TYRATECH

PUTTING NATURE TO WORK

2012 ANNUAL REPORT

TyraTech is a natural life sciences company using proprietary technology to engineer high performance insect and parasite control solutions that are safe for people, animals and the environment.

Insects and parasites are a growing nuisance, health hazard and economic burden to people, animals and agriculture. The chemical pesticides available today in the market suffer from poor performance due to increasing resistance from insects and parasites and significant safety issues. It is our mission to utilise TyraTech's unique technology platform to market innovative solutions to address these growing concerns and market needs.

This new approach, developed through our proprietary technology, targets a specific neurotransmitter receptor that is active in insects and parasites, but not in humans or other animals. Our scientific methodology allows us to identify synergistic combinations of naturally occurring compounds that are equally or more effective than synthetic chemicals while eliminating safety concerns often associated with chemical pesticides.

Our target market segments include personal care, animal health and consumer, commercial and agricultural pest control solutions. Our commercialisation strategy includes forming strategic partnerships with market-leading brands and retailers as well as developing TyraTech-branded products. We are currently and continually building a network of business relationships with leading manufacturers such as Terminix®, Mondelez (formerly known as Kraft Foods®) and leading distributors in the U.S. and EU markets in order to facilitate expansion into multiple markets. We recently formed Envance Technologies, LLC, a new business enterprise with AMVAC Chemical Corporation, to develop and market insect control solutions with TyraTech Nature's Technology® for consumer, commercial and agricultural use.

With target markets estimated by the Directors at approximately $10 billion per year, a proven unique technology, several commercialised and patented products, and an extensive development pipeline, the Directors believe that TyraTech is well positioned to become a key player in the global market of insect and parasite control.

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2012 PERFORMANCE SUMMARY

- Secured a trademark licensing agreement with Terminix International Company to market and sell TyraTech insecticide products under the Terminix® brand for consumer household use in the USA
- Completed a new business enterprise agreement with AMVAC to commercialize existing and new pesticide products using TyraTech Nature's Technology® in the global consumer, commercial and agricultural markets
- Received a significant upfront licensing fee from AMVAC for licensing TyraTech Nature's Technology® to the joint enterprise, named Envance Technologies, LLC
- Reached a distribution agreement with a major US retailer to launch nationally the Terminix® Ultimate Protection™ product line of aerosols
- Completed personal repellent product and registered in all 50 U.S. states, Germany, and the UK. Registration was also received from France in 2013
- Received registration in the UK for non-toxic head lice products

TOTAL REVENUE

- Decreased to $3.6 million (2011: $7.2 million)

GROSS PROFIT

- Decreased to $3.1 million (2011: $4.7 million)

OPERATING EXPENSES

- Reduced by 16% to $6.1 million (2011: $7.2 million)

NET LOSS

- Before and after tax increased to $2.9 million (2011: $2.7 million)

COMMENTS FROM THE CHAIRMAN

ALAN READE,

NON-EXECUTIVE CHAIRMAN

From the onset we knew 2012 would be a challenging year but that if we remained focused and achieved our goals it could also be the year where we would be able to secure the commercial foundation of the Company and accelerate the transition to a business focused on important revenue generation.

The successful negotiation with Terminix® to license their brand name for the household insecticide product range in North America was an important milestone. This led to the products being stocked nationwide in a major U.S. retailer very late in the year in preparation for a full roll out in 2013.

Also, in the last quarter of the year the joint venture with AMVAC Chemical Corporation (a wholly-owned subsidiary of American Vanguard) was formed to create a new entity, Envance Technologies, LLC, focused on exploiting the household insect control market as well as the lawn and garden opportunities. This initial strategic alliance was reinforced in early 2013 when American Vanguard Corporation purchased stock in TyraTech to become a 29.4% shareholder.

The TyraTech research and development and product teams continued to successfully develop products which we are confident will become exciting market opportunities particularly in the personal care (head lice control / prevention and personal repellents) and animal health markets.

The Company is now moving quite rapidly to a phase of product commercialisation which the Directors believe should lead to significant revenue growth in the coming years. With this in mind, the Board was very pleased to announce the appointment of Bruno Jactel as Chief Executive Officer in January 2013. Bruno had a very successful career as Global Head of Marketing and Strategy at Merial Limited, the $2.6 billion revenue generating Animal Health subsidiary of the Sanofi Group, and is highly skilled and experienced in the commercialisation process of consumer products.

The Board has also recently made various changes to its composition. Dr. Kevin Schultz retired from the Company and resigned from the Board as a Non-Executive Director with effect from 1 April 2013. Kevin was of great assistance in steering the company through a challenging period in its growth. Following the appointment of Bruno Jactel as Chief Executive Officer in January 2013, I became Non-Executive Chairman on 20 June 2013, relinquishing my previous Executive Chairman position. At the same time, the Board appointed Eric Wintemute as a Non-Executive Director. Eric is the Chairman and CEO of American Vanguard (the Company's largest shareholder) and is a highly skilled and successful executive who will further enhance the competencies of an already well qualified Board.

Finally I am pleased to say that the Board and all the members of staff are confident and excited about the future of the Company. I thank them for their hard work and dedication.

Alan Reade
Non-Executive Chairman
June 27, 2013

CEO REPORT AND OPERATIONAL REVIEW

BRUNO JACTEL,
CHIEF EXECUTIVE OFFICER

TyraTech is first and foremost a team of talented and passionate people focused on developing and commercialising technology that can be used to solve some of the most difficult problems in insect and parasite control; providing answers to real and significant market needs. Since joining the Company at the beginning of January 2013, I am continually amazed at the performance of our products, which bring an enhanced level of safety for users and the environment while providing performance equivalent or superior to existing synthetic chemical pesticides. I also feel proud to have joined the TyraTech team – people dedicated to replacing and reducing the use of harmful products whenever possible. Our common goal is to bring to the marketplace a range of bio-pesticides which can reduce the impact of insects, insect-transmitted diseases and parasite infestations that have dramatic effects on the lives of children, families and animals, especially in developing countries.

From 2008 to 2012, TyraTech was focused on establishing a strong technology platform, accumulating a solid portfolio of patents and developing and registering a series of novel products. The Company's product portfolio now includes more than 15 products at various stages of development with eight products ready for commercialisation.

2012 was a turning point for the Company, transitioning from an organization focused on research and product development to a company able to register and successfully commercialise innovative products. A line of consumer aerosol pesticides was placed with a major home improvement retailer in the USA and our novel head lice treatment and personal insect repellent were prepared for market introduction in Europe as well as the USA. They both are registered in the UK. In addition, the personal insect repellent is also registered in the USA, Germany and France while the head lice product is in the final phase of registration in the USA. This was also a year of tightening control of expenses and preparing the Company infrastructure to support growth. Operating expenses were reduced by 16% to $6.1 million (2011: $7.2 million) during 2012, creating a stronger financial foundation. We also formed a new business enterprise, Envance Technologies, LLC ("Envance"), with AMVAC Chemical Corporation ("AMVAC") to commercialise new pesticide products for global consumer, commercial and agricultural markets. The consumer products will provide insect control solutions for homes, lawns and gardens. This agreement included a substantial upfront licensing fee as well as annual residual payments. The two companies established a strong relationship that deepened when American Vanguard Corporation purchased a 29.4% share of TyraTech by participating in our last fund raising initiative. The Company raised gross proceeds of approximately $4.5 million (approximately $4.3 million net of expenses).

As we proceed into the second half of 2013, the Directors believe that TyraTech is well-positioned for growth with a range of new products to launch through new and strengthened relationships with important strategic partners, a strong potential for geographical expansion in developing countries, an industry-changing technology platform, and a rich pipeline of innovative products.

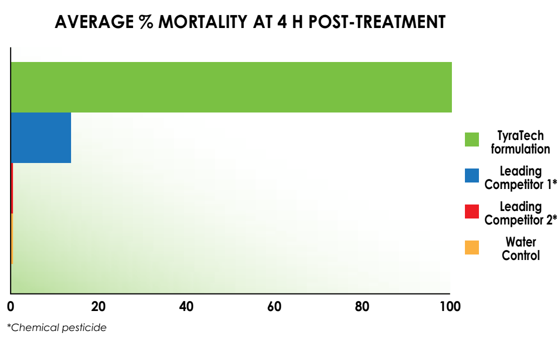
Bruno Jactel
Chief Executive Officer
June 27, 2013

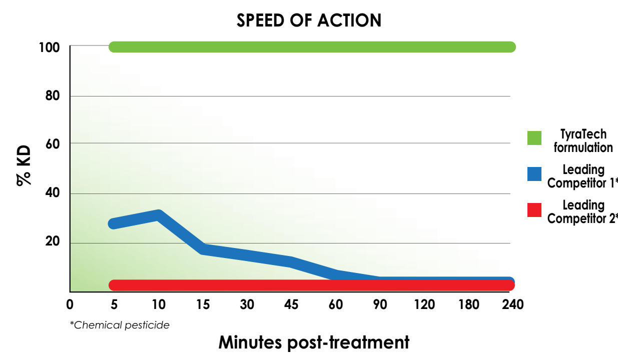
PERSONAL CARE

"During 2012, laboratory and field trials confirmed the superior performance of the TyraTech head lice and personal repellent products against many leading competitors."

Head Lice Infestation is the second most frequent medical condition occurring in children after the common cold. There is currently no perfect solution to this problem and parents worry about the potential harmful effects to their children when using products that contain synthetic chemicals, many of which have become much less effective over time as lice develop resistance. Other silicone-based head lice products can leave behind a greasy residue. The Directors believe, therefore, that there is a gap in the market for a safe, effective and easy to use solution for this problem.

