

ELECTRONIC TRANSMISSION DISCLAIMER IMPORTANT:

You must read the following disclaimer before continuing. The following disclaimer applies to this electronic transmission and the attached document, which comprises an admission document which has been prepared by MicroSalt plc (the “**Company**”). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached document.

In accessing the attached document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended for you only and you agree you will not forward, reproduce or publish this electronic transmission or the attached document to any other person.

The attached document has been prepared, amongst other things, in connection with the proposed placing (the “**Placing**”) and subscription (the “**Subscription**”) and together with the Placing, the “**Fundraise**”) of Shares of nominal value £0.001625 each in the capital of the Company (the “**New Shares**”) (the New Shares being made available for subscription in the Placing and Subscription being the “**Fundraise Shares**”) and admission of the entire issued share capital of the Company to trading on AIM, the market operated by London Stock Exchange plc (“LSE”) (“**Admission**”).

The Fundraise is exempt from the requirement to produce an approved prospectus and accordingly no such prospectus has been prepared in connection with the Fundraise. The Admission Document has not been approved by the LSE or the Financial Conduct Authority (“**FCA**”).

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This electronic transmission, the attached document and the offer of Fundraise Shares, when made, pursuant to the Fundraise being distributed only to and are only directed at persons who (i) are in the United Kingdom and are “qualified investors” within the meaning of Article 2(1)(e) of Prospectus Regulation (EU) 2017/1129 (“**Prospectus Regulation**”), which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018 and any relevant implementing measures and (ii) have professional experience in matters relating to investments who fall within the definition of “investment professionals” contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “**Order**”), or are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order, or (iii) are other persons in the United Kingdom to whom this electronic transmission and the attached document may otherwise lawfully be communicated (all such persons referred to in (i) to (iii) above together being referred to as “**Relevant Persons**”).

This electronic transmission and the attached document must not be acted on or relied on by persons who are not Relevant Persons.

Restricted Jurisdictions

Neither this electronic transmission nor the attached document constitutes an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Shares to any person in the United States, Canada, Australia, the Republic of South Africa, New Zealand, Japan, the Republic of Ireland or any other jurisdiction outside of the United Kingdom where such distribution may lead to a breach of any applicable legal or regulatory requirements (each a “**Restricted Jurisdiction**”).

CONFIRMATION OF YOUR REPRESENTATION: This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to Zeus Capital Limited (“**Zeus**”) and the Company, that: (i) you are a Relevant Person; (ii) you are outside a Restricted Jurisdiction and ordinarily reside outside any Restricted Jurisdiction; and (iii) you consent to delivery of the attached document by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person. This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company nor Zeus nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. Neither Zeus nor any of their affiliates accepts any responsibility whatsoever for the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company, Admission or the Shares.

Zeus and their respective affiliates disclaim all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by Zeus or their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in the attached document.

Zeus, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company and no one else in connection with the proposed Placing and Admission. Zeus will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to clients of Zeus or for providing advice in relation to the contents of the Placing and Admission. Zeus' responsibilities as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to LSE and not to the Company, the directors of the Company ("**Directors**") or to any other person in respect of such person's decision to acquire Shares in reliance on any part of the Admission Document. Apart from the responsibilities and liabilities, if any, which may be imposed on Zeus by the Financial Services and Markets Act 2000 ("**FSMA**") or the regulatory regime established under it, Zeus does not accept any responsibility whatsoever for the contents of the Admission Document, and no representation, warranty or undertaking, express or implied, is made by Zeus with respect to the accuracy or completeness of this document or any part of it.

THE SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SHARES MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS ("US PERSONS") AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SHARES ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE OF THE UNITED STATES TO PERSONS THAT ARE NOT US PERSONS OR ACTING FOR THE ACCOUNT OR BENEFIT OF US PERSONS, IN RELIANCE ON REGULATION S, OR OTHERWISE IN TRANSACTIONS THAT ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OTHER APPLICABLE US STATE SECURITIES LAWS. THERE WILL BE NO PUBLIC OFFER OF SHARES IN THE UNITED STATES.

MICROSALT[®]



ADMISSION TO AIM

1 FEBRUARY 2024

MICROSALT PLC

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this Document or the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the FSMA if you are in the United Kingdom, or, if outside the United Kingdom, from another appropriately authorised independent adviser.

This Document, which comprises an AIM admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with an application for admission to trading on AIM of the entire issued and to be issued share capital of MicroSalt plc (the “**Company**”). This Document does not constitute an offer or any part of any offer of transferable securities to the public within the meaning of section 102B of the FSMA or otherwise. Accordingly, this Document does not constitute a prospectus for the purposes of section 85 of the FSMA or otherwise, and has not been drawn up in accordance with the Prospectus Rules or filed with or approved by the FCA or any other competent authority.

Application has been made for the Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Shares will commence on AIM on 1 February 2024.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom’s Financial Conduct Authority (“FCA”). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Companies admitted to trading on AIM are required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Document.

The Company and each of the Directors, whose names appear on page 13 of this Document, individually and collectively accept full responsibility for the information contained in this Document, including its compliance with the AIM Rules for Companies. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and contains no omission likely to affect the import of such information.

Prospective investors should read the whole of this Document. Investment in the Company is speculative and involves a high degree of risk. Your attention is drawn in particular to Part III of this Document entitled “Risk Factors”, which describes certain risks associated with an investment in MicroSalt plc. All statements regarding the Group’s business, financial position and prospects should be viewed in light of these risk factors.

MICROSALT®

MicroSalt plc

(incorporated and registered in England and Wales under the Companies Act 2006 with registered number 10061337)

Placing of 2,158,147 Placing Shares at £0.43 per New Share

Subscription of 5,155,829 Subscription Shares at £0.43 per New Share

and

Admission to trading on AIM

ZEUS

Nominated Adviser and Broker

Enlarged Share Capital immediately following Admission

<i>Number</i>	<i>Issued and fully paid</i>	<i>Amount £</i>
43,117,153	Shares of £0.001625 each	70,065.37

Zeus Capital Limited ("**Zeus**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as nominated adviser and broker in connection with the Placing and Admission and will not be responsible to any other person for providing the protections afforded to customers of Zeus or advising any other person in connection with the Placing and Admission. Zeus' responsibilities as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to the London Stock Exchange and not to the Company, the Directors or to any other person in respect of such person's decision to acquire Placing Shares in reliance on any part of this Document. Apart from the responsibilities and liabilities, if any, which may be imposed on Zeus by the FSMA or the regulatory regime established under it, Zeus does not accept any responsibility whatsoever for the contents of this Document, and no representation or warranty, express or implied, is made by Zeus with respect to the accuracy or completeness of this Document or any part of it.

This Document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States of America, Australia, Canada, Japan, New Zealand or the Republic of South Africa (each a "**Restricted Jurisdiction**"). The Shares have not been and will not be registered under the US Securities Act nor under the applicable securities laws of any state, province or territory of any Restricted Jurisdiction, nor in any country or territory where to do so may contravene local securities laws or regulations. Accordingly, the Shares may not be offered or sold directly or indirectly in or into any Restricted Jurisdiction or to any national, resident or citizen of any Restricted Jurisdiction. The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. The Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States of America.

No legal, business, tax or other advice is provided in this Document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding, or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.

Copies of this Document will be available free of charge to the public during normal business hours on any day (except Saturdays, Sundays and public holidays) at the registered offices of the Company and the offices of Zeus at 125 Old Broad Street, London, EC2N 1AR for one month from Admission. This Document is also available on the Company's website, www.MicroSalt.co.

IMPORTANT INFORMATION

This Document should be read in its entirety before making any decision to subscribe for or purchase Shares. Prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Zeus or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the AIM Rules for Companies, neither the delivery of this Document nor any acquisition of Shares made in reliance on this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since the date of this Document or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors in the Company must not treat the contents of this Document or any subsequent communications from the Company, Zeus or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

If you are in any doubt about the contents of this Document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the FSMA if you are in the United Kingdom, or, if you are outside the United Kingdom, from another appropriately authorised independent adviser.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media or any other person, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person, regarding the Fundraise, the Company and/or its subsidiaries. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

As required by the AIM Rules for Companies, the Company will update the information set out in this Document, by means of a supplement to it, if a significant new factor that may affect the evaluation of the Fundraise by prospective investors occurs prior to Admission or if it is noted that this Document contains any mistake or substantial inaccuracy. This Document, and any supplement thereto, will be made public in accordance with the AIM Rules for Companies.

This Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, by the Company, the Directors, Zeus or any of their respective representatives, that any recipient of this Document should subscribe for or purchase any of the Shares. Investing in and holding Shares involves financial risk. Prior to making any decision as to whether to subscribe for or purchase any Shares, prospective investors should read the entirety of this Document and, in particular, Part III entitled "Risk Factors".

Investors should ensure that they read the whole of this Document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or an examination by the prospective investor's FSMA-authorised or other appropriate advisers) of the Company and the terms of this Document, including the risks involved. Any decision to purchase Shares should be based solely on this Document and the prospective investor's own (or such prospective investor's FSMA-authorised or other appropriate advisers') examination of the Company. Investors who subscribe for or purchase Shares in the Fundraise will be deemed to have acknowledged that: (i) they have not relied on Zeus or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Document for their investment decision; (ii) they have relied only on the information contained in this Document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Shares (other than as contained in this Document) and, if given or made, any such other information or representation has not been relied upon as having been authorised by or on behalf of the Company, the Directors or Zeus.

No Prospectus

This Admission Document is not a prospectus for the purposes of the EEA Prospectus Regulation or the Prospectus Regulation. This Admission Document has been prepared on the basis that all offers of the

Fundraise Shares will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus. Accordingly, any person making or intending to make any offer within the United Kingdom or the EEA of the Fundraise Shares which is the subject of the offering contemplated in this Admission Document should only do so in circumstances in which no obligation arises for the Company or Zeus to produce a prospectus for such offer. Neither the Company nor Zeus has authorised, nor will either of them authorise, the making of any offer of the Fundraise Shares through any financial intermediary, other than offers made by Zeus, or any of its appointed agents, which constitute the final placing of the Placing Shares as contemplated in this Admission Document.

Notice to prospective investors in the United Kingdom

No Shares have been offered or will be offered to the public in the United Kingdom pursuant to the Fundraise prior to the publication of a prospectus in relation to the Shares which has been approved by the FCA, or in accordance with the Prospectus Regulation. However, offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Shares shall require the Company or any other person to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Shares or to whom any offer is made under the Fundraise will be deemed to have represented, acknowledged and agreed that they are a “qualified investor” within the meaning of the Prospectus Regulation and/or EU Prospectus Regulation.

In addition, this Document is being distributed in the United Kingdom to, and is directed only at: (i) persons in the United Kingdom having professional experience in matters relating to investments i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**FPO**”); (ii) high net worth entities in the United Kingdom falling within Article 49 of the FPO; and (iii) persons in the United Kingdom to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators (each a “**relevant person**”). The investment or investment activity to which this Document relates is available only to relevant persons. It is not intended that this Document be distributed or passed on, directly or indirectly, to any other person and in any event, under no circumstances should persons who are not relevant persons rely on or act upon the contents of this Document.

Notice to prospective investors in the EEA

In relation to each member state of the EEA (each, a “**Member State**”), no Shares have been offered or will be offered pursuant to the Fundraise to the public in that Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Member State, or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the EEA Prospectus Regulation, except that offers of Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

- (1) to any legal entity which is a “**qualified investor**” as defined in the EEA Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than “**qualified investors**” as defined in the EEA Prospectus Regulation) in such Member State; or
- (3) in any other circumstances falling within Article 1(4) of the EEA Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EEA Prospectus Regulation or supplement to a prospectus pursuant to Article 23 of the EEA Prospectus Regulation and each person who initially acquires any Shares or to whom any offer is made under the Fundraise will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the EEA Prospectus Regulation.

Neither the Company nor Zeus has authorised, nor do either of them authorise, the making of any offer of Shares in circumstances in which an obligation arises for the Company and/or Zeus to publish a prospectus or a supplemental prospectus in respect of such offer.

For the purposes of this provision, the expression “an offer to the public” in relation to any offer of Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for those Shares, and the expression “EEA Prospectus Regulation” means Regulation (EU) 2017/1129.

Notice to US investors

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”), or any US state securities laws. The Shares may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act) unless the Shares are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. The Company has not registered and will not register under the United States Investment Company Act of 1940, as amended (the “**1940 Act**”).

The Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any US state securities commission or any other regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Document. Any representation to the contrary is unlawful. The Shares will be offered and sold outside the United States to non-US Persons pursuant to the requirements of Regulation S under the US Securities Act (“**Regulation S**”). The Shares cannot be offered, resold, pledged or otherwise transferred in the United States or to US Persons except in accordance with the restrictions and procedures set forth in the Appendix of this Document entitled “Terms and Conditions of the Placing”.

Notice to Overseas Shareholders

This Document does not constitute an offer to sell or issue, or the solicitation of an offer to subscribe for or buy, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States of America, Australia, Canada, Japan, New Zealand or the Republic of South Africa or any other country where such distribution may lead to a breach of any legal or regulatory requirement, or to any resident, national, citizen or corporation, partnership or other entity created under the laws thereof (each a “**Restricted Jurisdiction**”). The Shares have not been and will not be registered under the US Securities Act nor under the applicable securities laws of any state, province or territory of and Restricted Jurisdiction or in any country or territory where to do so may contravene local securities laws or regulations. Accordingly, the Shares may not be offered or sold directly or indirectly in or into or from any Restricted Jurisdiction or to any resident of any Restricted Jurisdiction. The distribution of this Document in other jurisdictions may be restricted by law and, therefore, persons into whose possession this Document comes should inform themselves about and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK Product Governance Rules”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that the New Shares are: (i) compatible with an end target market of investors who meet the criteria of retail investors and investors who meet the criteria of professional clients and eligible counterparties each as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”); and (ii) eligible for distribution through all distribution channels as are permitted by the UK Product Governance Rules (the “UK Target Market Assessment”).

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission

Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Fundraise Shares have been subject to a product approval process, which has determined that the Fundraise Shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “EU Target Market Assessment”).

Notwithstanding the UK Target Market Assessment and the EU Target Market Assessment, distributors should note that: the price of the New Shares may decline and investors could lose all or part of their investment; the New Shares offer no guaranteed income and no capital protection; and an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Each of the UK Target Market Assessment and the EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Fundraise. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment and the EU Target Market Assessment, Zeus will only procure investors who meet the criteria of professional clients and eligible counterparties each as defined under COBS or MiFID II, as applicable.

For the avoidance of doubt, each of the UK Target Market Assessment and the EU Target Market Assessment do not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of COBS or MiFID II, as applicable; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Shares and determining appropriate distribution channels.

Data protection

The information that a prospective investor provides in documents in relation to a purchase of Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual (“**personal data**”) will be held and processed by the Group (and any third party to whom it may delegate certain administrative functions in relation to the Group) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom and the Group’s privacy notice, a copy of which is available on the Group’s website at www.MicroSalt.co (“**Privacy Notice**”). Such information will be held and processed by the Group (or any third party, functionary or agent appointed by the Group) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Group and the administering of interests in the Group; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in England and Wales and elsewhere (as required).

Where necessary to fulfil the purposes set out above and in the Privacy Notice, the Group (or any third party, functionary or agent appointed by the Group) will:

- disclose personal data to third party service providers, agents or functionaries appointed by the Group to provide services to prospective investors; and
- transfer personal data outside of the United Kingdom to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Group (or any third party, functionary or agent appointed by a member of the Group) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal

data are disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Forward looking statements

Certain statements in this Document are or may constitute “forward-looking statements”, including statements about current beliefs and expectations. In particular, the words “expect”, “anticipate”, “estimate”, “may”, “should”, “could”, “plans”, “intends”, “will”, “believe” and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward looking statements. They appear in a number of places throughout this Document and include, but are not limited to, statements regarding intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Document. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this Document, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations, changes in the Group’s business strategy, political and economic uncertainty and other factors discussed in Part I and Part III of this Document.

Any forward-looking statements in this Document reflect current views with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations and growth strategy. Investors should specifically consider the factors identified in this Document which could cause results to differ before making an investment decision. Subject to the requirements of applicable law or regulation, the Group undertakes no obligation publicly to release the result of any revisions to any forward-looking statements in this Document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this Document.

Any forward-looking statement in this Document based on past or current trends and/or activities of the Group should not be taken as a representation or assurance that such trends or activities will continue in the future. No statement in this Document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will match or exceed the historical or published earnings of the Group.

European Union legislation

If and when a European Union instrument is incorporated into the law of the United Kingdom, a reference to that European Union instrument in this Document shall, except where the context requires otherwise, mean the European Union instrument as so incorporated and any enactment, statutory provision or subordinate legislation that from time to time (with or without modifications) re-enacts, replaces or consolidates it for the purposes of the law of the United Kingdom.

Governing law

Unless otherwise stated, statements made in this Document are based on the law and practice currently in force in England and Wales and are subject to change therein.

All references to legislation in this Document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Presentation of financial information

The consolidated Historical Financial Information of the Group for the three years ended 31 December 2022, set out in Part IV of this Document, and the unaudited Interim Financial Information of the Group for the six months ended 30 June 2023, set out in Part V of this Document, have been prepared in accordance with IFRS.

Certain non-financial measures such as EBITDA have been included in the financial information contained in this Document as the Directors believe that these present important alternative measures with which to assess the Group's performance. These measures should not be considered as an alternative to revenue and operating profit, which are IFRS measures, or other measures of performance under IFRS. In addition, the Company's calculation of EBITDA may be different from the calculation used by other companies and therefore comparability may be limited.

Rounding

The financial information and certain other figures in this Document have been subject to rounding adjustments. Therefore, the sum of numbers in a table (or otherwise) may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this Document reflect calculations based on the underlying information prior to rounding and accordingly may not conform exactly to the percentages that would be derived if the relevant calculations were based on the rounded numbers.

Currency presentation

In the document, references to "sterling", "£", "penny", "pence" and "p" are to the lawful currency of the United Kingdom and references to "US dollars", "US\$", "\$", "dollars" and "cents" are references to the lawful currency of the United States. Unless otherwise indicated, the financial information contained in this document has been expressed in sterling. The Company presents its financial statements in US dollar.

Market, industry and economic data

Unless the source is otherwise identified, the market, economic and industry data and statistics in this Document constitute estimates by management of the Group, using underlying data from third parties. The Group has obtained market and economic data and certain industry statistics from internal reports, as well as from third party sources, as described in the footnotes to such information. All third party information set out in this Document has been accurately reproduced and, so far as the Board is aware and has been able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such third party information has not been audited or independently verified and the Company and the Directors accept no responsibility for its accuracy or completeness.

Market and industry data is inherently predictive and speculative and is not necessarily reflective of actual market conditions. Statistics in such data are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. The value of comparisons of statistics for different markets is limited by many factors, including that: (i) the markets are defined differently; (ii) the underlying information was gathered by different methods; and (iii) different assumptions were applied in compiling the data. Consequently, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information.

No incorporation of website information

The contents of the Company's website, any other website mentioned in this Document, or any website directly or indirectly linked to these websites have not been verified and do not form part of this Document, and prospective investors should not rely on such information.

Interpretation

Certain terms used in this Document are defined and certain technical and other terms used in this Document are explained in the sections termed "Definitions" and "Glossary".

All times referred to in this Document are, unless otherwise stated, references to London time.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

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FUNDRAISE AND ADMISSION STATISTICS

Issue Price (per New Share)	£0.43
Number of Existing Shares	35,245,729
Number of Placing Shares	2,158,147
Number of Subscription Shares	5,155,829
Total number of New Shares	7,313,976
Number of Supplier Shares	557,448
Enlarged Share Capital on Admission	43,117,153
Number of Warrants	7,313,976
Number of options outstanding	6,710,684
New Shares as a percentage of the Existing Shares	48.3 per cent.
Issued share capital on a fully diluted basis on Admission	57,141,813
Market capitalisation of the Company at the Issue Price following Admission ⁽¹⁾	£18.54 million
Gross proceeds of the Fundraise receivable by the Company	£3.15 million
Estimated net proceeds of the Fundraise receivable by the Company ⁽²⁾	£2.50 million
AIM ticker	SALT
ISIN	GB00BQB6FF85
SEDOL	BQB6FF8
LEI	213800L7WRHP8CCEEQ48

Notes:

- (1) The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time, but this calculation is based upon the Issue Price.
- (2) After deduction of estimated commissions, fees and expenses payable by the Company of approximately £0.7 million.

EXPECTED TIMETABLE

	2024
Publication of this Document	27 January
Issue of New Shares and Warrants	1 February
Admission and commencement of dealings in the Enlarged Share Capital on AIM	8.00 a.m. on 1 February
CREST accounts credited in respect of New Shares (where applicable)	on or around 8.00 a.m. on 1 February
Dispatch of definitive share certificates (where applicable)	on or around 16 February
Dispatch of definitive warrant certificates	on or around 16 February

All times are London, UK times. Each of the times and dates in the above timetable are indicative only and is subject to change without further notice.

