26 June 2014

**TyraTech, Inc.**
("TyraTech" or the "Company")

# Final Results

TyraTech Inc. (AIM: TYR and TYRU), a life sciences company focusing on nature-derived insect and parasite control products, today announces its final results for the year ended 31 December 2013.

**Operational Highlights**

- Completed registration of the Vamousse® treatment mousse and preventative shampoo in USA and Europe
- Worldwide distribution agreement with Novartis Animal Health leading to launch of six new animal health products in USA under Natunex™ brand for insect and parasite control in production animal premises
- Scale up of manufacturing and logistic capabilities to handle demand of large retailers in USA and Europe
- Established external sales force, marketing, and public relations partnerships to expand retail distribution and strengthen commercialisation strategy

**Financial Highlights**

- Total revenue decreased to $1.4 million (2012: $3.6 million), due primarily to the absence of one time 2012 collaborative revenue fee in 2013 and transfer of insect control products that generated $1.0 million in product revenue to Envance Technologies in 2013
- Gross profit decreased to $0.6 million (2012: $3.1 million) due primarily to the absence of one time 2012 collaborative license fee in 2013
- Operating expenses reduced by 17% to $5.0 million (2012: $6.0 million)
- Net loss increased to $4.9 million (2012: $2.9 million)
- Cash and cash equivalents decreased to $0.9 million at year end (2012: $1.5 million)

**Post Period Highlights**

- Vamousse treatment product available in more than 4,000 Walmart stores nationwide from early 2014.Product sales are increasing ahead of main head lice season when schools return after summer vacation
- Vamousse treatment mousse and preventative shampoo now available in the USA on Amazon.com, Drugstore.com and Walmart.com
- Launch of the Natunex range of products by Novartis Animal Health, with highly positive feedback from livestock producers
- Launch of Guardian™ range of mosquito and tick repellents scheduled for July, predominantly online, at beginning of season. Currently preparing for review process by major retailers for full launch in 2015
- Currently preparing for UK launch of Vamousse
- Jonathan Hill appointed as UK Country Manager. His role will be to prepare for the launch of Vamousse in the UK and to expand TyraTech's European operations
- Retained services of Ceuta Healthcare ("Ceuta"), the UK's leading provider of sales and marketing services to health and beauty brand owners, as partner. Ceuta will be responsible for the marketing, commercialisation and logistics of launching the Vamousse products in the UK, with possible extension into other European countries

- Successfully raised approximately $2.8 million, net of expenses, through a share placement and subscription

**Bruno Jactel, CEO of TyraTech, commented:** "We expect to have launched ten new products by the end of 2014, which we believe will show substantial increases in product revenues over the previous two years. We are working hard to further expand distribution channels, both in the USA and Europe. Most notably, by securing distribution of our Vamousse head lice products at Walmart and entering in the global product distribution agreement with Novartis for the Natunex range of animal health products, the Board believes that TyraTech will be able to achieve significant market penetration of its products.

In addition, it has recently become apparent that, due in part to the success and interest generated in the USA, we will have excellent opportunities in other markets in a much shorter timeframe than we had previously envisaged. In order to prepare for the UK launch of Vamousse, and to expand TyraTech's operations in Europe, the Company is pleased to announce the appointment of Jonathan Hill as UK Country Manager, a senior executive with extensive operational experience in animal health and OTC products. Jonathan was most recently the Head of Marketing and Technical, Europe, for Merial, the animal health division of Sanofi. Jonathan will be responsible for product establishment in the UK and later into other European countries and will operate from the recently established UK branch.However, in the short term, forecasting both the timing and quantum of revenues and profits accurately remains particularly challenging as seemingly minor delays in "on-boarding" timings and processes can have significant impact on these early market forecasts. Similarly, given the relative immaturity of TyraTech's product range, any delays in product reaching stores can also significantly impact near term revenue forecasts.

The Board anticipates that, as its products become more established and known amongst consumers, demand will become easier to predict. The medium term outlook for the Company is extremely strong as our IP continues to be commercialised into new products and geographies."

Extracts of the audited final results appear below and the Company's Annual Report and Notice of AGM will be posted to shareholders on 26 June 2014 and made available on the Company's website, www.tyratech.com, shortly.

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## Chairman's Comments

During 2013, TyraTech achieved significant milestones which the Directors believe will lead to a positive commercial future for the Company. In particular, by securing distribution of our Vamousse head lice products at Walmart and entering in the global product distribution agreement with Novartis for the Natunex range of animal health products, the Board believes that TyraTech will be able to achieve significant penetration of its products.

