R.D. Armstrong	2	2
R.K. Brenner	2	2
K.E. Bigsby	2	2

BOARD COMMITTEES CONTINUED

The Group has an Audit Committee, whose responsibilities include reviewing the scope of the audit and audit procedures, the format and content of the audited financial statements and interim reports, including the notes and the accounting principles applied. The Audit Committee also reviews internal control, including internal financial control, in conjunction with the Board. The Audit Committee will also review any proposed change in accounting policies and any recommendations from the Group's auditors regarding improvements to internal controls and the adequacy of resources within the Group's finance function. The Audit Committee advises the Board on the appointment of external auditors and on their remuneration both for audit and non-audit work, and discusses the nature, scope and results of the external audit with the external auditors. The Audit Committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors.

All Directors may attend meetings and at least twice a year representatives of the Group's auditors have an opportunity to meet the Audit Committee at which time they also have the opportunity to discuss matters without any Executive Director being present.

The Audit Committee monitors fees paid to the auditors for non-audit work and evaluates on a case by case basis whether it should put the requirement for non-audit services out to tender. The Group's auditors, KPMG LLP, have been instructed to carry out non-audit work during the year. The non-audit work this year was comprised of tax compliance and advisory services, and as reporting accountants for the listing in May 2007. The Audit Committee believes that it is more effective for the auditors to carry out these services and the nature of such work does not impair the independence and objectivity of the auditors. Prior approval is required before such work is contracted. Other firms of advisors were employed during the year for valuation services for business combinations, warrants and share based payments in relation to U.S. generally accepted accounting principles (US GAAP) work.

A "whistle blowing" policy has been implemented whereby employees may contact the Chairman of the Audit Committee on a confidential basis.

The attendance of individual Directors at Audit Committee meetings during the year is set out in the table below:

	Number of meetings	Meetings attended
B.M. Riley	2	2
G.N. Vernon	2	2
K.D. Noonan	2	2
By invitation:		
A.J. Reade	2	2
R.D. Armstrong	2	2
R.K. Brenner	2	2
K.E. Bigsby	2	2

The Nomination Committee is responsible for considering and making recommendations to the Board and make recommendations concerning the composition of the Board, including proposed appointees to the Board, whether to fill vacancies that may arise or to change the number of Board members. The appointments during the year did not involve open advertising but external recruiting agencies were used in some appointments. There were no meetings of the committee from May 25, 2007 to the end of the year.

INTERNAL CONTROL AND RISK MANAGEMENT

The Directors acknowledge that they are responsible for establishing and maintaining the Group's system of internal control and reviewing its effectiveness. The Group is small and the Directors are closely involved in the management of the business. At the beginning of the financial year we identified the key risks that the Group faced during the financial year. The Board has since reviewed these risks as part of the strategic planning exercise, and will continue to review and update the risk management process on an ongoing basis. However, the internal controls are designed to manage rather than eliminate the risk of failure to achieve business objectives and the Board recognises that any system can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group operating procedures include a comprehensive system for reporting financial and non-financial information to the Directors.

The planning system produces rolling three year strategic plan annually. The first year of the three year plan is a proposed operating budget, phased monthly. These are approved by the Board and forecast updates are carried out quarterly. The financial projections include income statement, balance sheet and cash flows.

At each Board meeting, the Board reviews the actual financial results versus budget and forecast together with other management reports containing non-financial information. The Board formally reviews the risk management processes and priorities annually and while some refinements continue to be made to detail processes, no significant weaknesses or failings were identified. Schedules of financial authority limits detailing management authority limits for commitments in respect of sales orders, capital and operating expenditure are circulated to relevant employees and updated at least annually.

The Board considers that there have been no weaknesses in internal financial controls that have resulted in any material losses, contingencies or uncertainties requiring disclosure in the financial statements.

The Chairman ensures that Directors take independent professional advice as required at the Group's expense in appropriate circumstances and all members of the Board have access to the advice of the Group Secretary.

GOING CONCERN

After making enquiries, the Directors confirm that they believe the Group has adequate resources to continue in operation through 2008. For this reason they continue to adopt the going concern basis.

This report is presented in accordance with the relevant provisions of the Combined Code on Corporate Governance (the Combined Code).

INTERNAL AUDIT

The Group does not have an internal audit function. However, the Audit Committee reviews annually the need for such a function and has done so during the year. The current conclusion of the Board is that it is not necessary given the modest scale and lack of complexity of the Group's activities.

SHAREHOLDER COMMUNICATION

It is the Group's policy to involve its shareholders in the affairs of the Group and to give them the opportunity at the Annual General Meeting to ask questions about the Group's activities. This process enables the views of shareholders to be communicated to the Board. In addition, any direct enquiries are dealt with by the Group Secretary and communicated as appropriate to the Board. Other than in exceptional circumstances, all Directors, including those newly appointed, attend the Annual General Meeting of the Group, and make themselves available for introductions and answering shareholders' questions. Established procedures ensure the timely release of price sensitive information and the publication of financial results and regulatory financial statements. The Group also maintains a website, www.tyratech.com, which incorporate corporate, financial, product information and news.

This report sets out the Group's policy on the remuneration of Executive and Non-Executive Directors and details Executive Directors remuneration packages and service contracts.

REMUNERATION COMMITTEE

The Remuneration Committee has the responsibility for determining the Group's overall policy on executive remuneration and for deciding the specific remuneration, benefits and terms of employment for Executive Directors. Fees paid to Non-executive Directors and to the Chairman are determined by the Board as a whole and no Director is responsible for approving his own remuneration. The Remuneration Committee, in its deliberations on the remuneration policy for the Group's Directors, seeks to give full consideration to the Combined Code. External advisors, Frederick W. Cook & Co. were engaged to provide independent professional advice to the Remuneration Committee.

REMUNERATION POLICY

The policies set by the Remuneration Committee are intended to attract, retain and motivate high calibre executives capable of achieving the Group's objectives, and to ensure that Executive Directors receive remuneration appropriate to their experience, responsibility, geographic location and performance. The Committee's policies aim to align business strategy and corporate objectives with executive remuneration and seek to ensure the appropriate mix between fixed and performance based elements, and between long and short term goals and rewards.

Executive Directors' remuneration packages are comprised of a basic salary, an annual performance related bonus plan and share options. The Group also provides health care, disability and life assurance and 401(k) (see Directors' Pension Arrangements Section) matching contribution benefits consistent with all employees of the Group. Total compensation levels for executives are designed to be at least the median level reflecting the levels of performance, experience and responsibility held by each of the External Directors.

BASIC SALARY

The basic salary of Executive Directors is determined by the Remuneration Committee taking into account individual performance and aims to ensure that remuneration remains competitive with similar companies in terms of size and complexity.

ANNUAL PERFORMANCE RELATED BONUS

Each Executive Director is eligible for a discretionary annual bonus based upon the achievement of specific performance targets for the year, determined by the Committee. In determining the performance targets and related bonus levels, the Committee seeks to align the interests of executives with those of shareholders. Performance related remuneration forms a significant amount of Directors' total remuneration. On target bonus amounts for 2007 were set at 100% of basic salary for Dr. Armstrong and Mr. Brenner and at 50% of basic salary for Mr. Bigsby. All Directors earned bonuses at the maximum allowed by the plan.

SHARE OPTIONS

Dr. Armstrong and Mr. Bigsby have been granted founder shares in the Group. Since this initial grant of founder's shares, neither has received any additional incentive equity however Mr. Brenner was granted 50,000 restricted shares during the year. All Executive Directors and employees are eligible for grants of share options. Share options are granted at the closing mid market price of the Group's ordinary shares on the day prior to grant and vest over 4 equal annual increments except for the restricted stock grants which vest over 2 equal annual increments. Currently the exercise of options granted is not dependent upon performance criteria.