COMPANY OFFICERS, REGISTERED OFFICE AND ADVISERS

Directors	Judith Margaret Batchelar OBE <i>(Independent Non-Executive Chair)</i> Richard (“Rick”) Andrew Guiney <i>(Chief Executive Officer)</i> Konrad Wojciech Dabrowski <i>(Chief Financial Officer)</i> Gary Martin Urmston <i>(Independent Non-Executive Director)</i> Daniel (“Dan”) Edward Emery <i>(Independent Non-Executive Director)</i>		
Company secretary	MSP Corporate Services Limited 27-28 Eastcastle Street London W1W 8DH		
Registered office	12 New Fetter Lane London EC4A 1JP		
Website	www.MicroSalt.co		
Nominated Adviser and Broker	Zeus Capital Limited 82 King Street and 125 Old Broad Street Manchester London M2 4WQ EC2N 1AR		
Legal advisers to the Company as to English Law	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP		
Legal advisers to the Company as to US Law	Ellenoff Grossman & Schole LLP 1345 6th Avenue New York NY 10105 United States		
Legal advisers to the Nominated Adviser and Broker	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT		
Auditor and Reporting Accountant	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW		
Registrars	Computershare Investor Services PLC The Pavilions Bridgewater Road Bristol BS13 8AE		
PR advisers to the Company	Flagstaff Communications Limited 1 King Street London EC2V 8AU		
IFRS consultant	One Advisory Limited 201 Temple Chambers 3 – 7 Temple Avenue London EC4Y 0DT		

DEFINITIONS

2020 CLN	the convertible loan note instrument in favour of the Company (as the assignee of Tekcapital) constituted by the Subsidiary on 21 September 2020
2022 CLN	the convertible loan note instrument in favour of the Company (as the assignee of Tekcapital) constituted by the Subsidiary on 1 June 2022
2022 Plan	the share option plan adopted by the Subsidiary on 2 February 2022, details of which are set out in paragraph 5.1 of Part VII of this Document
'650 Patent	the granted patent in the United States, being patent number US 8,900,650 (B1) entitled "Low-Sodium Salt Compositions", details of which are set out in paragraph 17.1 of Part VII of this Document
Admission	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
Admission Document or Document	this document dated 27 January 2024
AIM	the AIM market of the London Stock Exchange
AIM Rules for Companies	the AIM Rules for Companies published by the London Stock Exchange from time to time
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time
Amazon UK	www.amazon.co.uk
Amazon US	www.amazon.com
Articles	the articles of association of the Company from time to time, a summary of the version in force at Admission being set out in paragraph 6 of Part VII of this Document
Audit Committee	the audit committee of the Board, as constituted from time to time
Board	the board of directors of the Company
Companies Act	the Companies Act 2006 (as amended)
Concert Party	Tek Europe, its directors, any employees, and Tekcapital, its directors, any employees and any entities of which Tek Europe or Tekcapital owns more than 30 per cent., as further described in paragraphs 22 of Part I and 7.3 of Part VII of this Document
CREST	the computer-based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear in accordance with the CREST Regulations
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), including (i) any enactment or subordinate legislation which amends those regulations; and (ii) any applicable rules made under those

	regulations or such enactment or subordinate legislation for the time being in force
Dealing Day	a day (other than a Saturday, Sunday or public holiday) on which the London Stock Exchange is open for the transaction of business
Directors	the directors of the Company as at the date of this Document, whose names appear on page 13 of this Document
Disclosure and Transparency Rules or DTRs	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
EEA	the European Economic Area
Enlarged Share Capital	the issued share capital of the Company immediately following Admission, comprising the Existing Shares, the Supplier Shares and the New Shares
ESG	environmental, social and governance
EU	European Union
EU GDPR or GDPR	the General Data Protection Regulation (EU) No 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with respect to the processing of personal data and on the free movement of such data
Euroclear	Euroclear UK & International Limited, a company incorporated under the laws of England and Wales with registered number 2878738 and the operator of CREST
EUWA	the European Union (Withdrawal) Act 2018, as amended
Exchange Agreements	the agreements entered into between the Company and the Exchange Shareholders on 30 September 2023, pursuant to which the Company acquired an interest of 1,064,057 shares of common stock in the capital of the Subsidiary in exchange for the issue of 4,256,228 Shares, details of which are set out in paragraph 13.1.6 of Part VII of this Document
Exchange Shareholders	the certain minority shareholders of the Subsidiary (being persons who are classified as “accredited investors” pursuant to the US Securities Act) who entered into the Exchange Agreements and received Shares in exchange for the transfer of their interest in the Subsidiary to the Company
Executive Directors	the executive Directors of the Company as at the date of this Document, being Rick Guiney and Konrad Dabrowski
Existing Shares or Existing Share Capital	the 35,245,729 Shares in issue as at the date of this Document
FCA	the Financial Conduct Authority of the United Kingdom
FSMA	the Financial Services and Markets Act 2000, as amended
Fundraise	the Placing and Subscription
Fundraise Shares	the Placing Shares and the Subscription Shares

Great Britain	the island comprising Scotland, England and Wales
Group	the Company and its subsidiaries and subsidiary undertakings (in each case as defined in the Companies Act)
Historical Financial Information	the audited consolidated financial information of the Group for the three years ended 31 December 2022, as set out in Section B of Part IV of this Document
HMRC	HM Revenue and Customs
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board, as adopted by the UK
Initial Shares	Shares of £0.01 each in the capital of the Company in issue prior to the sub-division of the Company's share capital, described at paragraph 4 of Part VII of this Document
Interim Financial Information	the unaudited consolidated financial information of the Group for the six months ended 30 June 2023, as set out in Part V of this Document
ILA (Jan-22)	the intercompany loan and debt transfer agreement dated 14 January 2022 between: (i) the Subsidiary; (ii) the Company; (iii) Tekcapital; (iv) Tek Europe; and (v) Tekcapital LLC, details of which are set out in paragraph 13.1.13 of Part VII of this Document
ILA (Nov-22)	the intercompany loan and debt transfer agreement dated 22 November 2022 between (i) the Subsidiary; (ii) the Company; (iii) Tekcapital; (iv) Tek Europe; and (v) Tekcapital LLC, details of which are set out in paragraph 13.1.13 of Part VII of this Document
IP	intellectual property
Issue Price	£0.43 per New Share
Limited Undertaking Letter	the limited undertaking letter entered into by the Company, Tek Europe and Zeus, details of which are set out in paragraph 13.1.19 of Part VII of the Document
London Stock Exchange	London Stock Exchange plc
Lock-in Agreements	the lock-in and orderly market agreements entered into by the Company, Zeus and the Locked-in Shareholders, details of which are set out in paragraph 15 of Part I and paragraph 13.1.3 of Part VII of this Document
Locked-in Shareholders	each of the Directors, Tek Europe and JACE Supply Chain Services LLC
MAR	means the UK version of the Market Abuse Regulation (Regulation 596/2014) which is part of English law by virtue of EUWA, as amended
Member State	a member state of the EEA
MicroSalt plc or the Company	MicroSalt plc, a company incorporated in England and Wales with company number 10061337, having its registered office at 12 New Fetter Lane, London, EC4A 1JP

New Shares	the 7,313,976 new Shares to be issued by the Company pursuant to the Fundraise
Nominated Adviser and Broker Agreement	the nominated adviser and broker agreement, details of which are set out in paragraph 13.1.4 of Part VII of this Document
Non-Consolidated Shares	shares of £0.000003125 each in the capital of the Company in issue following the sub-division of the Company's Initial Shares, but prior to the Share Consolidation, described at paragraph 4.3.6 of Part VII of this Document
Non-Executive Directors	the non-executive directors of the Company as at the date of this Document, being Judith Batchelar, Gary Urmston and Daniel Emery
Official List	the official list maintained by the FCA
Panel	the Panel on Takeovers and Mergers
Placees	the subscribers for Placing Shares procured by Zeus or any sub-agent appointed by Zeus pursuant to the Placing
Placing	the conditional placing of the Placing Shares at the Issue Price by Zeus, and any sub-agent appointed by Zeus, pursuant to the Placing Agreement
Placing Agreement	the conditional agreement in relation to the Placing and Admission entered into by the Company, Zeus and the Directors on or around the date of this Document, details of which are set out in paragraph 13.1.1 of Part VII of this Document
Placing Shares	the 2,158,147 New Shares to be issued by the Company pursuant to the Placing
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Union, as it forms part of English law by virtue of the EUWA, as amended
Prospectus Rules	the prospectus rules made by the FCA under Part VI of the FSMA, as amended
QCA	the Quoted Companies Alliance
QCA Code	the Corporate Governance Code 2018 published by the QCA
Registrars	the Company's registrars, being Computershare Investor Services PLC, a company incorporated in England and Wales with company number 03015818 and having its registered office at The Pavilions, Bridgewater Road, Bristol, BS13 8AE
Registrars Agreement	the agreement entered into between the Company and the Registrars, details of which are set out in paragraph 13.1.7 of Part VII of this Document
Relationship Agreement	the relationship agreement entered into between the Company, Tek Europe and Zeus on 27 January 2024, details of which are set out in paragraph 13.1.5 of Part VII of this Document
Remuneration Committee	the remuneration committee of the Board, as constituted from time to time
RIS	has the meaning given to it in the AIM Rules for Companies

Shares	the ordinary shares of £0.001625 each in the capital of the Company
Shareholders	holders of Shares, each a “Shareholder”
Subscribers	the subscribers for Subscription Shares pursuant to the Subscription
Subscription	the conditional subscription of the Subscription Shares at the Issue Price, pursuant to the Subscription Agreements
Subscription Agreements	the conditional agreements relating to the Subscription entered into between the Company and each of the Subscribers on or around the date of this Document, details of which are set out in paragraph 13.1.2 of Part VII of this Document
Subscription Shares	the 5,155,829 New Shares to be issued by the Company pursuant to the Subscription
Subsidiary	MicroSalt Inc. a company registered in the State of Florida with company number 493100031 and having its registered office at 515 N Flagler Drive, P-300, West Palm Beach, FL 33401
Subsidiary Board	the board of directors of the Subsidiary
Subsidiary Exchange Shareholders	each of VHM Global Research Inc., Steve McCreedy, Eduardo Souchon, JACE Supply Chain Services LLC, Carolina Berardi and Mike Marrotte, being the former shareholders of the Subsidiary who entered into the Exchange Agreements and received Initial Shares in exchange for the transfer of their interest in the Subsidiary to the Company
Supplier Shares	the 557,448 new Shares to be issued by the Company to suppliers in lieu of cash payments for services provided
Takeover Code	the City Code on Takeovers and Mergers published by the Panel
Tekcapital	Tekcapital PLC, a company incorporated in England and Wales with company number 08873361 and having its registered office at 12 New Fetter Lane, London, EC4A 1JP
Tek Europe	Tekcapital Europe Limited, a subsidiary of Tekcapital, and a company incorporated in England and Wales with company number 08121738, having its registered office at 12 New Fetter Lane, London, EC4A 1JP
Tekcapital LLC	Tekcapital LLC, a subsidiary of Tekcapital, and a company incorporated in Florida, having its registered office at 66 W Flagler St FL 9 Miami, FL, 33130-1887 United States
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK GDPR	GDPR as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018 (including as further amended or modified by the laws of the United Kingdom or a part of the United Kingdom from time to time)
uncertificated or uncertificated form	recorded on the relevant register of the share or security as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
US or United States	the United States of America

US Persons	has the meaning given in Regulation S
US Securities Act	the US Securities Act of 1933, as amended
VAT	value added tax
Warrantholder	a holder of one or more Warrants
Warrants	the 7,313,976 warrants issued conditional upon Admission, entitling the Placees and Subscribers to subscribe in aggregate for up to 7,313,976 new Shares at an exercise price of £0.473 per new Share (representing a 10 per cent. premium to the Issue Price) pursuant to the Warrant Instrument
Warrant Instrument	the deed poll executed by the Company dated 26 January 2024 constituting the Warrants, further details of which are set out in paragraph 13.1.8 of Part VII of this Document
Zeus	Zeus Capital Limited, a company incorporated in England and Wales with company number 04417845, having its registered office at 82 King Street, Manchester, M2 4WQ, who at the date of this Document is appointed as the nominated adviser and broker to the Company
£ and p	United Kingdom pounds sterling and pence respectively
US\$ or Dollar	United States dollars

GLOSSARY

B2B	business to business
B2C	business to consumer
CAGR	compound annual growth rate
CDC	US Center for Disease Control and Prevention
Customer A	a national Fortune-500 pharmacy/food retailer
Customer B	the Mexican business of Customer C
Customer C	one of the largest beverage/snack food companies in the world
Customer D	one of the largest global bakery companies
Customer E	one of the largest suppliers of frozen and raw chicken products in the world
CVD	cardiovascular disease
DTC	direct to consumer
FDA	the US Food and Drug Administration
FMCG	fast moving consumer goods
GRAS	designation provided by the FDA that a chemical or substance added to food is considered safe by experts under the conditions of its intended use
JDA	joint development agreement
MicroSalt	the Company's low-sodium salt brand
mT	metric tonne
NHS	National Health Service
R&D	Research and Development
SaltMe!	the Company's own snack brand
SKU	stock keeping unit
tpa	tonnes per annum
WHO	World Health Organisation
WIPO	World Intellectual Property Organisation

INVESTMENT SUMMARY

The following information is derived from and should be read in conjunction with the whole of this Document including, in particular, Part III entitled Risk Factors relating to the Group. Shareholders should read the whole of this Document and not rely only on this Investment Summary.

The Group is commercialising a technology, covered by a patent granted in the US and 14 pending patent applications in other jurisdictions. These patents cover the Group's first full-flavour, low-sodium salt for food manufacturers and consumers. Recent commercial progress spans multiple FMCGs and national retailers in the US as part of its B2B focused strategy, whilst its products are already sold in over 1,000 stores across premium and/or health focused retailers across the US. This is complemented by a DTC presence on the world's largest e-commerce platform.

Key strengths and advantages

The Directors believe that the Group has a number of key strengths and advantages that are important to the success of the business:

- **Disruptor in the food market, achieving the full flavour of traditional salt but with less sodium**

Due to its micron sized particles, MicroSalt has improved adhesion to food (compared with traditional salt crystals) and dissolves much faster on the tongue, thereby delivering the same sense of saltiness achieved with traditional salt but with approximately half the amount of sodium without sacrificing taste.

The majority of sodium-reduced alternatives to salt are formulated with potassium chloride (in place of sodium chloride) which has a bitter metallic taste. MicroSalt however tastes like salt because it is salt.

In 2021, the global sodium reduction ingredients market was estimated to be US\$5.5 billion, with the expectation that it will reach US\$9.6 billion by 2032, a CAGR of 5.8 per cent.

- **Significant health benefits**

Excess sodium consumption is a leading global health problem and consumers are looking to healthier salt alternatives. 86 per cent. of US healthcare costs are related to chronic diseases, and cardiovascular disease plays a prominent role. The WHO has set a target of reducing global sodium intake by 30 per cent. by 2025, which it estimates will save 7 million lives by 2030.

- **US patented technology, trademarks and know-how generate high barriers to entry**

The combination of patent protection on both the commercial product as well as the manufacturing process and proprietary know-how, help ensure that MicroSalt cannot be readily replicated. These barriers to entry will be protected over time by the Group's global registered trademarks and trademark applications.

- **Commercial-scale orders from, and significant pipeline and advanced discussions with blue-chip customers**

The Group has delivered its first commercial-volume purchase order from a Fortune 500 pharmacy/food retailer (Customer A) for use on an initial four lines of its own brand salted nuts, to be sold across an initial c.800 stores. It has also delivered commercial volume purchases totalling 29 mT with one of the world's largest beverage/snack food companies (Customer B) in respect of one of its leading crisp brand flavours. Furthermore, there are multiple major B2B prospects at various stages of commercial testing with a range of US and multi-national companies.

In addition, proof of concept has been achieved through the Company's SaltMe! Crisp consumer brand and MicroSalt saltshakers which are currently sold in more than 1,000 stores across the US and on Amazon US and UK.

- **Highly experienced management team**

MicroSalt plc is led by Rick Guiney and supported by a board and executive management team, with extensive food industry experience.

- **Diversifiable product creates flexibility for customers**

With an established raw material supply, there is opportunity for growth across other salt varieties such as Himalayan salt, sea salt, African black salt, and others without any alteration or additional cost incursion to the production process. The manufacturing process is agnostic to salt type, so any other salt variant from any location can be used depending on consumer demand. This may also extend into seasoning lines, additional colours and flavours, and expansive bespoke B2B applications. Furthermore, MicroSalt can be used within a wide variety of foods including crisps, popcorn, nuts, protein bars, pancake mix, breakfast cereals, premade meals and breads.

- **Readily scalable production process and supply chain**

MicroSalt is manufactured using a spray drying process which is a well understood method of production across multiple other foodstuffs. The Group has patented a specific application of this process which allows the Group to produce MicroSalt on a large scale. No additional bespoke equipment is required to produce MicroSalt.

PART I

INFORMATION ON THE GROUP

1 INTRODUCTION

The Company's mission is to reduce excess sodium consumption which significantly contributes to hypertension and heart disease, by providing a full-flavour salt with approximately 50 per cent. less sodium than traditional salt for food manufacturers and consumers.

The Group has developed a patent protected and scalable manufacturing process that produces a salt crystal that is approximately 100 times smaller than traditional salt. Due to its micron sized particles, MicroSalt has improved adhesion to food (compared with traditional salt crystals) and dissolves much faster on the tongue, thereby delivering the same sense of saltiness as traditional snacks but using approximately half the amount of sodium.

Demand for reduced sodium and 'clean' product labels across both B2B and B2C channels has increased significantly due to enhanced governmental and societal pressure for healthier products. As a result, the Group's primary strategy is to partner with brands seeking to reduce the sodium content in their foods, for both existing and new product lines. To date, the Group has received purchase orders from two Tier-1 B2B customers (Customer A and Customer B) and they are in varying stages of discussion with other prestigious FMCG and food producers, including numerous UK and US multinational companies.

MicroSalt is not a salt substitute, it is simply a salt that contains only sodium chloride and non-GMO maltodextrin. Unlike most low-sodium alternatives, MicroSalt does not contain potassium chloride and there are no other added chemicals thereby eliminating the bitter aftertaste associated with existing salt substitutes.

As a proof of concept, the Group created a consumer brand of potato crisps called SaltMe!. One of the largest supermarket chains in the US launched *SaltMe!* crisps in February 2022 into a number of their US stores. Further agreements with smaller supermarket chains have resulted in increased availability of *SaltMe!* crisps in stores across the US. MicroSalt is also ideally suited for numerous other applications such as nuts, tortillas, popcorn, bread, cereals and energy bars due to its reduced sodium content and superior adhesion when applied directly to products.

The Group has working relationships with three manufacturing facilities across the US that are capable of producing up to 5,444 tpa of MicroSalt. The Directors believe that the Group's manufacturing capability and proven production process provide the Group with an opportunity to become a unique player in the sodium reduction market as well as the wider salt and seasoning markets. There is also no requirement for MicroSalt to be altered in any way post-production prior to being utilised in either its own products, or those of third parties.

The Group is seeking to raise approximately £3 million through the Fundraise, the net proceeds of which will principally be used to support the ongoing development of MicroSalt applications with existing and potential customers, R&D for FMCG companies product line extensions and for general working capital purposes including increased headcount.

The Board believes the Fundraise will provide the Group with the capital required to support its growth strategy and to capitalise on its pipeline of commercial opportunities with existing and potential customers. In addition, Admission will provide MicroSalt plc with a platform to enhance the corporate profile of the Group.

2 HISTORY AND BACKGROUND

MicroSalt plc was founded in 2016 by Dr Clifford Gross and the Tekcapital Group following the acquisition of the low-sodium salt composition patent from the initial developers of the technology, Dr Ya-Jane Wang and Dr Saktharam K. Patil, pre-eminent food scientists. As part of the acquisition consideration, the inventors agreed to receive a royalty of 3 per cent. of sales of MicroSalt made or sold in the U.S. until the expiration of the patent in 2030. Since foundation, the aim of the Group has been to reduce excess sodium consumption, which is the leading cause of premature death worldwide, by delivering a full-flavour salt with less sodium.

The Group commenced operations in 2018 and has predominantly been funded by the Tekcapital Group through convertible loan notes totalling US\$5.6 million. As at the date of this Document, US\$2.6 million of the convertible loan notes remain outstanding and Tek Europe owns approximately 87.2 per cent. of the issued share capital of the Company and will own 77.24 per cent. on Admission. Given this significant shareholding, Tek Europe has signed a Limited Undertaking Letter whereby it has agreed that it will not (i) exercise any warrants held in the Company such that their resultant shareholding would exceed 77.24 per cent.; and (ii) convert any convertible loan notes held in the Company if such conversion would result in their shareholding exceeding 77.24 per cent., unless approved by a majority of independent shareholders at a general meeting of the Company. Further details of the Limited Undertaking Letter are set out in paragraph 13.1.19 of Part VII of this Document.

In January 2022, the Group raised US\$0.75 million in an oversubscribed US crowdfunding round and in March 2022 raised an additional US\$0.4 million from a Spanish food-tech venture capital fund.

In March 2022, shortly after Rick Guiney's appointment as Chief Executive Officer of the Subsidiary, the Group launched its first proof-of-concept, *SaltMe!* crisps into US supermarkets. In July 2022, Customer A began testing the application of MicroSalt to its private labelled snack foods. By the end of 2023 Customer A had placed MicroSalt products in approximately 800 of their stores.

MicroSalt's product range was extended in October 2022 with the launch of MicroSalt salt shakers. These are now stocked in more than 1,000 stores across the US and are also available on Amazon US and UK.

During 2023, the Group has entered into several B2C agreements, including with Hannaford Brothers, Pete's Fresh Market and Big Y Stores. US Salt LLC also formed a strategic partnership with the Group for the distribution and delivery of MicroSalt. US Salt LLC is currently responsible for producing and distributing over 90 per cent. of the private label, round-can salt business in the United States.

A key focus of the business during 2023 has been of its larger-volume B2B opportunities with a number of multinational FMCG companies and food manufacturers. The majority of these opportunities have now passed through the R&D phase as well as production testing and then consumer testing. In particular, the Group is now an approved supplier of Customer B and Customer C, which although separate entities, operate under the same group. Customer B launched an existing popular product now using MicroSalt in the Mexican market in the fourth quarter of 2023. In 2023, 29 mT of MicroSalt was delivered to Customer B. Customer B also provided annualised volume targets, albeit on a non-binding basis. Furthermore, the Company is in the process of negotiating a purchasing agreement and JDA with Customer C which is expected to be executed in the first half of 2024.

The Group continues to grow its customer base and is currently in active discussions with several FMCG and consumer brands companies, primarily in the US but with an increasing number of blue-chip companies in the UK.

3 MARKET AND COMPETITION

Opportunity

Heart disease causes approximately one in three deaths globally: that is 17.9 million premature deaths each year, 50,000 each day, or one death every 1.7 seconds. In the US alone, one person dies every 34 seconds from cardiovascular disease. There is a proven link between excess sodium consumption, high blood pressure and cardiovascular disease, which is the leading cause of deaths worldwide, and it is estimated that 1.28 billion adults have hypertension globally.

Each year, cardiovascular disease costs the UK £19 billion – if the average salt intake was reduced by one gram per day, it has been estimated that 4,147 lives and £288 million would be saved each year in the UK. As a nation, the UK consumes 183 million kilograms of salt each year, and 70 per cent. of the typical person's sodium intake is hidden in processed foods.

The recommended sodium intake ranges between less than 2.0g/day and less than 2.4g/day. In the UK, the NHS recommends a sodium intake of no more than 2.4g/day, which equates to 6.0g/day of salt, whereas globally the WHO recommends a smaller intake of less than 2.0g/day of sodium, or less than 5.0g/day of salt. In the US alone however, it is estimated that current average daily sodium consumption is 3.4g/day.

The WHO has stated that reducing sodium intake is one of the most cost-effective ways to improve health, as it can avert a large number of cardiovascular events and deaths at very low overall programme costs. To support this, the WHO has set a global target of reducing sodium consumption by 30 per cent. by 2025, which it estimates will save seven million lives globally by 2030. There are 96 countries actively working to reduce sodium intake and various governments and governmental bodies (including the CDC and the governments of the UK, Canada, Mexico and several South American countries) have themselves set specific targets to reduce sodium content in a variety of foods, to be achieved by 2025.

Excess sodium consumption is an increasingly prominent global health problem and consumers, and governmental organisations are seeking healthier alternatives.

Market

In 2021, the global sodium reduction market was estimated to be US\$5.5 billion, with the expectation that it will reach US\$9.6 billion by 2032, a CAGR of 5.8 per cent.. This growth is driven by an expected increase in health consciousness among consumers and government sodium reduction targets which will result in a broader product offering and increased availability. High salt and sodium intake is linked to higher risk of stroke, hypertension, cardiovascular disease and weight gain. Accordingly, the US Department of Agriculture and the US Department of Health and Human Services has issued sodium-reduction guidelines to reduce the risks of sodium-related complications.

As well as being a major potential disruptor in the sodium reduction market, the Directors believe that the Group is well positioned to enter the larger salt market which was valued at US\$28.5 billion in 2020 and is expected to reach US\$32 billion by 2026. Despite the wide variety of sodium-reduced alternatives to traditional salt, none have succeeded in establishing a dominant market position as a replacement in products and seasonings. As a result, they believe that the Group's real salt, low-sodium solution is well positioned to take advantage of the nascent market for a healthier alternative that tastes like traditional salt.

The medical and health care market, driven by hospitals, doctors, dietitians, and trainers, are also in need of a real solution to lower sodium without sacrificing flavour.

Competitors

MicroSalt is not a salt substitute, it is simply a salt that contains only sodium chloride and non-GMO maltodextrin. Unlike other low-sodium alternatives, MicroSalt does not contain potassium chloride, which has a bitter aftertaste. Although potassium chloride reduces the sodium content, it is not widely used in products due to this aftertaste. MicroSalt however tastes like salt because fundamentally it is salt.

The B2C competitive landscape for salt alternatives is currently dominated by companies whose primary source of revenue is through non-ingredient salt sales, such as grit salt. Accordingly, the Board believe R&D spend in the sodium reduction market has been less than the opportunity and requirement merit, which has provided and will continue to provide a substantial market opportunity for the Group to exploit.

An overview of certain salt and salt substitute products is provided below:

							
Real Salt	✓	✓	✗	✗	✗	✗	✗
Salt Only	✓	✓	✗	✗	✗	✗	✗
Serving Size	0.64g	1.5g	1.4g	1.4g	1.25g	1.3g	1.3g
Sodium per serving	148mg	590mg	–	290mg	–	–	170mg
Ingredients	Salt, Non-GMO maltodextrin	Salt, calcium silicate (an Anti-Caking Agent)	Potassium Chloride, Fumaric Acid, Monocalcium Phosphate, Silicon Dioxide	Salt, Potassium Chloride, Calcium Silicate, Magnesium Carbonate, Dextrose, Potassium Iodide	Potassium Chloride	Potassium Chloride, Potassium Bitartrate, Adipic Acid, Silicon Dioxide, Fumaric Acid, Mineral Oil	Potassium Chloride, Sodium Chloride, Anti-Caking Agent (Magnesium Carbonate)

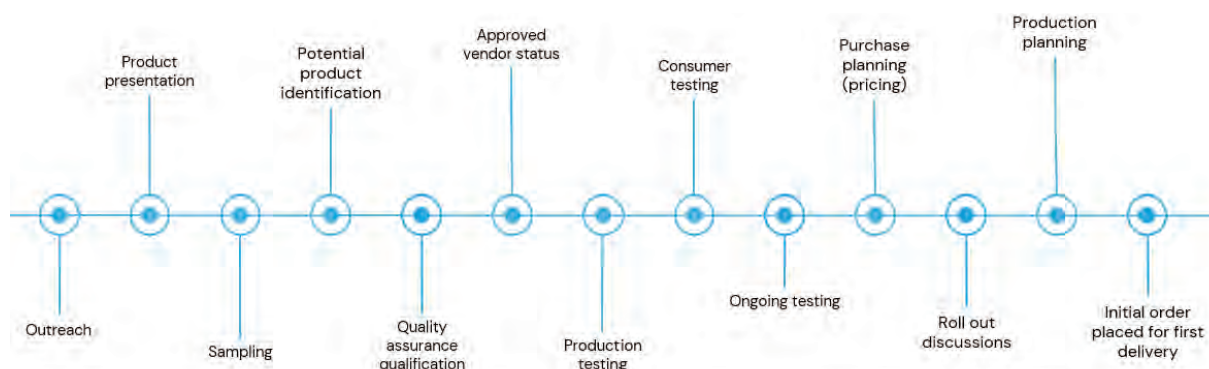
4 BUSINESS AND PRODUCT OVERVIEW

Currently, the Group has two sales channels, B2B and B2C, the latter being split between physical retail and e-commerce.