The agreement with Novartis was reached August 2013, with the first products launched in April 2014 under the Natunex brand. We are excited about the potential of this partnership, as the products fulfil an increasingly important unmet need in a market which is growing in economic significance.

The distribution of Vamousse head lice treatment at Walmart was confirmed in December 2013 and product was stocked in almost all Walmart stores across the USA in the first quarter of 2014. Walmart was the first retailer to enter the market with Vamousse. This was a particularly significant milestone as it is unusual for major retailers to be the first to commercialise new brands, and also unusual for new brands to receive placement in such a large percentage of a retailer's stores in the first year. Early indications of sales are promising.

The Directors are particularly happy with the progress the Company has made in embracing and developing new competencies in both retail commercialisation and supply chain logistics. With the addition of innovative marketing skills in 2014, the Board believes that TyraTech will complete a circle of competencies that will complement its world class products and partnerships.

TyraTech's headlines have been mostly related to commercial breakthroughs, but I would certainly like our shareholders to understand that our R&D teams have been successfully enriching our patent portfolio and developing new products. For example, the head lice preventative shampoo is a product that we believe is unique in the USA and many other markets.

**Outlook**

The Board expects that 2014 will show substantial increases in product sales over the previous two years and we are working hard to further expand distribution channels, both in the USA and Europe. Indeed, it has recently become apparent that, due in part to the success and interest generated in the USA, we may have excellent opportunities in other markets in a much shorter timeframe than we had previously envisaged. To take full advantage of these opportunities may require some additional working capital, a position that we will keep under review in the coming months. In addition, we also know that we cannot stand still in terms of product development and must continue to bring innovative new solutions to market, while also continually improving upon existing products.

Over the past year TyraTech, as an organisation, has learned a tremendous amount; not just about the development of what we consider are world-class products, but also about what is required to take them to market. With hard work and the continued support of our employees and shareholders, we can deliver the value which we firmly believe is present in our Company.

**Alan Reade**
Non-Executive Chairman
June 26, 2014

## Chief Executive Officer's Report and Operational Review

TyraTech's mission is to bring to the marketplace a range of safe and efficacious products which can reduce the impact of insects, insect-transmitted diseases and parasite infestations on children, families, animals and agriculture.

During the course of the last couple of years TyraTech has transitioned from a technology and R&D oriented company to an organisation capable of commercialising innovative branded products. In 2013, TyraTech focused on preparing to launch 10 new products in the first part of 2014.

First, the Vamousse range of products, comprising a mousse treatment and a preventative shampoo, was launched in the USA market in April. The mousse treatment is available in Walmart stores and superstores in the USA as well as online with Amazon.com and Drugstore.com. These major online retailers are also carrying the Vamousse preventative shampoo.

Second, the Company's Guardian™ brand range of personal mosquito and tick repellents will launch during the summer season of 2014 in the USA, first online and second with an objective to be present in selected stores specialising in outdoor activities. The main goal is to be ready to present these products during the annual category reviews conducted by the major retailers in the second half of 2014, for the 2015 mosquito and tick season.

Third, TyraTech signed a global product distribution agreement with Novartis Animal Health to market and sell TyraTech's insect control products in the production animal premises. Under the brand Natunex, six products were launched in the USA in the first part of 2014, and will be followed by a roll-out in selected European countries.

Envance Technologies, LLC ("Envance"), the business enterprise that TyraTech formed in 2012 with AMVAC Chemical Corporation ("AMVAC"), continues to expand its commercialisation of non-toxic consumer pesticide products with major USA retailers.

In addition, TyraTech prepared its future growth platform by strengthening its patent portfolio in mid-2014 with 21 granted patents and 50 pending patent applications and its product portfolio now includes more than 10 products at various stages of development.

During 2013, the Company's total revenue decreased to $1.4 million, largely due to the receipt in the prior year of a substantial one-off payment on the establishment of Envance, and also the switching of the pesticide products previously sold through TyraTech to that organisation. However, during the same timeframe, the Company reduced operating expenses by 17% to $5.0 million. In early 2014, the Company raised approximately $2.8 million in new equity (net, after expenses). As TyraTech moves into the second half of 2014 and beyond, the Directors believe that the Company will reach sales that are commensurate with the quality of the products, the breadth of its distribution network, and will begin to reap the benefit of the time and resources invested in bringing a new brand to the market.