TyraTech Nature's Technology® led to the creation of a highly potent and consumer-friendly head lice solution using non-toxic ingredients. This new product has been proven to control 100% of nits, immature and adult head lice in a 15-minute treatment. During 2012, TyraTech conducted clinical and laboratory trials that confirmed the product's increased efficacy compared to competitive products. The non-toxic formulation makes it safe for children with no restriction on potential re-use. The product has already been registered in the UK and is in progress in the U.S. It is expected to be introduced in the U.S. and UK markets as soon as the end of 2013.





Diseases transmitted by mosquitoes and ticks are a growing public health issue worldwide. West Nile virus, Lyme disease, and Rocky Mountain spotted fever are a concern, and in some parts of the world, Malaria and Dengue virus are creating widespread serious or fatal health problems.

Current market-leading personal insect repellent products contain the active ingredient DEET, which brings along with it the lingering public perception that it is a health hazard to humans, especially children. DEET is also known to have numerous unwanted properties such as reducing the efficacy of sunscreens and its action as a plasticizer. There currently are no non-synthetic chemicals that are as effective as DEET. Personal insect repellents made with natural ingredients have to date been less effective than the synthetic product in controlling mosquitoes and ticks.

After extensive research and development, TyraTech engineered a non-toxic, non-DEET solution that is safe for the entire family but reaches a very high level of performance: the product effectively repels mosquitoes for six hours and ticks for up to four hours. During 2012, laboratory and field trials confirmed the superior performance of the TyraTech repellent against many leading competitors. The product has been registered in all 50 states in the U.S., as well as in the UK, Germany and France, and more registrations are in progress.

MEAN % REPELLENCY AT POST APPLICATION INTERVALS (HOURS)

Repellent	Active	0.5	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0
TyraTech formulation	5% Botanical	99.9 ± 0.2	99.7 ± 0.2	99.7 ± 0.3	99.5 ± 0.5	98.8 ± 0.3	96.9 ± 1.6	97.1 ± 1.4	97.3 ± 1.6	96.4 ± 1.0	94.7 ± 2.5
Synthetic Competitor 1	15% Deet	99.3 ± 0.7	99.1 ± 0.7	98.9 ± 0.8	98.2 ± 1.2	96.3 ± 2.3	96.3 ± 1.7	88.5 ± 3.0			
Synthetic Competitor 2	7% Deet	99.0 ± 1.2	93.4 ± 3.1	90.9 ± 5.0							
Synthetic Competitor 3	10% PMD	96.8 ± 1.1	93.3 ± 2.1	84.2 ± 3.0							
Synthetic Competitor 4	7% Picaridin	93.4 ± 2.4									
Synthetic Competitor 5	20% IR3535	88.7 ± 3.9									
Synthetic Competitor 6	8% Undecanone	88.3 ± 2.7									
Natural Competitor 1	37% Botanical	95.8 ± 3.0	95.7 ± 0.7	94.2 ± 0.8	85.3 ± 1.8						
Natural Competitor 2	20% Botanical	96.0 ± 0.9	91.1 ± 1.9	83.6 ± 1.5							
Natural Competitor 3	45% Botanical	84.0 ± 1.9									
Natural Competitor 4	26% Botanical	71.7 ± 7.3									

Blue shading = synthetic actives/EPA registered

"TyraTech products and R&D pipeline include solutions for the control of insects and parasites in companion and production animals."

ANIMAL CARE

Market Potential $5-6 Billion

Insects and parasites are a major transmitter of livestock diseases that result in significant economic losses each year in the worldwide meat and dairy industry. They are also a significant health hazard and nuisance for horses and pets as well as their owners.

In the close quarters of production animals facilities, flies and cockroaches can move easily among barns, threatening food safety and biosecurity. Flies negatively impact the health and productivity of livestock by biting (causing excess blood loss), transmitting pathogens, and disturbing the animals by swarming. Cockroaches harbor viruses, bacteria and endoparasites and, if left unmanaged, can reach high concentrations in production facilities.

Traditional synthetic pesticides can only be used in limited ways to control insects in livestock facilities. Some cannot be applied while animals are present due to potential contamination. There are also stringent restrictions on the application of pesticides to drains to avoid aquatic system contamination. The limited number of chemicals that are currently permitted for use in production animal facilities has yielded an overuse of those compounds and created insect resistance as a result.

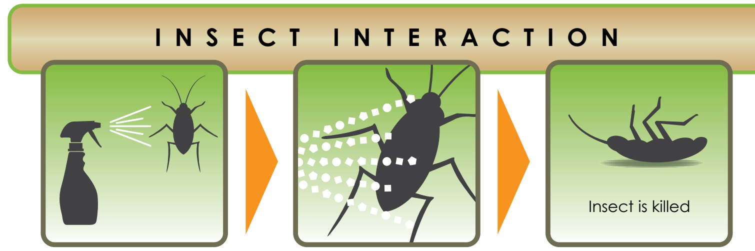
Initially, TyraTech focused development efforts on insect and parasite control products for use in animal facilities. The Company's proprietary technology has led to the development of a range of products that support Integrated Pest Management practices, providing rapid knockdown and kill of insects while being non-toxic and safe for livestock and horses. The product line includes formulations that are safe for use in drains and pipes and can be used on and around food preparation areas. TyraTech animal health solutions greatly diminish the risk of meat, milk and environmental contamination, contributing to healthier livestock and greater yields. These Phase I animal health products are poised to be launched in 2013. A fly control solution for horses is also in its late development phase. Additional products in the Company's R&D pipeline include solutions for the control of external and internal parasites in companion and production animals.

TECHNOLOGY AT WORK

"TyraTech developed a unique screening methodology for essential oils that became the core platform for TyraTech's proprietary technology."

Using a technology discovered at Vanderbilt University, TyraTech developed a unique screening methodology for essential oils that became the core platform for TyraTech's proprietary technology.

TyraTech's products target the tyramine neurotransmitter receptor, which is active in invertebrates but not in humans or other mammals. The ingredients in the Company's products block this receptor, rapidly killing the insect or parasite. The formulations derived from natural ingredients, require low levels of active ingredients to deliver maximum effect. Because the technology works on different receptors than traditional pesticides, insects that have developed resistance to current synthetic chemical treatments can be effectively controlled.



Disrupts tyramine neurotransmitter receptors

These receptors are not active in humans and animals

The Company's products are formulated in a way that allows them to be used in a broad range of delivery systems including mousses, lotions, sprays, gels, dusts, and even integration into plastic materials.

TyraTech's products contain natural ingredients that are widely recognised by major regulatory agencies around the world as non-toxic. These bio-based ingredients result in a shorter and less costly development, registration and commercialisation path than those containing new synthetic chemicals. The Company's intellectual property strategy employs a multi-layered approach in order to protect the methods for screening compounds, the composition of the products, and the combinations of active ingredients. So far, 14 patents have been granted in the USA and internationally, and 63 new patent applications are pending.

ENVANCE TECHNOLOGIES™

Market Potential $3.5-4.5 Billion

During 2012, TyraTech partnered with specialty chemical maker AMVAC Chemical Corporation (AMVAC), a wholly-owned subsidiary of American Vanguard Corporation, to form Envance Technologies, LLC (Envance). TyraTech's proprietary technology and screening platform, combined with AMVAC's market-leading position in pesticides, is intended to facilitate successful penetration of the global consumer, commercial and agricultural segments.

In late 2012, Envance launched a range of insect control solutions for consumer use. Developed with TyraTech Nature's Technology®, the Terminix® Ultimate Protection™ product line is currently being distributed by top-tier U.S. retailers. Additionally, Envance continues to produce the Terminix® Natural Pest Control product line, developed with TyraTech Nature's Technology®, for use in commercial settings. Envance will also look to develop new combinations with synthetic compounds to create solutions with improved efficacy and environmental impact on a range of crops.

Envance is jointly owned by AMVAC (60%) and TyraTech (40%). The company is funded by capital contributions from TyraTech and AMVAC in proportion to their shareholdings. The parties have made initial capital contributions on this basis totaling $1 million.

FINANCIAL REVIEW

R. DANIEL WILLIAMS,

CHIEF FINANCIAL OFFICER

Revenues
TyraTech continues to develop its products and is working to diversify revenue sources as the Company matures as a business. Overall revenues decreased for the year to $3.6 million (2011: $7.2 million). Product revenues decreased to $0.3 million (2011: $4.4 million) as our partner experienced lower sales than forecasted. Collaborative revenue increased to $3.2 million (2011: $2.7 million) primarily from a single upfront license exclusivity fee which was part of the joint enterprise transaction (Envance Technologies, LLC), along with changes in the Product Supply Agreement with Terminix® and the agreement with Kraft®. TyraTech does not consolidate the revenue, cost of goods sold, or operating expenses of Envance Technologies, LLC, but alternatively reflects the results using the equity method of accounting as a non-controlled subsidiary.

Cost of Sales and Gross Margin
Cost of sales for the year was $0.5 million (2011: $2.5 million). This included cost of product sold of $0.2 million, (2011: $1.8 million) and project costs for collaborative revenue projects of $0.2 million (2011: $0.7 million). Gross margin from product sales in 2012, excluding the effect of the $122,914 write-off of obsolete inventory, was 64% (2011: 59%). The increase in gross margin was primarily driven by the upfront license fee received from AMVAC on the establishment of the Envance joint enterprise.

Operating Expenses and Loss for the Year
Operating expenses for the year were reduced by 16% to $6.1 million (2011: $7.2 million). The expenses for the year include non-cash stock compensation to employees and non-employees of $0.7 million (2011: $0.7 million), and depreciation and amortization of $0.1 million (2011: $0.2million). The decrease in overall operating expenses for 2012 was driven primarily by the decrease in subcontracted services and relocation expenses. Net loss for the year before and after tax was $2.9 million (2011: $2.7 million).