PENSION AND OTHER BENEFITS

Executive Directors' basic salaries are set at levels which are deemed to include adequate provision for pension contributions. Each Executive Director is free to determine the amount of pension contribution payable from salary, given the age of the relevant Director and other personal circumstances. Executive Directors are entitled to make contributions from salary into the Group's 401(k) (see Directors' Pension Arrangements). The Group funds the provision of private medical insurance cover for Executive Directors and their immediate family and Executive Directors participate in the Group's life insurance scheme, which has a lump sum payment in the event of death in service.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Dr. Armstrong has entered into a service agreement with the Group, the principal terms of which are that if the Group terminates his employment, other than for good cause, the Group shall pay to him the amount outstanding up to the date of the death or disability. In addition, if Dr. Armstrong's employment is terminated by the Group without good cause or if he resigns with good reason, the Group shall pay an amount equal to the eighteen months base salary and bonus, as well as unit grants due to become free of re purchase obligations in the year terminated become accelerated. If Dr. Armstrong had been terminated, other than for good cause, at December 31, 2007, the Group would have owed Dr. Armstrong $1,095,000 ($365,000 at December 31, 2006) (plus unit grants as outlined above) pursuant to his service agreement.

Kerdos Corporate Finance Limited (KCFL) has entered into a consultant agreement for the services of Mr. Bigsby as the Chief Financial Officer of the Group. Mr. Bigsby is entitled to participate in the 2007 Bonus Plan while engaged by the Group. The contract can be terminated without notice by the Group and with three months notice from KCFL.

Mr. Brenner is employed by XL TechGroup; Inc. Mr. Brenner provides his services as an executive Director of the Group on a full time basis. The cost of the salary and benefits for Mr. Brenner is charged in full by XL TechGroup, Inc. to the Group under the terms of the management services agreement and his services can be terminated at any time without notice.

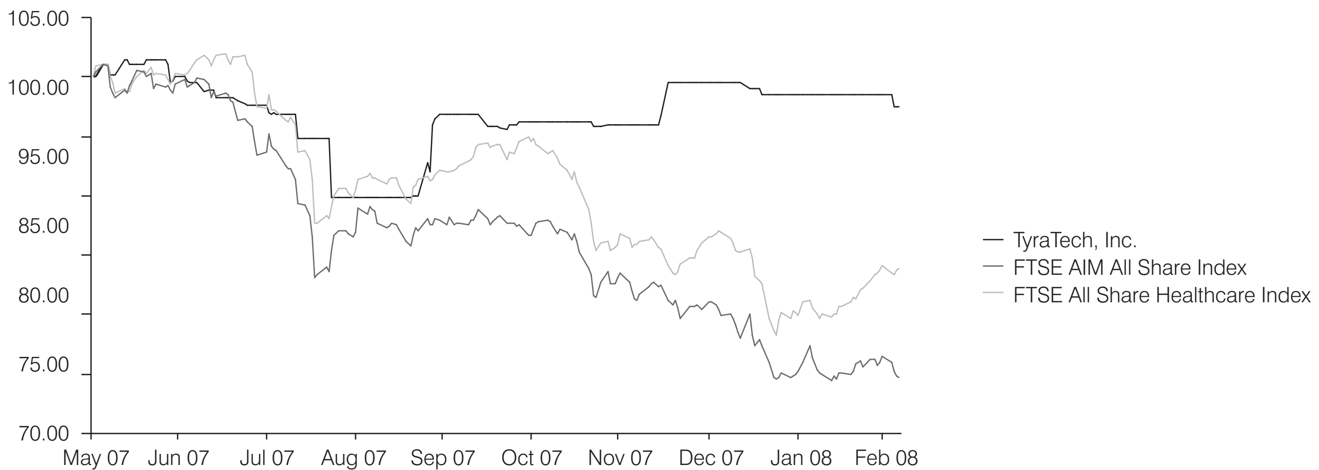
NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

Dr. Vernon, Mr. Reade, Mr. Riley and Dr. Noonan entered into agreements with the Group on May 25, 2007, which govern the terms and conditions of their appointment as Non-Executive Directors of the Group. Each appointment is for an initial term expiring upon conclusion of the next annual general meeting of the Group unless renewed at the end of that period for a further 12 month period. Dr. Vernon was entitled to fees totalling £47,500 pa payable to Ziggus Holding Limited, of which Dr. Vernon is an employee. Mr. Reade was entitled to fees totalling £35,000 pa payable to Global Strategy Expression Limited of which Mr. Reade is an employee. Dr. Noonan was entitled to fees totalling £32,500 pa payable to T. K. Advisory Limited of which Dr. Noonan is an employee. Mr. Riley was entitled to fees of £35,000 pa payable directly.

In addition to fees, the Company reimburses the independent Non-Executive Directors for all reasonable out-of-pocket expenses incurred.

PERFORMANCE GRAPH

The following graph shows the Group's performance, measured by total shareholder return, compared with the performance of the FTSE All Share Index.



The Directors consider the FTSE AIM All Share Index and FTSE All Share Healthcare Index to be an appropriate choice as the index includes the Group.

AGGREGATE DIRECTORS' REMUNERATION

DIRECTORS' EMOLUMENTS IN US$

	Year	Salary and fees[1]	Benefits[1]	Bonus[1, 5]	Total
Executives:					
Dr. R. D. Armstrong	**2007**	**365,000**	**22,719**	**365,000**	**752,719**
	2006	—	—	—	—
R. Brenner	**2007**	**213,846**	**22,532**	**213,846**	**450,224**
	2006	175,769	14,518	63,266	253,553
K. Bigsby	**2007**	**209,096**	**—**	**104,548**	**313,644**
	2006	—	—	—	—
Chairman:[6]					
Dr. G. N. Vernon[2]	**2007**	**64,169**	**—**	**—**	**64,169**
	2006	—	—	—	—
Nonexecutives:[6]					
Dr. K. D. Noonan[3]	**2007**	**43,008**	**—**	**—**	**43,008**
	2006	—	—	—	—
A. Reade[4]	**2007**	**47,940**	**—**	**—**	**47,940**
	2006	—	—	—	—
B. Riley	**2007**	**46,674**	**—**	**—**	**46,674**
	2006	—	—	—	—
Total	**2007**	**$989,733**	**$45,251**	**$683,394**	**$1,718,378**
	2006	$175,769	$14,518	$63,266	$253,553

(1) Remuneration amounts are for the 2007 and 2006 period served
(2) Includes beneficial payments to Ziggus Holding Ltd
(3) Includes beneficial payments to T. K. Advisory Ltd
(4) Includes beneficial payments to Global Strategy Expression Ltd
(5) Bonuses were paid in 2008
(6) Payments made in pounds Sterling, at exchange rates to the US Dollar ranging from 1.984 to 2.070 in 2007

The benefits in kind represent contributions to medical insurance schemes and the 401(k) pension plan. The share based payment charge for Directors' options was US$1,794,894 (2006: US$42,192). These amounts have been included within administrative costs. The total Directors' compensation is US$3,513,372 (2006: US$296,745).

DIRECTORS' PENSION ARRANGEMENTS

The executive Directors can participate in the Group's 401(k) plan and the Group will match any contributions into the plan up to 4% of salary with a tax deferral limit of US$15,000 and additional tax deferral provisions for employees over 50 years old.

DIRECTORS' SHARE OPTIONS

The aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Group granted to or held by the Directors. The Directors hold no options in the Group at present. However the shares held by Dr. Armstrong and Mr. Bigsby were granted as founder shares, the shares are restricted and subject to re purchase at the Group's option at par for a period of 4 years subject to 25% of the shares becoming fully vested on the first anniversary of the grant date and for the following three anniversaries thereafter. Mr. Brenner was granted 50,000 restricted shares. The shares are restricted and subject to re purchase at the Group's option at par for a period of 2 years subject to 50% of the shares become fully vested on the first anniversary of the grant date and the balance vesting on the second anniversary thereafter.

	Date granted	Number of shares
Directors:		
R.D. Armstrong	December 12, 2006	602,561
K.E. Bigsby	April 20, 2007	172,161

The market price of the shares at December 31, 2007 was £4.975 (at listing on June 1, 2007: £5.00) and the range during the year from listing was £4.49 to £5.075.

APPROVAL

The report was approved by the Board of Directors on April 1, 2008 and signed on its behalf by:

ALAN READE
CHAIRMAN, REMUNERATION COMMITTEE
APRIL 1, 2008

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group financial statements. The Directors are required to prepare Group financial statements for each financial year which present fairly the financial position of the Group and the financial performance and cash flows of the Group for that period. In preparing those Group financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable U.S. GAAP have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- Provide additional disclosures to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group. They have a general responsibility for safeguarding the assets of the Group and take reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

AGM

The AGM will be held at the office of Buchanan Communications, 45 Moorfields, London EC2Y 9AE, UK on May 15, 2008 at 12 noon UK time. The Group will convey the results of the proxy votes cast at the AGM.