4.1 B2B

A key focus of the business is securing significant volume sales of MicroSalt to large FMCG companies and food manufacturers, where MicroSalt is used as a replacement for traditional salt in seasonings in the customers' new and existing product lines.

The Company's estimated lead time from introduction of an ingredient into the R&D departments at food ingredient and FMCG groups, through to a finished retail product, is approximately 18 months.



The Group has achieved approved vendor status within a shorter timeline than the 18 months referenced above with Customer A, Customer B and Customer C.

The Group currently has various significant volume customer prospects at advanced stages with a range of national and multi-national companies. The nature and size of these existing and potential customers businesses is that once MicroSalt has been nominated as a supplier on one product line, the Directors expect further nominations across multiple other, and likely much larger product lines of that customer.

Customer A

Customer A has identified numerous of its private label products which they are keen to substitute traditional salt with MicroSalt. The initial product rollout relates to four nut SKUs in approximately 800 stores in the US. The Group commenced production of MicroSalt to be supplied for these private label products, and finished products were stocked on Customer A's shelves in September 2023. Furthermore, it is expected that Customer A will sell MicroSalt shakers alongside products on end of shelf space from the first quarter of 2024. The Directors expect both its *SaltMe!* Crisps and the shakers will be further rolled out across a significant number of Customer A's 9,000 store estate in 2024.

Customer B and Customer C

Although separate entities, Customer B and Customer C operate under the same group and form one of the largest food, soft drink and snack manufacturers in the world. Following the achievement of global approved vendor status in November 2022, the Group has fulfilled commercial purchase orders from Customer B delivering 29 mT of MicroSalt in 2023. Continuing regular orders are now being received, with further line additions expected to follow in the first half of 2024 across multiple leading brands of Customer C.

Discussions are progressing across several other geographical markets and the Group is currently negotiating a purchasing agreement for the Mexican and Latin American Markets. At the same time, discussions are ongoing relative to North American and global expansion. The Company is also negotiating a JDA to facilitate the coordination of additional product innovation and development opportunities.

Customer D

The Group has been accelerated through Customer D's R&D channels following positive sample and production results. MicroSalt has been confirmed for use in a rolled corn tortilla snack and an initial purchase order is expected by management in mid-2024. At such time, management expect that Customer D will release a joint press release citing MicroSalt as a key pillar of their low sodium solution(s).

Customer E

The Group is currently in the planning stage with Customer E, with samples of MicroSalt being sent for testing across several frozen food items in April 2023. Customer E already has an active low sodium initiative and initial orders are expected in April 2024.

Beyond this immediate group of five key B2B customers, as at the date of this Document, the Group is in active discussions, albeit at varying levels of progress, with several prestigious FMCG and food producers in both the UK and US.

4.2 B2C

The Group currently has two products available through its B2C channel – MicroSalt shakers and *SaltMe!* Crisps. To grow this channel, the Group has partnered with one of the largest food distributors in the US, United Natural Foods, and one of the largest distributors of organic and natural products, KeHE. United Natural Foods is the largest publicly traded wholesale distributor of health and speciality foods in North America, while KeHE is a national wholesale food distributor with 16 distribution centres across North America.

The Group also has an agreement in place to provide a low sodium solution to US Salt LLC, who produce and distribute over 90 per cent. of the private label, round-can salt business in the United States. Their customers include retailers, distributors and end-users, which expands MicroSalt's reach into regular users of smaller quantities of salt.

4.2.1 MicroSalt shaker

The MicroSalt shaker currently has two commercially available SKU's in 2oz (57g) and 6oz (170g) sizes. The MicroSalt shaker was launched in the US in October 2022 on Amazon US, and in December 2022, Hannaford Bros committed to stocking the shakers in their stores across the North and Eastern states in the US. At the date of this Document, MicroSalt shakers are being sold in approximately 440 stores across the likes of Hannaford Bros, Giant, Pete's Fresh Market and Busch's Market.



MicroSalt also has a 1oz (28g) sampler size shaker which is being sampled in medical practices across the US, where patients with high blood pressure, diabetes, and CVD are being treated, to educate the initial target audience on the healthier alternative to traditional salt. This exercise is designed to make MicroSalt the generational salt used at home.

In January 2024 MicroSalt shakers were launched on Amazon UK.

4.2.2 SaltMe! crisps

Originally developed as a proof of concept to encourage B2C food manufacturers to on-board MicroSalt in their products, MicroSalt's *SaltMe!* potato crisps are now being sold in four different flavours and two different sizes.



Source: Company website (www.microsalt.co)

One of the largest pharmacy chains in the US, Customer A, has commenced stocking *SaltMe!* crisps in its stores and as at the date of this Document carry stock in approximately 800 of their stores.

As well as being stocked and sold in stores by retailers, *SaltMe!* is available to purchase through Amazon US. Since launching on Amazon US in November 2020, more than 113,000 bags of *SaltMe!* have been sold through the platform.

4.2.3 Sales and marketing

The Group's sales and marketing strategy is focused on messaging MicroSalt as being a healthier sodium alternative without sacrificing the flavour of its, or its customer's products. This is accompanied by a targeted marketing strategy through newsletters, email blasts, social media, shelf talkers and influencers. The Group utilises broker and agency networks but some of the Fundraise proceeds will be used to invest in and expand the reach of the sales and marketing effort by engaging in targeted local marketing, in the US, UK and other countries, as well as in-store promotional activity.

5 SOURCING AND MANUFACTURING

5.1 Sourcing

MicroSalt's manufacturing process is agnostic to salt type, so any salt variant from any location can be used depending on customer preference. However, mined salt from Texas has been the main salt raw material used historically. The Directors believe that this agnosticity and the availability of mined salt will enable it to source the required quantities without any supply chain disruption.

The manufacturing process of MicroSalt substantially reduces the weight of the raw material salt. MicroSalt therefore incorporates a carbohydrate to add sufficient mass to the finished product to enable it to behave similarly to traditional salt. The Group's preferred carbohydrate is maltodextrin – given its availability and low cost. Each kilogram of MicroSalt requires 400g of maltodextrin to produce, and the Group has a relationship with a US-based maltodextrin supplier.

5.2 Manufacturing

MicroSalt is manufactured using a spray drying process which is a tried and tested method of production across multiple other foodstuffs. No additional bespoke equipment is required to produce MicroSalt and therefore, there are many contract manufacturers with spray drying capabilities that can be used by the Group. As at the date of this Document, the Group outsources manufacturing across facilities in Ohio, New York and Wisconsin.

The production process requires salt, clean water and maltodextrin mixed into a solution, which is then spray dried to form MicroSalt. The spray drying process involves injecting the solution into the top of a drying chamber through a nozzle to reduce the solution to microscopic particles. This chamber is then heated to a specified temperature, up to a maximum of around 200 degrees Celsius, which causes the solution to evaporate leaving behind MicroSalt particles which are funnelled into a fluid cooler at the bottom of the drying chamber. The particles are separated from the drying gas in this cooler through filtration, and the gas is then exhausted.

To ensure the majority of the MicroSalt particles are collected, this process is repeated through a further two cooling cylinders on the gas which has been exhausted, with any residual particles being funnelled into the fluid bed cooler. Once this process has been repeated through the second cooling cylinder, no further particles of MicroSalt can be collected if they have not already been separated from the gas by this stage.

A sample of each production run of MicroSalt is then tested at a laboratory operated independently of the manufacturing team before being distributed to customers.

Outsourced manufacturing provides an easily scalable and flexible model which can meet expected demand as and when required. Expansion can be achieved both through additional or prolonged manufacturing runs with current manufacturers or through sourcing new manufacturing partners.

Depending on both location and customer demand, the Board expect that in the future, the Group will own and operate manufacturing plants across the US and internationally, including the UK. Preliminary discussions have been held with landlords in the eastern United States for the site of the first factory. As MicroSalt has a shelf life of 5 years, any facility would need to incorporate spray drying facilities as well as storage for finished goods.

SaltMe! crisps are manufactured by a third party, Jones Potato Chip Company, utilising MicroSalt and are also packaged on site by the manufacturer. Given the specialist knowledge of the supply chain and manufacturing process required for crisp manufacture, the Board do not envisage bringing the production of crisps in-house.

6 IP

The Group protects its process and sodium manufacturing technology, along with the low-sodium salt composition, through a combination of patents, trademarks and operational know-how. Full details of the Group's patents and trademarks are set out in paragraph 17 of Part VII of this Document.

6.1 Patents & know-how

The Group's primary IP is a patent granted in the US, which expires in September 2030, with another 14 pending across multiple regions globally. This IP is coupled with the Company's know-how on the use and formulations necessary for incorporation of MicroSalt into a wide variety of food products.

The granted patent covers two distinct areas:

6.1.1 Manufacturing process

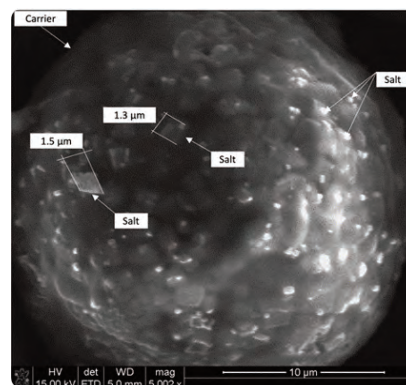
The Group is the sole proprietor of a patented method for the manufacturing process of a low-sodium salt alternative composition, having less sodium per unit volume than an equivalent volume of traditional sodium chloride. The method comprises the production of an aqueous slurry made up of an aqueous solvent and a select percentage by weight of a solids mixture. The solids mixture contains salt and a carrier medium where this carrier medium is present in an amount between approximately 25 per cent. by weight and 75 per cent. by weight of said aqueous solvent.

The slurry is then exposed to a spray-drying process within a defined temperature range, along with the pump speed, air flow rate and compressor pressure. By optimising the production parameters, the structure and size of the salt particles can be adjusted.

6.1.2 Product

The patent also protects the product formed by the process described in paragraph 6.1.1 above. It covers a micron-sized organic carrier particle formed of an edible, non-toxic material that is capable of being spray-dried from a dissolved state to form said carrier particle, and a plurality of salt particles having a size dimension less than the diameter of said carrier particle adhered to the outer surface of said carrier particle.

In the above method the carrier medium is a bulking agent such as a carbohydrate, (maltodextrin in the case of MicroSalt) a protein, or a lipid. This production process is not limited to sodium chloride, but can also be used where salt is one or more of potassium chloride, magnesium chloride, ammonium chloride and magnesium sulphate.



Source: Electron micrograph provide by the Company

6.2 Trademarks

The Group has trademarked the word “MicroSalt” in the UK and the US and has applied for registration of the trademarks of the word “MicroSalt” in Brazil, Canada, China, Europe, India, Japan, and Mexico. The Group has been granted a WIPO registration #1739951 for the MicroSalt logo in the UK and has received registration for the MicroSalt logo in the US, Brazil, Canada, China, Europe, India, Japan and Mexico under the Madrid Protocol.

The combination of patent protection on both the commercial product as well as the manufacturing process ensures MicroSalt cannot be replicated in the US, until the patent expires in 2030. The Group intends to utilise its suite of globally registered trademarks and trademark applications, to generate brand recognition and loyalty during the next six years while the manufacturing process is patent protected. This combination of patents, trademarks and know-how creates high barriers to entry within the reduced-sodium salt market.

7 Regulatory considerations

7.1 United States

In the US, the ingredients in the Group’s bulk salt products are composed of materials which are all generally regarded as safe (“**GRAS**”) for use as direct human food ingredients. In particular, the US Food and Drug Administration (“**FDA**”) specifically lists salt as an example of a common food ingredient that is GRAS for its intended use (FDA Code of Federal Regulations Title 21, Part 182.1(a)). Additionally, any anticaking or flow agents used to keep the ingredient salt free flowing are also GRAS. Further, maltodextrin is also considered to be GRAS as a direct human food ingredient (FDA Code of Federal Regulations Title 21, Part 184.1444).

7.2 United Kingdom

In the UK, to the extent that the Company intends to distribute, supply or sell a foodstuff directly to the public (including by way of online sales through an e-commerce platform), the Company is required, under the UK Food Premises Regulations, to register as a ‘food business’ with the local authority at least 28 days before commencing, and if already trading and not registered, such registration must be lodged as soon as possible. If the Company anticipates operating from more than one location, the Company must register each premises with the relevant local authority. The registration is free of charge, and the registration cannot be refused.

Therefore, prior to supplying any products directly to the public (including by way of online sales through an e-commerce platform), the Company is required to submit the food business registration. E-commerce platforms may also impose further contractual requirements and/or standards. The exact regulatory requirements will, however, depend on the specific route to market. For example, if the Company supplies the products to a distributor, and the distributor in turn supplies the products to the public through the e-commerce platform, it is likely the distributor will be required to register as a food business operator.

Having regard to the definition of ‘novel food’ under the UK NFR, food will require a novel food authorisation if it was not used for human consumption to a significant degree within the EU before 15 May 1997, and it is, amongst others, food: (i) with a new or intentionally modified molecular structure, where that structure

was not used as, or in, a food within the EU before 15 May 1997; (ii) consisting of, isolated from or produced from material of mineral origin; or (iii) resulting from a production process not used for food production within the EU before 15 May 1997, which gives rise to significant changes in the composition or structure of a food, affecting its nutritional value, metabolism or level of undesirable substances. It is a question of fact if the products meet the requirements of the aforesaid definition, and if it does, novel food authorisation is required prior to placing it on the Great Britain market.

The Company has engaged the services of a specialist external consultancy to advise on whether or not the Products would fall within the scope of the UK (and EU) NFR. The consultancy report concludes that the *“MicroSalt Sea 60 product, a sodium chloride (salt) based preparation containing salt crystals in the size range of 200-900 nm, plus maltodextrin does not meet the definition of a novel food, and accordingly, does not require novel food authorisation prior to placing it on the Great Britain (or EU) market.”*

8 GROWTH STRATEGY

8.1 Scale existing operations

The Directors continue to pursue a growth strategy centred on growing the core B2B segment of the business. This includes expanding the scope of product lines with current customers, such as increasing the range within Customer A to include private label crisps and protein bars alongside nuts and prepared pasta products. Supply of MicroSalt to Customer A commenced with an initial launch of four of their private-label products in September 2023. Having also commenced monthly deliveries to Customer B with regard to one of their crisp flavours in Mexico, the Board expects that MicroSalt will be used in different flavourings within the current product lines of both Customer A, Customer B and Customer C, geographic expansion as well as being adopted into their other product brands, and also to additional potential customers, including Customer D and Customer E.

In addition, the Group will seek to utilise its increasing presence within regional supermarkets, achieved through existing and new partnership wins, to expand the number of locations MicroSalt and *SaltMe!* crisps are sold in.

8.2 New territories

Within the UK, the Group has finalised its labels to ensure compliance with UK and EU regulations and recently launched its salt shakers on Amazon UK before the end of 2023. The Company has also recently held discussions with several of the largest UK supermarket chains, who are considering using MicroSalt in their private label foods.



Beyond the UK, the Group is looking to expand into Canada, Asia, Europe and Latin America. This will allow it to capture major international markets where it believes its product would satisfy an increasing consumer appetite for reduced sodium products and so build its brand globally.

More specifically, the Directors expect to obtain purchase orders from Customer C and other customers into new territories.

8.3 Product line expansion

Product line expansion will reflect the specific demands of the Group's customers going forward. The manufacturing process currently only utilises mined salt and sea salt, however with an established raw material supply, there is opportunity for growth from many other salt types (e.g. Himalayan salt) without any alteration or additional cost incursion to the production process.

8.4 Strategic partnerships

The Company intends to continue its expansion into new markets through strategic partnerships with health focused charities, such as the British Heart Foundation and the American Heart Association. The aim is to educate the end consumer on the health benefits of MicroSalt and increase consumer brand recognition.

This follows on from recent collaborations with doctors and medical professionals within the US and the trial of the 1oz (28g) samplers to the public.

The Group is currently in discussions with influencers and other celebrity chefs to also help create brand awareness and drive consumer demand in specific verticals.

9 SELECTED HISTORICAL FINANCIAL INFORMATION

The following financial information has been derived from the financial information contained in Part IV (Historical Financial Information) and Part V (Interim Financial Information) of this Document, and should be read in conjunction with the full text of this Document. Investors should not rely solely on the summarised information set out below.

	<i>Year ended 31 December 2020 Audited US\$000</i>	<i>Year ended 31 December 2021 Audited US\$000</i>	<i>Year ended 31 December 2022 Audited US\$000</i>	<i>Six months ended 30 June 2022 Unaudited US\$000</i>	<i>Six months ended 30 June 2023 Unaudited US\$000</i>
Turnover	12	33	638	335	257
Loss on ordinary activities before tax	(838)	(1,187)	(2,479)	(1,094)	(1,692)

10 CURRENT TRADING AND PROSPECTS

The Group's revenue of US\$0.3 million for the six months ended 30 June 2023 was almost entirely B2C whilst B2B customers continued to develop and trial MicroSalt across their product lines. During the second half of 2023, strong commercial progress has been made, particularly with Customer A and Customer B who both placed orders with a rollout of product across an initial 800 stores (Customer A) and a leading snack product in Mexico (Customer B). The B2B orders were weighted towards the end of 2023 so revenues for the second half of 2023 are expected to be approximately US\$0.3 million. Revenues are expected to accelerate strongly during 2024 as the delayed rollout across Customer A's store portfolio gains further traction, further regular purchases are received from Customer B in respect of its first product launch incorporating MicroSalt and then expansion across other flavours across the range and other product lines, and also product launches with Customers C and D.

The loss for the year ended 31 December 2022 of US\$2.5 million reflects continued investment in the Group's operating capabilities: staffing, sales and marketing efforts critical to the growth of the MicroSalt® brand, as well as new product formulations needed to address the differing requirements of the Group's various B2B pipeline prospects. This necessary investment continued through 2023, with the Company focusing its resources on converting its B2B opportunities which the Board consider to be both more sustainable and profitable over the near to longer-term. This has resulted in lower than forecast marketing spend across the B2C opportunities which has adversely impacted revenue performance in that segment during 2023, as well as a slow down in expenditure on R&D to manage its available working capital. The Board are confident that increased expenditure in both these areas will translate into increased revenues across both B2B and B2C customers during 2024 and beyond.

Following the launch of MicroSalt® salt shakers in the final quarter of 2022, more than 500 stores now stock the product. Together with SaltMe! Crisps, the Company's products have been placed in over 1,000 retail locations. Alongside a roll out of private label nuts containing MicroSalt® across 800 of Customer A's store portfolio, MicroSalt or products containing MicroSalt are available in 1,000 stores across the United States.

11 USE OF PROCEEDS

The gross proceeds of the Fundraise will be used by the Company to:

- accelerate sales and marketing efforts for both B2C and B2B offerings, through network of brokers and agents (£1.0 million);
- accelerate R&D spend on line extensions and product development for FMCG customers (£0.5 million);
- expand inventory base and support general working capital requirements (£1.0 million); and
- strengthen the business through investment in headcount and other general costs (£0.5 million).

In addition to the Fundraise, the Directors believe that Admission will provide the Group with increased reputation and profile and an improved ability to incentivise key employees.

12 DIRECTORS

The management expertise and experience of each of the Directors is set out below:

Judith Batchelar (64) – Non-Executive Chair

Judith Batchelar has over 35 years' experience in the UK food industry, having previously served as a director of Sainsbury's and Safeway with further roles at Marks & Spencer plc. Judith is a biochemist, nutritionist and has an Honorary Doctorate in Agriculture from Harper Adams University. As a Fellow of the Institute of Food Science and Technology and the President of the British Nutrition Foundation, she is highly respected in the sector. She is also a Fellow of the Royal Society of Arts, Manufactures and Commerce. In 2015, Judith was awarded an OBE for services to farming and the food industry.

Rick Guiney (68) – Chief Executive Officer

Rick Guiney was appointed MicroSalt's Chief Executive Officer in December 2021 and is a veteran of the food industry with a 35-year track record of senior positions at Anheuser-Busch and Quorn Foods. He previously founded a snacks company, Classic Snacks Inc., where he was Chief Executive Officer for 28 years. During his stewardship, Rick grew Classic Snacks Inc. grew into a leading national snack company in the US which was included on the Inc.500 Fastest Growing Company list.

Konrad Dabrowski (40) – Chief Financial Officer

Konrad Dabrowski is a Chartered Accountant after having spent 5 years with Deloitte US. Konrad previously worked as finance director at Lucyd and was global accounting manager for Restaurants Brands International, working alongside businesses such as Burger King, Tim Hortons and Popeyes. Currently Konrad serves as (non-Board) Chief Financial Officer of Innovative Eyewear and AIM-listed Tekcapital.

Gary Urmston (56) – Non-Executive Director

Gary Urmston has more than 17 years in the food industry, notably as Chief Financial Officer of Produce Investments Ltd and William Jackson Food Group Ltd. He has governance and internal control experience, through his roles leading the finance functions, as a Divisional Finance Director for UK manufacturing company, Northern Foods plc, as well as through his audit and assurance experience with KPMG. He also has extensive M&A experience having led a number of transactions during his time in industry.

Dan Emery (67) – Non-Executive Director

Dan Emery has served as a non-executive Director of MicroSalt since 2021 and has longstanding experience in the food sector. During his time as Vice President of Sales & Marketing at Pilgrim's, a leading global provider of high-quality food products, sales reached US\$8.5 billion during his tenure. He also previously served as President and Principal of Meaningful Solutions, a consulting firm specialising in the agri-food sector and of GreenStar Cooperative, focusing on gourmet food distribution in the New York area.

13 FUNDRAISE

13.1 The Placing

The Company has conditionally agreed to raise a total of approximately £0.9 million before costs and expenses by way of a conditional placing of the Placing Shares at the Issue Price with new investors procured by Zeus pursuant to the terms of the Placing Agreement. Each Placee is also being granted one Warrant for each Placing Share that they subscribe for as part of the Placing. Further details regarding the Warrants are set out in paragraph 14 of this Part I. The Placing Shares will represent approximately 5 per cent. of the Enlarged Share Capital at Admission.

13.2 The Placing Agreement

Pursuant to the Placing Agreement, Zeus has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. Under the terms of the Placing Agreement, Zeus has the right to appoint sub-agents to assist with the Placing.

The Company and the Directors have given certain representations and warranties (and the Company has given an indemnity) to Zeus in the Placing Agreement, all of which are customary for this type of agreement.

The Placing which is not underwritten, is conditional, among other things, on:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission occurring no later than 1 February 2024 (or such later date as Zeus and the Company may agree, being no later than 29 February 2024).

In consideration for the services provided by Zeus under the Placing Agreement, the Company will pay to Zeus and any sub-agents appointed, a fee and commissions. Zeus has the right to terminate the Placing Agreement and not proceed with the Placing if certain events occur prior to Admission, including certain force majeure events. If the termination right is exercised by Zeus, the Placing will lapse, and any monies received in respect of the Placing will be returned to the Placees without interest.

The Placing Shares being subscribed for pursuant to the Placing will, on Admission, rank *pari passu* in all respects with the Existing Shares and will participate in full for all dividends and other distributions declared, made or paid on the ordinary share capital of the Company following Admission. The Placing Shares will, immediately on and from Admission, be freely transferable.

Further details of the Placing Agreement are set out in paragraph 13.1.1 of Part VII of this Document.