Balance Sheet
Current assets show an increase to $1.8 million (2011: $1.2 million). Cash and cash equivalents increased to $1.5 million (2011: $0.9 million) primarily resulting from the AMVAC upfront licensing fee and the fund raise from early in the year, offset by the increased net cash used in operating activities and the investment in Envance Technologies, LLC. Trade and other receivables increased to $0.1 million (2011: $11,816) primarily from the shared services revenue from the new joint enterprise (Envance Technologies, LLC). Inventories reduced significantly to $17,126 (2011: $0.2 million) largely from a write off of obsolete inventory from the insecticide business which was transferred to Envance at the end of November, 2012. Prepaid expenses remained stable at $81,202 (2011: $72,043).

Non-current assets increased by $0.3 million to $0.7 million (2011; $0.4 million) largely from the Company's equity investment in Envance Technologies, LLC.

Total liabilities decreased to $3.0 million (2011: $3.8 million) from the combined effect of reducing current payables, recognizing deferred revenue during the year, and the extension of the term of revenue recognition of the Kraft deferred revenue.

The Company's common stock issued increased to 108,176,305 shares including 1,084,413 shares of Treasury Stock. These issued shares increased as the combined result of a fundraise earlier in 2012 and the issuance of common shares in lieu of an executive's cash payroll and funding several consulting contracts. Additionally, after year end the Company issued 60,000,000 new common shares of $0.001 each for a gross cash consideration of £3.0 million (approximately $4.5 million) representing £2.9 million (approximately $4.3 million) net of cash expenses. The Company issued an additional 600,000 common shares at the time of this fund raise in payment of fees related to the fund raise. The Company's shareholders' deficit at year end was improved at $0.6 million (2011; $2.2 million) before consideration of non-controlling interests.

Liquidity and Cash Flow
Net cash used in operations increased in 2012 to $2.8 million compared to $2.3 million for 2011, a $0.5 million increase. This increased use of operations cash was primarily the result of decreased cash from product sales, largely offset by increases in upfront license payments receipts and decreased operating expenses. Also contributing to the increased use of operations cash was our increase in accounts receivable, partially offset by the decrease in our accounts payable and accrued expenses. Cash flow used in investing activities for 2012 was $0.4 million compared to $0.1 million for 2011. This increase resulted from the minority investment in the Envance Technologies, LLC joint venture with AMVAC.

Cash flow from financing activities in 2012 was $3.8 million, compared to zero in 2011 as a result of the $3.9 million raised in equity financing.

Cash and cash equivalents were $1.5 million at the end of 2012 (2011: $0.9 million). We invest our cash resources in deposits with banks with the highest credit ratings, putting security before absolute levels of return.

Subsequent to 31 December, we raised approximately an additional $4.3 million in capital, net of expenses, through the issuance of 60,000,000 common shares to fund our operations while we continue negotiations with our existing and new partners.

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

R. Daniel Williams
Chief Financial Officer
June 27, 2013

TYRATECH
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2012 FINANCIAL INFORMATION

DIRECTOR'S REPORT

The Directors present their report and the audited financial statements of TyraTech, Inc. for the year ended 31 December 2012.

RESULTS AND DIVIDENDS

The net loss for the year, after taxation, was $2.9 million versus a net loss of $2.7 million in 2011. No dividends have been declared or paid.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the development and commercialisation of proprietary insecticide and parasiticide products which incorporate unique blends of natural, plant oil derived active ingredients.

BUSINESS REVIEW

A review of the Company's operations during the year, and the outlook for the future are given in the Chief Executive Officer's Letter.

Where the Directors' report (including the Chief Executive Officer's Letter 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 Company's long-term success. Research and development expenditure is expensed when incurred and for the year was $2.4 million (2011: $2.8 million).

INTELLECTUAL PROPERTY

The Company owns intellectual property and has taken steps to protect this through patent applications, where, as of the date of this report, 14 patents were issued (2011: 11 patents) and 63 patents are pending (2011: 79 patents). The Company'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 Company'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 (2011: 32 days) for the Company.

EQUAL OPPORTUNITY EMPLOYER

The Company 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. As of 31 December 2012 the Company had 21 employees (2011: 23 employees).

POLICY ON EMPLOYEE INVOLVEMENT

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

SAFETY, HEALTH AND ENVIRONMENT

The Company is committed to maintaining high standards of safety, health and environmental protection by conducting itself in a responsible manner to protect people and the environment.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the Company's strategy are subject to a number of risks and uncertainties. The Directors have set out below principal risks facing the business:

History of losses

The Company has experienced operating losses in each year since its inception and, as at 31 December 2012, had accumulated losses of $74.9 million. The Company will incur further losses and there can be no assurance that the Company will ever achieve significant revenues or profitability.

Working capital and significance of the Fundraisings

As at 31 December 2012, the Company had cash and short-term deposits of $1.5 million. In April 2013, the Company completed an equity fundraise totaling approximately $4.5 million, gross of cash expenses (approximately $4.3 million net of expenses) related to the fundraise. The Directors believe that, based on current forecasts, the Company will have sufficient cash to fund its operations for at least 12 months from the date the financial statements were signed. The achievability of these forecasts is dependent on a number of key assumptions, in particular, increased market penetration through the Company's new jointly owned enterprise (Envance Technologies, LLC) with AMVAC Chemical Corporation in 2013 and the resulting sales increase and successful leverage of the Company's products and technology into consumer markets, combined with the Company's ability to enter into new partnerships to develop products in new markets. If the Company does not perform in line with these key assumptions underlying the forecasts, the Company's cash resources may be absorbed earlier than forecasted.

Customer Concentration

The Company previously sold its products to one customer. The establishment of Envance Technologies, LLC will allow the Company and AMVAC Chemical Corporation to achieve customer diversification through the consumer market channel. The Company is seeking to expand its customer base through additional partnerships with recently developed new products in human health. However, diversification of its customer base could take a lengthy period of time.

The Company's future operating results will be highly dependent on how well it manages the expansion of its operations

The Company may experience periods of rapid growth in the number of products it supplies. This, in turn, would likely necessitate an increase in the number of the Company's employees, its operating and financial systems, sub-contract manufacturers and the geographic scope of its operations. This growth and expansion may place a significant strain on the Company's financial, management and other resources. To manage its expanded operations effectively, TyraTech will be required to continually improve its existing operational, financial and management processes and to implement new systems. TyraTech will be reliant upon distribution sales, particularly as it expands its operation and is therefore dependent on such distribution to achieve growth and expansion of its operations.

Market penetration rates

The Company's business model assumes that, over time, its products will be adopted by the market. However, it is possible that penetration rates may be slower than the Company's forecasts assume.

The failure of TyraTech's patents, trade secrets and confidentiality agreements to protect its intellectual property may adversely affect its business

TyraTech is the owner, or co-owner, of intellectual property rights, including patents, trademarks, designs, copyright, trade secrets and confidential information. While it may apply from time to time to register additional patents, trade-marks, designs and copyrights and take reasonable steps to protect its trade secrets and confidential information, TyraTech's ability to compete effectively with other companies depends, amongst other things, on the adequate protection of intellectual property rights owned by or licensed to it. There can also be no assurance that patents will be issued in connection with any of its applications now pending or which may be applied for in the future, or that the lack of any such patents will not have a material adverse effect on TyraTech's ability to develop and market its proposed products or that third parties will not misappropriate TyraTech's trade secrets and confidential information. There can be no assurance as to the ownership, validity or scope of any patents in which TyraTech has an interest or that claims relating to such patents will not be asserted by other parties or that, if challenged, such patents will not be revoked. Even if patent protection is obtained, no assurance can be given that TyraTech will successfully commercialise the product or technology prior to expiry of the patent protection. It is also not certain that extensions of patent protection (patent term extensions, supplementary protection certificates or their equivalent around the world) will be available at the end of the term of patents currently in existence so as to provide patent protection during the initial period in which products are marketed. TyraTech may be unable to adequately protect its proprietary information and know-how. In addition to its patented technology, TyraTech relies upon unpatented proprietary technology, processes and know-how. TyraTech has confidentiality agreements in place with customers, suppliers and employees who have access to its proprietary information and know-how, but such agreements may be breached and TyraTech may not have adequate remedies for such breach. In addition, TyraTech's trade secrets may otherwise become known or be independently developed by competitors. If certain parts of TyraTech's proprietary information and know-how were to become public knowledge, then the value of TyraTech's products could be adversely affected which could have a material adverse effect on TyraTech's business, financial condition and results of operations.

TyraTech's ability to introduce certain of its products to market is dependent on successful completion of regulatory approval process

Insecticide and parasiticide products are subject to a regulatory approval or registration process in the U.S., in Europe and other parts of the world. Failure to obtain or maintain regulatory approval or registration could result in the inability to market and sell such products. The time necessary to obtain regulatory approval or registration varies among products and between the U.S., Europe and the rest of the world and is affected by numerous factors many of which are beyond TyraTech's control. There can be no assurance that regulatory clearance for the product or, indeed, for trials at each stage and approval for TyraTech's product candidates still in development will be forthcoming without delay or at all.

Regulatory investigations and litigation may lead to fines or other penalties

There is a risk that TyraTech would face regulatory investigation as a result of any of its products, if there were data errors in the submission documents or if new data came out that impacted the claims or safety profile of the product.

CHARITABLE DONATIONS

The Company has made charitable donations to local charities during the year of $5,650 (2011: $12,700) to educational institutions involved in the development of our technology.

DIRECTORS

The directors who served during the year were as follows:

A.J. Reade
B.M. Riley
J. Hills
K. Schultz

BIOGRAPHIES OF THE DIRECTORS FOLLOW:

Alan Reade (Executive Chairman) was appointed on 25 May 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. Prior to that, he was Chief Executive Officer at Rhone Poulenc Agro Inc. and member of the Global Executive Committee

Barry Riley (Non-Executive Director) was appointed on 25 May 2007. After qualifying as a Chartered Accountant, he joined the Bowater Organization, 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 a member of the Nomination Committee.