KEITH BIGSBY
GROUP SECRETARY
APRIL 1, 2008

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS, TYRATECH, INC.

We have audited the accompanying consolidated balance sheets of TyraTech, Inc. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of operations, shareholders' equity(deficit), and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TyraTech, Inc. and subsidiaries as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP
ORLANDO, FLORIDA
APRIL 1, 2008

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2007 AND 2006

	2007	2006
Assets		
Current assets:		
Cash and cash equivalents	**$27,521,625**	$1,656,666
Accounts receivable	**485,590**	194,496
Inventory	**765,107**	219,180
Prepaid expenses	**283,028**	19,996
Total current assets	**29,055,350**	2,090,338
Property and equipment, net of accumulated depreciation	**1,329,563**	705,089
Total assets	**$30,384,913**	$2,795,427
Liabilities and shareholders' equity (deficit)		
Current liabilities:		
Accounts payable	**$573,100**	$132,435
Accrued liabilities	**2,830,017**	868,067
Accrued license fees	**—**	501,780
Due to affiliate	**401,852**	340,702
Deferred revenue	**1,605,666**	2,187,062
Current instalments of obligation under capital lease	**18,462**	16,758
Notes payable to affiliate	**—**	6,019,578
Liability for warrants	**997,930**	4,655,345
Total current liabilities	**6,427,027**	14,721,727
Capital lease obligation, excluding current instalments	**36,940**	55,402
Total liabilities	**6,463,967**	14,777,129
Common stock, $0.001 par, authorised and issued 22 million in 2007 (16 million in 2006)	**22,000**	16,256
Additional paid-in capital	**55,818,617**	3,383,194
Retained deficit	**(31,919,006)**	(15,381,152)
Treasury stock	**(665)**	—
Shareholders' equity (deficit)	**23,920,946**	(11,981,702)
Total liabilities and shareholders' equity (deficit)	**$30,384,913**	$2,795,427

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
DECEMBER 31, 2007 AND 2006

	2007	2006
Revenues:		
Product sales	**$404,979**	$—
License and royalty revenue	**100,000**	150,000
Collaborative revenue	**5,525,037**	80,834
Gross revenues	**6,030,016**	230,834
Contra-revenues from sales incentives provided in warrants	**(482,919)**	(495,889)
Net revenue	**5,547,097**	(265,055)
Costs and expenses related to products sales and collaboration revenue	**2,439,558**	—
Gross profit(loss)	**3,107,539**	(265,055)
Costs and expenses:		
General and administrative	**8,139,193**	1,366,789
Business development	**6,206,324**	1,231,322
Research and technical development	**4,517,300**	4,505,042
Total costs and expenses	**18,862,817**	7,103,153
Loss from operations	**(15,755,278)**	(7,368,208)
Other (income) expense:		
Interest income	**(758,004)**	—
Interest expense	**1,032,859**	1,593,908
Change in fair value of warrant liabilities	**(10,971)**	2,228,646
Loss on extinguishment of liability	**518,692**	—
Total other expense	**782,576**	3,822,554
Loss before income taxes:	**(16,537,854)**	(11,190,762)
Income taxes	**—**	—
Net loss	**$(16,537,854)**	$(11,190,762)
Net loss per common share:		
Basic and diluted	**$(0.84)**	$(0.69)
Weighted average number of common shares:		
Basic and diluted	**19,756,955**	16,195,975

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)

YEARS ENDED DECEMBER 31, 2007 AND 2006

	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity(deficit)
Balances as of December 31, 2005	$15,159	$2,987,077	$(4,190,390)	$—	$(1,188,154)
Stock based compensation	1,097	396,117	—	—	397,214
Net loss	—	—	(11,190,762)	—	(11,190,762)
Balances as of December 31, 2006	16,256	3,383,194	(15,381,152)	—	(11,981,702)
Issuance of shares to settle license liability	65	650,935	—	—	651,000
Issuance of shares, net of offering costs of $7,266,519 of which $1,390,556 represent non-cash warrants issued to underwriters	5,000	42,292,805	—	—	42,297,805
Reclassification of warrants from liability to equity	—	5,037,000	—	—	5,037,000
Issuance of warrants	—	482,919	—	—	482,919
Purchase of treasury stock	—	—	—	(665)	(665)
Stock based compensation	679	3,971,764	—	—	3,972,443
Net loss	—	—	(16,537,854)	—	(16,537,854)
Balances as of December 31, 2007	**$22,000**	**$55,818,617**	**$(31,919,006)**	**$(665)**	**$23,920,946**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

DECEMBER 31, 2007 AND 2006

	2007	2006
Cash flows from operating activities:		
Net loss	**$(16,537,854)**	$(11,190,762)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortisation	**870,931**	1,356,026
Exclusivity fees	**—**	(70,834)
Write-off of inventory	**219,180**	—
License maintenance fee	**100,528**	116,363
Change in fair value of warrants	**471,948**	2,724,535
Amortisation of stock awards	**3,972,443**	397,214
Loss on extinguishment of liability	**518,692**	—
Changes in operating assets and liabilities:		
Accounts receivable	**(448,990)**	(36,600)
Inventory	**(765,107)**	(219,180)
Prepaid expenses	**(263,032)**	(19,996)
Accounts payable and accrued liabilities	**2,402,615**	810,126
Accrued license fee	**(470,000)**	—
Deferred revenue	**(423,500)**	2,100,000
Due to affiliate	**61,150**	219,406
Net cash used for operating activities	**(10,290,996)**	(3,813,702)
Cash flows used for investing activities:		
Purchases of property and equipment	**(851,802)**	(618,301)
Net cash (used) for investing activities	**(851,802)**	(618,301)
Cash flows from financing activities:		
Net (payments) borrowings on notes payable to affiliate	**(6,663,181)**	6,062,002
Payments made under capital lease	**(16,758)**	(3,942)
Net proceeds from sale of common stock	**43,688,361**	—
Treasury stock purchase from employee	**(665)**	—
Net cash provided by financing activities	**37,007,757**	6,058,060
Net increase in cash	**25,864,959**	1,626,057
Cash, beginning of year	**1,656,666**	30,609
Cash, end of year	**$27,521,625**	$1,656,666
Supplemental disclosures:		
Cash paid for interest	**$1,032,859**	$266,860
Cash paid for income taxes	**$—**	$—

Continued	**2007**	2006
Non-cash investing and financing activities:		
The Company incurred a capital lease obligation that was capitalised to property and equipment	**$—**	$76,102
The Company issued warrants to acquire its common shares in connection with financing obtained, which was recorded as a discount to debt and a non-cash warrant liability	**—**	1,930,810
The Company issued shares in connection with the settlement of a license liability	**651,000**	—
The Company issued warrants in connection with a research and development agreement	**482,919**	495,884
The Company recorded a receivable and deferred revenue transaction with a related party	**—**	157,896
The Company recorded and subsequently wrote-off a revenue related transaction with an affiliate	**157,896**	—
The Company reclassified warrants issued to a vendor and an affiliate to equity	**5,037,000**	—
The Company issued warrants in satisfaction of costs incurred to advisors	**$1,390,556**	$—

See accompanying notes to consolidated financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(a) DESCRIPTION OF BUSINESS

TyraTech, Inc., a corporation (the Company) is engaged in the development, manufacture, marketing and sale of proprietary insecticide and parasiticide products, through the utilisation of a proprietary development platform that enables rapid characterisation of potent blends of plant oil derived pesticides. TyraTech is focused on developing safer natural products with plant essential oils to be used in a wide variety of pesticidal and parasitic applications. These new synergistic formulations target specific receptors unique to invertebrates.

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, development by its competitors of new technological innovations, dependence on key personnel, and its ability to protect proprietary technology.

XL TechGroup, Inc. (XLTG), an entrepreneurial high technology company listed on the London Exchange's Alternative Investment Market under the trading symbol XLT, is a major shareholder of the Company.