13.3 **The Subscription**

Through the Subscription, 5,155,829 Subscription Shares, raising £2,217,006 before costs and expenses, have been subscribed for by high net worth and other investors at the Issue Price, conditional on Admission. Each Subscriber is also being granted one Warrant for each Subscription Share that they subscribe for as part of the Subscription. The Subscription Shares will represent approximately 12 per cent. of the Enlarged Share Capital at Admission.

The Directors and persons associated with the Directors subscribed for a total of 186,048 Subscription Shares under the Subscription at the Subscription Price.

The Subscription Shares being subscribed for pursuant to the Subscription will, on Admission, rank *pari passu* in all respects with the Existing Shares and will participate in full for all dividends and other distributions declared, made or paid on the ordinary share capital of the Company following Admission. The Subscription Shares will, immediately on and from Admission, be freely transferable.

Further details of the Subscription Agreements can be found at paragraph 13.1.2 of Part VII of this Document.

14 **WARRANTS**

The Company has agreed to issue one Warrant for each Fundraise Share issued on Admission. The Warrants will entitle the Placees and Subscribers to subscribe for a new Share at a price of £0.473 (being a 10 per cent. premium to the Issue Price) at any time between the date of Admission and the earlier of: (i) the date that no further rights being conferred by the Warrants to subscribe for Shares are exercisable; (ii) the fifth business day following notification by the Company that the closing price of the Shares (as shown in the FTSE AIM All-Share Index) has exceeded £1.29 on any trading day; or (iii) 31 January 2027. The terms of the Warrant and conditions relating to the subscription are set out in the Warrant Instrument.

Further details of the terms of the Warrant Instrument are set out in paragraph 13.1.8 of Part VII of this Document.

15 **LOCK-IN AND ORDERLY MARKET ARRANGEMENTS**

Pursuant to the Lock-In Agreements, each of the Locked-in Shareholders have undertaken:

- for a period of 12 months from Admission, not to dispose of any of the Shares in which they are interested at Admission; and

- for a further period of 12 months, to comply with certain requirements designed to maintain an orderly market in the Shares.

Upon Admission, the Directors will in aggregate be interested in, directly and indirectly, 186,048 Shares representing approximately 0.43 per cent. of the Enlarged Share Capital.

Further details of the Lock-in Agreements are set out in paragraph 13.1.3 of Part VII of this Document.

16 OPTIONS

The Company operates its existing share-based remuneration scheme for employees, the 2022 Plan, on the terms set out in paragraph 5 of Part VII of this Document.

In connection with Admission, the holders of options granted pursuant to the 2022 Plan each entered into a replacement option agreement with the Company, pursuant to which their options over shares of common stock in the Subsidiary were surrendered and exchanged for options over Shares.

Further details of the 2022 Plan and the replacement option agreements are included in paragraph 5 of Part VII of this Document.

17 RELATIONSHIP AGREEMENT

Immediately following Admission, Tek Europe will have an interest in 33,305,749 Shares (representing 77.24 per cent. of the Enlarged Share Capital) and together with the persons with whom Tek Europe is considered to be acting in concert (as explained in paragraph 22 of this Part I below), will have an interest in 33,422,029 Shares (representing 77.51 per cent. of the Enlarged Share Capital).

Accordingly, the Company, Zeus, and Tek Europe have entered into the Relationship Agreement which regulates the ongoing relationship between Tek Europe and the Company after Admission with a view to ensuring that, amongst other things, any transactions and relationships between the Company and Tek Europe are entered into on an arm's length basis. The Relationship Agreement will be binding for so long as Tek Europe and its concert parties hold at least 20 per cent. of the issued share capital of the Company.

A summary of the terms and conditions of the Relationship Agreement is set out in paragraph 13.1.5 of Part VII of this Document.

18 TAXATION

Information regarding taxation is set out in Part VI of this Document. These details are intended only as a general guide to the current tax position in the UK.

If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.

19 ADMISSION, SETTLEMENT AND DEALINGS

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Shares on AIM will commence at 8.00 a.m. on 1 February 2024. No application will be made for the Warrants to be admitted to trading on AIM or any other market.

CREST is a paperless settlement enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. The system is designed to reduce the costs of settlement and facilitate the processing of settlements and the updating of registers through the introduction of an electronic settlement system. The Articles permit the holding of Shares in electronic form and evidence of the title to Shares will be established on an electronic register maintained by the Registrar. The Company will apply for the Enlarged Share Capital to be admitted to CREST from the date of Admission. Accordingly, settlement of transactions in the Shares following Admission may

take place within the CREST system if the relevant shareholder so wishes. CREST is a voluntary system and shareholders who wish to receive and retain share certificates will be able to do so.

In respect of Shareholders who will receive Shares in uncertificated form, Shares will be credited to their CREST stock accounts on 1 February 2024. Shareholders who wish to receive and retain share certificates are able to do so and share certificates representing the Shares to be issued pursuant to the Fundraise are expected to be dispatched by post to such Shareholders by no later than 16 February 2024. All Warrants shall be issued in certificated form and certificates reflecting the Warrants are expected to be dispatched to Warrantholders by no later than 16 February 2024.

No temporary documents of title will be issued. Pending the receipt of definitive share certificates in respect of the Shares (other than in respect of those Shares settled through CREST), transfers will be certified against the Company's share register.

20 CORPORATE GOVERNANCE

AIM-quoted companies are required to adopt a recognised corporate governance code on Admission, however, there is no prescribed corporate governance regime in the UK for AIM companies. The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Group and the interests of its Shareholders.

The Directors acknowledge the importance of the principles set out in the QCA Code and intend to apply the QCA Code, as far as they consider appropriate for a company of its size and nature with effect from Admission.

Immediately following Admission, the Board will comprise five directors, two of whom shall be executive directors and three of whom shall be non-executive Directors, reflecting a blend of different experience and backgrounds. Judith Batchelar, Dan Emery and Gary Urmston, the non-executive Directors, are each considered to be independent.

The Board intends to meet regularly to consider strategy, performance and the framework of internal controls. To enable the Board to discharge its duties, all directors will receive appropriate and timely information. Briefing papers will be distributed to all directors in advance of Board meetings. All directors will have access to the advice and services of the Chief Financial Officer, who will be responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. In addition, procedures will be in place to enable the directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Further details on how the Company intends to comply with the QCA Code are set out in Part II of this Document.

Board Committees

The Company will, upon Admission, have established Audit and Remuneration Committees.

Audit Committee

The Audit Committee will have Gary Urmston as Chair and will have primary responsibility for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing audit findings). The Audit Committee will meet at least three times per annum at appropriate times in the reporting and audit cycle. The Audit Committee will also meet regularly with the Company's external auditors. Dan Emery and Judith Batchelar will be the other members of the Audit Committee.

Remuneration Committee

The Remuneration Committee will have Judith Batchelar as Chair and will review the performance of the executive directors and determine their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of all Shareholders. The Remuneration Committee

will meet at least once a year. Dan Emery and Gary Urmston will be the other members of the Remuneration Committee.

Share Dealing Code

The Directors understand the importance of complying with Rule 21 of the AIM Rules for Companies relating to the Company maintaining an appropriate share dealing code, which incorporates the requirements of MAR, regulating dealings by directors and certain other employees of the Group in the Shares. As a result, the Board has established a share dealing code appropriate for a company quoted on AIM and will take all reasonable steps to ensure compliance by the directors and any relevant employees.

21 DIVIDEND POLICY

The Company is primarily seeking to achieve capital growth for its Shareholders. Following Admission, when it is commercially prudent to do so and subject to the availability of distributable reserves, the Board may approve the payment of dividends. However, given the Group's early stage of development, the Directors do not envisage that the Company will pay dividends in the foreseeable future as it is the intention of the Board that any surplus funds will be reinvested in the development of the Group's business.

22 APPLICABILITY OF THE TAKEOVER CODE

The Company is incorporated in the UK and its Shares will be admitted to trading on AIM. Accordingly, the Takeover Code applies to the Company.

Under Rule 9 of the Takeover Code, any person who acquires an interest in shares (as defined in the Takeover Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert (as defined in the Takeover Code) with him) in aggregate, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person or persons acting in concert with him, which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 of the Takeover Code must be in cash or be accompanied by a cash alternative and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the acquired 12 months prior to the announcement of the offer.

Concert Party

Under the Takeover Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. "Control" means an interest, or interests, in shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control. For example, shareholders in a private company to which the Takeover Code applies who, following the reregistration of that company as a public company in connection with an initial public offering or otherwise, become shareholders in a company to which the Takeover Code applies will be presumed by the Takeover Panel to be acting in concert with one another unless that presumption is rebutted.

The Panel and the Company have agreed that Tek Europe, Tekcapital, its directors, any employees and any subsidiary entities of which Tek Europe or Tekcapital owns more than 30 per cent. (the "Concert Party") are acting in concert for the purposes of the Takeover Code.

On Admission, Tek Europe, Konrad Dabrowski and Clifford Gross, director of Tekcapital, will hold shares in the Company. Therefore, the Concert Party will hold 33,422,029 Shares, in aggregate, representing

approximately 77.51 per cent. of the Enlarged Share Capital, 800,000 options to acquire Shares and warrants over 2,674,420 Shares.

Assuming exercise of all options and warrants held by members of the Concert Party and assuming no other subscription rights are exercised by any other Shareholders and/or no further issuance of Shares by the Company, the Concert Party would be interested in 79.17 per cent. of the Company's total voting rights.

Tek Europe also has approximately US\$2.6 million outstanding under convertible loan notes, which are described further in paragraphs 13.1.9, 13.1.15 and 13.1.16 of this Part VII. Were Tekcapital to exercise their conversion rights for the amount owed at the Issue Price, and assuming no other subscriptions rights are exercised by any other shareholders and/or no further issuance of Share by the Company, the Concert Party would be interested in 81.58 per cent. of the Company's voting rights.

For so long as the Concert Party's aggregate interest remains above 50 per cent. of the voting rights in the Company, it will generally be able to increase its shareholding without incurring any obligation on any member of the Concert Party under Rule 9 of the Takeover Code to make a general offer to Shareholders (subject to the considerations in Note 4 on Rule 9.1 of the Takeover Code), and Shareholders will not benefit from any specific minority shareholder protection other than to the extent prescribed under the relevant law.

For instance, an individual member of the Concert Party will be able to acquire interests in up to 30 per cent. of the voting rights of the Company, increasing the Concert Party's shareholding in the Company, without being required to make a general offer for Company. Should any individual member of the Concert Party: (i) acquire any interest in Shares, where such person, together with persons acting in concert with them, is interested in Shares which in aggregate carry not less than 30 per cent. of the voting rights of the Company; or (ii) acquire any interest in Shares such that they are interested in 30 per cent. or more of the voting rights of the Company; or (iii) (where such individual member is interested in 30 per cent. or more of the voting rights of the Company but does not hold Shares carrying more than 50 per cent. of the voting rights of the Company) acquire any further interest in Shares, the Panel may regard this as giving rise to an obligation upon that member of the Concert Party to make a general offer for the Company at a price no less than the highest price paid by the individual member of the Concert Party, or any other member of the Concert Party, in the previous 12 months.

Further information on the Concert Party is contained within paragraph 7.3 of Part VII of this Document.

23 RELATED PARTY TRANSACTION

Tek Europe, as a substantial shareholder of the Company, and Clifford Gross, a former director of the Company, are subscribing for 2,588,140 and 69,768 Subscription Shares respectively. Each of these constitutes a related party transaction under the AIM Rules.

In relation to the subscription by Tek Europe, Judith Batchelar, Rick Guiney, Gary Urmston and Dan Emery are each considered to be independent directors of the Company for the purposes of AIM Rule 13. Having consulted with Zeus, as the Company's nominated adviser, Judith Batchelar, Rick Guiney, Gary Urmston and Dan Emery have confirmed that they consider that the terms of Tek Europe's subscription is fair and reasonable insofar as Shareholders are concerned.

In relation to the subscription by Clifford Gross, the Directors are each considered to be independent directors of the Company for the purposes of AIM Rule 13. Having consulted with Zeus, as the Company's nominated adviser, each of the Directors has confirmed that they consider that the terms of Clifford Gross' subscription is fair and reasonable insofar as Shareholders are concerned.

24 RISK FACTORS

Your attention is drawn to the risk factors set out in Part III of this Document and to the section entitled "Forward Looking Statements" therein. In addition to all other information set out in this Document, potential investors should carefully consider the risks described in those sections before making a decision to invest in the Company.

25 ADDITIONAL INFORMATION

You should read the whole of this Document and not just rely on the information contained in this Part I.

Your attention is drawn to the information set out in Parts II to VII (inclusive) of this Document which contains further information on the Group.

PART II

CORPORATE GOVERNANCE

As a company that will be admitted to trading on AIM, the Company is not required to adopt a specific corporate governance code. However, it is required to provide details of the corporate governance code it has decided to adopt, state how it complies with that code and provide an explanation where it departs from compliance with that code.

The Directors support a high standard of corporate governance and have decided to comply with the QCA Code. The Directors believe that the QCA Code provides the Group with the framework to help ensure that a strong level of governance is maintained, enabling the Group to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. The Group will comply with the QCA Code with effect from Admission, as detailed below.

Principle 1: Establish a business strategy and business model which promote long-term value for shareholders

The Group's business model and strategy is set out in Part I of this Document. The Directors believe that the Group's model and growth strategy, centred on growing the core B2B segment, will promote long-term value for Shareholders. An update on strategy will be given from time to time in the Strategic Report that is included in the annual report and accounts of the Group.

The principal risks facing the Group are set out in Part III of this Document. The Directors will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission.

Principle 2: Seek to understand and meet shareholder needs and expectations

Prior to Admission, the Company's executive management undertook a roadshow which has informed the Company as to its Shareholders' expectations following Admission.

The Company will maintain active dialogue with both institutional and private Shareholders, who will be kept up to date through announcements made by way of a RIS on matters of a material substance and/or a regulatory nature. Updates will be provided to the market through a RIS from time to time, including any financial information, and any expected material deviations to market expectations, which have been acknowledged by the Group. The Group's interim and annual reports, in particular the Chair's statement, will provide an update to Shareholders on developments in the Group's strategy. In addition, management will endeavour to present results on online platforms such as InvestorMeetCompany providing Shareholders and potential investors with further access to management.

The Company's annual general meeting will be an opportunity for Shareholders to meet with the Non-Executive Chair and other members of the Board. The meeting will be open to all Shareholders, giving them the option to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the AGM will be announced through a RIS.

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored and the Company intends to engage with Shareholders who do not vote in favour of resolutions at annual general meetings to understand their motivation.

There is also a designated email address for investor relations, (investors@microsaltinc.com), and all contact details are included on the Company's website.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group takes its corporate social responsibilities, including its wider ESG responsibilities, very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders in order to achieve long term success.

The Group has identified its key stakeholders, including shareholders, employees, customers, suppliers and communities, and is reliant on its ability and willingness to engage with them to positively influence the development of the companies and communities it interacts with, together with the environments in which the Group operates.

The Board has also established a number of formal policies which directly set out external communications, dealings and behaviours.

The Directors will maintain an open and ongoing dialogue with the Company's stakeholders, providing opportunities to raise issues and provide feedback, therefore helping to promote the long-term success of the Group.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks facing the Group are set out in Part III of this Document. The Directors will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission.

The risks involved and the specific uncertainties for the Group will be regularly monitored and the Board, led by the Audit Committee, will formally review such risks at regular intervals and adapt them as the Group's operations grow and evolve. All proposals reviewed by the Board will include a consideration of the issues and risks of the proposal. Where necessary, the Board will draw on the expertise of appropriate external consultants or advisers to assist in dealing with or mitigating risk.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

On Admission the Board will comprise the following persons:

- Independent Non-Executive Chair;
- Two independent Non-Executive Directors; and
- Two Executive Directors.

The biographies of the Directors are set out in paragraph 12 of Part I of this Document. The Non-Executive Chair, Judith Batchelar, and Non-Executive Directors, Daniel Emery and Gary Urmston, are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board.

The current Chief Financial Officer, Konrad Dabrowski, is also employed by Tekcapital, as its (non-board) Chief Financial Officer. Konrad does however commit the majority of his time to the Group and post Admission, has contracted to commit not fewer than 25 hours per week to the Group.

The Board is also supported by the Audit Committee and the Remuneration Committee, further details of which are set out in paragraph 20 of Part I of this Document. The composition of the Board will be kept under regular review, taking into account the relevant skills, experience, independence, knowledge and gender balance of the Board. The Directors will be subject to retirement by rotation at every third annual general meeting of the Company.

The Board will meet at regular intervals throughout the year and will hold at least 9 board meetings per annum. Processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders and will consider the requirement for additional executive and non-executive directors as the Company fulfils its growth objectives.

Principle 6: Ensure that between them the Directors have the necessary up to date experience, skills and capabilities

The skills and experience of the Directors are summarised in their biographies set out in paragraph 12 of Part I of this Document.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. Experiences are varied and contribute to maintaining a balanced Board that has the appropriate level and range of skill to push the Group forward.

The Board is not dominated by any one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. The Directors have also received a briefing from Zeus in respect of continued compliance with, among other things, the AIM Rules for Companies.

As the Group evolves over time, the Board will be re-assessed to ensure its membership remains appropriate for skills and experience.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Directors will consider seriously the effectiveness of the Board, Audit Committee, Remuneration Committee, and individual performance of each Director.

Post-Admission, the Company intends to establish a formal process for an annual assessment of the individual contributions of each member of the Board to ensure that their contribution is relevant and effective. This will be conducted by the Non-Executive Chair who will discuss the results with the Board on a collective and individual basis as appropriate. In addition, the Non-Executive Chair will consider whether the annual evaluation should be facilitated externally.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Group has a responsibility towards its employees and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The Board has established formal policies and guidelines which directly promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees. The Executive Directors take responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group.

The culture is set by the Board and is regularly considered and discussed at Board meetings.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

By adopting and complying with the requirements of the QCA Code, the Board ensures that good corporate governance is maintained. The Non-Executive Chair leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit Committee and Remuneration Committee, further details of which are set out in paragraph 20 of Part I of this Document. There are certain material matters which are reserved for consideration by the full Board.

The Board intends to review the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward. This will be coordinated by Gary Urmston.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant stakeholders

The Board is committed to maintaining effective communication and having constructive dialogue with Shareholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations) as well with analysts, and for them to have the opportunity to discuss issues and provide feedback at meetings with the Directors.

The Company's corporate governance statement (which sets out how it complies with the principles of the QCA Code) and the information that will be contained in the Company's annual report and accounts, provide details to all stakeholders on how the Company is governed. The Board views that the annual report and accounts as well as its half year report as key communication channels through which progress in meetings the Group's objectives and updating its strategic targets can be given to Shareholders following Admission.

Additionally, the Board will use the Company's annual general meetings as a primary mechanism to engage directly with Shareholders, to give information and receive feedback about the Group and its progress.

The Company's website will be updated on a regular basis with information regarding the Group's activities and performance, including financial information.

There is also a designated email address for investor relations, investors@microsaltinc.com, and all contact details are included on the Group's website.

PART III

RISK FACTORS

An investment in the Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risks set out below in addition to all other information set out in this Document before investing in the Shares. The investment offered in this Document may not be suitable for all of its recipients. Potential investors are accordingly advised to consult a professional adviser authorised under FSMA, who specialises in advising on the acquisition of shares and other securities, before making any investment decision. A prospective investor should consider carefully whether an investment in the Company is suitable in light of their personal circumstances and the financial resources available to them.

In addition to the usual risks associated with an investment in a company, the Directors believe that the factors and risks described below are the most significant in relation to an investment in the Company and should be carefully considered, together with all the information contained in this Document, prior to making any investment decision in respect of the Shares. However, the risks listed do not necessarily comprise all of those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group. In particular, the Group's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Shares could decline and an investor may lose part or all of his or her investment. The Company's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions.

RISKS RELATING TO THE GROUP'S BUSINESS AND THE INDUSTRY IN WHICH IT OPERATES

Alternative low sodium products are produced by competitors

The market in which the Group operates is competitive and may become more competitive. It is possible that developments by others will render the Group's current products obsolete. There can be no assurance that potential competitors of the Group, which may have greater financial, research and development, technical, sales and marketing and/or personnel resources than the Group, are not currently developing, or will not in the future develop, products that are equally or more effective at satisfying consumer demand and/or more economical than those developed and produced by the Group. Competitive pressures may reduce the margins available to the Group, therefore impacting future profitability.

The Directors believe that the Group's future success will depend in part upon the Group's ability to retain its competitive position in the market. Any failure to maintain its competitive position may have material adverse effects on the Group's prospects, results of operation and financial condition.

Early stage of operations

The Group's business is at an early stage of development. In particular, the Group's future growth and prospects will depend on its ability to continue to develop products with commercial partners for applications which have sufficient commercial appeal, to continue to be awarded B2B purchase orders for use of the Group's products, to manage growth and to continue to improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. There are a particular number of operational, strategic and financial risks associated with such early-stage companies. Any failure to improve operations, financial and management information and quality control systems in line with the Group's growth could have a material, adverse effect on the business, its financial condition and results of operations. There can be no certainty that the Group will achieve increased or sustained revenues, profitability, or positive cash flow from its operating activities within the timeframe expected by the Board or at all. The development of the Group's revenues is difficult to predict and there is no guarantee that it will generate any material revenues in the foreseeable future. The Group has a limited operating history upon which its performance and prospects can be evaluated.

Intellectual property protection

The continuing ability to establish, protect and enforce the Group's proprietary IP rights (including but not limited to patents, trademarks, know-how and trade secrets) is fundamental to the Group. The IP on which the Group's business is based is a combination of the existing patent granted, pending patent applications, existing and pending trademark applications and keeping proprietary know-how secret.

Once granted, a patent can be challenged both in the relevant patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction. A substantial cost may be incurred if the Group is required to assert its IP rights, including any patents, against third parties. Patent litigation is costly and time consuming and there can be no assurance that the Group will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Group's IP rights and activities. There is no assurance that obligations to maintain the Group's or its partners' know-how would not be breached or otherwise become known in a manner which provides the Group with no recourse.

Furthermore, a patent is limited territorially to the country or economic area in which it was granted. There are countries in which the Group has not filed patent applications and in those countries the invention described in any patent application filed in another country can be used without infringing such patents.

Despite the Group's product and manufacturing process being covered by one patent in the US and 14 pending patent applications, any claims made against the Group's IP rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Group's resources. A third-party asserting infringement claims against the Group and its customers could require the Group to cease the alleged infringing activity and/or require the Group to enter into licensing and royalty arrangements. The third party could also take legal action which could be costly to defend. In addition, the Group may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources.

There can be no assurance that such claims would not have a materially adverse effect on the Group's business, financial results, financial condition and/or prospects.

There is a risk that certain objections which have been raised, or may be raised in the future, by patent offices in relation to the patent applications which have been filed by the Group or any future patent application filed, may prevent those patent applications from being granted on a timely basis or at all. If the patent applications are not granted, those techniques and processes described in the rejected patent application(s) would be unprotected and in the public domain. The Group would then continue to rely on the confidential know how it has developed in related, ancillary or other processes and techniques it uses, such as the techniques it has developed for the manufacture of the product by the Group. In such circumstances, the Group would consider filing new patent applications for such related, ancillary and other processes and techniques it has developed.

Group may not obtain contracts

The Group's strategy going forward is heavily reliant on winning and maintaining B2B purchase orders from large multinational corporations. Due to the way in which blue chip companies conduct onboarding of new suppliers, it is unclear the form in which these purchase orders and/or contracts could take, or the timelines in which they will be negotiated.

The Group's previous and existing contractual arrangements have largely been agreed over email exchange, recorded through purchase orders and quotes or based on its counterparty's standard terms and conditions. Some of these previous and existing contractual arrangements have also been agreed on a one-off purchase basis and therefore the Group does not have formal long-term contracts in place. Consequently, many of these contractual arrangements are not governed by explicit terms and conditions or are governed by the counterparty's terms and conditions and so by their nature do not contain terms which favour the Group and may include wide indemnification provisions.

As a result, there is a risk that the Group may not be able to maintain existing contractual relationships. Additionally, there is a risk that the Group may not be able to agree appropriate terms and conditions or

terms and conditions which favour the Group and therefore not obtain purchase orders and/or contracts. The inherent lack of certainty as to the exact terms agreed may lead to potential disputes with the counter parties or termination of arrangements on short notice, which would mean that the Group's business and revenues could be adversely affected if it was unable to put in place an order with a replacement supplier or customer quickly. The costs of resolving any such disputes could have a material adverse effect on the Group's financial performance, financial condition and prospects.