James Hills (Non-Executive Director) was appointed on 9 July 2010. Mr. Hills spent the early portion of his career with The Gillette Company and Coca Cola USA where he held senior positions in both sales and brand management. Later, he was a 50% partner and Chief Executive Officer of Weatherly Consumer Products Inc., a company which developed, branded and marketed specialty fertilizers in North America and Europe, under the Jobe's brand name. Following the sale of that business in 1996, he started Gulfstream Home and Garden, a company which marketed lawn and garden insecticides under the Sevin brand name in the U.S. He sold that business in 2005 following nearly ten years of rapid growth. Mr. Hills is chairman of the Remuneration Committee and a member of the Audit Committee.

Kevin T. Schultz, D.V.M., Ph.D. (Non-Executive Director) was appointed to the board on 1 April 2012. Dr. Schultz served as TyraTech's Chief Scientific Officer from August 2010 through March 2012. Dr. Schultz began his corporate work as an Executive Director, at World-Wide Animal Science Research & Development at Merck & Co. Inc. He was one of the founding executives to combine the Animal Health Division of Merck with Rhone Merieux and was subsequently appointed Head of Pharmaceutical Research and Development. Following that, Dr. Schultz assumed the role of Chief Scientific Officer and Global Head of all Research and Development for Merial (pharmaceutical and biological). Dr. Schultz received his Doctor of Veterinary Medicine from Purdue University and earned a Ph.D. from the University of Florida Medical School before joining Harvard Medical School and Harvard School of Public Health as a Fellow in Cancer Biology. He was a Professor in the Department of Pathobiological Sciences at the University of Wisconsin-Madison and had his own private veterinary practice. Dr. Schultz has published more than 50 peer-reviewed papers and contributed to more than 20 books and compendiums. He is also a Venture Fellow with the Georgia Research Alliance. Dr. Schultz retired from the Company and resigned from the Board as a Non-Executive Director with effect from 1 April 2013.

Bruno Jactel was appointed as Chief Executive Officer of TyraTech effective 10 January 2013. Mr. Jactel spent 12 years at Merial Limited, the $2.6 billion revenue generating Animal Health subsidiary of the Sanofi Group, most recently serving as combined Chief Strategy Officer and Chief Marketing Officer. As head of commercial operations in Europe, Mr. Jactel developed successful growth strategies in both OTC and professional channels. Prior to working at Merial, Mr. Jactel was Deputy Minister for Economic and Commercial Affairs at the French Embassy in Washington, D.C. He was also a recent founder and board member of Hypercell Technologies LLC, an early-stage biotech company developing therapeutic solutions to serious infectious animal disease. Mr. Jactel is a Doctor of Veterinary Medicine and has a Masters in Economic Sciences from the Sorbonne University in Paris. He graduated from the École Nationale d'Administration, Paris in 1993.

Eric Wintemute was appointed to the Board as a Non-Executive Director on 20 June 2013. Mr. Wintemute was elected to the post of AMVAC's President and American Vanguard Corporation's Chief Executive Officer in mid-1994. Mr. Wintemute had joined the Company in January 1994 as Executive

Vice President, Chief Operating Officer, and a member of the Board of Directors following American Vanguard's acquisition of GemChem, a national and international chemical distribution company he co-founded in 1991. From 1977 to 1982, he worked for AMVAC in a variety of sales, purchasing, and production control capacities. Previously, as a Vice President and Director of R.W. Greeff & Co. from 1982 to 1991, Mr. Wintemute oversaw the national and international distribution of key AMVAC chemical products. Mr. Wintemute holds a Bachelors of Science from the University of California, San Diego.

DIRECTORS' INTERESTS

At 31 December 2012 the Directors had beneficial interests in the share capital of the Company, other than with respect to options to acquire ordinary shares (which are detailed in the analysis of options included in the Directors' Remuneration Report) as follows:

	1 June, 2013 (or earlier date of resignation) Common Shares of $0.001 each	1 January, 2012 (or later date of appointment) Common Shares of $0.001 each
A.J. Reade	9,811,358	4,198,388
B.M. Riley	2,455,556	1,255,556
K. Schultz	Nil	Nil
J. Hills	565,500	50,000

DIRECTORS INDEMNITY INSURANCE

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

CAPITAL STRUCTURE

The capital structure of the Company comprises common shares of $0.001 par value each.

There are no specific restrictions on the transfer of shares by any shareholder. There are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change in control of the Company following a takeover bid.

Subsequent to the year end the Company issued 60,000,000 new common shares of $0.001 each for a gross cash consideration of £3.0 million (approximately $4.5 million) being £2.85 million (approximately $4.3 million) net of cash expenses. A further 600,000 shares of $0.001 each were issued in settlement of other expenses of £30,000 (approximately $45,330). American Vanguard Corporation, the parent company of AMVAC and the Company's partner in its Envance jointly owned enterprise, purchased 49,400,000 of the new common shares. Following this offering, American Vanguard Corporation held 29.46% of the total voting rights in the Company. American Vanguard Corporation also holds 10,000,000 warrants in the Company (the "Warrants"). If American Vanguard Corporation were to exercise the Warrants in full, it would hold 31.73% of the Company's total voting rights on a fully diluted basis (i.e., assuming exercise in full of all outstanding options held by directors and staff and of the Warrants).

SUBSTANTIAL SHAREHOLDINGS

Prior to the publication of this document, the Company has been advised, of the following shareholdings amounting to 3% or more of the ordinary share capital of the Company.

	Number	Percentage
American Vanguard Corporation	49,400,000	29.46%
Legal & General	19,962,232	11.90%
Sustainable Asset Management	14,941,348	8.91%
Close Asset Management	11,639,365	6.94%
A.J. Reade	9,811,358	5.85%
Henderson Global Investors	7,662,673	4.57%
Fiske nominees	7,562,904	4.51%
Vanderbilt University	5,086,799	3.03%

AUDITORS

A resolution to reappoint Grant Thornton 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.

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 Company'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 Company'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 Company's auditors are aware of that information.

By order of the board

Alan Reade
Non-Executive Chairman
June 27, 2013

CORPORATE GOVERNANCE

The Board supports the principles of good corporate governance set out in the Financial Reporting Council's UK Corporate Governance Code. Although the Company is an AIM listed company and is not required to fully comply with the Corporate Governance Code, the Board is committed to a level of compliance appropriate for a smaller public company.

The Board considers that it has maintained an appropriate level of compliance with the provisions set out in The Corporate Governance Code for the year to 31 December 2012 and its revised structure in 2013 maintains a significant independent element with appropriate skills and experience.

BOARD OF DIRECTORS

During the year 31 December 2012, the Board consisted of an Executive Chairman and three Non-Executive Directors.

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 14 to 16 of this report. These indicate the high level and range of experience, which enables the Company 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 is set out below:

- Remuneration Committee: Mr. Hills (Chairman) and Mr. Riley.
- Audit Committee: Mr. Riley (Chairman) and Mr. Hills.
- Nomination Committee: Mr. Reade (Chairman), Mr. Riley and Mr. Hills.

The Board is responsible to the shareholders for the proper management of the Company. The Board has adopted a formal schedule of matters specifically reserved for the Board's decision that covers key areas of the Company's affairs including: overall responsibility for the business and commercial strategy of the Company, 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.

During the year ended 31 December 2012, the Executive Chairman led the Board in the determination of its strategy and in the achievement of its objectives. The Executive Chairman was responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The Executive Chairman facilitated 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 Executive Chairman gave feedback to the Board on issues raised by major shareholders. Following the Executive Chairman's move to Non-Executive Chairman on 20 June 2013 these functions will now be fulfilled by the Chief Executive Officer.

During the year ended 31 December 2012, the Board delegated the day to day responsibility for managing the Company to the Executive Chairman who is accountable to the Board for the financial and operational performance of the Company. Following the Executive Chairman's move to Non-Executive Chairman on 20 June 2013 these functions will now be fulfilled by the Chief Executive Officer.

The Company regarded Mr. Hills and Mr. Riley as independent Non-Executive Directors during the year ended 31 December 2012. The independent 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. Mr. Riley 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 Non-Executive Chairman or Chief Executive Officer has failed to resolve matters or for which such contact would be inappropriate.

The Board has four 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 are 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 Company Secretary and may take independent professional advice at the Company's expense in the furtherance of their duties.

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

In accordance with bye-laws of the Company, one third of the directors must resign and may offer themselves for re election. At the forthcoming Annual General Meeting Mr. Reade will offer himself for re-election. In addition, Bruno Jactel and Eric Wintemute will offer themselves for election at the Annual General Meeting

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 (21 to 25).

The Remuneration Committee meets at least two times per year.

The Company 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 Company's auditors regarding improvements to internal controls and the adequacy of resources within the Company'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 audit committee meetings. At least twice a year representatives of the Company'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 Company's auditors, Grant Thornton LLP, have not been instructed to carry out non-audit work during the year. Other firms of advisors were employed during the year for tax compliance services.

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

The Nomination Committee is responsible for considering and making 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. The Nomination Committee meets at least two times per year.

INTERNAL CONTROL AND RISK MANAGEMENT

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. The Company 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 Company faces during the financial year. The Board has since reviewed these risks as part of the strategic planning exercise, considering the likelihood of the risk occurring and the potential impact on the business. The Board will continue to review and update the risk management process on an ongoing basis. No significant weaknesses or failings were identified, 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 Company's operating procedures include a comprehensive system for reporting financial and non-financial information to the Directors.

The planning system produces a rolling three year operating 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.

The Board reviews the actual financial results versus budget and forecast together with other management reports containing non-financial information.

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

GOING CONCERN

The Company has produced monthly forecasts to the end of 2015 and the Directors believe that the Company will have sufficient cash to meet its working capital needs through the next twelve months based upon: cash expected to be received through existing contracts, new contracts to be closed and the ability to control costs as a result of the Company's cost minimisation program, with existing cash on hand and cash received from a share placing in 2013. For this reason the Company continues to adopt the going concern basis.

INTERNAL AUDIT

The Company 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 Company's activities.