(b) BASIS OF PRESENTATION

The consolidated financial statements of the Company in U.S. Dollars ($) have been prepared in accordance with United States generally accepted accounting policies (US GAAP). The consolidated financial statements include the accounts of TyraTech, Inc. and subsidiaries TyraTech Holdings India, LLC, TyraTech Sustainable Solutions, LLC, and TyraTech India Pvt. Ltd. All significant intercompany balances and transactions have been eliminated.

On May 23, 2007, the Company was recapitalised from a limited liability company to a corporation in preparation of an initial public offering (IPO) on the London Stock Exchange's Alternative Investment Market (AIM). Member units of the limited liability company were exchanged for common shares of the corporation on the basis of 1 unit to 0.8606 common share. On June 1, 2007, the Company completed an IPO of its common stock under the symbol TYR and raised approximately $43.7 million, net of cash offering costs of $5.9 million. Employees, consultants, and investors of the Company own the balance of the common stock.

The consolidated financial statements of equity(deficit) have been presented as if the recapitalisation occurred on December 31, 2005.

In the opinion of the Company Directors, the financial information for these periods presents fairly the financial position, results of operations and cash flows for the periods in conformity with U.S. GAAP.

(c) CASH AND CASH EQUIVALENTS

The Company considered all highly liquid securities with maturities of three months or less when acquired to be cash equivalents.

(d) ACCOUNTS RECEIVABLE

Accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows. The Company does not have any off balance sheet credit exposure related to its customers.

(e) INVENTORY

Inventory is stated at the lower of cost or market. Cost is determined using the first in, first out method (FIFO).

(f) PROPERTY AND EQUIPMENT

Purchased property and equipment is recorded at cost. Depreciation and amortisation are provided on the straight line method over the estimated useful lives of the related assets or the remaining terms of the leases, whichever is shorter, as follows:

Leasehold improvements	3 years
Furniture, fixtures and equipment	4–7 years
Computer equipment and software	5 years

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

(f) PROPERTY AND EQUIPMENT CONTINUED

The Company accounts for long lived assets in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long Lived Assets.* This Statement requires that long lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognised by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

(g) DISCOUNTS ON DEBT

Discounts on debt are amortised to interest expense using the effective interest method over the term of the respective debt.

(h) REVENUE RECOGNITION

The Company's business strategy includes entering into collaborative license and development agreements with agricultural and food companies for the development and commercialisation of the Company's product candidates. The terms of the agreements typically include nonrefundable license fees, funding of research and development, payments based upon achievement of development milestones and royalties on product sales. The Company follows the provisions of the Securities and Exchange Commission's Staff Accounting Bulletin (SAB) No. 104 (SAB No. 104), *Revenue Recognition,* Emerging Issues Task Force (EITF) Issue No. 00-21 (EITF 00-21), *Accounting for Revenue Arrangements with Multiple Deliverables,* EITF Issue No. 99-19 (EITF 99-19), *Reporting Revenue Gross as a Principal Versus Net as an Agent,* and EITF Issue No. 01-9 (EITF 01-9), *Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products).*

Product Sales

Revenue is recognised for product sales when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the risks and rewards of ownership have been transferred to the customer, the amount of revenue can be measured reliably, and collection of the related receivable is reasonably assured. If product sales are subject to customer acceptance, revenues are not recognised until customer acceptance occurs.

License Fees and Multiple Element Arrangements

Nonrefundable license fees are recognised as revenue when the Company has a contractual right to receive such payment, the contract price is fixed or determinable, the collection of the resulting receivable is reasonably assured and the Company has no further performance obligations under the license agreement. Multiple element arrangements, such as license and development arrangements are analysed to determine whether the deliverables, which often include a license and performance obligations such as research and steering committee services, can be separated or whether they must be accounted for as a single unit of accounting in accordance with EITF 00-21. The Company recognises up front license payments as revenue upon delivery of the license only if the license has stand alone value and the fair value of the undelivered performance obligations, typically including research and/or steering committee services, can be determined. If the fair value of the undelivered performance obligations can be determined, such obligations would then be accounted for separately as performed. If the license is considered to either (i) not have stand alone value or (ii) have stand alone value but the fair value of any of the undelivered performance obligations cannot be determined, the arrangement would then be accounted for as a single unit of accounting and the license payments and payments for performance obligations are recognised as revenue over the estimated period of when the performance obligations are performed.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

(h) REVENUE RECOGNITION CONTINUED

License Fees and Multiple Element Arrangements continued

Whenever the Company determines that an arrangement should be accounted for as a single unit of accounting, it must determine the period over which the performance obligations will be performed and revenue will be recognised. Revenue will be recognised using a relative method. The Company recognises revenue using the relative performance method provided that the Company can reasonably estimate the level of effort required to complete its performance obligations under an arrangement and such performance obligations are provided on a best efforts basis. Revenue recognised under the relative performance method would be determined by multiplying the total payments under the contract by the ratio of level of effort incurred to date to estimated total level of effort required to complete the Company's performance obligations under the arrangement. Revenue is limited to the lesser of the cumulative amount of payments received or the cumulative amount of revenue earned, as determined using the relative performance method, as of each reporting period.

If the Company cannot reasonably estimate the estimated level of effort required to complete its performance obligation, then revenue is deferred until the Company can reasonably estimate its level of effort or the performance obligation ceases or becomes inconsequential.

Significant management judgment is required in determining the level of effort required under an arrangement and the period over which the Company is expected to complete its performance obligations under an arrangement. In addition, if the Company is involved in a steering committee as part of a multiple element arrangement that is accounted for as a single unit of accounting, the Company assesses whether its involvement constitutes a performance obligation or a right to participate. Steering committee services that are not inconsequential or perfunctory and that are determined to be performance obligations are combined with other research services or performance obligations required under an arrangement, if any, in determining the level of effort required in an arrangement and the period over which the Company expects to complete its aggregate performance obligations.

Royalty Revenue

Royalty revenue is recognised upon the sale of the related products, provided that the royalty amounts are fixed or determinable, collection of the related receivable is reasonably assured and the Company has no remaining performance obligations under the arrangement. If royalties are received when the Company has remaining performance obligations, the royalty payments would be attributed to the services being provided under the arrangement and therefore would be recognised as such performance obligations are performed under either the relative performance or straight line methods, as applicable, and in accordance with these policies as described above.

Deferred Revenue

Amounts received prior to satisfying the above revenue recognition criteria are recorded as deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognised during the year ending December 31, 2008 are classified as long term deferred revenue. As of December 31, 2007, the Company has short-term deferred revenue of $1,605,666 (2006: $2,187,062) related to its collaborations.

Summary

The Company has one customer in the pesticides and insecticides segment in 2007 that represents 91% of total revenue (2006: two customers represent 32%).

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

(i) EQUITY BASED COMPENSATION

Effective July 1, 2005, the Company adopted SFAS No. 123 (revised 2004), *Share Based Payment* (SFAS 123R), which is a revision of SFAS No. 123, *Accounting for Stock Based Compensation* (SFAS 123). SFAS 123R requires all share based payments, including grants of employee stock options, to be recognised in the statement of operations based on their fair values.

All unit equity based compensation issued by the Company were issued after July 1, 2005 and therefore all were accounted for in accordance with SFAS 123R.

(j) RESEARCH AND TECHNICAL DEVELOPMENT

Research and technical development costs are expensed as incurred. Research and technical development costs for the years ended December 31, 2007 amount to $4,517,300 (2006: $4,505,042) after charging $1,413,518 (2006: nil) to cost of sales.

(k) INCOME TAXES

Prior to its recapitalisation as discussed below, under provisions of the Internal Revenue Code and applicable state laws, the Company was not directly subject to income taxes; the result of its operations was includable in the tax returns of its members. Therefore, no provision for income taxes was included in the accompanying financial statements, prior to May 23, 2007.

After being recapitalised from a limited liability company to a corporation on May 23, 2007, income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income in the period that includes the enactment date.

(l) FOREIGN CURRENCY TRANSLATION

The assets and liabilities of consolidated foreign entities are translated into U.S. dollars at the exchange rate as of the balance sheet date and revenues and expenses are translated at the average exchange rate during the period. Any resulting translation adjustment is recorded as a separate component of shareholder's equity.