Customer concentration and dependency

Whilst the Group supplies products to multiple B2B and B2C customers, it will in the short to medium term depend on a limited number of large multi-national B2B customers in any one year for a significant proportion of its revenue.

In the absence of any formal contractual agreements (see risk factor "Group may not obtain contracts"), there can be no guarantee that the Group's B2B customers will continue to buy products from the Group at volumes they have done so in the past and/or previously indicated to the Group that they would purchase. Furthermore, should a customer delay, reduce or change its requirements, there will be minimal recourse available to the Group, thus resulting in such customer actions likely having a material adverse effect on the Group's business, financial condition, result of operations and prospects.

Consumer preferences

Consumer preferences, perceptions and spending habits may shift due to a variety of factors that are difficult to predict and over which the Group has no control (including lifestyle, nutritional and health considerations). For example, increasing emphasis on healthier lifestyles and the corresponding reduction in demand for products such as potato crisps, which is currently the Group's largest application, may impact the Group's performance.

Significant changes in consumer preferences or a failure by the Group to anticipate and react to such changes could result in reduced demand for the Group's products and weaken its competitive position, and therefore, could have a material adverse effect on the Group's prospects, operating results and financial condition.

Through partnerships with large multinational corporates, MicroSalt will replace traditional salt in consumer products. There is a risk that consumers will dislike the amended products and so exclude them from future purchases. This rejection could impact the future demand of MicroSalt as a salt alternative, and therefore have an adverse effect on the Group's business, financial performance, financial condition and prospects.

Research and development risks

The Group is involved in complex scientific areas and new product development and industry experience indicates a high incidence of delay or failure to generate results. There is no guarantee that the Group will be successful in its research and product development. Much of the Group's technology and IP portfolio is at an early stage of development. The Group may not be able to develop and exploit its technology sufficiently to enable it to develop commercial and marketable products. Furthermore, the Group may not be able to develop new technology solutions or identify specific market needs that can be addressed by technology solutions developed by the Group. Any such events may have a material adverse effect on the Group's business, prospects, results of operations and financial condition.

Failing to successfully implement and manage the Group's growth strategies

The execution of the Group's growth and expansion strategies is expected to place further demands on management, support functions, sales and marketing functions and other resources of the Group. In order to manage the further expansion of the Group's business and the growth of its operations and personnel, the Group may be required to expand and enhance its infrastructure and technology and enhance its operational and financial systems as well as its procedures and controls from time to time in order to match that expansion. This could have a material cost to the Group and therefore may have a material adverse effect on the Group's prospects, results of operation and financial condition. There can be no assurance that the Group's current and planned staff, infrastructure, systems, procedures and controls will be adequate to support any expansion of operations in the future. If the Group fails to manage its expansion effectively,

it may have a material adverse effect on the Group's business, prospects, results of operations and financial condition.

Food related regulation concerns and liability

FMCG companies are subject to a significant regulatory environment and therefore can be adversely affected by litigation and complaints from customers or regulatory authorities resulting from quality, illness, injury or other health claims or other issues stemming from one product or a number of products including products produced by the Group. The Group cannot guarantee that its internal controls and training will be fully effective in preventing all food borne illnesses. Furthermore, some incidents or potential claims could be caused by third party food suppliers or transporters outside of the Group's control. These incidents or claims could result in increased costs and/or reduced turnover, negatively affecting the financial performance, financial condition and prospects of the Group.

Compliance with changing regulatory environment

The Group's failure to comply with existing or increased regulations in the jurisdictions in which it operates, and intends to operate, or the introduction of changes to existing regulations, could adversely affect its business, financial performance, financial condition and prospects.

The Group is subject to significant regulation at a national and local level, including various health, labelling and food safety. A failure to comply with one or more regulations could result in the imposition of sanctions or fines, including the third party litigation, any of which could have a material adverse effect on the Group's business, financial performance, financial condition and prospects. In addition, there can be no assurance that an incident will not occur in relation to one or more of the Group's products or the manufacturing facility. Any such incident could have a negative impact on the Group's reputation and customer confidence in its products, reducing demand for a specific product or the Group's products in general. This in turn could have an adverse effect on the Group's financial condition and future prospects. In addition, any inquiry or investigation from a food regulatory authority could have a negative impact on the Group's reputation. Any of these events may have an adverse effect on the Group's business, results from operations, financial condition and/or prospects.

Disruption to outsourced production, storage and distribution operations

As at the date of this Document, the Group outsources manufacturing across facilities in Ohio, New York and Wisconsin.

In its current stage of development, there is inherent risk to the Group in outsourcing both production and distribution to third parties. The business could be materially adversely affected if there was a significant disruption to any of the Group's production, storage or distribution operations. Third parties will have other client demands to manage and therefore the Group will have to plan effectively, which can be difficult particularly as volumes increase. In the event of the insolvency of any of the Group's production, storage or distribution providers, or any other termination of such operations, the Group may not be able to arrange for alternative production, storage or distribution on as favourable terms, or with sufficient speed to ensure continuity of business, or at all. Further, if there was a technical failure, fire, explosion or any other event resulting in a major or prolonged disruption at any of the facilities used by the Group's service providers, this could result in a significant loss in production capacity and significant costs and/or damage to the Group's reputation, all of which could have a material adverse effect on the Group's prospects, results of operations and financial condition. Whilst the Group has insurance, not all risks may be covered by its policies, and any insurance coverage available may be insufficient to cover some or all costs. There may also be disruption to sales, which could impact relationships and in turn adversely affect the Group's prospects, results of operations and financial condition.

Increases in cost base and prices due to either inflationary or other pressures

The manufacturing of the Group's products requires the supply of salt and Maltodextrin, the prices and availability of which have fluctuated in the past, and may fluctuate in the future. These price fluctuations can depend on a variety of factors including but not limited to supply conditions, regulation, war, terrorism, labour unrest, the economic climate, exchange rates, global demand for raw materials and other unpredictable factors. Additionally, costs of third party warehousing and logistics may increase. Any increase in the price of raw materials or transportation costs could cause delays in product deliveries, affecting the availability of

the Group's products and/or increase the costs of the Group's products, some or all of which may not be able to be passed through to its customers and therefore impacting profitability. All of the foregoing factors could have material adverse effects on the Group's business, financial performance, financial condition and/or prospects.

Significant inflation or other cost increases, including labour and energy, could increase operational costs without a corresponding increase in the sales price that the Group receives when it sells its products. Alternatively, a delay in the reduction of input costs relative to declining commodity prices may have similar adverse effect on the Group's operations. Any such increased costs or delays in cost reductions may adversely affect the Company's financial performance, financial condition and/or prospects.

Management of inventory

Due to the early stage nature of the Group there is a risk that the Group may be exposed to a heightened risk of inventory obsolescence and significant write downs and right offs, albeit more likely in terms of the Group's B2C product range. Group profit margins may be negatively impacted if discounted selling prices are required to reduce inventory.

Demand can change significantly between the time inventory is ordered and the date of sale and consumers may not purchase products in the quantities that the Group expects. Alternatively, the Group may have insufficient inventory to fulfil large orders in short time frames which may also result in loss of revenue and a material adverse effect on the Group's financial performance, financial condition and/or prospects.

Supplier dependency and breakdown in the supply chain

The Group's suppliers are not contractually obligated to provide salt to the Group on a long-term basis and may cease to sell or reduce supply to the Group at any time. Should a material number of suppliers cease or reduce the supply of salt to the Group, and new suppliers not found, then this could have a material adverse effect on the Group's business, revenue, financial performance, financial condition, prospects and/or future operations.

Dependence on key executives, managers and technical personnel

The Group's development and prospects are dependent upon training and retaining qualified professional, scientific and technical operating staff. In particular, the Group's success is substantially dependent on the vision, technical and specialist skills, experience, performance, and continued service of its Directors, senior management and other key personnel. Whilst the Group has entered into contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these services cannot be guaranteed and the loss of the services of any of the Directors, senior management or key personnel or the inability to recruit suitable replacements may have a material adverse effect on the Group's business, prospects, financial condition and results or operations and inhibit the successful implementation of its business plan.

Konrad Dabrowski, the Group's Chief Financial Officer is employed by Tekcapital. He currently commits the majority of his time to the Group, and post Admission, has contracted to commit not fewer than 25 hours per week to the Group. At this stage, the Board consider this minimum time commitment to be more than adequate given the current and forecast growth of the Group over the short to medium term but will continue to monitor this closely going forward.

Ability to attract highly skilled personnel and production staff

The ability to continue to attract and retain employees with the appropriate expertise and skills cannot be guaranteed. Identifying and hiring any additional personnel and replacements could be costly and might require the Group to grant significant equity awards or other incentive compensation, which could adversely impact its financial results, and there can be no assurance that the Group will have sufficient financial resources. Effective product development and innovation, upon which the Group's success is dependent, is in turn dependent upon attracting and retaining skilled personnel, who represent a significant asset and serve as the source of the Group's product innovations. In addition, to expand the Group's customer base and increase sales, the Group will need to hire additional qualified sales personnel. If the Group is unable to hire, train and retain such personnel in a timely manner, the development and introduction of the Group's

products could be delayed and its ability to sell its products and otherwise to grow its business will be impaired and such delay and inability may have a detrimental effect upon the performance of the Group.

The Group is subject to a variety of environmental and safety laws and regulations, and future laws and regulations might impose additional requirements and other obligations on the Group's business

The Group's operations, including its manufacturing partners facilities are subject to environmental and safety laws and regulations, including those governing the quality and storage of foodstuffs. The cost of compliance with these and similar future regulations could be substantial. Although the Directors believe that the Group's and its partners' procedures comply with applicable regulations, the very low risk of accidental contamination or injury from such materials can never be fully eliminated. In the event of an incident, the resulting liabilities could have an adverse impact on the Group, regardless of the level of insurance cover held by the Group. Similarly, many of the Group's suppliers, collaborators and customers are subject to similar laws and regulations. Contravention of these laws and regulations by such parties could have an adverse impact on the operations, financial performance, financial condition and prospects of the Group.

Reliance on companies within the Group

The Subsidiary is the sole operating entity in the Group as at the date of this Document and is not wholly owned by the Company. Therefore, there is a risk that the Subsidiary may not be able to distribute profits in full to the Company and therefore reduce the ability of the Group to readily manage its liquidity.

The Group's insurance policies may not be adequate

Whilst the Group will maintain commercial insurance at a level it considers appropriate against certain risks commonly insured in the industry in which it operates, there is no guarantee that it will be able to obtain the desired levels of cover on acceptable terms in the future. Furthermore, the nature of these risks is such that liabilities could exceed policy limits or that certain risks could be excluded from the Group's insurance coverage. There are also likely to be risks against which the Group cannot insure or against which it may elect to not insure. The potential costs that could be associated with any liabilities not covered by insurance, or in excess of insurance coverage, may cause substantial delays and require significant capital outlays which may adversely affect the Group's financial position. The Group's operations could suffer losses which may not be fully compensated by insurance.

RISKS RELATING TO THE MARKETS IN WHICH THE GROUP OPERATES

Economic conditions and current economic weakness

The Group may be affected by general market trends which are unrelated to the performance of the Group itself. Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on demand for the Group's products. A more prolonged economic downturn may have a material adverse effect on the Group's prospects, results of operation and financial condition.

Force majeure

The Group's operations now or in the future may be adversely affected by risks outside the control of the Group including labour unrest, civil disorder, hostilities, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Health epidemics, including the COVID-19 pandemic

A high degree of uncertainty exists around the impact of future Covid-19 and other pandemic outbreaks on the global economy and the Group. It remains the case that a future pandemic outbreak could trigger economic shutdown which could significantly impact the Group. There may also be changes as a consequence of any future pandemic outbreaks that could impact the Group and its trading in the future, but which are currently unknown to the Directors and cannot be reasonably predicted. All these factors have the potential to significantly affect the viability of the Group's business model and its ability to be able to trade.

Changes in accounting standards

Changes in accounting standards, rules and regulations may have a significant impact on the reported financial results of the Group and it is impossible to specify or ascertain the effect of such changes or new standards, which is dependent on the financial position of the Group at the time. Moreover, in connection with financial reporting under new or amended accounting standards, the Group will make its own accounting judgements and elections in the future, which cannot be determined at this time.

Foreign currency exchange risk

The Group reports its results in US dollars and has material exposure to transactions in pounds sterling. Therefore, its presentation of consolidated financial statements and results of operations may be affected by both the transaction and translation effects of foreign currency exchange rate fluctuations. The Group is exposed to transaction effects when it incurs costs or generates revenue in a different currency, in particular the US dollar and British pound sterling. As the Group's business expands into new markets which do not use the US dollar, its exposure to foreign currency exchange rate fluctuations will increase. The Group is also exposed to currency fluctuation when it converts currencies through its operations into currencies required to pay for its fixed costs and services, which could result in a gain or loss depending on fluctuations in exchange rates.

RISKS RELATING TO THE SHARES AND ADMISSION

Significant Shareholder and Concert Party influence

On Admission, the Concert Party will hold approximately 77.51 per cent. of the Enlarged Share Capital (calculated on the assumptions set out in the table at paragraph 7.3 of Part VII). Although the Relationship Agreement and Limited Undertaking Letter described in paragraphs 13.1.5 and 13.1.19 of Part VII seek to ensure that the Group's independence will be maintained, nonetheless this means that the Concert Party has the power to exercise significant influence over all matters requiring Shareholder approval, including the election and removal of the Directors, amendment to the Articles, entry into related party transactions, approval of dividends and share buybacks, schemes of arrangement and mergers and acquisitions. This could have the effect of preventing the Group from entering into transactions that could be beneficial to it or its other Shareholders. In addition, the interests of the Concert Party may be different from the interests of the Group or other Shareholders as a whole. This control could also have the effect of delaying or preventing an acquisition or other change of control of the Group. In addition, the trading price of the Shares could be materially affected if potential new investors are disinclined to invest in the Group because they perceive disadvantages to such a concentration of ownership.

Furthermore, for so long as the Concert Party's interest is more than 50 per cent. of the voting rights of a Company to which the Takeover Code applies, it may be able to increase its shareholding without incurring any obligation on any member of the Concert Party under Rule 9 of the Takeover Code to make a general offer to Shareholders (subject to the considerations in Note 4 on Rule 9.1 of the Takeover Code), and Shareholders will not benefit from any specific minority shareholder protection other than to the extent prescribed under the relevant law. For instance, an individual member of the Concert Party will be able to acquire interests in up to 30 per cent. of the voting rights of the Company, increasing the Concert Party's shareholding in the Company, without being required to make a general offer for Company.

General risks of investing in shares traded on AIM

Application will be made for the Shares to be admitted to AIM and will not be admitted to the Official List of the FCA or to any other stock exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. The rules of AIM are less rigorous than those of the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity, therefore making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Prospective investors should therefore be aware that the market price of the Shares may be more volatile than that of shares admitted to the Official List and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and they could lose their entire investment in the Company.

There is no guarantee that the Group will maintain its quotation on AIM

The Group cannot assure investors that the Group will always retain a quotation on AIM. If it fails to retain such a quotation, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Shares. Additionally, if in the future the Group decides to obtain a quotation on another exchange in addition to AIM, the level of liquidity of the Shares traded on AIM could decline.

Determination of Issue Price

Placees and Subscribers will subscribe for the Fundraise Shares at the Issue Price, which is a fixed price, prior to satisfaction of all conditions for the Fundraise Shares to be issued. The Issue Price may not accurately reflect the trading value of the Fundraise Shares when issued, or the Company's potential earnings or any other recognised criteria of value.

The Company may apply the proceeds of the Fundraise to uses that Shareholders may not agree with and may make investments or incur expenditure that fail to produce income or capital growth or that lose value

The Company will have considerable discretion in the application of the net proceeds of the Fundraise and Shareholders will need to rely on the judgement of the Directors regarding the application of such proceeds. The Company's allocation of the net proceeds is based on current plans and business conditions. The amounts and timing of any expenditure will vary depending on the amount of cash generated by the Group's operations and competitive and market developments, among other factors.

Future issues of Shares may result in immediate dilution of existing Shareholders and Shareholders outside of the United Kingdom may not be able to participate in future equity offerings

The Company may decide to issue additional Shares in the future in subsequent public offerings or private placements to fund the future funding requirements of the Group and may also issue additional Shares in connection with future acquisitions if the Directors consider it appropriate to do so. In the case of pre-emptive offerings, if existing Shareholders do not subscribe for additional Shares on a *pro rata* basis in accordance with their existing shareholdings, this will dilute their existing interests in the Company and, in the case of any non-pre-emptive offering, existing interests of Shareholders will be diluted by the issuance of new Shares.

English law provides for pre-emptive rights to be granted to Shareholders on future equity offerings, unless such rights are disapplied by a Shareholder resolution. However, securities laws of certain jurisdictions outside the United Kingdom may restrict the Group's ability to allow participation by Shareholders located in such jurisdictions in future equity offerings. In particular, Shareholders in the United States may not be entitled to exercise their pre-emption rights unless such an offering is registered under the US Securities Act or made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The holdings of Shareholders located outside the United Kingdom who are not able to participate in any future equity offerings could be diluted by any such offerings.

In addition, the issue of additional Shares by the Company, or the possibility of such issue, may cause the market price of the Shares to decline and may make it more difficult for Shareholders to sell Shares at a desirable time or price.

The market price of the Shares may fluctuate significantly in response to a number of factors, some of which may be out of the Company's control

The Issue Price may not be indicative of the market price for the Shares following Admission. As the Shares have not previously traded, their market value is uncertain and may be subject to wide fluctuations in response to many factors, including those referred to in this Part III, as well as stock market fluctuations, changes in financial estimates by industry participants or securities analysts and general economic conditions or changes in political sentiment that may substantially affect the market price of the Shares irrespective of the Group's actual financial, trading or operational performance. These factors could include the performance of the Group, large purchases or sales of the Shares (or the perception that such sales may occur, as, for example, in the period leading up to the expiration of the various lock-in agreements to which certain holder(s) of Shares are subject), legislative changes and market, economic, political or regulatory conditions.

The combination of one or more of these factors could mean that investors are unable to recover their original investment in the Shares.

Dividends

There can be no assurance that the Company will declare dividends in the future or as to the level of any dividends. The approval of the declaration and amount of any dividends of the Company is subject to the discretion of the Directors (and, in the case of any final dividend, the discretion of the holders of Shares) at the relevant time and will depend upon, amongst other things, the Group's earnings, financial position, cash requirements and availability of distributable profits on the ability to pay dividends as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

Future funding needs

The Group may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the Group's business, new developments relating to existing operations or acquisitions. No assurance can be given that any such financing will be available or that, if available, it will be available on terms favourable to the Company or to the Shareholders.

Furthermore, any additional capital raised through the sale of equity may dilute Shareholders' ownership interests in the Group and may have an adverse impact on the value of the Group's Shares. The terms of financing may also adversely affect Shareholders' holdings or rights or may contain restrictive covenants. If adequate additional funding cannot be obtained, the Group may have to abandon or limit any planned commercialisation activity and/or business development, which may have a material, adverse effect on the Group's business, financial condition, future trading performance and prospects.

No prior trading market for the Shares

Before Admission, there has been no prior market for the Shares. Although application has been made for the Shares to be admitted to trading on AIM, an active public market may not develop or be sustained following Admission.

Overseas Shareholders may be subject to exchange rate risks

The Shares are, and any dividends to be paid on them will be, denominated in pounds sterling. An investment in Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation in the value of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in relation to such foreign currency.

Taxation, legislation and tax status

Any change in taxation legislation or the interpretation of taxation legislation could affect the Company's ability to provide returns to Shareholders. Statements in this Document concerning the taxation of investors in the Shares are based on current tax law and practice in the UK and other jurisdictions, which are subject to change. The taxation of an investment in the Company depends on the individual circumstances of the relevant investor.

This Document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and in particular in tax status or tax residence of the Company or in tax legislation or practice may have an adverse effect on the returns available on an investment in the Company. There can be no assurance that future legislation, rules and practice will not adversely affect the Group's business, prospects, results of operations and/or financial condition.

PART IV

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

SECTION A: ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP



Crowe U.K. LLP
Chartered Accountants
Member of Crowe Global
55 Ludgate Hill
London EC4M 7JW
UK Tel +44 (0)20 7842 7100
Fax +44 (0)20 7583 1720
DX: 0014 London Chancery Lane
www.crowe.co.uk

27 January 2024

The Directors
MicroSalt plc
12 New Fetter Lane
London
EC4A 1JP

The Directors
Zeus Capital Limited
82 King Street
Manchester
M2 4WQ

Dear Sirs and Madams,

Introduction

We report on the audited Historical Financial Information of MicroSalt plc (the "Company") and its subsidiaries (the "Group") as set out in Section B of Part IV of the Company's admission document dated 27 January 2024 (the "Admission Document") for the three years ended 31 December 2022 (the "Historical Financial Information").

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 31 December 2020, 31 December 2021 and 31 December 2022 and of the results, cash flows and changes in equity for the periods then ended in accordance with UK-adopted international accounting standards ("IFRS").

Responsibilities

The directors of MicroSalt plc are responsible for preparing the Historical Financial Information on the basis of preparation set out in note 2 to the Historical Financial Information. It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given

solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of preparation

This Historical Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the Historical Financial Information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. We are independent of the Group in accordance with relevant ethical requirements. In the United Kingdom this is the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Historical Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Group to continue as a going concern for a period of at least twelve months from the date of the Admission Document. Accordingly, the use by the Directors of the going concern basis of accounting in the preparation of the financial information is appropriate.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken the information contained in this report is, to the best of our knowledge, in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

Section B Historical Financial Information of the Group

Consolidated statements of profit or loss and other comprehensive income

		Year ended 31 December 2020 US\$'000	Year ended 31 December 2021 US\$'000	Year ended 31 December 2022 US\$'000
	Note			
Revenue	4	12	33	638
Cost of sales		(21)	(96)	(441)
Gross (loss)/profit		(9)	(63)	197
Other operating income	5	49	65	30
Administrative expenses		(838)	(1,154)	(2,639)
Operating loss	7	(798)	(1,152)	(2,412)
Finance expense	10	(40)	(35)	(67)
Loss before taxation		(838)	(1,187)	(2,479)
Taxation	11	–	–	–
Loss and other comprehensive loss for the year		(838)	(1,187)	(2,479)
Total comprehensive loss attributable to:				
Owners of the parent		(832)	(907)	(1,940)
Non-controlling interests		(6)	(280)	(539)
		(838)	(1,187)	(2,479)
Loss per share for loss attributable to the owners				
Basic and diluted loss per share (US\$)	12	(98.64)	(77.90)	(166.61)

All amounts relate to continuing operations.