SHAREHOLDER COMMUNICATION

It is the Company's policy to involve its shareholders in the affairs of the Company and to give them the opportunity at the Annual General Meeting to ask questions about the Company'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 Company 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 Company, 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 Company also maintains a website, www.tyratech.com, which incorporates corporate, financial, product information and news.

This report sets out the Company'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 Company'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 Company's Directors, seeks to give appropriate consideration to the Corporate Governance Code. No external advisors 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 Company'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 and an annual performance related bonus plan and stock appreciation rights. The Company also provides health care, disability and life insurance and 401(k) matching contribution benefits consistent with all employees of the Company. 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 Remuneration Committee. In determining the performance targets and related bonus levels, the Remuneration Committee seeks to align the interests of executives with those of shareholders. Performance related remuneration forms a significant amount of Executive Directors' total remuneration. On target bonus amounts for 2012 were set at 50% of basic salary for Mr. Reade. Mr. Reade was not paid a bonus for 2012.

STOCK APPRECIATION RIGHTS

All Executive Directors and employees are eligible for grants of stock appreciation rights. Stock appreciation rights are granted at the closing mid market price of the Company's ordinary shares on the day prior to grant and vest over four equal annual increments. Currently the exercise of stock appreciation rights 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 Company's 401(k) (see Directors' Pension Arrangements below). The Company funds the provision of private medical insurance cover for Executive Directors and their immediate family and Executive Directors participate in the Company's life insurance scheme, which has a lump sum payment in the event of death in service.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

Mr. Reade entered into an employment agreement with the Company on 16 May 2010, the principle terms of which are that if the Company terminates his employment, other than for good cause, or if he resigns with good reason, he will be eligible, but not entitled to a sum equal to his annual base salary and bonus, as well as accelerating the vesting of shares which would become free of re-purchase obligations for the complete year after the date of termination. Mr. Reade may terminate the employment agreement on six months written notice. Mr. Reade moved to the role of Non-Executive Chairman on 20 June 2013.

Mr. Jactel entered into an employment agreement with the Company on 1 January 2013, the principal terms of which are that if the Company terminates his employment, other than for good cause, or if he resigns with good reason, he will be eligible, but not entitled to a sum equal to six times his then current monthly base salary. If Mr. Jactel's employment is terminated by a change in control in the Company, Mr. Jactel will be entitled to a lump sum payment equal to 12 times his then current monthly base salary plus other benefits. Mr. Jactel will not be eligible for any kind of severance payment if he resigns from the Company.

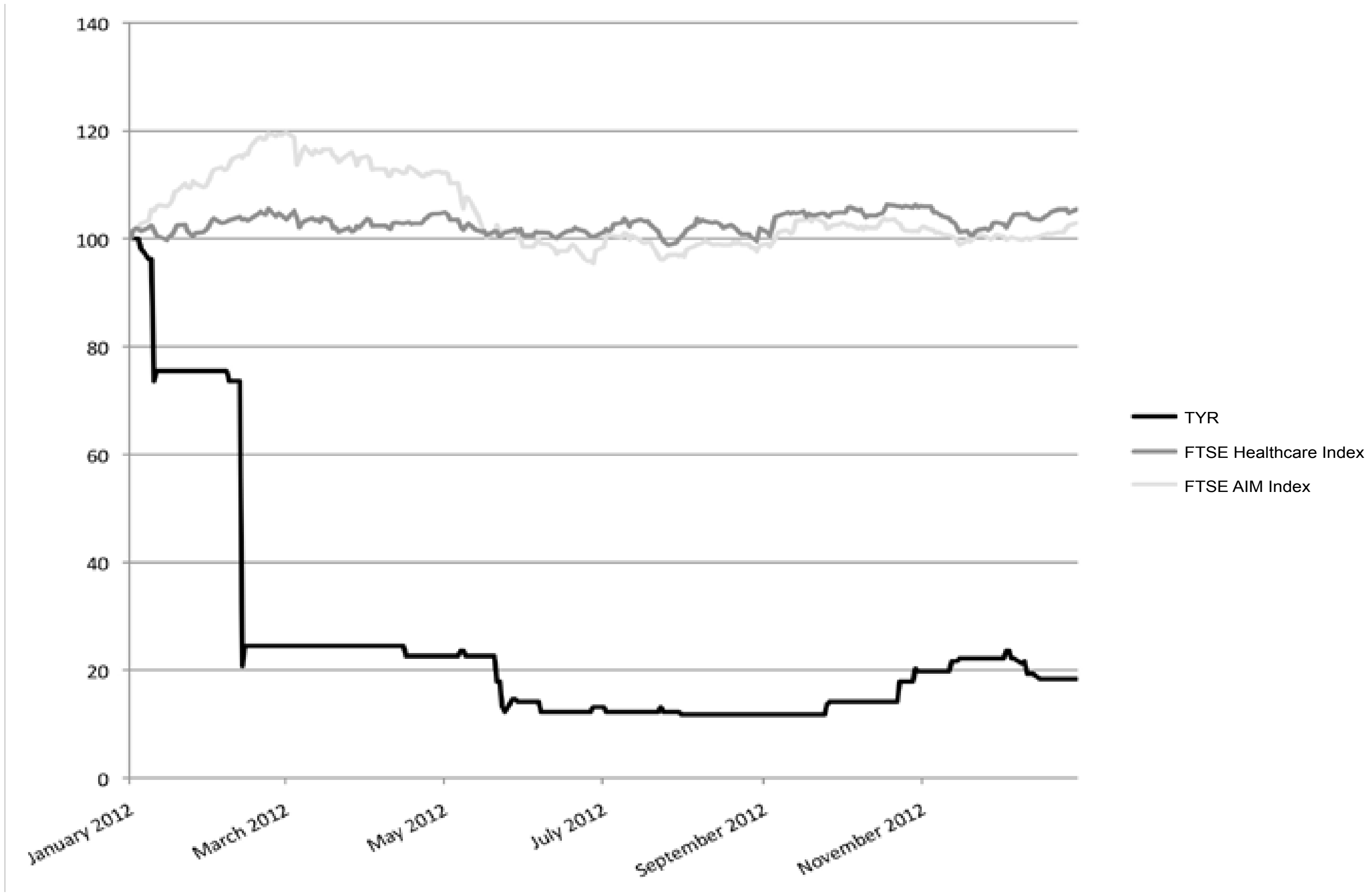
NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

Mr. Reade and Mr. Riley entered into agreements with the Company on 25 May 2007, which govern the terms and conditions of their appointment as Non-Executive Directors of the Company. Each appointment was for an initial term expiring upon conclusion of the next annual general meeting of the Company unless renewed at the end of that period for a further three year period. Mr. Reade was entitled to fees totaling £35,000 for the year payable to Global Strategy Expression Limited of which Mr. Reade is an employee. This fee arrangement with Mr. Reade was terminated when he assumed the Executive Chairman post. Following his appointment as Non-Executive Chairman, Mr. Reade is entitled to fees totaling £70,000 per year. Mr. Riley was entitled to fees of £35,000 for the year payable directly. Mr. Hills entered into an agreement with the Company on 9 July 2010 which governs his term and conditions of his appointment as a Non-Executive Director of the Company. This appointment was for an initial term expiring upon conclusion of the next annual general meeting of the Company unless renewed at the end of that period for a further three year period. Mr. Hills is entitled to fees totaling $55,000 per year.

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 Company's performance, measured by total shareholder return, compared with the performance of the FTSE All Share Healthcare Index and the FTSE AIM 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 Company.

AGGREGATE DIRECTORS' REMUNERATION

Directors' Emoluments in $

	Year	Salary and fees[1]	Benefits[1]	Bonus[1]	Total
Executives:					
R.D. Armstrong[2]	**2012**	**-**	**-**	**-**	**-**
	2011	76,041	4,442	-	80,483
Executive Chairman					
A.J. Reade	**2012**	**156,069**	**148,354**	**-**	**304,423**
	2011	284,115	144,835	-	428,950
Non-executive					
B.M. Riley[3]	**2012**	**59,775**	**-**	**-**	**59,775**
	2011	56,967	-	-	56,967
J. Hills	**2012**	**55,000**	**-**	**-**	**55,000**
	2011	55,000	-	-	55,000
K. Schultz	**2012**	**-**	**-**	**-**	**-**
	2011	-	-	-	-
P. Reagan[4]	**2012**	**-**	**-**	**-**	**-**
	2011	-	-	-	-
Total	**2012**	**$270,844**	**$148,354**	**-**	**$419,198**
	2011	$472,123	$149,277	-	$621,400

(1) Remuneration amounts are for the 2012 and 2011 period served.
(2) R.D. Armstrong resigned as Chief Executive Officer of the Company on 6 January 2010.
(3) Payments made in Pounds Sterling, at exchange rates to the US Dollar ranging 1.46 to 1.62 in 2012.
(4) P. Regan resigned as a Non-Executive Director of the Company on 27 May 2011.

In 2012, Alan Reade opted to receive $195,700 of his annual salary of $302,500 in common shares of the Company. 2,453,423 common shares at 5p were issued, with 1,369,010 common shares awarded to Mr. Reade and the remaining 1,084,413 common shares issued to the Company in settlement of Mr. Reade's tax liability on the shares issued and these common shares will be held in treasury. This agreement was effective 1 March 2012 with an amortisation period of 12 months. The non-cash compensation of these common shares issued to Mr. Reade are not reflected in Directors' Emoluments Table.

Benefits represent contributions to medical insurance schemes, life insurance, the 401(k) defined contribution plan and cost of living allowance payments. The share based payment charge for Directors' founder shares, restricted stock grants, and share options were $340,702 (2011:$198,392). These amounts have been included within administrative costs. The total Directors' compensation is $759,900 (2011: $819,792).