(m) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results ultimately may differ from the estimates.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES CONTINUED

(n) SEGMENT INFORMATION

The Company operates in two primary business segments which are (1) pesticides and insecticides and (2) sustainable solutions.

(o) RECENTLY ISSUED ACCOUNTING STANDARDS

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115* (Statement 159). Statement 159 gives the Company the irrevocable option to carry most financial assets and liabilities at fair value that are not currently required to be measured at fair value. If the fair value option is elected, changes in fair value would be recorded in earnings at each subsequent reporting date. SFAS 159 is effective for the Company's 2008 fiscal year. The Company is currently evaluating the impact the adoption of this statement could have on its financial condition, results of operations and cash flows.

In September 2006, the FASB issued FASB Statement No. 157, Fair Value Measurement (Statement 157). Statement 157 defines fair value, establishes a framework for the measurement of fair value, and enhances disclosures about fair value measurements. The Statement does not require any new fair value measures. The Statement is effective for fair value measures already required or permitted by other standards for fiscal years beginning after November 15, 2007. The Company is required to adopt Statement 157 beginning on January 1, 2008. Statement 157 is required to be applied prospectively, except for certain financial instruments. Any transition adjustment will be recognised as an adjustment to opening retained earnings in the year of adoption. In November 2007, the FASB proposed a one year deferral of Statement 157's fair value measurement requirements for non-financial assets and liabilities that are not required or permitted to be measured at fair value on a recurring basis. The Company is currently evaluating the impact of adopting Statement 157 on its results of operations and financial position.

The FASB issued FASB Statement No. 160, *Non-controlling Interests in Consolidated Financial Statements* (Statement 160) in December 2007. Statement 160 will require non-controlling interests (previously referred to as minority interests) to be treated as a separate component of equity, not as a liability or other item outside of permanent equity. The Statement applies to the accounting for non-controlling interests and transactions with non-controlling interest holders in consolidated financial statements. Statement 160 is effective for periods beginning on or after December 15, 2008. Earlier application is prohibited. Statement 160 will be applied prospectively to all non-controlling interests, including any that arose before the effective date except that comparative period information must be recast to classify non-controlling interests in equity, attribute net income and other comprehensive income to non-controlling interests, and provide other disclosures required by Statement 160.

(2) LIQUIDITY AND CAPITAL RESOURCES

The Company has funded operating and investing cash requirements principally through borrowings from members prior to the IPO. As of December 31, 2007, the Company had $27,521,625 in cash and no indebtedness.

The Company has had significant negative cash flows from operating activities since inception. The Company believes that the proceeds from the sale of securities during June 2007 and cash proceeds from operating activities will be sufficient to meet the working capital and capital expenditures needs of the Company through 2008.

(3) ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2007 and 2006 consist of:

	2007	2006
Trade receivables	**$393,340**	$193,203
Interest receivables	**92,250**	—
Other receivables	**—**	1,293
	$485,590	$194,496

(4) INVENTORIES

Inventories as of December 31, 2007 and 2006 consist of:

	2007	2006
Raw materials	**$380,405**	$219,180
Work in progress	**298,351**	—
Finished goods	**86,351**	—
	$765,107	$219,180

(5) PROPERTY AND EQUIPMENT

Property and equipment, net as of December 31, 2007 and 2006 consist of:

	2007	2006
Leasehold improvements	**$746,683**	$394,986
Furniture, fixtures and equipment	**618,982**	338,053
Computer equipment and software	**261,563**	42,387
	1,627,228	775,426
Less accumulated depreciation	**(297,665)**	(70,337)
	$1,329,563	$705,089

(6) ACCRUED LIABILITIES

Accrued liabilities as of December 31, 2007 and 2006 consist of:

	2007	2006
Accrued compensation	**$1,395,842**	$151,146
Professional fees	**971,098**	336,845
Other	**463,077**	380,076
	$2,830,017	$868,067

(7) LEASES

During the year ended December 31, 2006, the Company entered into a capital lease for certain equipment that expires in September 2010. At December 31, 2007, the gross amount and related gross amortisation of the equipment recorded under capital lease amounted to $55,402 (2006: $76,102) and $16,758 (2006: $3,171), respectively. Amortisation of assets under the capital lease is included with depreciation expense.

The Company has non-cancellable operating leases for office space and equipment that expires during April 2009. Rental expense for operating leases during the years ended December, 2007 was $10,020 (2006: $41,320).

Future minimum lease payments under non-cancellable operating leases (with initial or remaining lease terms in excess of one year) and future minimum capital lease payments as of December 31, 2007 are:

	Capital leases	Operating leases
Year ending December 31:		
2008	$23,040	$58,746
2009	23,040	4,909
2010	17,279	—
Total minimum lease payments	63,359	$63,655
Less estimated executory costs	—	
Net minimum lease payments	63,359	
Less amount representing interest (at 9.72%)	7,957	
Present value of net minimum capital lease payments	55,402	
Less current instalments of obligations under capital leases	18,462	
Obligations under capital leases excluding current instalments	$36,940	

(8) RELATED PARTY TRANSACTIONS

(a) NOTES PAYABLE TO XLTG

Notes payable as of December 31, 2007 and 2006 consist of:

	2007	2006
$2,000,000 secured note, interest payable at LIBOR plus 4.0%, (5.24% at December 31, 2006)	$—	$2,000,000
$10,000,000 secured note, interest payable at Prime plus 3.0%, (8.50% at December 31, 2006)	—	4,663,181
	—	6,663,181
Discount on debt	—	(643,603)
	$—	$6,019,578

On October 31, 2005, the Company entered into a $2,000,000 secured note agreement with XL TechGroup, Inc. which matures on the earlier of the termination date, qualified public offering, sale of all assets of the Company or December 31, 2009. The note is secured with Company's assets and personal property. The note requires the Company to pay XL TechGroup, Inc. on a monthly basis the interest on the unpaid and outstanding principal amount at a rate of LIBOR plus 4%. Unpaid interest is accrued and treated as a draw. The Company has the option to prepay the note at any time in whole or in part with accrued interest without penalty. The Company repaid the note in full with the proceeds of the IPO in June 2007.

On May 1, 2006, the Company entered into a $10,000,000 secured note agreement with XL TechGroup, Inc. which matures on the earlier of the termination date, qualified public offering, sale of all assets of the Company or December 31, 2009. The note is secured with Company's assets and personal property. The note requires the Company to pay the XL TechGroup, Inc. on a monthly basis the interest on the unpaid and outstanding principal amount at a rate of Prime plus 3%. Unpaid interest is accrued and treated as a draw. The Company has the option to prepay the note at any time in whole or in part with accrued interest without penalty. The Company repaid the note in full with the proceeds of the IPO in June 2007.

(b) SUPPORT SERVICES FROM XLTG

During the years ended December 31, 2007 and 2006, the Company received support under a services agreement with XLTG. These services include support in the form of personal labour, management, and various other administrative functions including payroll processing, accounts payable processing, and other record keeping tasks. Services were billed to the Company based on actual costs of these support services, including overhead for various support functions provided. Additionally, the services agreement included a charge for usage of office facilities in Melbourne, Florida. These services and terms upon which they were provided were outlined in a formal services agreement between the Company and XLTG.

Fees charged for services for the year ended December 31, 2007 amount to $1,339,752 (2006: $2,448,546). Such costs are included in general and administrative expenses.

As of December 31, 2007 $401,852 (2006: $340,702) was payable to the XL TechGroup, Inc. under this agreement. The obligation is non-interest bearing.

(8) RELATED PARTY TRANSACTIONS CONTINUED

(c) RESEARCH AND DEVELOPMENT SERVICES FROM VANDERBILT UNIVERSITY

During the year ended December 31, 2007, the Company paid $564,000 (2006: $395,010) to Vanderbilt University (Vanderbilt), a shareholder, for the dedicated use of a laboratory and staff which houses the Company's proprietary development platform. Such amounts are included in research and development costs in the consolidated statements of operations.

As of December 31, 2007 $60,000 (2006: $nil) was payable to Vanderbilt under this arrangement. Such amounts are included in accrued liabilities.