**Bruno Jactel**
Chief Executive Officer
June 26, 2014

## Financial Review

### Revenues

TyraTech continues to develop its products and is working to diversify revenue sources as the Company matures as a business. Overall revenues for the year were $1.4 million (2012: $3.6 million). Collaborative revenue decreased to $1.4 million (2012: $3.3 million), primarily due to a single 2012 upfront license exclusivity fee which was part of the joint enterprise transaction establishing Envance Technologies, LLC ("Envance"), along with changes in the Product Supply Agreement with Terminix and the agreement with Mondelez Global in 2012. There were no product revenues shown in the accounts of TyraTech in 2013 (2012: $0.3 million) as the insect control products were transferred to Envance. As indicated above, Envance expanded retail sales of these products to $1.0 million in 2013. TyraTech does not consolidate the revenue, cost of goods sold, or operating expenses of Envance as the results are recorded using the equity method of accounting as a non-controlled subsidiary. For 2014 and beyond, TyraTech revenues are expected to come from the new personal care range and sales of pest control products in the animal health sector via Novartis.

### Cost of Sales and Gross Margin

Cost of sales for the year was $0.7 million (2012: $0.5 million). This included cost of product sold of $0, (2012: $0.2 million) and project costs for collaborative revenue projects of $0.7 million (2012: $0.2 million). Gross profits totaled $0.6 million (2012: $3.1 million) and were all attributable to collaborative revenue.

### Operating Expenses and Loss for the Year

Operating expenses for the year were reduced by 17% to $5.0 million (2012: $6.0 million). The expenses for the year include non-cash stock compensation to employees and non-employees of $0.2 million (2012: $0.7 million), and depreciation and amortisation of $0.1 million (2012: $0.1 million). The decrease in overall operating expenses for 2013 was driven primarily by offsets to expenses from charging Envance and Mondelez Global for shared services, along with reductions in payroll expenses and stock compensation expenses. Net loss for the year before and after tax was $4.9 million (2012: $2.9 million) resulting primarily from the absence of the AMVAC upfront license fee in 2013 as compared to 2012.

**Balance Sheet**

Current assets show a decrease to $1.2 million (2012: $1.8 million). Cash and cash equivalents decreased to $0.9 million (2012: $1.5 million). Trade and other receivables were equivalent to 2012 at $0.1 million (2012: $0.1 million). Inventories increased to $62,813 (2012: $17,126). Prepaid expenses increased to $149,972 (2012: $81,202).

Non-current assets decreased by $0.5 million to $0.2 million (2012: $0.7 million) largely from the Company's decrease in the equity investment in Envance due to losses incurred in the start-up phase and reductions in fixed assets from depreciation.

Total liabilities decreased to $2.8 million (2012: $3.0 million) primarily from the effect of recognising deferred revenue during the year, partially offset by the increase in warrant liabilities from the amendment in the AMVAC stock warrant agreement.

The Company's common stock issued increased to 168,776,305 shares as of 31 December 2013, including 1,084,413 shares of Treasury Stock issued in 2012. These issued shares increased as the combined result of a fund raise earlier in 2013. The Company issued an additional 1,152,700 common stock warrants at the time of this fund raise in payment of fees related to the fund raise. The Company's shareholders' deficit at year end increased to $1.4 million (2012: $0.6 million) before consideration of non-controlling interests.

**Liquidity and Cash Flow**

Net cash used in operations was $4.6 million in 2013 compared to $2.8 million for 2012, a $1.8 million increase. This increase was primarily the result of decreased cash receipts when compared against the 2012 upfront AMVAC license fee and product sales (2012: $2.5 million), partially offset by decreases in working capital employed.

Cash flow used in investing activities was significantly reduced to $17,601 (2012: $0.4 million) primarily due to the Company's $0.4 million investment in Envance in 2012, with no additional investment made in Envance in 2013.

Cash flow from financing activities in 2013 was $4.0 million, compared to $3.8 million in 2012 as a result of the $4.0 million versus the $3.9 million raised in equity financing in respective years and the effect of the treasury stock purchase ($0.1 million) in 2012.

Cash and cash equivalents were $0.9 million at the end of 2013 (2012: $1.5 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 2013, the Company raised approximately an additional $2.8 million in capital, net of expenses, ($3.1 million gross) through the issuance of 37,391,763 common shares to fund our operations while we continue negotiations with our existing and new customers. The Company has prepared forecasts to the end of 2016 which assume additional expenditures to expand the Company's operations into the UK beginning in 2014 to take advantage of new opportunities which have arisen recently and which will require additional funding in the second half of 2014. The Company has also prepared forecasts with no new funding, and therefore delaying the planned 2014 expansion into the UK to 2015. As with the introduction of any new products, there is always uncertainty as to the rate and level of market penetration. The Company believes its forecasts are reasonable, but if it does not perform in line with the key assumptions of both of these forecasts, the Company's cash resources may be absorbed earlier than forecasted. In this case, further cost reduction initiatives may be implemented and additional capital may be required.