Consolidated statements of financial position

		As at 31 December 2020 US\$'000	As at 31 December 2021 US\$'000	As at 31 December 2022 US\$'000
	Note			
Assets				
Current assets				
Inventories	14	33	232	208
Trade and other receivables	15	71	145	221
Cash and cash equivalents	16	9	18	91
Total current assets		<u>113</u>	<u>395</u>	<u>520</u>
Non-current assets				
Intangible assets	13	<u>25</u>	<u>33</u>	<u>147</u>
Total non-current assets		<u>25</u>	<u>33</u>	<u>147</u>
Total assets		<u>138</u>	<u>428</u>	<u>667</u>
Liabilities				
Current liabilities				
Trade and other payables	17	<u>12</u>	<u>54</u>	<u>165</u>
Total current liabilities		<u>12</u>	<u>54</u>	<u>165</u>
Non-current liabilities				
Borrowings	18	<u>115</u>	<u>860</u>	<u>170</u>
Total non-current liabilities		<u>115</u>	<u>860</u>	<u>170</u>
Total liabilities		<u>127</u>	<u>914</u>	<u>335</u>
Net assets/(liabilities)		<u>11</u>	<u>(486)</u>	<u>332</u>
Equity				
Share capital	19	–	–	–
Share premium	20	1,121	1,121	1,121
Capital contribution reserve	20	43	43	2,452
Share-based payment reserve	21	5	109	488
Accumulated losses	20	<u>(1,152)</u>	<u>(2,059)</u>	<u>(3,999)</u>
		17	(786)	62
Non-controlling interests		<u>(6)</u>	<u>300</u>	<u>270</u>
Total equity		<u>11</u>	<u>(486)</u>	<u>332</u>

Consolidated statements of changes in equity

	Share capital US\$'000	Share premium US\$'000	Capital contribution reserve US\$'000	Share- based payment reserve US\$'000	Accumulated losses US\$'000	Total attributable to owners of the parent US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
As at 1 January 2020	–	–	43	–	(320)	(277)	–	(277)
Comprehensive loss								
Loss for the year	–	–	–	–	(832)	(832)	(6)	(838)
Transactions with owners								
Issue of share capital	–	1,121	–	–	–	1,121	–	1,121
Share-based payment	–	–	–	5	–	5	–	5
As at 31 December 2020	–	1,121	43	5	(1,152)	17	(6)	11
Comprehensive loss								
Loss for the year	–	–	–	–	(907)	(907)	(280)	(1,187)
Transactions with owners								
Issue of share capital	–	–	–	–	–	–	601	601
Cost of share issue	–	–	–	–	–	–	(15)	(15)
Share-based payment	–	–	–	104	–	104	–	104
As at 31 December 2021	–	1,121	43	109	(2,059)	(786)	300	(486)
Comprehensive loss								
Loss for the year	–	–	–	–	(1,940)	(1,940)	(539)	(2,479)
Transactions with owners								
Issue of share capital	–	–	–	–	–	–	509	509
Capital contribution from ultimate controlling party	–	–	2,409	–	–	2,409	–	2,409
Share-based payment	–	–	–	379	–	379	–	379
As at 31 December 2022	–	1,121	2,452	488	(3,999)	62	270	332

Consolidated statements of cash flows

		Year ended 31 December 2020 US\$'000	Year ended 31 December 2021 US\$'000	Year ended 31 December 2022 US\$'000
	Note			
Cash flows from operating activities				
Loss before taxation		(838)	(1,187)	(2,479)
Adjustments for non-cash/non-operating items:				
Amortisation of intangible assets	13	1	1	2
Share based payment expense	21	5	104	379
Finance expense	10	40	35	67
		<u>(792)</u>	<u>(1,047)</u>	<u>(2,031)</u>
(Increase)/decrease in inventories		(5)	(199)	24
Decrease/(increase) in trade and other receivables		241	(74)	(76)
Increase in trade and other payables		11	42	111
		<u>(545)</u>	<u>(1,278)</u>	<u>(1,972)</u>
Cash flows from investing activities				
Payments to acquire intangible assets	13	(12)	(9)	(116)
		<u>(12)</u>	<u>(9)</u>	<u>(116)</u>
Cash flows from financing activities				
Proceeds from borrowings	18	536	710	1,652
Investment by non-controlling interests		–	586	509
		<u>536</u>	<u>1,296</u>	<u>2,161</u>
Net (decrease)/increase in cash and cash equivalents		(21)	9	73
Cash and cash equivalents at beginning of year		30	9	18
Cash and cash equivalents at end of year		<u>9</u>	<u>18</u>	<u>91</u>

Notes to the Historical Financial Information

1 General Information

MicroSalt is a private company limited by shares and registered and incorporated in England and Wales. The registered office is 12 New Fetter Lane, London, United Kingdom, EC4A 1JP.

The principal activity of the Group throughout the years presented is that of the development and sale of low sodium salt and snack foods.

The information for the years covered by the Historical Financial Information does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

2 Accounting policies

2.1 Basis of preparation

This Historical Financial Information has been prepared in accordance with IFRS. This Historical Financial Information is the responsibility of the Directors.

The Historical Financial Information is prepared on a going concern basis, under the historical cost convention, except for certain financial assets and liabilities at fair value through profit or loss and fair value through other comprehensive income. The Historical Financial Information is presented in Dollars and all values are rounded to the nearest thousand (US\$'000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 First-time adoption of IFRS

For all years up to and including the year ended 31 December 2022, the Group had not prepared consolidated financial statements.

Accordingly, the Group has prepared this Historical Financial Information in accordance with IFRS applicable as at 31 December 2020, 2021 and 2022. In preparing this Historical Financial Information, the Group's opening statement of financial position was prepared as at 1 January 2020, the Group's date of adoption of IFRS. The adoption of IFRS had not led to changes in the recognition or measurement of transactions or balances, and consequently no reconciliation is presented.

2.3 Going concern

The Directors have assessed the ability of the Group to continue as a going concern using cash flow forecasts. The Group has historically met its day to day working capital requirements through financing provided by Tekcapital primarily via the issue of convertible loan notes but from the date of Admission, cash raised pursuant to the IPO and cash generated from operating activities will finance the Group's working capital requirements. The Directors are satisfied that there are sufficient resources to continue in business for the foreseeable future.

Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. They are mindful of the rising costs of inflation but are confident they have appropriate plans in place to mitigate any such risk in relation to this. Therefore, the Historical Financial Information continue to be prepared on the going concern basis.

2.4 New standards, amendments, and interpretations not yet adopted

Certain new standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. These standards, amendments or interpretations are not expected to have a material impact on the Group.

2.5 **Revenue recognition**

IFRS 15 “Revenue from Contracts with Customers” is a principle-based model of recognising revenue from contracts with customers. The model comprises five steps with revenue being recognised when control over goods and services are transferred to the customer.

The Group’s revenue consists of product sales. Revenue is recognised when the Group delivers a product to the customer. Payment of the transaction price is due immediately when the customer purchases the product and takes delivery or in the case of certain B2B transactions on credit terms.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes or duty.

2.6 **Basis of consolidation**

The Historical Financial Information presents the results of the Company and its subsidiaries as if they form a single entity.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Historical Financial Information has been prepared under IFRS 10 ‘Consolidated Financial Statements’.

2.7 **Other operating income and grants**

Other operating income represents all other income received by the Group. This includes R&D Expenditure Credits which are a form of government grant.

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

The grant income received has been accounted for in accordance with IAS 20 ‘Accounting for Government Grants and Disclosure of Government Assistance’ and is shown in other operating income in the statement of profit or loss and other comprehensive income whilst research and development expenditure is shown gross of grant income.

2.8 **Finance expense**

Finance expense comprises interest payable on convertible loan notes which are expensed in the period in which they are incurred and reported in finance costs.

2.9 **Foreign currency translation**

The Historical Financial Information is presented in Dollars which is the Company’s presentational and functional currency.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss and other comprehensive income.

2.10 **Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income or expense

recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK and where the Group operates and generates taxable income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the administrative expenses in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date.

Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows on a straight-line basis:

- | | |
|-------------------------------------|----------------------------------|
| – Intellectual property and patents | – Length of the trademark/patent |
|-------------------------------------|----------------------------------|

The estimated useful lives are based upon management's best estimate of the expected life of the asset. Useful lives are reconsidered if circumstances relating to the asset change or if there is an indication that the initial estimate requires revision.

2.12 Research and development

Research and development expenditure that does not meet the criteria of an intangible asset is expensed as incurred. Development costs are only capitalised after technical and commercial feasibility of the asset for sale or use have been established. The Group must intend to complete the asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefit. If the Group cannot distinguish between the phases of research and development, then all costs are expensed as research costs.

2.13 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term highly liquid deposits which are subject to an insignificant risk of changes in value.

2.15 **Financial assets**

The Group classifies its financial assets at amortised cost. Financial assets do not comprise prepayments. Management determines the classification of its financial assets at initial recognition.

The Group's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

2.16 **Financial liabilities**

The Group measures its financial liabilities at amortised cost. All financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provision of the instrument.

The Group's financial liabilities held at amortised cost comprise trade payables and other short-dated monetary liabilities, and borrowings in the consolidated statement of financial position.

Trade payables and other short-dated monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position.

For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Unless otherwise indicated, the carrying values of the Group's financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

2.17 **Impairment of assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. For the purposes of assessing impairment, assets are carried at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs).

Where there is any indication that an asset may be impaired, the carrying value of the asset (or CGUs to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.18 **Equity instruments**

Equity is the residual interest in the assets of the Company after deducting all liabilities and comprises the following:

- “Called up share capital” represents the nominal value of equity shares;
- “Share premium” represents the excess value of equity shares above the nominal value;
- “Capital contribution reserve” represents non-cash contributions from equity holders;
- “Share-based payment reserve” represents the cumulative fair value of options;
- “Accumulated losses” represents retained earnings less retained losses; and
- “Non-controlling interests” represents the cumulative net profits/(losses) in relation to non-controlling interests.

2.19 **Convertible loan notes**

Convertible loan note instruments issued by the Group are assessed to whether the transaction price relates to both the underlying financial instrument and the warrants issued representing the same economic arrangement, and therefore fair value of the whole arrangement. The Group assesses whether the underlying financial instrument (loan notes) and the conversion feature should be classified as a liability or equity instrument. As part of this assessment, the Group considers whether the conversion feature is closely related to the host contract, requiring a separate assessment of the host contract and the conversion feature. It was determined that the conversion feature was not closely related to the host contract, meeting the criteria for recognition as a separate embedded derivative.

Loan note: It was determined that the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation, meeting the criteria to be recognised as a financial liability.

Conversion feature: There is an obligation to convert the loan notes into variable number of shares of MicroSalt Inc. upon conversion events. The conversion feature is at market price as there is no discount against future equity placement offered. Therefore, the conversion feature is not a derivative because the value of the conversion feature does not change in response to the share price, and as such the conversion feature is a financial liability.

Therefore, the fair value of the overall transaction price is initially recognised as a financial liability and subsequently measured at amortised cost.

2.20 **Share-based payments**

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period with a corresponding adjustment to equity. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the fair value of the original share-based payment at date of grant.

3 **Critical accounting judgements and estimates**

The preparation of the Historical Financial Information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Group management to exercise judgement and use

assumptions in applying the Group's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the Historical Financial Information are reasonable and prudent.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the Historical Financial Information are discussed below:

Key accounting estimates and judgements

The following are the areas requiring the use of estimates and judgements that may significantly impact the Historical Financial Information.

Share-based payments

In order to calculate the value of employee share options as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model. This is a key estimate used to value the share options in issue at the balance sheet date.

4 Revenue from contracts with customers

All Group revenue was generated from the sale of goods in the USA and recognised at the date the goods were delivered. Three customers make up 10 per cent. or more of revenue in the period ended 31 December 2022 (2021: 2; 2020: 2).

Revenue from customers

	Year ended 31 December 2020 US\$'000	Year ended 31 December 2021 US\$'000	Year ended 31 December 2022 US\$'000
Customer 1	9	20	159
Customer 2	3	7	–
Customer 3	–	–	180
Customer 4	–	–	145
	<hr/>	<hr/>	<hr/>

5 Other operating income

	Year ended 31 December 2020 US\$'000	Year ended 31 December 2021 US\$'000	Year ended 31 December 2022 US\$'000
R&D tax credit	49	50	23
Other income	–	15	7
	<hr/>	<hr/>	<hr/>
	49	65	30
	<hr/>	<hr/>	<hr/>

Other income includes amounts for trade payables written off of US\$7,000 (2021: US\$15,000; 2020: US\$Nil).

6 Segmental reporting

Factors that management used to identify the Group's reportable segments

The Chief Operating Decision Maker ("CODM") has been identified as the Directors. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has

determined that there is one single operating segment, the development and sale of low sodium salt and snack foods.

7 Expenses by nature

Operating loss is stated after charging:

	<i>Year ended 31 December 2020 US\$'000</i>	<i>Year ended 31 December 2021 US\$'000</i>	<i>Year ended 31 December 2022 US\$'000</i>
Amortisation of intangible assets	1	1	2
Bad debt write off	–	–	15
Research and development expense	183	247	95
Expected credit losses	–	–	11
Inventory recognised as an expense	21	96	441
Share-based payment expense	5	104	379

8 Employee benefit expenses

Employee benefit expenses (including Directors) comprise:

	<i>Year ended 31 December 2020 US\$'000</i>	<i>Year ended 31 December 2021 US\$'000</i>	<i>Year ended 31 December 2022 US\$'000</i>
Wages and salaries	–	–	123
Social security contributions and similar taxes	–	–	26
Share based payment expense	–	–	165
	<u>–</u>	<u>–</u>	<u>314</u>

Average number of people (including Directors) employed:

	<i>Year ended 31 December 2020 No.</i>	<i>Year ended 31 December 2021 No.</i>	<i>Year ended 31 December 2022 No.</i>
Employees (including Directors)	<u>–</u>	<u>–</u>	<u>1</u>

9 Director emoluments

Director emoluments comprise:

	<i>Year ended 31 December 2020 US\$'000</i>	<i>Year ended 31 December 2021 US\$'000</i>	<i>Year ended 31 December 2022 US\$'000</i>
Wages and salaries	–	–	123
Social security contributions and similar taxes	–	–	26
Share based payment expense	–	–	165
	<u>–</u>	<u>–</u>	<u>314</u>

There were no Directors participating in money purchase pension schemes during the year ended 31 December 2022 (2021: Nil; 2020: Nil).

Key management personnel include all of the Directors, who together have authority and responsibility for planning, directing, and controlling the activities of the Group's business. There are no key management personnel other than the Directors of the Group.

10 Finance expense

	<i>Year ended 31 December 2020 US\$'000</i>	<i>Year ended 31 December 2021 US\$'000</i>	<i>Year ended 31 December 2022 US\$'000</i>
Accrued interest on convertible loan notes	<u>40</u>	<u>35</u>	<u>67</u>

11 Taxation

Analysis of charge in year

	<i>Year ended 31 December 2020 US\$'000</i>	<i>Year ended 31 December 2021 US\$'000</i>	<i>Year ended 31 December 2022 US\$'000</i>
Total current tax	–	–	–
Total deferred tax	<u>–</u>	<u>–</u>	<u>–</u>
Tax charge per statement of comprehensive income	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>

The tax charges for the years presented differ from the standard rate of corporate tax in the UK. The differences are explained below:

	<i>Year ended 31 December 2020 US\$'000</i>	<i>Year ended 31 December 2021 US\$'000</i>	<i>Year ended 31 December 2022 US\$'000</i>
Loss on ordinary activities before tax	(838)	(1,187)	(2,479)
Tax using the Group's domestic tax rates	(159)	(226)	(471)
Effects of:			
Expenses not deductible for tax purposes	–	–	–
Unutilised tax losses carried forward	159	226	471
Total tax charge	–	–	–

The main rate of UK corporation tax was 19 per cent. for the years ended 31 December 2020, 31 December 2021 and 31 December 2022.

12 Loss per share

Basic and diluted loss per share is calculated by dividing the result attributable to equity holders by the weighted average number of Shares in issue. Loss per share is presented based on the number of Shares outstanding in the Company.

	<i>Year ended 31 December 2020</i>	<i>Year ended 31 December 2021</i>	<i>Year ended 31 December 2022</i>
Loss used in calculating basic and diluted loss per share (\$)	(832,000)	(907,000)	(1,940,000)
Weighted average number of shares	8,440	11,643	11,643
Basic and diluted loss per share (\$)	(98.64)	(77.90)	(166.61)

The diluted earnings per share is identical to the basic loss per share as the exercise of warrants and options would be anti-dilutive. The weighted average number of shares for all periods presented has been adjusted for the effect of a 3200:1 share subdivision and subsequent 520:1 share consolidation which were both completed after the end of the three years presented.

13 Intangible assets

	<i>Intellectual property and patents US\$'000</i>	<i>Total US\$'000</i>
Cost		
At 1 January 2020	17	17
Additions	12	12
At 31 December 2020	29	29
Amortisation		
At 1 January 2020	(3)	(3)
Charge for the year	(1)	(1)
At 31 December 2020	(4)	(4)
Net book amount		
At 31 December 2020	25	25
Cost		
At 1 January 2021	29	29
Additions	9	9
At 31 December 2021	38	38
Amortisation		
At 1 January 2021	(4)	(4)
Charge for the year	(1)	(1)
At 31 December 2021	(5)	(5)
Net book amount		
At 31 December 2021	33	33
Cost		
At 1 January 2022	38	38
Additions	116	116
At 31 December 2022	154	154
Amortisation		
At 1 January 2022	(5)	(5)
Charge for the year	(2)	(2)
At 31 December 2022	(7)	(7)
Net book amount		
At 31 December 2022	147	147

14 Inventories

	As at 31 December 2020 US\$'000	As at 31 December 2021 US\$'000	As at 31 December 2022 US\$'000
Raw materials	33	134	15
Finished goods and goods for resale	–	98	193
	<u>33</u>	<u>232</u>	<u>208</u>

15 Trade and other receivables

	As at 31 December 2020 US\$'000	As at 31 December 2021 US\$'000	As at 31 December 2022 US\$'000
Amounts falling due within one year:			
Trade receivables	12	18	116
Other receivables	59	126	80
Prepayments	–	1	25
	<u>71</u>	<u>145</u>	<u>221</u>

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement immediately or within 30 days for certain credit customers and therefore are all classified as current. Trade receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

Analysis of trade receivables based on age of invoices:

	< 30 days past due US\$'000	31 – 60 days past due US\$'000	61 – 90 days past due US\$'000	> 90 days past due US\$'000	Total gross US\$'000	ECL US\$'000	Total net US\$'000
31 December 2020	5	–	–	7	12	–	12
31 December 2021	3	1	7	7	18	–	18
31 December 2022	<u>9</u>	<u>7</u>	<u>58</u>	<u>53</u>	<u>127</u>	<u>(11)</u>	<u>116</u>

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined as US\$11,000 (2021: US\$Nil, 2020: US\$Nil) based on historical data available to management in addition to forward looking information utilising management knowledge. The ECL is based on 90 per cent. of trade receivables over 60 days past due being recoverable and therefore an ECL of 10 per cent. of trade receivables has been recognised. Based on the analyses performed there is no material impact on the transition to ECL from previous methods of estimating the provision for doubtful accounts.

16 Cash and cash equivalents

	<i>As at 31 December 2020 US\$'000</i>	<i>As at 31 December 2021 US\$'000</i>	<i>As at 31 December 2022 US\$'000</i>
Cash at bank and in hand	<u>9</u>	<u>18</u>	<u>91</u>

17 Trade and other payables

	<i>As at 31 December 2020 US\$'000</i>	<i>As at 31 December 2021 US\$'000</i>	<i>As at 31 December 2022 US\$'000</i>
Amounts falling due within one year:			
Trade payables	1	51	142
Other payables	11	1	1
Accruals	<u>–</u>	<u>2</u>	<u>22</u>
	<u>12</u>	<u>54</u>	<u>165</u>

The Directors consider that the carrying value of trade and other payables approximates their fair value. Trade payables are non-interest bearing and are normally settled monthly.

18 Borrowings

	<i>As at 31 December 2020 US\$'000</i>	<i>As at 31 December 2021 US\$'000</i>	<i>As at 31 December 2022 US\$'000</i>
Non-current:			
Convertible loan note liabilities	<u>115</u>	<u>860</u>	<u>170</u>

Included within convertible loan notes ("CLNs") are CLNs issued on 21 September 2020 with a principal amount of US\$2,000,000 of which US\$Nil was drawn and outstanding at 31 December 2022 (2021: US\$825,000; 2020: US\$115,000). The CLNs incur interest of 10 per cent. per annum and are repayable four years after commencement or can be converted into shares of MicroSalt Inc. upon certain conversion events at the option of the noteholder. During the year ended 31 December 2022, US\$2,000,000 (2021: US\$Nil; 2020: US\$1,121,000) was converted into shares of MicroSalt Inc.

On 1 June 2022, the Group issued further CLNs with a principal amount of US\$2,000,000 of which US\$141,000 was drawn and outstanding at 31 December 2022. The CLNs incur interest of 10 per cent. per annum and are repayable four years after commencement or can be converted into shares of MicroSalt Inc. upon certain conversion events at the option of the noteholder. During the year ended 31 December 2022, US\$409,000 was converted into shares of MicroSalt Inc.

19 Share capital

	As at 31 December 2020	As at 31 December 2021	As at 31 December 2022
Allotted, called up and fully paid			
<i>Ordinary shares of £0.01 each</i>			
Opening number of Shares	1,000	1,892	1,892
Issue of Shares – debt conversion rights exercised	838	–	–
Issue of Shares – cash	54	–	–
Closing number of Shares	1,892	1,892	1,892

	As at 31 December 2020 US\$	As at 31 December 2021 US\$	As at 31 December 2022 US\$
Allotted, called up and fully paid			
<i>Opening share capital</i>	15	26	26
Issue of Shares – debt conversion rights exercised	9	–	–
Issue of Shares – cash	2	–	–
Closing share capital	26	26	26

Voting rights

Shareholders are entitled to one voting right per share.

Dividends

Shareholders are entitled to dividends out of the profits of the Company available for distribution.

20 Reserves

Called up share capital	Called up share capital represents the nominal value of Shares that have been issued.
Share premium	Share premium comprises the excess value recognised from the issue of Shares above nominal value.
Capital contribution reserve	The capital contribution reserve represents non-cash contributions to the Company from equity holders.
Share-based payment reserve	Cumulative fair value of options charged to the statement of profit or loss and other comprehensive income net of transfers to the profit or loss reserve on exercise and cancelled/lapsed options.
Accumulated losses	Accumulated losses relate to cumulative net gains and losses less distributions made.

21 Share-based payments

The Group operates an equity settled share-based remuneration scheme for employees. Options are granted for nil consideration and carry no dividend or voting rights. The terms and conditions of the grants are detailed below:

<i>Date of grant</i>	<i>No. of options ('000)</i>	<i>Exercise price</i>	<i>Vesting conditions</i>	<i>Contractual life of options</i>	<i>Share price at grant date</i>	<i>Expected option life</i>	<i>Risk free interest rate</i>
29 September 2020	45,027	\$0.00000	Time-based ¹	3 years	\$1.00	1.5 years	(0.03)%
1 January 2021	44,800	\$0.00000	Time-based ³	4 years	\$1.00	3 years	(0.08)%
28 February 2021	215,040	\$0.00031	Time-based ¹	3 years	\$1.00	1.5 years	0.05%
1 September 2021	240,000	\$0.00031	Time-based ⁴	4 years	\$1.00	3 years	0.18%
16 November 2021	483,840	\$0.00031	Time-based ²	4 years	\$1.00	3 years	0.50%
23 November 2021	800,000	\$0.00031	Time-based ²	4 years	\$1.00	3 years	0.50%
29 November 2021	182,400	\$0.00031	Time-based ²	4 years	\$1.00	3 years	0.50%
7 December 2021	182,400	\$0.00031	Time-based ²	4 years	\$1.00	3 years	0.69%
1 January 2022	44,800	\$0.00031	Time-based ¹	3 years	\$1.00	1 year	0.87%
24 February 2022	182,400	\$0.00031	Time-based ²	4 years	\$1.00	3 years	1.06%
1 August 2022	320,000	\$0.00040	Time-based ³	3 years	\$1.29	3 years	2.87%
27 October 2022	643,840	\$0.00040	Exit event ⁵	3 years	\$1.29	3 years	3.45%
18 November 2022	1,984,000	\$0.00068	Time-based ²	5 years	\$2.18	3 years	3.26%

The number of options and exercise price above have been adjusted for the effect of a 3200:1 share subdivision.

All options granted in the period presented have an expected volatility of 80 per cent.

- 1 100 per cent. of the share options vest in one annual instalment 12 months after the grant date.
- 2 2.78 per cent. of the share options vest in equal monthly instalments over 36 months from the grant date.
- 3 33.33 per cent. of the share options vest 12 months after the grant date, 33.33 per cent. of the share options vest 24 months after the grant date and the remaining 33.33 per cent. of share options vest 36 months after the grant date.
- 4 50 per cent. of the share options vest six months after the grant date and 50 per cent. of the share options vest 12 months after the grant date.
- 5 These options vest on an exit event, such as a sale, takeover or IPO.

Details of the number of share options granted, exercised, lapsed and outstanding at the end of each period as well as the weighted average exercise prices in \$ ("WAEP") are as follows:

	<i>As at 31 December 2020</i>	<i>WAEP</i>	<i>As at 31 December 2021</i>	<i>WAEP</i>	<i>As at 31 December 2022</i>	<i>WAEP</i>
Outstanding at beginning of year	–	–	45,027,200	0.00000	2,193,507,200	0.00030
Granted during the year	45,027,200	0.00000	2,148,480,000	0.00030	3,175,040,000	0.00057
Outstanding at year end	45,027,200	0.00000	2,193,507,200	0.00030	5,368,547,200	0.00046
Exercisable at end of year	–	–	85,756,800	0.00015	1,629,100,800	0.00040

The number of share options and WAEP have been adjusted in all periods presented for the effect of a 3200:1 share subdivision which occurred after the end of the three years presented.