(d) LICENSE FEE

On June 4, 2004, the Company entered into an agreement with Vanderbilt, a member of the Company, to acquire an exclusive license to undertake the development of business, technical, regulatory, and market strategies in order to make, have made, use, sell, offer to sell, license and improve and to grant sublicenses of Licensed Products. In consideration for this license, the Company agreed to pay a license maintenance fee in the amount of $50,000 per year effective on the first anniversary of the agreement date and increasing by $50,000 per year in each successive year for a period of ten years.

On June 5, 2005, the Company amended and restated its Operating Agreement to ratify the issuance of the 33% interest in the Company to Vanderbilt for the contributed licensed intellectual property (IP) noted above into the Company. The IP was valued at $1,404,051 and has been recorded as a $1.0 million capital contribution and $404,051 of license maintenance fees payable, representing the present value of the remaining future payments due under the license maintenance fee agreement. The present value of the future payments due under the license maintenance fee agreement has been included in in process research and development expenses in the statement of operations and was determined using a risk adjusted discount rate of 55%, which corresponded with the stage of development of the Company at that time.

The present value will be re stated at each period end, as the discount unwinds and further payments are made in accordance with the agreement. As of December 31, 2006, the license maintenance fee liability on the balance sheet was $501,780.

On April 23, 2007, an arrangement to accelerate payment of the Vanderbilt licensing agreement was executed between the Company and Vanderbilt for cash of $470,000 and 65,457 shares of the Company's common stock valued at $651,000. Related to this settlement of the license agreement, the Company recognised $518,692 loss on the early extinguishment of the liability during the year ended December 31, 2007.

(e) PRODUCT SALE TO AFFILIATE OF XLTG

During the year ended December 31, 2006, the Company deferred revenue of $157,896 for products shipped to an affiliate of the XLTG. The products shipped to the affiliate of XL TechGroup, Inc. were products originally purchased from an unrelated third party under an exclusive purchasing agreement. As of December 31, 2006, $157,896 was due from the affiliate of XL TechGroup, Inc. and was included in the receivables and deferred revenues. During the year ended December 31, 2007, the Company and the affiliate of XL TechGroup, Inc. settled a dispute relating to the outstanding amounts at December 31, 2006. Under the terms of the settlement, the Company forgave the receivable as the products sold to the affiliate did not perform as expected.

(9) WARRANTS

(a) XL TECHGROUP, INC. WARRANTS

In connection with the $10.0 million secured note payable to XLTG, the Company entered into a purchase option agreement by which XL TechGroup Inc. was granted an option to purchase equity in the Company. Under the purchase option, the Company granted XL TechGroup Inc. the right to purchase a variable number of shares based upon the amount of the note payable drawn down by the Company at the qualified public offering and the qualified public offering initial share price. The warrants are for a term of 5 years. At the date of grant the warrants were recorded at fair value as a warrant liability and as a discount in obtaining financing. The fair value of the warrant at the grant was $1.9 million. The warrant is re measured at fair value at each reporting date with subsequent changes in fair value recorded in the statement of operations. Upon the qualified public offering of the shares in June 1, 2007, the warrant qualified for equity classification within the balance sheet and as such the warrant liability was reclassified to equity at fair value on June 1, 2007. The warrant is not subsequently re-measured to fair value after this date as it qualifies for equity classification. The fair value of the warrant as of June 1, 2007 upon the qualified public offering was $4.5 million (December 31, 2006: $4.1 million).

The fair value of this purchase option was estimated by using the Black Scholes option pricing model with the following assumptions: no dividends, risk free rate of 4.8%–4.9%, the remaining contractual life of the purchase option and a volatility of 100%.

(b) COLLABORATIVE WARRANTS

In connection with research and development collaborations, the Company granted warrants to purchase a variable number of common shares of Company's common shares equal to $2.0 million divided by the per share price to the public in an initial public offering or the price paid in a private placement for each common share of the Company. The $2.0 million of warrants were divided into two parts: $1.0 million of the warrants are exercisable upon the closing of a qualified equity investment offering and the remaining $1.0 million of warrants are exercisable upon successful completion of prescribed co development activities in accordance with the technology sublicensing agreement. The warrants have a term of three years from the time of the qualified equity offering. With the IPO in June 2007, the warrants have a term until June 1, 2010. At the date of grant, the first $1.0 million of warrants were recorded at fair value to a warrant liability and included as a reduction to revenue as a sales incentive to the unrelated third party. The fair value of the first $1.0 million of warrants as of December 31, 2006 was $0.5 million. The remaining $1.0 million of warrants are recorded at fair value upon successful completion of the first milestone related to the technology and sublicensing agreement as a reduction to the revenue as a sales incentive. The first 1.0 million of warrants were initially re-measured at fair value at each reporting date with subsequent changes in fair value recorded in the statement of operations. Upon the qualified public offering of the shares in June 2007, the first $1 million of warrants qualified for equity classification within the balance sheet and as such the warrant liability was reclassified to equity at fair value. With equity classification of the warrants, the warrant are not subsequently re-measured to fair value after this date. The fair value of the first $1.0 of warrants upon the qualified public offering in June 2007 was $0.5 million. The fair value of the second $1.0 million of warrants upon the achievement of the first milestone in December 2007 was $0.5 million with the warrant being equity classified. The $2.0 million of warrants are for 202,941 common shares of the Company at an exercise prices of $9.80 to $9.89 per share.

The fair value of the warrants was determined by using the Black Scholes option pricing model with the following assumptions: no dividends, risk free rate of 4.6% to 4.8%, 3 year life of the warrants from the time of a qualified equity investment offering, volatility of 68% to 80% and a discount factor related to the probability of a qualified offering not occurring of 0%.

(9) WARRANTS CONTINUED

(c) IPO UNDERWRITER WARRANTS

In connection with the IPO, the Company granted warrants to underwriters of the IPO to purchase 198,002 common shares of the Company at £5 per common share. The warrants are for a term of 5 years. At the date of grant, the warrants were recorded at fair value to a warrant liability with the expense offset against the IPO proceeds in equity. The warrant is re-measured at fair value at each reporting date with subsequent changes in fair value recorded in the statement of operations. The fair value of the warrant as of December 31, 2007 and the date of the IPO on June 1, 2007 were $1.0 million and $1.4 million, respectively.

The fair value of these warrants was determined by using the Black Scholes option pricing model with the following assumptions: no dividends, risk free rate of 4.4%, the remaining contractual life of the warrants, and a volatility of 68%–100%.

(10) STOCK BASED COMPENSATION

(a) UNIT GRANTS

From inception until recapitalised from a limited liability company to a corporation on May 23, 2007, the Company has granted a total of 2.0 million net member units to various employees through unit grant agreements. The unit grants generally vest over four years of continual service and has initial cost to the unit holder of $0.01. The fair value of these grants was determined by the Company at the grant date and was equal to the fair market value of the units at the date of grant. The fair value is amortised to compensation expense on a straight line basis over the vesting period.

Employees

As of December 31, 2007 the total unrecognised compensation cost for these unit grants was $10.0 million (2006: $6.7 million), which is being amortised over the remaining weighted average vesting period of 2.9 years (2006: 3.7 years). The compensation recognised in operating expenses for unit grants for the year ended December 31, 2007 was $3.0 million (2006: $0.2 million). Since inception to December 31, 2007, 310,964 units granted have vested. The initial cost of the unit grants to the employees was forgiven by the Company and is treated as additional compensation to the employee. The weighted average grant date fair value for all unit grants during the year ended December 31, 2007 was $6.2 million (2006: $6.5 million).

Non-employees

In 2007, the Company granted 60,000 units (2006: 70,000) units to several non-employees through unit grant agreements. The unit grants vest based on achieving performance terms of the contract and have an initial cost to the unit holder of $0.01 per unit. The fair values of these grants are recognised as the performance terms of the contract have been met. The compensation recognised for unit grants for the year ended December 31, 2007 totalled $0.5 million (2006: $0.2 million) and is included in operating expenses.

During the year ended December 31, 2007, 35,000 units (2006: 25,000 units) vested under the terms of the unit grant agreements. The initial cost of the units to the holder was forgiven by the Company and treated as additional compensation to the non-employee.

(10) STOCK BASED COMPENSATION CONTINUED

(a) UNIT GRANTS CONTINUED

Summary Unit Grant Information

The Company determined the estimated unit price of the Company at the measurement date by using a combination of an independent valuation of the Company's units and internal analysis of milestones of the Company throughout the year.