DIRECTORS' PENSION ARRANGEMENTS

The Executive Directors can participate in the Company's 401(k) plan and the Company will match any contributions into the plan up to 4% of salary not to exceed $10,000 in 2012 with a tax deferral limit of $17,000 and additional tax deferral provisions for employees over 50 years old.

DIRECTORS' SHARE OPTIONS

At 31 December 2012, the Directors had options to subscribe for Ordinary Shares under the Company's share option scheme as follows:

	Options held at 1 January 2012	Options granted in the year	Options held at 31 December 2012	Strike Price	Grant Date
Directors:					
A.J.Reade	550,000	Nil	550,000	10.5p	4 Feb 2010
	995,125	Nil	995,125	12.0p	10 Oct 2010
	Nil	100,570	100,570	12.0p	6 Mar 2012
	Nil	1,000,000	1,000,000	6.0p	6 Mar 2012
K. Schultz	200,000	Nil	200,000	12.0p	20 Oct 2010
	Nil	100,000	100,000	6.0p	25 Apr 2012
J. R. Hills	200,000	Nil	200,000	12.0p	20 Oct 2010
	Nil	350,000	350,000	6.0p	25 Apr 2012
B. M. Riley	200,000	Nil	200,000	12.0p	20 0ct 2010
	Nil	350,000	350,000	6.0p	25 Apr 2012
	2,145,125	1,900,570	4,045,695		

The aggregate fair value of the options include in the above table was $570,782 (2011: $460,683).

The market price of the shares at 31 December 2012 was £0.06 (2011 – £0.265) and the range during the year was £0.03 to £0.29.

All share options expire 10 years after Grant Date.

APPROVAL

The report was approved by the Board of Directors on 27 June 2013 and signed on its behalf by:

James Hills
Chairman, Remuneration Committee
June 27, 2013

DIRECTORS' RESPONSIBILITIES

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

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company. They have a general responsibility for safeguarding the assets of the Company and taking 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 Company's website.

ANNUAL GENERAL MEETING

The AGM will be held at the offices of The Company at 5151 McCrimmon Parkway, Suite 275, Morrisville, NC USA 27560 on 25 July 2013 at 10:00AM EDT time. The Group will convey the results of the proxy votes cast at the AGM.

Brian Phillips
Company Secretary
June 27, 2013

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
TyraTech, Inc.:

We have audited the accompanying consolidated financial statements of TyraTech, Inc. and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, shareholders' (deficit) equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Raleigh, North Carolina
June 27, 2013

Grant Thornton LLP

Grant Thornton LLP
Certified Public Accountants

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2012 & 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	**$1,548,830**	$905,115
Accounts receivable	**109,867**	11,816
Inventory, net of allowance of $153,783 in 2012 and $30,824 in 2011	**17,126**	167,897
Prepaid expenses	**81,202**	72,043
Total current assets	**1,757,025**	1,156,871
Property and equipment, net of accumulated depreciation ($1.3M 2012, $1.2M 2011)	**257,517**	380,385
Investment in unconsolidated subsidiary	**358,925**	-
Long term deposits	**65,000**	65,000
Total assets	**$2,438,467**	$1,602,256
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY		
Current liabilities		
Accounts payable	**$139,554**	$299,327
Accrued liabilities	**503,667**	448,752
Deferred revenue	**501,070**	668,717
Total current liabilities	**1,144,291**	1,416,796
Other long-term liabilities	**1,882,548**	2,341,706
Total liabilities	**3,026,839**	3,758,502
Shareholders' deficit		
Common stock, $0.001 par, authorized 200 million;		
107.1 million shares issued (2011: 51.8 million shares issued)	**107,090**	51,856
Additional paid-in capital	**74,341,822**	69,785,077
Retained deficit	**(74,923,475)**	(71,987,811)
Treasury stock of 1.1 million (2011: 0)	**(108,441)**	-
Total shareholders' deficit	**(583,004)**	(2,150,878)
Non-controlling interest	**(5,368)**	(5,368)
Total TyraTech, Inc. shareholders' deficit	**(588,372)**	(2,156,246)
Total liabilities and shareholders' deficit	**$2,438,467**	$1,602,256

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2012 & 2011

	2012	2011
Revenues:		
Product sales	$322,890	$4,406,531
Collaborative revenue	3,249,769	2,748,635
Total revenues	3,572,659	7,155,166
Costs and expenses related to product sales and collaboration revenue:		
Product costs	238,440	1,810,176
Collaborative costs and expenses	222,964	686,091
Total costs and expenses	461,404	2,496,267
Gross profit	3,111,255	4,658,899
Costs and expenses:		
General and administrative	3,008,322	3,470,414
Business development	638,826	987,217
Research and technical development	2,363,770	2,779,892
Net loss (from unconsolidated subsidiary)	41,075	-
Total cost and expenses	6,051,993	7,237,523
Loss from operations	(2,940,738)	(2,578,624)
Other income (expense):		
Interest income	16	29
Other income	5,058	(13,388)
Loss on disposal of fixed assets	-	(129,517)
Total other income	5,074	(142,876)
Loss from operations before income taxes	(2,935,664)	(2,721,500)
Income tax expense	-	-
Net loss	$(2,935,664)	$(2,721,500)
Consolidated net loss	$(2,935,664)	$(2,721,500)
Net (loss) income attributable to non-controlling interest	-	841
Net loss attributable to TyraTech, Inc.	$(2,935,664)	$(2,720,659)
Net loss per common share		
Basic and diluted	$(0.03)	$(0.05)
Net loss per common share attributable to TyraTech, Inc.	$(0.03)	$(0.05)
Weighted average number of common shares		
Basic and diluted	97,258,479	51,843,801

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' (DEFICIT) EQUITY
YEARS ENDED DECEMBER 31, 2012 & 2011

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interest	Treasury Stock	Total (Deficit) Equity
Balances as of December 31, 2010	$51,837	$69,059,576	$(69,267,152)	$(5,374)	$(177)	$(161,290)
Issuance of common stock, for SARs exercise	19	-	-	-	-	19
Contribution from non-controlling interest	-	-	-	847	-	847
Stock based compensation	-	716,848	-	-	-	716,848
Sale of treasury stock	-	8,653	-	-	177	8,830
Consolidated net loss	-	-	(2,720,659)	(841)	-	(2,721,500)
Balances as of December 31, 2011	$51,856	$69,785,077	$(71,987,811)	$(5,368)	$0	$(2,156,246)
Proceeds from issuance of common stock net of expenses	52,102	3,894,055	-	-	-	3,946,157
Stock based compensation - SARs	-	373,378	-	-	-	373,378
Stock based compensation - stock grants	3,132	289,312	-	-	-	292,444
Net loss	-	-	(2,935,664)	-	-	(2,935,664)
Purchase of treasury stock	-	-	-	-	(108,441)	(108,441)
Balances as of December 31, 2012	**$107,090**	**$74,341,822**	**$(74,923,475)**	**$(5,368)**	**$(108,441)**	**$(588,372)**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 & 2011

	2012	2011
Cash flows from operating activities:		
Net loss	$(2,935,664)	$(2,721,500)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortisation	134,802	246,934
Write-off of inventory	122,914	-
Net loss from unconsolidated subsidiary	41,075	-
Amortisation of stock awards	662,690	716,848
Loss on disposal of assets	-	130,717
Changes in operating assets and liabilities:		
Accounts receivable	(98,051)	779,607
Inventory	27,858	173,517
Prepaid expenses	(9,159)	32,485
Accounts payable and accrued liabilities	(104,859)	(564,991)
Other liabilities	-	(1,193)
Deposits	-	(65,000)
Deferred revenue and other long-term liabilities	(626,805)	(1,044,544)
Net cash provided from discontinued operations	-	597
Net cash used in operating activities	(2,785,199)	(2,316,523)
Cash flows from investing activities:		
Purchase of property and equipment	(11,934)	(131,639)
Investment in non-controlled joint venture	(400,000)	-
Net cash used in investing activities	(411,934)	(131,639)
Cash flows from financing activities:		
Treasury stock purchased from employee	(108,441)	-
Contribution from non-controlling interest	-	847
Net proceeds from sale of treasury stock	-	8,830
Net proceeds from sale of common stock	3,946,157	19
Net proceeds from stock grants issued for services	3,132	-
Net cash provided by financing activities	3,840,848	9,696
Net increase (decrease) in cash	643,715	(2,438,466)
Cash and cash equivalents, beginning of year	905,115	3,343,581
Cash and cash equivalents, end of year	$1,548,830	$905,115

The accompanying notes are an integral part of these consolidated financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(a) Description of Business

TyraTech, Inc., a Delaware corporation, (the Company or TyraTech) 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 a specific receptor unique to invertebrates.

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

The Company's present product sales market is insecticide sales within the United States (U.S.) through a distributor.

(b) Principals of consolidation

The accompanying consolidated financial statements of the Company in U.S. Dollars ($) have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and include the accounts of TyraTech, Inc. and subsidiaries listed below. Non-controlling interests are accounted for based upon the value or cost attributed to their investment adjusted for the share of income or loss that relates to their percentage ownership of the entity.

Company name	Country of Incorporation	Percentage holding
TyraTech Sustainable Solutions, LLC	USA	100%
TyraChem LLC	USA	50%

All intercompany balances and transactions have been eliminated in consolidation. The Company made a $400,000 investment for a 40% share of a new enterprise (Envance Technologies, LLC) jointly owned with AMVAC Chemical Corporation, a wholly owned subsidiary of American Vanguard Corporation. This unconsolidated entity over which the Company has significant influence is accounted for under the equity method of accounting.

(c) Cash and Cash Equivalents

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

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash equivalents and accounts receivable. The Company maintains cash balances at financial institutions and invests in unsecured money market funds. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. At times during the year, balances in these accounts exceeded the federally insured limits; however, the Company has not experienced any losses in such accounts.