**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 26, 2014

## Consolidated Balance Sheets

## 31 December 2013 and 2012

| | **2013** | 2012 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $873,413 | $1,548,830 |
| Accounts receivable | 85,270 | 109,867 |

| | | |
|---|---|---|
| Inventory, net of allowance of $0 in 2013 and $153,783 in 2012 | 62,813 | 17,126 |
| Prepaid expenses | 149,972 | 81,202 |
| Total current assets | 1,171,468 | 1,757,025 |
| Property and equipment, net of accumulated depreciation, ($1.4 million 2013, $1.3 million 2012) | 166,690 | 257,517 |
| Investment in unconsolidated subsidiary | - | 358,925 |
| Long term deposits | 65,808 | 65,000 |
| Total assets | $1,403,966 | $2,438,467 |
| **Liabilities and Shareholders' (Deficit) Equity** | | |
| Current liabilities | | |
| Accounts payable | $249,464 | $139,554 |
| Accrued liabilities | 412,138 | 503,667 |
| Liability for warrants | 210,000 | - |
| Deferred revenue | 501,070 | 501,070 |
| Total current liabilities | 1,372,672 | 1,144,291 |
| Deferred revenue and other long-term liabilities | 1,381,477 | 1,882,548 |
| Total liabilities | 2,754,149 | 3,026,839 |
| Commitments and contingencies | | |
| Shareholders' deficit | | |
| Common stock, $0.001 par, authorised 300 million; 168.8 million shares issued , 167.7 million shares outstanding (2012:108.2 million shares issued, 107.1 million shares outstanding) | 167,690 | 107,090 |
| Additional paid-in capital | 78,421,113 | 74,341,822 |
| Accumulated deficit | (79,825,177) | (74,923,475) |
| Treasury stock of 1.1 million (2012: 1.1million) | (108,441) | (108,441) |
| Total shareholders' deficit | (1,344,815) | (583,004) |
| Non-controlling interest | (5,368) | (5,368) |
| Total shareholders' deficit | (1,350,183) | (588,372) |
| Total liabilities and shareholders' deficit | $1,403,966 | $2,438,467 |

**Consolidated Statements of Operations**
**Years ended 31 December 2013 and 2012**

| | 2013 | 2012 |
|---|---|---|
| Revenues: | | |
| Product sales | $ - | $322,890 |
| Collaborative revenue | 1,366,068 | 3,249,769 |
| Total revenues | 1,366,068 | 3,572,659 |
| Costs and expenses related to product sales and collaboration revenue: | | |
| Product costs | - | 238,440 |
| Collaborative costs and expenses | 732,997 | 222,964 |
| Total costs of goods sold | 732,997 | 461,404 |
| Gross profit | 633,071 | 3,111,255 |
| Costs and expenses: | | |
| General and administrative | 2,797,508 | 3,008,322 |
| Business development | 430,181 | 638,826 |
| Research and technical development | 1,753,955 | 2,363,770 |
| Total cost and expenses | 4,981,644 | 6,010,918 |
| Loss from operations | (4,348,573) | (2,899,663) |
| Other income (expense): | | |
| Interest income | 842 | 16 |

| | | |
|---|---|---|
| Other income | 14,954 | 5,058 |
| Net loss (from unconsolidated subsidiary) | (358,925) | (41,075) |
| Change in fair value of warrant liabilities | (210,000) | - |
| Total other income(expense) | (553,129) | (36,001) |
| Loss from operations before income taxes | (4,901,702) | (2,935,664) |
| Income tax expense | - | - |
| Net loss | $(4,901,702) | $(2,935,664) |
| Net loss per common share | | |
| Basic and diluted | $(0.03) | $(0.03) |
| Weighted average number of common shares | | |
| Basic and diluted | 152,417,371 | 97,258,479 |

**Consolidated Statements of Shareholders' (Deficit) Equity**
**Years ended 31 December 2013 and 2012**

| | Common Stock | Additional Paid-in Capital | Accumulated Deficit | Non-Controlling Interest | Treasury Stock | Total (Deficit) Equity |
|---|---|---|---|---|---|---|
| Balances as of 31 December 2011 | $ 51,856 | $ 69,785,077 | $ (71,987,811) | $ (5,368) | $ - | $ (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 |
| Consolidated net loss | - | - | (2,935,664) | - | - | (2,935,664) |
| Purchase of Treasury stock | - | - | - | - | (108,441) | (108,441) |
| Balances as of 31 December 2012 | $ 107,090 | $ 74,341,822 | $ (74,923,475) | $ (5,368) | $ (108,441) | $ (588,372) |
| Proceeds from issuance of common stock net of expenses | 60,600 | 3,917,807 | - | - | - | 3,978,407 |
| Stock based compensation | - | 161,484 | - | - | - | 161,484 |
| Consolidated net loss | - | - | (4,901,702) | - | - | (4,901,702) |
| Balances as of 31 December 2013 | $ 167,690 | $ 78,421,113 | $ (79,825,177) | $ (5,368) | $ (108,441) | $ (1,350,183) |