Effective with the recapitalisation from a limited liability company to a corporation on May 23, 2007 and the IPO the units granted to employees and non-employees were converted to shares based up the IPO conversion of 1 unit to 0.8606 shares.

A summary of unit grant activity under the unit grant plan is summarised as follows:

	Number of shares*
Outstanding at December 31, 2005	—
Granted	1,213,446
Forfeited or expired	(25,818)
Outstanding at December 31, 2006	1,187,628
Granted	626,517
Forfeited or expired	(55,939)
Outstanding at December 31, 2007	**1,758,206**
Vested at December 31, 2007	**326,041**

* Units granted under the plan converted to shares

The total shares granted under unit grant agreements included in the statement of shareholders' equity include both vested and non-vested shares.

(b) 2007 EQUITY COMPENSATION PLAN

On May 23, 2007, the Board of Directors approved the TyraTech, Inc. 2007 Equity Compensation Plan which authorises up to a maximum of 10% of the shares outstanding after the IPO (2,200,002 shares based upon the IPO) be made available for granting of awards to all employees and non-employee Directors. These share awards can be in the form of options to purchase capital stock, stock appreciation rights (SARS), restricted shares, and other option stock based awards the Board of Directors Remuneration Committee shall determine. The Remuneration Committee of our Board of Directors, which is comprised of all independent Directors, determines the number of shares, the term, the frequency and date, the type, the exercise periods, any performance criteria pursuant to which awards may be granted and the restrictions and other terms of each grant of restricted shares in accordance with terms of our Plan.

(10) STOCK BASED COMPENSATION CONTINUED

(b) 2007 EQUITY COMPENSATION PLAN CONTINUED

Stock Appreciation Rights

During the period from May 23, 2007 to December 31, 2007, the Company granted 737,000 stock appreciation rights (SARS) to employees and 40,000 SARS to consultants of the Company. SARs can be granted with an exercise price less than, equal to or greater than the stock's fair market value at the date of grant and require the Company to issue stock to the employee upon exercise of the SAR. The SARs have ten year terms and vest and become fully exercisable after four years from the date of grant.

The fair value of each SAR was estimated on the date of grant using the Black Scholes option pricing model that used the weighted average assumption in the following table. The Company estimated the expected term of the SARs using an approach that approximated the "simplified approach", as outlined in Staff Accounting Bulletin (SAB) No. 107, Share Based Payments. Using this approach, the Company assigned an expected term of 7 years for grants with four year graded vesting. The expected stock price volatility was determined by examining the historical volatilities for industry peers and using the Company's common stock. Industry peers consist of several public companies in the biotechnology industry similar in size, stage of life cycle and financial leverage.

The Company will continue to analyse the historical stock price volatility and expected term assumption as more historical data for the Company's common stock becomes available. The risk free interest rate assumption is based on the U.S. Treasury instruments at grant date whose term was consistent with the expected term of the Company's SARs. The expected dividend assumption is based on the Company's history and expectation of dividend payouts.

Valuation assumptions:

Expected dividend yield	0%
Expected volatility	86%
Expected term (years)	7
Risk-free interest rate	4.6%–4.8%

SAR activity during the period indicated as follows:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Balance at May 23, 2007	—	$—		
Granted	777,000	9.74		
Exercised	—	—		
Expired	—	—		
Balance at December 31, 2007	**777,000**	**$9.74**	**9.70**	**$141,760**
Exercisable at December 31, 2007	**—**	**$—**	**—**	**$—**

The weighted average grant date fair value of options granted during from May 23, 2007 to December 31, 2007 was $6.0 million. No SARs vested or were exercised from May 23, 2007 to December 31, 2007.

(10) STOCK BASED COMPENSATION CONTINUED

(b) 2007 EQUITY COMPENSATION PLAN CONTINUED

Stock Appreciation Rights continued

A summary of the status of the Company's non-vested SARs as of December 31, 2007, and changes during the period from May 23, 2007 to December 31, 2007, is presented below:

Non-vested shares	Shares	Weighted average grant date fair value
Balance at May 23, 2007	—	$—
Granted	777,000	8.48
Vested	—	—
Forfeited	—	—
Balance at December 31, 2007	**777,000**	**$8.48**

As of December 31, 2007, there was $5.6 million of total unrecognised compensation cost related to non-vested SAR arrangements granted under the plan. That cost is expected to be recognised over a weighted average period of 3.7 years. The total fair value of shares vested during the period from May 23, 2007 to December 31, 2007 was $0. The compensation recognised in operating expenses for SARS for the year ended December 31, 2007 was $0.5 million (2006: $0 million).

The Company plans to use authorised and unissued shares to satisfy SAR exercises.

Restricted Stock Grant

During the period from May 23, 2007 to December 31, 2007, the Company granted 50,000 shares of restricted stock to one employee of the Company equal to the stock's fair market value at the date of grant and requires the Company to issue common stock to the employee upon exercise of the restricted stock grant. The restricted stock grant has a ten year term and 50% vests and become fully exercisable after one year and the balance after two years from the date of grant.

The fair value of these grants was determined by the Company at the grant date and was equal to the fair market value of the common stock at the date of grant.

Restricted stock grant activity during the period indicated as follows:

	Number of shares	Aggregate intrinsic value
Balance at May 23, 2007	—	
Granted	50,000	
Exercised	—	
Expired	—	
Balance at December 31, 2007	**50,000**	**$491,500**
Exercisable at December 31, 2007	**—**	**$—**

The grant date fair value of restricted stock granted during from May 23, 2007 to December 31, 2007 was $0.5 million. The restricted stock grant did not vest nor were there any exercises from May 23, 2007 to December 31, 2007.

(10) STOCK BASED COMPENSATION CONTINUED

(b) 2007 EQUITY COMPENSATION PLAN CONTINUED

Restricted Stock Grant continued

A summary of the status of the Company's non-vested restricted stock grant as of December 31, 2007, and changes during period from May 23, 2007 to December 31, 2007, is presented below:

Non-vested shares	Shares	Weighted average grant date fair value
Balance at May 23, 2007	—	$—
Granted	50,000	9.83
Vested	—	—
Forfeited	—	—
Balance at December 31, 2007	**50,000**	**$9.83**

At December 31, 2007, there was $0.4 million of total unrecognised compensation cost related to non-vested restricted stock granted under the plan. That cost is expected to be recognised over a weighted average period of 1.74 years. The total fair value of shares vesting during the period from May 23, 2007 to December 31, 2007 was $0. The compensation recognised in operating expenses for restricted stock granted for the year ended December 31, 2007 was $0.06 million (2006: $0 million).

The Company plans to use authorised and unissued shares as well as any treasury shares to satisfy restricted stock grant exercises.

(11) RESEARCH AND DEVELOPMENT COLLABORATIONS

The Company has the following significant research and development collaborative agreement outstanding at December 31, 2007 and 2006:

KRAFT

Agreement Summary

On December 5, 2006, the Company entered into a technology sublicense agreement with Kraft. Pursuant to this agreement Kraft is granted limited exclusive sublicense to use the Company's know how and related license and patents relating to the production of "functional foods" which treat and prevent parasites in humans through additives to foods, beverages and dietary supplements. Kraft is required to use commercially reasonable efforts pursue the achievement of milestones set out in the agreement. The project for the development of licensed products is divided into four development stages. Within each stage certain designated milestones are to be accomplished in accordance with the development and implementation priorities agreed by the parties. The Company has the obligation to fund product development with a portion of the product development funded through an upfront payment and milestone payments. The Company and Kraft agreed to negotiate a supply agreement in "good faith" after commercial launch. In addition, Kraft has agreed to pay the Company royalties for any product sales related to the "functional foods" with the Company's technology.

(11) RESEARCH AND DEVELOPMENT COLLABORATIONS CONTINUED

KRAFT CONTINUED

Accounting Summary

The Company considers its arrangement with Kraft to be a revenue arrangement with multiple deliverables. The Company's deliverables under this collaboration include an exclusive license to its parasitic technologies, research and development services, and participation on a steering committee. The Company applied the provisions of EITF 00-21 to determine whether the performance obligations under this collaboration could be accounted for separately or should be accounted for as a single unit of accounting. The Company determined that the deliverables, specifically, the license, research and development services and steering committee participation, represented a single unit of accounting because the Company believes that the license, although delivered at the inception of the arrangement, does not have stand alone value to Kraft without the Company's research and development services and steering committee participation and because objective and reliable evidence of the fair value of the Company's research and development services and steering committee participation could not be determined.