(d) Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. A specific allowance is made when a receivable is not considered collectable. This determination results from an analysis of the specific creditor, the age of the receivable and payment past performance of the creditor. After evaluating its accounts receivable balances the Company determined an allowance for uncollectible accounts was not required for the years ended 31 December 2012 and 2011. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the accompanying 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) Treasury Stock

Treasury stock is recorded using the cost method. Management has not made any decisions as to whether the reacquired shares will be retired, held indefinitely or reissued.

(g) 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 as follows:

Leasehold improvements	Initial term of the lease or life of the improvement, whichever is shorter
Furniture, fixtures and equipment	4-7 years
Computer equipment and software	5 years

Management periodically reviews long-lived assets to be held and used in operations for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognised when the estimated future cash flows from the asset are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amounts or fair value less costs to sell. Management is of the opinion that the carrying amount of its long-lived assets does not exceed the estimated recoverable amount.

(h) Revenue Recognition

The Company's business strategy includes entering into collaborative license and development agreements with agricultural, insecticide and human and animal 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.

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. Sales/use tax, when required, is included in sales invoices but not in the reported revenue, recorded as sales tax payable, and remitted monthly to the appropriate state revenue departments.

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. 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.

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 non-refundable 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.

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 31 December 2013 are classified in long term liabilities. As of 31 December 2012, the Company has short-term deferred revenue of $501,070, (2011: $668,717) and long-term deferred revenue of $1,862,557 (2011: $2,321,715) related to its collaborations.

CUSTOMER CONCENTRATIONS

The Company has one customer in 2012 that represents 99 % of total product sales (2011: one customer represents 99%). Further, in 2012 one customer represented 91% of accounts receivable (2011: one customer represented 100% of accounts receivable).

(i) Equity Based Compensation

Subsequent to 1 January 2006 stock based compensation cost is measured at the grant date based on the value of the award and is recognised as an expense on a straight-line basis over the vesting period. Compensation expense is recognised only for those shares expected to vest, with forfeitures based upon future expectations.

(j) Research and Technical Development

Research and technical development costs are expensed as incurred. Research and technical development costs for the year ended 31 December 2012 amount to $2,363,770 (2011: $2,779,892) after charging $129,864 (2011: $686,091) to cost of sales.

(k) Income Taxes

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. Valuation allowances are recorded when necessary to reduce deferred tax assets to the amount expected to be realised.

The Company adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, Income Taxes, on 1 January 2009. As required by the uncertain tax position guidance of ASC 740, the Company recognises the financial statement benefit of a tax position only after determining that the relative tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognised in the financial statements is the largest benefit that has a greater than fifty percent likelihood of being realised upon ultimate settlement with the relevant tax authority. As of 31 December 2012 and 31 December 2011, the Company did not record any asset for unrecognised tax benefits.

(l) Use of Estimates

The preparation of financial statements in conformity with US GAAP 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. The Company does not expect changes in the estimates and assumptions used in these financial statements to materially affect these results within the next year.

(m) Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents of accounts receivable, accounts payable and accrued expenses approximate to fair value because of the short term maturity of these items.

(2) LIQUIDITY AND CAPITAL RESOURCES

As of 31 December 2012, the Company had $1,548,830 (2011: $905,115) in cash and cash equivalents and had no indebtedness.

The Company has had significant negative cash flows from operating activities since inception. The Company has produced monthly forecasts to the end of 2015. Based upon cash expected to be received through existing contracts, new contracts to be closed, and the ability to control costs as a result of the Company's cost minimisation program, with existing cash on hand and cash received from a share placing in April 2013, the Company's Directors believe that the Company will have sufficient cash to meet its working capital needs through the next twelve months. For this reason the Company continues to apply the going concern basis of accounting.

(3) ACCOUNTS RECEIVABLE

Accounts receivable as of 31 December 2012 and 2011 consist of:

	2012	2011
Trade receivables	$107,208	$5,153
Interest receivables	-	-
Other receivables	2,659	6,663
	$109,867	$11,816

(4) INVENTORIES

Inventories as of 31 December 2012 and 2011 consist of:

	2012	2011
Raw materials	$17,126	$119,658
Work in progress	-	48,239
	$17,126	$167,897

The application of lower of cost or market to the 2012 and 2011 inventories resulted in a write-off of $122,914 for the year ended 31 December 2012 and $0 for the year ended 2011. Inventory classification is determined by the stage of the manufacturing process the specific inventory item represents.

(5) PROPERTY AND EQUIPMENT

Property and equipment as of 31 December 2012 and 2011 consist of:

	2012	2011
Leasehold improvements	$785,289	$785,289
Furniture, fixtures and equipment	537,356	538,816
Computer equipment and software	241,753	228,359
	1,564,398	1,552,464
Less: Accumulated depreciation	(1,306,881)	(1,172,079)
	$257,517	$380,385

Depreciation and amortisation expense of $134,802 (2011: $246,934) is reflected in general and administrative expense in the accompanying consolidated statements of operations.

(6) ACCRUED LIABILITIES

Accrued liabilities as of 31 December 2012 and 2011 consist of:

	2012	2011
Accrued compensation	$214,398	$197,090
Professional fees	199,213	187,872
Other	90,056	63,790
	$503,667	$448,752

(7) LEASES

On 17 February 2011, the Company signed a ten year lease on an office and laboratory facility in Morrisville, North Carolina. Leases include escalating rental payments which are recognised under the straight-line method under US GAAP.

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of 31 December 2012 are as follows:

Year ending December 31,	
2013	$103,519
2014	106,076
2015	118,974
2016	144,100
2017	147,768
Thereafter	$560,016

The Company previously had an operating lease for laboratory space that expired 31 March 2012, but had a 90 day option to terminate prior to that date. The Company exercised its option to terminate the lease early, with the termination date being 30 June 2011. Rental expense for operating leases included in general and administrative expenses in the consolidated statement of operations during the year ended 31 December 2012 was $143,919 (2011: $88,375).

(8) RELATED PARTY TRANSACTIONS

The Company established a shared services agreement to provide general and administrative, production support, and research and development services to Envance Technologies, LLC (Envance) for a monthly fee based primarily on the percentage of time Company employees devote to supporting Envance business activities and the employee's salary expense. During the year ended 31 December 2012 the Company charged Envance $ 0.1 million which was recorded in Collaborative revenue.

A member of the Company's Board of Directors also served as a director for Nottingham Spirk ("NS"). During the year ended 31 December 2011 the Company paid NS $285,053. This consulting relationship ceased in 2011. During the year ended 31 December 2012, the company did not use NS for product development services.

(9) WARRANTS

XLTech Group, Inc. Warrants - These warrants were for a term of 5 years and expired unexercised on 1 May 2011. 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.

IPO Underwriter Warrants - In connection with the Initial Public Offering (IPO) in June 2007, 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 were for a term of 4 years and expired unexercised on 1 June 2011. The warrant was re-measured at fair value at each reporting date with subsequent changes in fair value recorded in the accompanying consolidated statement of operations in Interest/Other Expense of $0 (2011:$6).

AMVAC Warrants – In connection with the license and new enterprise agreements entered into with AMVAC during 2012, on November 2012 the Company agreed to issue to American Vanguard Corporation warrants to subscribe for 10 million common shares. The warrants were exercisable at a price of 10 pence per share at any time until 31 May 2013. The fair value of the warrants at the grant was immaterial.

(10) STOCK BASED COMPENSATION

Compensation Plan

On 23 May 2007, the Board of Directors approved the TyraTech, Inc. 2007 Equity Compensation Plan (the Plan), as amended, which authorises up to a maximum of ten percent of the issued share capital of the Company (10,709,043 shares at 31 December 2012) to 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, 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 the Plan.

STOCK APPRECIATION RIGHTS

During the year ended 31 December 2012, the Company granted 4,189,284 (2011: 690,000) SARs. 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 common stock to the employee upon exercise of the SAR. The SARs have ten year terms and vest and become fully exercisable over varying periods between one to four years from the date of grant.

The fair value of each SAR was estimated on the grant date using the Black-Scholes option-pricing model that used the assumptions in the following table. The fair value is amortized to compensation expense on a straight-line basis over the expected term. The Company estimated the expected term of the SARs using an approach that approximated the "simplified approach." Using this approach, the Company assigned an expected term for grants with four-year graded vesting. The expected stock price volatility was determined by examining the historical volatilities for 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.

	2012	2011
Valuation assumptions		
Expected dividend yield	0%	0%
Expected volatility	84%	86%
Expected term (years)	5.5-6.3	6.3
Risk-free interest rate	2.5-2.7%	2-3%

SAR activity during the period indicated as follows:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate Intrinsic value	Weighted average grant-value fair value
Balance at December 31, 2010	4,151,449	$ 0.96	9.45	$740,095	$0.74
Granted	690,000	0.62	-	-	0.46
Exercised	(18,750)	0.17	-	-	0.13
Expired	-	-	-	-	-
Forfeited	(325,074)	0.80	-	-	0.62
Balance at December 31, 2011	4,497,625	$0.58	8.64	$447,835	$0.73
Granted	4,189,284	0.10	-	-	0.07
Exercised	-	-	-	-	-
Expired	-	-	-	-	-
Forfeited	(30,000)	-	-	-	0.06
Balance at December 31, 2012	**8,656,909**	**$0.37**	**8.52**	**-**	**$0.47**
Exercisable at December 31, 2011	3,643,875	0.74	6.1	$416,728	-
Exercisable at December 31, 2012	**1,277,500**	**0.11**	**7.5**	**-**	**-**

The weighted average grant date fair value of SARs granted during the year ended 31 December 2012 was $0.3 million (2011: $0.3 million). During the year ended 31 December 2012 242,500 (2011: 2,870,542) SARs vested and none were exercised (2011: 18,750) with a fair value of $0.1 million (2011: $1.1 million). The SARs issued through 31 December 2012 have a maximum contract term of ten years.