The weighted average remaining contractual life of options outstanding at 31 December 2022 was 2.72 years (2021: 3.63 years; 2020: 3.50 years).

During the year ended 31 December 2022, US\$379,329 (2021: US\$104,378; 2020: US\$4,690) has been recognised as a share-based payment expense in the statement of profit or loss and other comprehensive income related to the issue of share options.

22 Investments in subsidiaries

The Company owns directly the issued and fully paid ordinary share capital of its subsidiary undertaking. All ownership interests in subsidiaries are equal to their voting rights.

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Registered address</i>	<i>Ownership interest held by the Company at each year end</i>	<i>Ownership interest held by non-controlling interests at each year end</i>
MicroSalt Inc.	United States of America	11900 Biscayne Blvd, Suite 630, Miami, Florida, 33181	92.0%	8.0%

23 Non-controlling interests

MicroSalt Inc. is a 92.0 per cent. owned subsidiary of the Company that has material non-controlling interests ("NCI").

	<i>As at 31 December 2020 US\$'000</i>	<i>As at 31 December 2021 US\$'000</i>	<i>As at 31 December 2022 US\$'000</i>
Balance at 1 January	–	(6)	300
Total comprehensive loss allocated to NCI	(6)	(280)	(539)
Investment by NCI's	–	586	509
Total	(6)	300	270

Summarised financial information reflecting 100 per cent. of MicroSalt Inc.'s relevant figures are set out below:

	<i>As at 31 December 2020 US\$'000</i>	<i>As at 31 December 2021 US\$'000</i>	<i>As at 31 December 2022 US\$'000</i>
Revenue	12	33	638
Loss after tax	(43)	(1,238)	(2,432)
Non-current assets	25	33	147
Current assets	64	296	468
Non-current liabilities	(115)	(860)	(170)
Current liabilities	(12)	(54)	(165)
Net (liabilities)/assets	(38)	(585)	280
Non-controlling interest	(6)	300	270

24 Commitments and contingencies

The Group has no capital, financial and or other commitments at the end of any of the years included in the Historical Financial Information.

25 Financial instruments

Financial assets

Financial assets are not measured at fair value and due to their short-term nature, the carrying value approximates their fair value. They comprise trade receivables, other receivables, and cash, but not prepayments.

	As at 31 December 2020 US\$'000	As at 31 December 2021 US\$'000	As at 31 December 2022 US\$'000
Trade receivables	12	18	116
Other receivables	59	126	80
Cash at bank and in hand	9	18	91
	<u>80</u>	<u>162</u>	<u>287</u>

Financial liabilities

Financial liabilities measured at amortised cost comprise trade payables, other payables, accruals and convertible loan note liabilities, but not deferred income and other taxation and social security.

	As at 31 December 2020 US\$'000	As at 31 December 2021 US\$'000	As at 31 December 2022 US\$'000
Trade payables	1	51	142
Other payables	11	1	1
Accruals	–	2	22
Convertible loan note liabilities	115	860	170
	<u>127</u>	<u>914</u>	<u>335</u>

Financial risk management

The Group is exposed through its operation to the following financial risks: credit risk, interest rate risk, foreign exchange risk and liquidity risk. Risk management is carried out by the Directors. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

The Group finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from the Group's operations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to minimise the risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the Historical Financial Information.

The receivables age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. No impairments to trade receivables, have been made to date. Further disclosures regarding trade and other receivables are provided within the notes to the Historical Financial Information.

Credit risk also arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "B+" are accepted.

Currently the financial institution whereby the Group holds significant levels of cash is JP Morgan Chase Bank, N.A. which is rated AA-.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Group's interest-bearing borrowings are at a fixed interest rate of 10 per cent., therefore interest rate risk exposure for the Group is minimal.

It is the Group's policy to settle payables within the credit terms allowed and the Group does therefore not incur interest on overdue balances.

Foreign exchange risk

Foreign exchange risk arises when the Group enter into transactions in a currency other than their functional currency. The Group's policy is, where possible, to settle liabilities denominated in a currency other than its functional currency with cash already denominated in that currency.

Liquidity risk

The Group seeks to maintain sufficient cash balances. Management review cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's total liabilities is shown below:

	As at 31 December 2020 US\$'000	As at 31 December 2021 US\$'000	As at 31 December 2022 US\$'000
<i>Less than 1 year:</i>			
Trade and other payables	12	52	143
Accruals	–	2	22
	<u>12</u>	<u>54</u>	<u>165</u>
<i>Between 1-5 years:</i>			
Borrowings	115	860	170
Total including interest cash flows	<u>127</u>	<u>924</u>	<u>335</u>
<i>Less interest cash flow:</i>			
Borrowings	<u>(40)</u>	<u>(35)</u>	<u>(67)</u>
Total principal cash flows	<u><u>87</u></u>	<u><u>889</u></u>	<u><u>268</u></u>

Capital risk management

The capital structure of the business consists of cash and cash equivalents, debt and equity. Equity comprises share capital, share premium, share-based payment reserve, capital contribution reserve, translation reserve, and accumulated losses and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises convertible loan notes which are set out in further detail above and in note 18.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans;
- Provide a reasonable expectation of future returns to shareholders; and
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets. During the years ended 31 December 2020, 2021 and 2022, the Group's business strategy remained unchanged.

26 Related party transactions

Key management personnel remuneration is disclosed in note 9 above.

Related party relationship	Type of transaction	Transaction amount			Balance owed		
		2020 US\$'000	2021 US\$'000	2022 US\$'000	2020 US\$'000	2021 US\$'000	2022 US\$'000
Tekcapital	Convertible loan notes issued	536	710	1,652	115	860	170

In the period, the Group paid a quarterly management fee to Tek Europe of \$35,000.

The Company entered into an intercompany loan agreement with Tekcapital plc in which Tekcapital plc incurred costs, expenses and facilitated payments on behalf of the Subsidiary. On 14 January 2022, the Company and subsidiary agreed to convert the \$1,058,317 of outstanding debt into 1,058,317 common shares. On 22 November 2022, the Company and subsidiary agreed to convert \$1,351,262 of outstanding debt into 619,845 common shares.

27 Changes in liabilities from financing activities

	At 1 January 2020 US\$'000	Financing cash flows US\$'000	Interest US\$'000	Non-cash changes US\$'000	At 31 December 2020 US\$'000
Borrowings	660	536	40	(1,121)	115

	At 1 January 2021 US\$'000	Financing cash flows US\$'000	Interest US\$'000	Non-cash changes US\$'000	At 31 December 2021 US\$'000
Borrowings	115	710	35	–	860

	At 1 January 2022 US\$'000	Financing cash flows US\$'000	Interest US\$'000	Non-cash changes US\$'000	At 31 December 2022 US\$'000
Borrowings	860	1,652	67	(2,409)	170

28 Ultimate controlling party

The ultimate controlling party of the Company is Tekcapital.

29 Post balance sheet events

On 15 June 2023, the Company performed a share subdivision to issue 3,200 new Shares for every existing 1 share.

On 30 September 2023, the Company undertook a consolidation and reorganisation of its share capital, including the issue and allotment of shares. Further details are set out in paragraphs 4.3.6 to 4.3.9 of Part VII of this Document.

On 17 October 2023 the Company was re-registered as a public company limited by shares and changed its name to MicroSalt plc.

30 Nature of financial information

The Historical Financial Information of the Group presented above does not constitute statutory financial statements for each of the three years ended 31 December 2022.

PART V

UNAUDITED INTERIM FINANCIAL INFORMATION

Consolidated statements of profit or loss and other comprehensive income

		<i>Six months ended June 2022 (unaudited) \$'000</i>	<i>Six months ended June 2023 (unaudited) \$'000</i>
	<i>Note</i>		
Revenue	4	335	257
Cost of sales		(478)	(259)
Gross loss		(143)	(2)
Other operating income	5	11	–
Administrative expenses		(939)	(1,655)
Operating loss		(1,071)	(1,657)
Finance expense		(23)	(35)
Loss before taxation		(1,094)	(1,692)
Taxation	8	–	–
Loss for the period		(1,094)	(1,692)
Loss for the period attributable to:			
Owners of the parent		(836)	(1,318)
Non-controlling interests		(258)	(374)
		(1,094)	(1,692)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Gain on foreign currency translation		–	14
Total comprehensive loss		(1,094)	(1,678)
Total comprehensive loss attributable to:			
Owners of the parent		(836)	(1,304)
Non-controlling interests		(258)	(374)
		(1,094)	(1,678)
Loss per share for loss attributable to the owners			
Basic and diluted loss per share (\$)	9	(71.80)	(112.00)

All amounts relate to continuing operations.

Consolidated statements of financial position

		As at December 2022 (audited) \$'000	As at June 2023 (unaudited) \$'000
	Note		
Assets			
Current assets			
Inventories	10	208	574
Trade and other receivables	11	221	506
Cash and cash equivalents		91	107
Total current assets		<u>520</u>	<u>1,187</u>
Non-current assets			
Property, plant and equipment		–	19
Intangible assets		147	221
Total non-current assets		<u>147</u>	<u>240</u>
Total assets		<u>667</u>	<u>1,427</u>
Liabilities			
Current liabilities			
Trade and other payables	12	165	518
Total current liabilities		<u>165</u>	<u>518</u>
Non-current liabilities			
Borrowings	13	170	1,383
Total non-current liabilities		<u>170</u>	<u>1,383</u>
Total liabilities		<u>335</u>	<u>1,901</u>
Net assets/(liabilities)		<u>332</u>	<u>(474)</u>
Equity			
Share capital	14	–	–
Share premium	14	1,121	–
Share-based payment reserve		488	860
Capital contribution reserve		2,452	500
Accumulated losses		(3,999)	(1,744)
Translation reserve		–	14
		<u>62</u>	<u>(370)</u>
Non-controlling interests		270	(104)
Total equity		<u>332</u>	<u>(474)</u>

Consolidated statements of changes in equity

	Share capital \$'000	Share premium \$'000	Share- based payment reserve \$'000	Capital contribution reserve \$'000	Accumu- lated losses \$'000	Translation reserve \$'000	Total attributable to owners of the parent \$'000	Non- controlling interests \$'000	Total equity \$'000
As at 1 January 2022 (audited)	–	1,121	109	43	(2,059)	–	(786)	300	(486)
Comprehensive loss									
Loss for the period	–	–	–	–	(836)	–	(836)	(258)	(1,094)
Transactions with owners									
Issue of share capital	–	–	–	–	–	–	–	509	509
Capital contribution from ultimate controlling party	–	–	–	1,058	–	–	1,058	–	1,058
Share-based payment	–	–	120	–	–	–	120	–	120
As at 30 June 2022 (unaudited)	–	1,121	229	1,101	(2,895)	–	(444)	551	107

	Share capital \$'000	Share premium \$'000	Share- based payment reserve \$'000	Capital contribution reserve \$'000	Accumu- lated losses \$'000	Translation reserve \$'000	Total attributable to owners of the parent \$'000	Non- controlling interests \$'000	Total equity \$'000
As at 1 January 2023 (audited)	–	1,121	488	2,452	(3,999)	–	62	270	332
Comprehensive loss									
Loss for the period	–	–	–	–	(1,318)	–	(1,318)	(374)	(1,692)
Other comprehensive income	–	–	–	–	–	14	14	–	14
Transactions with owners									
Issue of share capital	–	2,452	–	(2,452)	–	–	–	–	–
Cancellation of share premium	–	(3,573)	–	–	3,573	–	–	–	–
Capital contribution from ultimate controlling party	–	–	–	500	–	–	500	–	500
Share-based payment	–	–	372	–	–	–	372	–	372
As at 30 June 2023 (unaudited)	–	–	860	500	(1,744)	14	(370)	(104)	(474)

Consolidated statements of cash flows

		<i>Six months ended June 2022 (unaudited) \$'000</i>	<i>Six months ended June 2023 (unaudited) \$'000</i>
	<i>Note</i>		
Cash flows from operating activities			
Loss before taxation		(1,094)	(1,692)
Adjustments for non-cash/non-operating items:			
Depreciation of property, plant and equipment		–	1
Amortisation of intangible assets		1	2
Share based payment expense	15	120	372
Finance expense		23	35
		<u>(950)</u>	<u>(1,282)</u>
Decrease/(increase) in inventories		124	(366)
Increase in trade and other receivables		(109)	(285)
Increase in trade and other payables		63	353
		<u>(872)</u>	<u>(1,580)</u>
Cash flows from investing activities			
Payments to acquire intangible assets		(20)	(76)
Payments to acquire property, plant and equipment		–	(20)
		<u>(20)</u>	<u>(96)</u>
Cash flows from financing activities			
Proceeds from borrowings	13	622	1,678
Investment by non-controlling interests		508	–
		<u>1,130</u>	<u>1,678</u>
Net cash generated from financing activities			
Net increase in cash and cash equivalents		238	2
Cash and cash equivalents at beginning of period		18	91
Effect of foreign exchange rate changes		–	14
		<u>256</u>	<u>107</u>
Cash and cash equivalents at end of period			

Notes to the interim financial information

1 General information

MicroSalt is a private company limited by shares and registered and incorporated in England and Wales. The registered office is 12 New Fetter Lane, London, United Kingdom, EC4A 1JP.

The principal activity of the Group throughout the periods presented is that of the development and sale of low sodium salt and snack foods.

The information for the periods covered by the Interim Financial Information does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

2 Accounting policies

2.1 Basis of preparation

This Interim Financial Information for the six months ended 30 June 2023 has been prepared in accordance with IFRS. This Interim Financial Information is the responsibility of the Directors.

The Interim Financial Information is prepared on a going concern basis, under the historical cost convention, except for certain financial assets and liabilities at fair value through profit or loss and fair value through other comprehensive income. The Interim Financial Information is presented in Dollars and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 Accounting policies

The accounting policies are consistent with those followed in the preparation of the Historical Financial Information, except for new accounting policies adopted as a result of changes in the Group, as detailed below.

A number of amendments to IFRS accounting standards have become applicable for the Interim Financial Information period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

2.3 Foreign currency translation

The functional currency of the Company is Pounds Sterling. For the purposes of the consolidated Interim Financial Information, the results and financial position of the Group are presented in Dollars which is the Group's presentational currency.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss and other comprehensive income.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in the statement of comprehensive income for the period.

The assets and liabilities of the Group are expressed in Dollars using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as other comprehensive income and are transferred to the Group's translation reserve.

2.4 Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and equipment	–	20 per cent. straight-line
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

3 Critical accounting judgements and estimates

The preparation of the Interim Financial Information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Group management to exercise judgement and use assumptions in applying the Group's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the Interim Financial Information are reasonable and prudent.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the Interim Financial Information are discussed below:

4 Revenue from contracts with customers

All Group revenue was generated from the sale of goods in the USA and recognised at the date the goods were delivered. Three customers make up 10 per cent. or more of revenue in the period ended 30 June 2023 (30 June 2022: 2).

Revenue from customers

	<i>Six months ended 30 June 2022 (unaudited) \$'000</i>	<i>Six months ended 30 June 2023 (unaudited) \$'000</i>
Customer 1	108	76
Customer 3	125	33
Customer 4	–	49
	<hr/>	<hr/>

5 Other operating income

	<i>Six months ended 30 June 2022 (unaudited) \$'000</i>	<i>Six months ended 30 June 2023 (unaudited) \$'000</i>
R&D tax credit	11	–
	<hr/>	<hr/>

6 Segmental reporting

Factors that management used to identify the Group's reportable segments

The Chief Operating Decision Maker ("CODM") has been identified as the Directors. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined that there is one single operating segment, the development and sale of low sodium salt and snack foods.

7 Director emoluments

Director emoluments comprise:

	<i>Six months ended 30 June 2022 (unaudited) \$'000</i>	<i>Six months ended 30 June 2023 (unaudited) \$'000</i>
Wages and salaries	62	95
Social security contributions and similar taxes	18	29
Share based payment expense	44	176
	<u>124</u>	<u>300</u>

There were no Directors participating in money purchase pension schemes during the period ended 30 June 2023 (30 June 2022: Nil).

Key management personnel include all of the Directors, who together have authority and responsibility for planning, directing, and controlling the activities of the Group's business. There are no key management personnel other than the Directors.

8 Taxation

	<i>Six months ended 30 June 2022 (unaudited) \$'000</i>	<i>Six months ended 30 June 2023 (unaudited) \$'000</i>
Analysis of charge in period		
Total current tax	—	—
Total deferred tax	—	—
Tax charge per statement of comprehensive income	<u>—</u>	<u>—</u>

The tax charges for the periods presented differ from the standard applicable rate of corporate tax in the UK. The differences are explained below:

	<i>Six months ended 30 June 2022 (unaudited) \$'000</i>	<i>Six months ended 30 June 2023 (unaudited) \$'000</i>
Loss on ordinary activities before tax	(1,094)	(1,692)
Tax using the Group's domestic tax rates	(208)	(322)
Effects of:		
Expenses not deductible for tax purposes	—	—
Unutilised tax losses carried forward	208	322
Total tax charge	<u>—</u>	<u>—</u>

The main rate of UK corporation tax was 19 per cent. for the period ended 30 June 2023 (30 June 2022: 19 per cent).

9 Loss per share

Basic and diluted loss per share is calculated by dividing the result attributable to equity holders by the weighted average number of Shares in issue. Loss per share is presented based on the number of shares outstanding in the Company.

	<i>Six months ended 30 June 2022 (unaudited)</i>	<i>Six months ended 30 June 2023 (unaudited)</i>
Loss used in calculating basic and diluted loss per share (\$)	(836,000)	(1,304,000)
Weighted average number of shares	<u>11,643</u>	<u>11,643</u>
Basic and diluted loss per share (\$)	<u>(71.80)</u>	<u>(112.00)</u>

The diluted earnings per share is identical to the basic loss per share as the exercise of warrants and options would be anti-dilutive. The weighted average number of shares for both periods presented has been adjusted for the effect of a 3200:1 share subdivision and subsequent 520:1 share consolidation.

10 Inventories

	<i>As at 31 December 2022 \$'000</i>	<i>As at 30 June 2023 \$'000</i>
Raw materials	15	349
Finished goods and goods for resale	<u>193</u>	<u>225</u>
	<u>208</u>	<u>574</u>

11 Trade and other receivables

	<i>As at 31 December 2022 \$'000</i>	<i>As at 30 June 2023 \$'000</i>
Amounts falling due within one year:		
Trade receivables	116	135
Other receivables	80	40
Prepayments	25	25
Deferred IPO costs	<u>—</u>	<u>306</u>
	<u>221</u>	<u>506</u>

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement immediately or within 30 days for certain credit customers and therefore are all classified as current. Trade receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

Analysis of trade receivables based on age of invoices:

	< 30 days past due \$'000	31 – 60 days past due \$'000	61 – 90 days past due \$'000	> 90 days past due \$'000	Total gross \$'000	ECL \$'000	Total net \$'000
31 December 2022	9	7	58	53	127	(11)	116
30 June 2023	49	34	48	10	141	(6)	135

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined as \$6,000 (31 Dec 2022: \$11,000) based on historical data available to management in addition to forward looking information utilising management knowledge. The ECL is based on 90 per cent. of trade receivables over 60 days past due being recoverable and therefore an ECL of 10 per cent. of trade receivables has been recognised.

12 Trade and other payables

	As at 31 December 2022 \$'000	As at 30 June 2023 \$'000
--	--	------------------------------------

Amounts falling due within one year:

Trade payables	142	297
Other payables	1	213
Accruals	22	8
	<u>165</u>	<u>518</u>

The Directors consider that the carrying value of trade and other payables approximates their fair value. Trade payables are non-interest bearing and are normally settled monthly.

13 Borrowings

	As at 31 December 2022 \$'000	As at 30 June 2023 \$'000
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Non-current:

Convertible loan note liabilities	<u>170</u>	<u>1,383</u>
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Included within convertible loan notes ("**CLNs**") are CLNs issued on 1 June 2022 with a principal amount of \$2,000,000 of which \$1,793,000 was drawn and outstanding at 30 June 2023. The CLNs incur interest of 10 per cent. per annum and are repayable four years after commencement or can be converted into shares of MicroSalt Inc. upon certain conversion events at the option of the noteholder. During the period ended 30 June 2023, \$500,000 was converted into shares of MicroSalt Inc., which accounts for the non-cash changes in the changes in liabilities from financing activities reconciliation below:

	As at 31 December 2022 \$'000	Financing cash flows \$'000	Interest \$'000	Non-cash changes \$'000	As at 30 June 2023 \$'000
Borrowings	<u>170</u>	<u>1,678</u>	<u>35</u>	<u>(500)</u>	<u>1,383</u>

14 Share capital

	As at 31 December 2022 \$'000	As at 30 June 2023 \$'000
Allotted, called up and fully paid		
<i>Ordinary shares of £0.01 each</i>		
Opening number of Shares	1,892	1,892
Issue of Shares – subdivision	–	6,052,508
Closing number of Shares	1,892	6,054,400
	As at 31 December 2022 \$'000	As at 30 June 2023 \$'000
Allotted, called up and fully paid		
Opening share capital	26	26
Issue of Shares – subdivision	–	–
Closing share capital	26	26

Issue of Shares

In June 2023, the Company performed a share subdivision to issue 3,200 new Shares for every existing 1 share.

Voting rights

Shareholders are entitled to one voting right per share.

Dividends

Shareholders are entitled to dividends out of the profits of the Company available for distribution.

15 Share-based payments

The Group operates an equity settled share-based remuneration scheme for employees. Options are granted for nil consideration and carry no dividend or voting rights. The terms and conditions of the grants are detailed below:

Date of grant	No. of options ('000)	Exercise price	Vesting conditions	Contractual life of options (years)	Share price at grant date	Expected option life (years)	Risk free interest rate
Sept 2020	45,027	\$0.00000	Time-based ¹	3	\$1.00	1.5	(0.03)%
1 Jan 2021	44,800	\$0.00000	Time-based ³	4	\$1.00	3	(0.08)%
28 Feb 2021	215,040	\$0.00031	Time-based ¹	3	\$1.00	1.5	0.05%
1 Sept 2021	240,000	\$0.00031	Time-based ⁴	4	\$1.00	3	0.18%
16 Nov 2021	483,840	\$0.00031	Time-based ²	4	\$1.00	3	0.50%
23 Nov 2021	800,000	\$0.00031	Time-based ²	4	\$1.00	3	0.50%
29 Nov 2021	182,400	\$0.00031	Time-based ²	4	\$1.00	3	0.50%
7 Dec 2021	182,400	\$0.00031	Time-based ²	4	\$1.00	3	0.69%
1 Jan 2022	44,800	\$0.00031	Time-based ¹	3	\$1.00	1	0.87%
24 Feb 2022	182,400	\$0.00031	Time-based ²	4	\$1.00	3	1.06%
1 Aug 2022	320,000	\$0.00040	Time-based ³	3	\$1.29	3	2.87%
27 Oct 2022	643,840	\$0.00040	Exit event ⁵	3	\$1.29	3	3.45%
18 Nov 2022	1,984,000	\$0.00068	Time-based ²	5	\$2.18	3	3.26%

The number of options and exercise price above have been adjusted for the effect of a 3200:1 share subdivision.

All options granted presented above have an expected volatility of 80 per cent.

- 1 100 per cent. of the share options vest in one annual instalment 12 months after the grant date.
- 2 2.78 per cent. of the share options vest in equal monthly instalments over 36 months from the grant date.
- 3 33.33 per cent. of the share options vest 12 months after the grant date, 33.33 per cent. of the share options vest 24 months after the grant date and the remaining 33.33 per cent. of share options vest 36 months after the grant date.
- 4 50 per cent. of the share options vest six months after the grant date and 50 per cent. of the share options vest 12 months after the grant date.
- 5 These options vest on an exit event, such as a sale, takeover or IPO.

Details of the number of share options granted, exercised, lapsed and outstanding at the end of each period as well as the weighted average exercise prices in \$ ("WAEP") are as follows:

	<i>As at</i> <i>31 December</i> <i>2022</i>	<i>WAEP</i>	<i>As at</i> <i>30 June</i> <i>2023</i>	<i>WAEP</i>
Outstanding at beginning of year/period	2,193,507,200	0.00030	5,368,547,200	0.00046
Granted during the year/period	3,175,040,000	0.00057	—	—
Outstanding at year/period end	5,368,547,200	0.00046	5,368,547,200	0.00046
Exercisable at end of year/period	1,629,100,800	0.00040	3,045,360,000	0.00048

The number of share options and WAEP have been adjusted in both periods presented for the effect of a 3200:1 share subdivision.