(12) INCOME TAXES

Beginning on May 24, 2007, the Company is subject to both federal and state income taxes. For period prior to May 24, 2007, the Company operated as a pass through entity for tax purposes and tax liability was the responsibility of its members.

The difference between the "expected" tax benefit (computed by applying the federal corporate income tax rate of 34% to the loss before income taxes) and the actual tax benefit is primarily due to the effect of the valuation allowance described below.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts utilised for income tax purposes. The tax effects of temporary differences that give rise to significant portions of deferred taxes at December 31, 2007 are presented below:

	2007
Deferred tax assets:	
Accrued compensation	**$184,024**
Deferred revenue	**10,229**
Net operating loss and charitable contribution carryforward	**3,466,894**
Basis in intangibles	**4,810,014**
Property and equipment	**34,409**
Warrants	**1,535,893**
Stock compensation	**762,385**
Total gross deferred tax assets	**10,803,848**
Less valuation allowance	**(10,771,804)**
Net deferred tax assets	**32,044**
Deferred tax liabilities:	
Prepaid expenses	**(32,044)**
Net deferred tax liability	**$—**

At December 31, 2007, the Company had federal and state net operating loss carry forwards of $3.5 million. The federal net operating loss carry forwards begin to expire in 2027 and state net operating loss carry forwards begin to expire in 2027, if not utilised.

(12) INCOME TAXES CONTINUED

Management establishes a valuation allowance for those deductible temporary differences when it is more likely than not that the benefit of such deferred tax assets will not be recognised. The ultimate realisation of deferred tax assets is dependent upon the Company's ability to generate taxable income during the periods in which the temporary differences become deductible. Management considers the historical level of taxable income, projections for future taxable income, and tax planning strategies in making this assessment. Management's assessment in the near term is subject to change if estimates of future taxable income during the carry forward period are reduced.

Given the Company does not have a history of taxable income or a basis on which to assess its likelihood of the generation of future taxable income, management has determined that it is most appropriate to reflect a valuation allowance equal to its net deferred tax assets. The total valuation allowance at December 31, 2007 was $10.8 million.

In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FAS 109" ("FIN 48"). This statement clarifies the criteria that an individual tax position must satisfy for some or all of the benefits of that position to be recognised in a company's financial statements. The Company adopted FIN No. 48 on January 1, 2007. The implementation of FIN No. 48 had no impact on the Company's consolidated financial statements, results of operations or cash flows.

As of December 31, 2007, the Company has yet to file a tax return to which the Company is subject directly to income taxes. Accordingly, no tax returns are open to examination by major taxing jurisdictions which would directly impact the financial position of the Company. The Company recognises both accrued interest and penalties related to unrecognised benefits in income tax expense. The Company has not recorded any interest and penalties on any unrecognised tax benefits since its inception.

(13) EARNINGS PER SHARE

Basic earnings per common share were computed by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share were determined based on the assumption of the conversion of stock options using the treasury stock method at average market prices for the periods.

	2007	2006
Loss available to common shareholders:		
Net loss	**$(16,537,854)**	$(11,109,762)
Weighted average shares outstanding	**19,756,955**	16,195,975
Per share information:		
Basic and diluted loss per share	**$0.84**	$0.69

Diluted shares outstanding do not assume the conversion of stock appreciation rights or warrants outstanding of 103,939 common shares as it would have an anti-dilutive effect on earnings per share.

(14) REPORTABLE SEGMENT INFORMATION

The Company's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different knowledge, skills and marketing strategies.

Information concerning the various segments of the Company for the years December 31, 2007 and 2006 is summarised as follows:

	2007	2006
Net revenues:		
Pesticides and insecticides	**$5,257,097**	$(265,055)
Sustainable solutions	**290,000**	—
	$5,547,097	$(265,055)
Income(loss):		
Pesticides and insecticides	**(15,909,209)**	(11,190,762)
Sustainable solutions	**(628,645)**	—
	$(16,537,854)	$(11,190,762)
Identifiable assets:		
Pesticides and insecticides	**$30,065,841**	$2,795,427
Sustainable solutions	**319,072**	—
	$30,384,913	$2,795,427
Depreciation and amortisation:		
Pesticides and insecticides	**$870,931**	$70,337
Sustainable solutions	**—**	—
	$870,931	$70,337
Capital expenditures:		
Pesticides and insecticides	**$851,802**	$618,301
Sustainable solutions	**—**	—
	$851,802	$618,301
Interest income:		
Pesticides and insecticides	**$758,004**	$—
Sustainable solutions	**—**	—
	$758,004	$—
Stock compensation:		
Pest and insecticides	**$3,754,412**	$397,214
Sustainable solutions	**$118,031**	$—

All significant revenue and identifiable assets of the Company are currently in the United States of America.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of TyraTech, Inc., (the Company) will be held on May 15, 2008 at 12.00 noon UK time at the office of Buchanan Communications, 45 Moorfields, London EC2Y 9AE, UK for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

1. To receive and adopt the accounts for the period ended December 31, 2007 and the reports of the Directors and auditors on them.
2. To re elect Doug Armstrong as a Director serving for a term of three years.
3. To re elect David Szostak as a Director serving for a term of three years.
4. To re elect Keith Bigsby as a Director serving for a term of three years.
5. To receive and approve the Remuneration Committee Report.
6. To re appoint KPMG LLP as auditors of the Company until the conclusion of the next annual general meeting at which accounts are laid before the Company and to authorise the Directors to determine the remuneration of the auditors.

By order of the Board

KEITH BIGSBY
COMPANY SECRETARY
APRIL 1, 2008

NOTES

1. Any member entitled to attend and vote at the AGM is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and, on a poll, vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he/she subsequently decide to do so.
2. In order to be valid, any form of proxy, power of attorney or other authority under which it is signed, or notarially certified office copy of such power or authority, must reach the Company's Registrars, Proxy Department, Computershare, Investor Services (Channel Islands) Limited, PO Box 83, Ordnance House, 31 Pier Road, St. Helier, Jersey JE4 8PW, not less than 48 hours before the time of the AGM or of any adjournment of the AGM.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders who hold shares in uncertificated form must be entered on the Company's share register at 12.00 noon on May 12, 2008 in order to be entitled to attend and vote at the AGM. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
4. Copies of the service contracts of each of the Directors, and the register of Directors' interest in shares of the Company kept pursuant to Section 325 of the Act will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and Public holidays excluded) from the date of this notice until the date of the AGM and at the place of the AGM from at least 15 minutes prior to and until the conclusion of the AGM.

ADVISORS

INDEPENDENT AUDITORS
KPMG LLP
Suite 1600
111 N. Orange Avenue
Orlando FL 32802
USA

LEGAL COUNSEL
REED SMITH RICHARD BUTLER LLP
Minerva House
5 Montague Close
London SE1 9BB

NOMINATED ADVISOR, FINANCIAL ADVISOR AND BROKER
NOMURA CODE SECURITIES LIMITED
1 Carey Lane
London EC2V 8AE

JOINT FINANCIAL ADVISOR
JEFFERIES INTERNATIONAL LIMITED
Vintners Place
68 Upper Thames Street
London EC4V 3BJ

COMMERCIAL BANKERS
BANK OF AMERICA NA
390 N. Orange Avenue
Suite 900
Orlando FL32801
USA

REGISTRARS
COMPUTERSHARE INVESTOR SERVICES (CHANNEL ISLANDS) LIMITED
PO BOX 83
31 Pier Road
St. Helier
Jersey JE4 8PW
Channel Islands

FINANCIAL PR ADVISOR
BUCHANAN COMMUNICATIONS LIMITED
45 Moorfields
London EC2Y 9AE

designed and produced by
the design portfolio marketing services.
www.design-portfolio.co.uk

TyraTech, Inc.
1901 South Harbour City Blvd.
Melbourne
FL 32901

www.tyratech.com