As of 31 December 2012, there was $0.6 million (2011: $0.4 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 2 years. The total fair value of shares vested during the year was $0.1 million (2011: $0.4 million). The compensation recognised in operating expenses for SARS for the year ended 31 December 2012 was $0.4 million (2011: $0.7 million). During the year ended 31 December 2012, the Company used an estimated forfeiture rate of 5% the SARs vesting in one year and a 30% for SARs vesting over a four year term. These forfeiture rates were developed based upon actual forfeiture rates for SARs forfeited between 2007 and 2010.

During 2012 the Company modified the strike price of all SARs previously issued to Company employees and Directors who chose to accept the restated strike price program. The restated strike price was $0.19/share. The program required an additional one year vesting on all fully vested grants, but no change in vesting for unvested grants or changes to the life of any of the grants. The results of this modification are reflected in the SARs activity schedule and had a material impact on the number of total shares exercisable at 31 December 2012, as 2,600,125 shares of previously vested shares were extended for the one year's additional vesting period and not reflected in the 1,277,500 shares vested on that date.

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

(11) RESEARCH AND DEVELOPMENT COLLABORATIONS

The Company has the following significant research and development collaborative agreement outstanding at 31 December 2012 and 2011:

Kraft

Agreement Summary

On 5 December 2006, the Company entered into a technology sublicense agreement with Kraft. Pursuant to this agreement, Kraft was 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 to 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. During the years ended 31 December 2012 and 2011 Kraft funded the joint project $129,864 and $686,091, respectively. At 31 December 2012 the Company had a receivable from Kraft for $19,934 and in 2011 the Company had a liability to Kraft for $12,237 for joint project funds advanced but not recognised through project expenses. During the second half of 2012 the Company and Kraft agreed to discontinue the functional food development project and jointly pursue third party companies to monetise the project's intellectual property. The parties agreed to terminate their monetisation efforts if no monetisation agreements have been entered into within two (2) years and if Kraft (renamed Mondelez Global, LLC or "MDLZ") does not wish to further pursue commercialisation or sublicensing independently.

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 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. Upon execution of the revised monetization agreement, the Company extended revenue recognition of the final exclusivity payment of $750,000 to the end of the original exclusivity term of the technology sublicense agreement, ended 5 December 2016.

Terminix Product Development and Supply Agreement

The Company completed a new Product Development and Supply Agreement with Terminix in late 2010. The Agreement included provisions for joint development of new insecticide products by the Company for which the Company was to receive new product completion fees. During this year $0 (2011: $1,400,000) was received for developing new jointly agreed insecticide products. An amendment to the Agreement in September 2012 discontinued the joint product development portions of the Agreement, including any further new product completion fees for the company.

Envance Technologies, LLC

TyraTech entered a Shared Services Agreement with Envance Technologies, LLC ("Envance") in December, 2012 to provide general/administrative, marketing, supply chain/manufacturing, and research/development services on a cost plus basis to support Envance's business activities. The Company applies ASC 605 in determining whether it is appropriate to record the gross amount of collaborative revenues and related costs or the net amount earned. The Company records and presents revenue from these transactions on a gross basis. For the year ended 31 December 2012 TyraTech invoiced Envance $98,293 for these services.

(12) 401(K) PLAN

The Company maintains a defined contribution 401(k) plan. The 401(k) plan is designed in accordance with the applicable sections of the Internal Revenue Code, and is subject to minimum 3% funding requirements as required for a safe harbor plan. The 401(k) plan covers all eligible employees of the Company and its subsidiaries upon completion of three months of service. Employees may elect to contribute up to a maximum of 60% of their salary, subject to Internal Revenue Service limitations. The Company has a matching policy in which the Company matches 100% of the first 4% of each employee's compensation contributed to the 401(k) plan. For the years ended 31 December 2012 and 2011, the Company's contribution, including administrative expenses, amounted to $77,507 and $81,192 and are charged to general and administrative, business and development, and research and technical development expenses in the consolidated statements of operations.

(13) INCOME TAXES

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

The difference between the "expected" tax benefit (computed by applying the federal corporate income tax rate 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 31 December 2012 and 2011 are presented below:

	2012	2011
Deferred tax assets:		
Accrued compensation	**$50,877**	$32,796
Accured Expenses	**84,536**	48,233
Provisions for bad debts and inventory reserves	**59,304**	667,824
Deferred revenue	**911,769**	986,877
Deferred rent	**34,437**	24,607
Net operating loss and charitable contribution carry forward	**18,597,610**	15,137,790
Basis in intangibles	**3,141,801**	3,600,155
Stock compensation	**1,904,546**	1,234,042
Total gross deferred tax assets	**24,784,880**	21,732,324
Less valuation allowance	**(24,680,468)**	(21,601,195)
Net deferred tax assets	**104,412**	131,129
Deferred tax liabilities		
Prepaid expenses	**(30,023)**	(26,490)
Property and equipment	**(74,389)**	(104,639)
Net deferred tax liabilities	**(104,412)**	(131,129)
Net deferred tax asset	**$ -**	$ -

At 31 December 2012, the Company had federal and state net operating loss ("NOL") carry forwards of $47.8 million (2011: $38.4 million). These federal and NOL carry forwards will expire from 2027 to 2032, if not utilised.

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 or increased.

The Company is subject to the "ownership change" rules of Section 382 of the Internal Revenue Code. Under these rules, our use of NOLs could be limited in tax periods following the date of an ownership change. The Company had qualifying ownership changes during 2008 and 2010 that triggered these limitations and will have a $1.0 million limitation on NOL utilisation per year plus any unrecognised built-in gains as of the ownership change date that are recognised in the five years after the date of Section 382 ownership change.

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 31 December 2012 was $24,700,000 (2011: $21,600,000). Tax years 2009, 2010, and 2011 are still subject to examination by the IRS.

The Company's policy is to include interest and penalties related to unrecognised tax benefits in income tax expense. As of 31 December 2012 and 2011, the Company had no unrecognised tax benefits and accordingly, no accrued interest and penalties.

(14) 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.

The 2012 diluted shares outstanding do not assume the conversion of stock appreciation rights or warrants outstanding of 9,536,909 (2011: 4,517,625) common shares as it would have an anti-dilutive effect on earnings per share.

(15) SUBSEQUENT EVENTS

Management has evaluated subsequent events through 27 June 2013, the date the consolidated financial statements were available for issuance. On 2 April 2013 the Company issued 60,000,000 of new common shares of $0.001 each for a gross cash consideration of £3,000,000 (approximately $4,500,000) representing £2,900,000 (approximately $4,300,000) net of cash expenses. A further 600,000 shares of $0.001 each were issued in settlement of other expenses of £30,000 ($45,588). Legal and General Investment Management Limited (UK), a substantial shareholder of the Company subscribed for 6,000,000 shares as party of the fund raise and this was considered to be a related party transaction for the purposes of the AIM Rules for Companies. American Vanguard Corporation, the parent company of AMVAC and the Company's partner in Envance joint venture, subscribed for 49,400,000 of new common shares and was the major participant in this sale of 60 million new shares of common stock. American Vanguard Corporation holds 29.46% of the Company's total voting rights. American Vanguard Corporation also holds 10,000,000 warrants in the Company which were granted in 2012 and amended in 2013. The amended warrant agreement reduced the warrant strike price from 10 pence to 6 pence and extended the expiry of the exercise period of such warrants from 31 May 2013 to 31 May 2015. If American Vanguard Corporation were to exercise the warrants in full, it would hold 31.73% of the Company's Total Voting Rights on a fully diluted basis (i.e.; assuming exercise in full of all outstanding options held by Directors and staff and of all the warrants).

NOTICE OF ANNUAL GENERAL MEETING

TyraTech, Inc.
(incorporated in the State of Delaware under Delaware Corporation Law)
Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM) of TyraTech, Inc., (the Company) will be held at the offices of the Company at 5151 McCrimmon Parkway, Suite 275, Morrisville, NC USA 27560 on 25 July 2013 at 10:00AM EDT 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, 2012 and the reports of the Directors and auditors on them.

2. To re-elect Mr. A. Reade as a Director serving for a term of three years.

3. To elect Mr. B. Jactel as a Director serving for a term of three years.

4. To elect Mr. E. Wintemute as a Director serving for a term of three years.

5. To re appoint Grant Thornton 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

Brian Phillips
Group Secretary
June 27, 2013

1. Attendance and Voting

The Company specifies that only those stockholders registered in the register of members of the Company as at 6.00 p.m. (BST) on 15 July 2013 (or, if the meeting is adjourned, stockholders on the register of members not less than 10 days before the time fixed for the adjourned meeting) shall be entitled to attend or vote at the above meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after 6.00 p.m (BST) on 15 July 2013 shall be disregarded in determining the rights of any person to attend and vote at the AGM.

2. Proxies

(a) 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.

(b) 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 (Jersey) Limited at c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY or by facsimile at +44 (0)870 703 6109 or by email to externalproxyqueries@computershare.co.uk not later than 3 p.m. (BST) on 23 July 2013 or in the event of an adjournment 48 hours before the time of any adjournment of the AGM.

(c) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear on the Company's register of stockholders in respect of the joint holding.

(d) If you hold your stock through Depositary Interests please complete a Form of Instruction. This should be completed and returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY in the enclosed reply paid envelope or by facsimile to +44 (0)870 703 6109 or by email to externalproxyqueries@computershare.co.uk not later than 3 p.m. (BST) on 22 July 2013 or in the event of an adjournment 48 hours before the time of any adjournment of the AGM.

(e) For holders of a Depositary Interests wishing to use CREST voting please see the instructions on the Form of Instruction.

(f) Copies of the letters of appointment of each of the Directors, and the register of Directors' interest in shares of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) 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.

If you have any questions on how to complete the Form of Proxy please contact Computershare on telephone number 0870 707 4040 or for questions in relation to the Form of Instruction please contact Computershare on telephone number 0870 703 0027. Calls are charged at local geographic rates. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any personal legal, financial or taxation advice.

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