**Consolidated Statements of Cash Flows**
**Years ended 31 December 2013 and 2012**

| | 2013 | 2012 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net loss | $(4,901,702) | $(2,935,664) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortisation | 108,428 | 134,802 |
| Write-off of inventory | - | 122,914 |
| Net loss from unconsolidated subsidiary | 358,925 | 41,075 |
| Amortisation of stock based compensation | 161,484 | 662,690 |
| Change in fair value of warrants | 210,000 | - |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 24,597 | (98,051) |
| Inventory | (45,687) | 27,858 |
| Prepaid expenses and long-term deposits | (69,578) | (9,159) |
| Accounts payable and accrued liabilities | 18,381 | (104,859) |
| Deferred revenue and other long-term liabilities | (501,071) | (626,805) |
| Net cash used in operating activities | (4,636,223) | (2,785,199) |
| **Cash flows from investing activities:** | | |
| Purchase of property and equipment | (17,601) | (11,934) |
| Investment in unconsolidated subsidiary | - | (400,000) |
| Net cash used in investing activities | (17,601) | (411,934) |
| **Cash flows from financing activities:** | | |
| Treasury stock purchased from employee | - | (108,441) |
| Net proceeds from sale of common stock | 3,978,407 | 3,946,157 |
| Net proceeds from stock grants issued for services | - | 3,132 |

| | | |
|---|---|---|
| Net cash provided by financing activities | 3,978,407 | 3,840,848 |
| **Net (decrease) increase in cash** | (675,417) | 643,715 |
| Cash and cash equivalents, beginning of year | 1,548,830 | 905,115 |
| **Cash and cash equivalents, end of year** | $873,413 | $1,548,830 |

**Notes**

**1. Basis of preparation**

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

The consolidated financial statements of the Company for the year ended 31 December 2013 and 2012 comprise the Company and its subsidiaries.

The information contained within this Announcement has been extracted from the audited financial statements which have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The results announcement for the year ended 31 December 2013 was approved by the Board for release on 26 June 2014.

**2. Liquidity and capital resources**

The accompanying consolidated financial statements contemplate continuation of the Company as a going concern. The company has incurred losses from inception ($4,901,702 in 2013, $2,935,664 in 2012), its cash used in operations in 2013 totalled $4,636,223 (2012: $2,785,199), and has accumulated losses of $79,825,177. As of 31 December 2013, the Company had $873,413 (2012: $1,548,830) in cash and cash equivalents and no indebtedness.

The Company's operations have been funded through a combination of common stock issuances, sales of the Company's products, and proceeds from technology licensing agreements. The Company most recently raised $2.8 million through a fund raise in February 2014. Neither further investor funding nor debt funding has been received to the date of this Annual Report. The Company has produced monthly forecasts to the end of 2016, which reflect an intention to incur significant sales/marketing investments to introduce products to the UK in 2014, which will require the Company to obtain additional funding in 2014 through the issuance of equity or debt. There can be no assurances that additional debt or equity funding can be obtained or that available capital would be on terms acceptable to the Company.

The Company has produced alternative operational/financial projections, deferring UK expansion, which could enable it to work within its existing cash resources, if further funding was not available on acceptable terms for the 2014 UK expansion. However, the Company has no assurances that it will achieve its projected revenues, profitability, or cash flows under either of these forecasts and as a result the Company may need to initiate further cost reduction programs and raise additional debt and/or equity capital over the next twelve months.

### 3. Distribution of Annual Report and Financial Statements

The Company will distribute copies of its full Annual Report and Financial Statements that comply with US GAAP on 26 June 2014 following which copies will be available either from the registered office of the Company: The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, USA; or from the Company's website; www.tyratech.com.

### 4. Date of Annual General Meeting

The Annual General Meeting (AGM) of the stockholders of TyraTech, Inc., will be held at the offices of the Company, 5151 McCrimmon Parkway, Suite 275, Morrisville, NC USA 27560 on 15 July 2014 at 10:00AM EDT.