The weighted average remaining contractual life of options outstanding as at 30 June 2023 was 3.0 years (31 December 2022: 3.5 years).

During the period ended 30 June 2023, \$372,000 (31 December 2022: \$379,000) has been recognised as a share-based payment expense in the statement of profit or loss and other comprehensive income related to the issue of share options.

16 Related party transactions

Key management personnel remuneration is disclosed in note 7 above.

<i>Related party relationship</i>	<i>Type of transaction</i>	<i>Transaction amount</i>		<i>Balance owed</i>	
		<i>31 December</i> <i>2022</i> <i>\$'000</i>	<i>30 June</i> <i>2023</i> <i>\$'000</i>	<i>31 December</i> <i>2022</i> <i>\$'000</i>	<i>30 June</i> <i>2023</i> <i>\$'000</i>
Tekcapital plc, the Company's ultimate controlling party	Convertible loan notes issued	1,652	1,679	170	1,383

In the period, the Group paid a quarterly management fee to Tek Europe of \$35,000.

The Company entered into an intercompany loan agreement with Tekcapital plc in which Tekcapital plc incurred costs, expenses and facilitated payments on behalf of the Subsidiary. On 14 January 2022, the Company and subsidiary agreed to convert the \$1,058,317 of outstanding debt into 1,058,317 common shares. On 22 November 2022, the Company and subsidiary agreed to convert \$1,351,262 of outstanding debt into 619,845 common shares.

17 Post balance sheet events

On 30 September 2023, the Company undertook a consolidation and reorganisation of its share capital, including the issue and allotment of shares. Further details are set out in paragraphs 4.3.6 to 4.3.9 of Part VII of this Document.

On 17 October 2023, the Company was re-registered as a public company limited by shares and changed its name to MicroSalt plc.

18 Nature of financial information

The Interim Financial Information presented above does not constitute statutory financial statements for the six-month periods ended 30 June 2022 and 30 June 2023.

PART VI

TAXATION

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

Taxation in the United Kingdom

The following information is based on UK tax law and HM Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional adviser immediately.

1. Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), 10 per cent. or more, of the shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

2. Dividends

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals before 6 April 2024 will have a £1,000 annum dividend tax allowance. From 6 April 2024 the allowance is reduced to £500.

Dividend receipts received before 6 April 2024 in excess of £1,000 will be taxed at 8.75 per cent. for basic rate taxpayers, 33.75 per cent. for higher rate taxpayers, and 39.35 per cent. for additional rate taxpayers. Dividend receipts received after 6 April 2024 in excess of £500 will be taxed at the same rates.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received, but will not be entitled to claim relief in respect of any underlying tax.

3. ***Disposals of Shares***

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent. rising to 20 per cent. for higher rate and additional rate taxpayers.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 25 per cent. for profits in excess of £250,000, with profits below £50,000 to be taxed at 19 per cent., and a marginal rate on profits between these values. The profit limits are reduced under certain circumstances, with close investment-holding companies not being entitled to the lower rate.

Further information for Shareholders subject to UK income tax and capital gains tax

4. ***“Transactions in securities”***

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “*tax advantages*” derived from certain prescribed “*transactions in securities*”.

5. ***Stamp Duty and Stamp Duty Reserve Tax***

No stamp duty or stamp duty reserve tax will generally be payable on the issue of *Ordinary Shares*.

Neither UK stamp duty nor stamp duty reserve tax should arise on transfers of *Ordinary Shares* on AIM (including instruments transferring Ordinary Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- the *Ordinary Shares* are admitted to trading on AIM, but are not listed on any market (with the term “*listed*” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- AIM continues to be accepted as a “*recognised growth market*” as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or stamp duty reserve tax may apply to transfers of Ordinary Shares in certain circumstances.

HMRC has accepted that it will no longer seek to impose the 1.5 per cent. charge in respect new issues of shares so long as they are an integral part of a capital raising, on the basis that the charges were not compatible with EU law. On 14 September 2023 HMRC introduced draft legislation confirming that it will not reintroduce the 1.5 per cent. charge on the issue of shares into clearance following the UK’s exit from the EU and the withdrawal of the appropriate EU legislation from 31 December 2023. This measure will be put forward in the next finance bill, due in March 2024, but with the legislation effective from 1 January 2024.

Any transfer of Ordinary Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or SDRT.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

PART VII

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

The Company (whose registered office appears on page 13 of this Document) and the Directors (whose names, business address and functions appear on page 13 of this Document) accept responsibility for the information contained in this Document, including individual and collective responsibility, for the Company's compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and makes no omission likely to affect the import of such information.

2. INCORPORATION AND STATUS OF THE COMPANY

- 2.1 The Company was incorporated in England and Wales on 14 March 2016 as a private company limited by shares, with the name 'Saliarius Ltd.' and registered number 10061337. On 12 July 2022 the Company changed its name to 'MicroSalt Ltd.'.
- 2.2 On 17 October 2023 the Company was re-registered as a public company limited by shares and changed its name to 'MicroSalt plc'.
- 2.3 The Company's principal activity is that of a holding company.
- 2.4 The principal legislation under which the Company was incorporated and operates is the Companies Act and the regulations made thereunder. The liability of the Shareholders of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.
- 2.5 The Company's legal and commercial name is MicroSalt plc. The domicile of the Company is the United Kingdom.
- 2.6 The registered office of the Company is at 12 New Fetter Lane, London, England, EC4A 1JP. The registered office and principal place of business of MicroSalt Inc., the Subsidiary (further details of which are provided in paragraph 3 of this Part VII) is 515 N Flagler Drive, P-300, West Palm Beach, FL 33401, United States.
- 2.7 The telephone number of the principal place of business of the Company is +44 203 835 2270 and the telephone number of the principal place of business of the Subsidiary is +1 561-516-1957.
- 2.8 The address of the Group's website, at which the information required by Rule 26 of the AIM Rules for Companies can be found, is www.MicroSalt.co.

3. THE GROUP

- 3.1 The Company has one majority-owned subsidiary, 'MicroSalt Inc.'. MicroSalt Inc. was incorporated in the State of Florida in the United States of America on 10 September 2020 as a public limited liability company, with the name MicroSalt Inc. and registration number 493100031.
- 3.2 The Company owns 7,170,059 shares of common stock and 545,000 convertible shares of common stock in the capital of the Subsidiary and has 100 per cent. of the voting rights attributable to the common stock. Each share of common stock has one voting right on all matters submitted to a vote of shareholders of the Subsidiary.
- 3.3 The Subsidiary also has 765,178 shares of series seed preferred stock. Holders of series seed preferred stock are entitled to vote on all matters submitted to a vote of the shareholders as a single class with the holders of common stock. So long as at least 50 per cent. of the original number of shares of series seed preferred stock is outstanding, specific matters submitted to a vote of the shareholders of the Subsidiary require the approval of the holders of a majority of outstanding series seed preferred stock voting as a separate class. These matters include any vote to: (i) alter the rights,

powers or privileges of the series seed preferred stock set forth in the restated certificate, as then in effect, in a way that adversely affects the series seed preferred stock; or (ii) create any new class or series of capital stock having rights, powers or privileges set forth in the certificate of incorporation, as then in effect, that are senior to series seed preferred stock, unless the Subsidiary offers the holders of series seed preferred stock the right to convert or exchange their series seed preferred stock into capital stock of the Subsidiary having such senior rights, powers or privileges. As at the date of this document, fewer than 50 per cent. of the original number of series seed preferred stock remain outstanding.

- 3.4 The principal legislation under which the Subsidiary was incorporated and operates is the Florida Business Corporation Act. The principal activity of the Subsidiary is the manufacture and supply of low sodium salt and potato crisps.

4. SHARE CAPITAL OF THE COMPANY

- 4.1 The issued share capital of the Company, at the date of this Document and immediately following Admission, is and will be as follows:

	<i>Number of Shares</i>	<i>£</i>
At the date of this Document	35,245,729	57,274.31
On Admission	43,117,153	70,065.37

- 4.2 On 14 March 2016, the Company was incorporated with 1,000 Initial Shares which were issued to Tek Europe at nominal value.

- 4.3 The history of the Company's share capital for the period from 1 January 2019 until the date of this Document is as follows:

- 4.3.1 on 6 February 2020, pursuant to an ordinary resolution, the share capital of the Company was increased from 1,026 Initial Shares to 1,054 Initial Shares by the allotment and issue of 28 Initial Shares to JACE Supply Chain Services LLC for aggregate consideration of £0.28;
- 4.3.2 on 4 May 2022, the share capital of the Company was increased from 1,054 Initial Shares to 1,892 Initial Shares by the allotment of 838 Initial Shares to Tek Europe for aggregate consideration of £8.38;
- 4.3.3 on 15 June 2023, the Company subdivided its share capital of 1,892 Initial Shares into 6,054,400 Non-Consolidated Shares;
- 4.3.4 on 29 June 2023, the Company allotted and issued one Non-Consolidated Share to Tek Europe for a subscription amount of US\$2,452,425 which was satisfied through a capital contribution as a result of the assignment of a convertible loan note to the Company (the "**Allotment**"). Following the Allotment, the Company had in issue 6,054,401 Non-Consolidated Shares with an aggregate nominal value of £18.920003125;
- 4.3.5 on 29 June 2023, following the Allotment, the Company cancelled the share premium account of the Company and the amount of the share premium account, which was cancelled, was credited to a distributable reserve ("**Cancellation of Reserve**"). The Cancellation of Reserve was carried out by way of the solvency statement procedure under section 641(1)(a) of the Companies Act. Following the Cancellation of Reserve, the Company had a distributable reserve of US\$3,573,447;
- 4.3.6 on 30 September 2023, the Company resolved to consolidate the 6,054,401 Non-Consolidated Shares into 11,643.07884615380 Shares, such Shares to have the same rights and be subject to the same restrictions (save as to nominal value) as the Non-Consolidated Shares as set out in the Articles for the time being (the "**Share Consolidation**"). The fractional shares were consolidated and subsequently cancelled such that 11,643 Shares remained in issue;
- 4.3.7 pursuant to a resolution passed on 30 September 2023, the Company resolved that, the Directors were authorised to allot:

- (a) Shares up to an aggregate nominal value of £2,800 in connection with the issue of convertible loan notes, such authority expiring (unless previously renewed, revoked, varied or extended) at the conclusion of the Company's next annual general meeting;
- (b) Shares up to an aggregate nominal value of £8,621.41 in connection with the Exchange Agreements (further details of which are at paragraph 13.1.6 of this Part VII), such authority expiring (unless previously renewed, revoked, varied or extended) at the conclusion of the Company's next annual general meeting;
- (c) Shares up to an aggregate nominal value of £10,904.86 in connection with the issue of share options pursuant to the Company's pre-Admission share option plan (further details of which are at paragraph 5.3 of this Part VII), such authority expiring (unless previously renewed, revoked, varied or extended) at the conclusion of the Company's next annual general meeting;
- (d) Shares up to an aggregate nominal value of £48,750 in connection with the Fundraise, such authority expiring (unless previously renewed, revoked, varied or extended) at the conclusion of the Company's next annual general meeting;
- (e) the Directors were generally and unconditionally authorised, until the conclusion of the Company's first annual general meeting or 15 months from Admission whichever is the earlier, to allot Equity Securities (as defined in the Articles) up to an aggregate nominal value of £36,562.50 (being equal to 57 per cent. of the nominal value of the issued share capital at Admission); and
- (f) the Directors were given the power (pursuant to sections 570 and 573 of the Act) to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by the resolution referred to in paragraph 4.3.7 above as if section 561 of the Companies Act did not apply to any such allotment.

4.3.8 on 30 September 2023, the Company issued and allotted:

- 4.3.8.1 30,736,298 Shares to Tek Europe for a subscription amount of US\$49,946.48 which was satisfied by the set off of amounts owed to TEK Europe by the Company pursuant to a convertible loan note deed (the details of which are set out at paragraph 13.1.15 of Part VII) (the "**Pre-Admission Allotment**");
- 4.3.8.2 83,040 Shares to Victor H. Manzanilla for an aggregate subscription amount of £134.94;
- 4.3.8.3 89,428 Shares to JACE Supply Chain Services LLC for an aggregate subscription amount of £145.32;
- 4.3.8.4 69,092 Shares to new investors for an aggregate subscription amount of £112.27,

(together the "**Further Admission Allotment**"). Following the Further Admission Allotment, the Company had in issue 30,989,501 Shares with an aggregate nominal value of £50,357.94; and

4.3.9 on 30 September 2023, the Company issued a total of 4,256,228 Shares, to the Exchange Shareholders in consideration for the transfer to the Company of 1,064,057 shares of common stock in the capital of the Subsidiary (the "**Share Exchange**"). Following the Share Exchange, the Company had in issue 35,245,729 Shares with an aggregate nominal value of £57,274.31. Further information on the terms of the Exchange Agreements is set out in paragraph 13.1.6 of this Part VII.

4.4 At Admission a total of 7,313,976 New Shares will be issued by the Company in relation to the Fundraise, raising a total of £3,145,010 before transaction costs. The holders of Existing Shares will be diluted by the issue of the New Shares and the Supplier Shares. The effective dilution rate, assuming none of the holders of the Existing Shares participate in the Fundraise, is 18.26 per cent.

4.5 The Company has, and at incorporation had, no authorised share capital.

4.6 The Shares have a nominal value of £0.001625. All Shares in issue as at the date of this Document are fully paid up.

- 4.7 The Shares have been created under the Companies Act and shall have the rights and be subject to the restrictions referred to in paragraph 4.3.6 of this Part VII.
- 4.8 The Issue Price of £0.43 per New Share is payable in full on Admission. The Issue Price represents a premium over nominal value of £0.428375 per Share.
- 4.9 The New Shares in issue following Admission will rank in full for all dividends and distributions declared, made or paid after their issue or otherwise *pari passu* in all respects with the Existing Shares, including, but not limited to, voting rights and the right to receive all dividends and other distributions declared, made or paid on the ordinary share capital of the Company.
- 4.10 The Shares will be in registered form and may be held in either certificated form or in uncertificated form. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. Accordingly, it is intended that following Admission the settlement of transactions in the New Shares may take place in CREST if the relevant Shareholders so wish. The records in respect of New Shares held in uncertificated form will be maintained by the Registrars.
- 4.11 It is expected that definitive share certificates for the New Shares not to be held through CREST will be posted to allottees by 16 February 2024. In respect of uncertificated shares, it is expected that Shareholder's CREST stock accounts will be credited at 8.00 a.m. on 1 February 2024.
- 4.12 The Company has executed the Warrant Instrument, as further detailed in paragraph 13.1.8 of this Part VII and pursuant to which the Warrants will be issued on Admission. It is expected that warrant certificates for the Warrants will be posted to Warrantholders by 16 February 2024.
- 4.13 There are no listed or unlisted securities of the Company not representing share capital.
- 4.14 Otherwise than as referred to in paragraphs 5 and 13 of this Part VII, there are no convertible securities, exchangeable securities or securities with warrants in issue in the Company.
- 4.15 Other than the current application for Admission, the New Shares are not being admitted to dealings on any recognised investment exchange, nor has any application for such admission been made, nor are there intended to be any other arrangements in place for there to be such dealings in the New Shares.
- 4.16 None of the Shares are or will be in issue on Admission with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 4.17 Save in connection with the Fundraise or as otherwise disclosed in paragraphs 4, 5 and 13 of this Part VII:
- 4.17.1 no share or loan capital of the Company has been issued or is proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
 - 4.17.2 no share or loan capital of the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option;
 - 4.17.3 no commission, discounts, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company;
 - 4.17.4 there are no Shares held by or on behalf of the Company in itself or by any other member of the Group;
 - 4.17.5 there are no acquisition rights or obligations over authorised but unissued capital or an undertaking to increase the authorised capital;
 - 4.17.6 no persons have preferential subscription rights in respect of any share or loan capital of the Company; and
 - 4.17.7 there is no present intention to issue any share capital of the Company nor is there an undertaking to increase the capital of the Company at the date of this Document.

5. SHARE OPTION SCHEME

5.1 2022 Plan

On 2 February 2022, the Subsidiary adopted the 2022 Plan. The terms of the 2022 Plan are as follows:

- 5.1.1 Under the 2022 Plan, the Subsidiary may grant awards to employees, consultants and directors providing services to the Subsidiary. The Awards may be granted as: (a) incentive stock options; (b) non-qualified stock options; (c) stock appreciation rights; (d) restricted awards; e) performance share awards; (f) cash awards; and/or (g) other equity based awards.
- 5.1.2 A total equal to 20 per cent. of the total issued share capital of the Subsidiary is to be available for awards under the 2022 Plan. No more than 25,000,000 shares of common stock may be issued as awards under the 2022 Plan upon the exercise of options.
- 5.1.3 Subject to certain limitations set out in the 2022 Plan, the board of the Subsidiary has the right to determine the terms and conditions of options granted under the 2022 Plan, including the number of shares that an option will be exercised into, the exercise price and the exercise period. The terms and conditions of the share options are set out in the option agreement relating to that share option which is issued by the board of the Subsidiary.
- 5.1.4 Exercise of the share options can be accelerated in certain circumstances, including upon a change of control of the Subsidiary. In the event of a change of control, the acquiring entity may assume the Subsidiary's rights and obligations in relation to the share options that have been granted under the 2022 Plan or to terminate the 2022 Plan. The Subsidiary has a right of repurchase and a first right of refusal on any shares acquired by way of exercise of an option under the 2022 Plan.
- 5.1.5 As at the date of this Document, 1,677,671 share options have been granted under the 2022 Plan, each of which was surrendered and exchanged for options over Shares as described in paragraphs 5.2 and 13.1 of this Part VII.
- 5.1.6 The Company does not intend that any further options will be granted under the 2022 Plan.
- 5.1.7 The 2022 Plan is governed by the law of the State of Florida.

5.2 Replacement Option Agreements

- 5.2.1 On either 15 September 2023 or 30 September 2023, the holders of share options granted pursuant to the 2022 Plan each entered into a replacement option agreement with the Company, pursuant to which their options over shares of common stock in the Subsidiary were surrendered and exchanged for options over Shares (the "**Options**").

5.2.2 Details of the options exchanged for Options are set out below:

<i>Option Holder</i>	<i>No. of Options</i>	<i>Exercise price (US\$)</i>	<i>Vesting conditions</i>	<i>Shares vested on grant of Options</i>	<i>Shares to vest at time of grant of Options</i>
JACE Supply Chain Services LLC	56,284	0.000025	Time-based ¹	56,284	–
Carolina Berardi	56,000	0.000025	Time-based ³	37,328	18,672
JACE Supply Chain Services LLC	268,800	0.25	Time-based ¹	268,800	–
Eduardo Souchon	228,000	0.25	Time-based ⁴	120,384	107,616
Steve McCready	228,000	0.25	Time-based ²	101,376	126,624
Daniel Emery	604,800	0.25	Time-based ²	336,000	268,800
VHM GLOBAL RESEARCH (Victor H. Manzanilla)	228,000	0.25	Time-based ²	120,384	107,616
Dr Jay Shah doing business as Chubbs Consulting, LLC	300,000	0.25	Time-based ²	300,000	–
Carolina Berardi	56,000	0.25	Time-based ¹	56,000	–
Rick Guiney	1,000,000	0.25	Time-based ²	527,744	472,256
Mario Habre	400,000	0.32	Time-based ³	–	400,000
Judith Batchelar, OBE	804,800	0.32	Exit event ⁵	134,400	670,400
Rick Guiney	1,600,000	0.55	Time-based ²	1,600,000	–
Clifford Gross	400,000	0.55	Exit event ⁵	77,784	322,216
Konrad Dabrowski	400,000	0.55	Exit event ⁵	77,784	322,216
Carolina Berardi	80,000	0.55	Exit event ⁵	15,568	64,432

¹ 100 per cent. of the share options vest in one annual instalment 12 months after the grant date of the surrendered options.

² 2.78 per cent. of the share options vest in equal monthly instalments over 36 months from the grant date of the surrendered options.

³ 33.33 per cent. of the share options vest 12 months after the grant date, 33.33 per cent. of the share options vest 24 months after the grant date and the remaining 33.33 per cent. of share options vest 36 months after the grant date of the surrendered options.

⁴ 50 per cent. of the share options vest 6 months after the grant date and 50 per cent. of the share options vest 12 months after the grant date of the surrendered options.

⁵ Options vest on an exit event, such as a sale, takeover or initial public offering of the Company.

5.3 The replacement option agreements have not amended the number of options, exercise price and/or vesting terms of the Options as compared to the options the Option holders held over shares in the Subsidiary. The other key terms of the replacement options agreements which relate to the Options were as follows:

5.3.1 Options vest and become exercisable in accordance with the provisions of the individual option agreements, summarised in paragraph 5.2 above. The Options are not subject to performance targets.

5.3.2 The Options are only exercisable over Shares in the Company and not over shares in the Subsidiary.

5.3.3 The Board has discretion to accelerate vesting and may, if it considers appropriate, adjust the number of shares subject to option and the exercise price for any capitalisation, rights issue, sub-division, consolidation, reduction or other variation of share capital of the Company or if the Company is involved in a demerger or pays a special dividend. The Board may amend the terms of any of the Options provided that no disadvantageous amendment may be made without the prior written consent of the relevant participant.

5.3.4 The Options expire on the tenth anniversary of the date on which the relevant replacement option agreement is entered into.

5.3.5 If a participant leaves or ceases to provide services to any Group member and is a “good leaver”, the Options may be exercised to the extent vested on cessation for a period of 12 months. “Good leavers” are those who leave or cease to provide services due to ill-health, injury or disability.

5.3.6 If a participant leaves or ceases to provide services to any Group member for any other reason, except for cause, the Options lapse immediately on cessation unless the Board

exercises its discretion to allow those leavers to retain some or all of their Options for a period of 3 months following the date of leaving.

- 5.3.7 Options lapse immediately, whether vested or not, if participants leave by reason of cause, or breaches non-compete or other post-termination restrictive covenants as determined by the Board.
- 5.3.8 Options may be exercised by the personal representatives of a deceased participant to the extent vested on death for a period of 12 months.
- 5.3.9 Shares issued pursuant to the exercise of Options rank equally in all respects with the Shares already in issue except for any rights attaching to Shares (such as dividend entitlements) which are referable to a record date prior to the date the shares were issued.
- 5.3.10 The Options do not qualify for favourable tax treatment. The Company is not obliged to issue or procure the transfer of any Option shares unless the participant has satisfied, or there are arrangements in place to satisfy, any tax liability, including any employers' social security to be passed on to participants in jurisdictions where this is permitted.
- 5.3.11 The Options are non-transferable except to personal representatives following death.
- 5.3.12 The Options are not pensionable.

6. ARTICLES OF ASSOCIATION

- 6.1 The Articles do not place any limitation on the business on which the Company may carry on.
- 6.2 The following is a description of the rights attaching to the Shares based on the Articles and English law. This description does not purport to be complete and is qualified in its entirety by the full terms of the Articles.

6.2.1 Objects

The Articles do not contain any provision for objects or purposes of the Company.

6.2.2 Shares

Subject to the provisions of the Companies Act and the Articles, holders of Shares shall have the right to receive notice of, and to attend, and to vote at all general meetings of the Company. A holder of Shares may appoint one or more proxies to exercise all or any of his rights to attend and to speak at the meeting. Save as otherwise provided in the Articles, on a vote on a show of hands (irrespective of the number of shares held by such holder) each holder of Shares present in person shall have one vote and every proxy present who has been duly appointed by a holder of Shares shall have one vote (save that if the same proxy is appointed by more than one holder of Shares, and is instructed by some holders of Shares to vote one way and some to vote the other way, the proxy will have one vote for and one vote against the resolution). On a vote on a poll every holder of Shares present in person or by proxy shall have one vote for each share held by him.

A resolution put to the vote at a general meeting held partly by means of electronic facility or facilities shall be decided on a poll, which poll votes may be cast by such electronic means as the Directors, in their sole discretion, deems appropriate for the purposes of the meeting.

6.2.3 Interests in shares

If a Shareholder or any person appearing to be interested in any Shares has been served with a notice pursuant to section 793 of the Companies Act and is in default in supplying to the Company information required within a prescribed period after the service of such notice, the Directors may serve on such Shareholder, or on any such person, a notice (a "**direction notice**") in respect of the Shares in relation to which the default occurred ("**default shares**") directing that in relation to such Shares the Shareholder shall not be entitled to be present or to vote at any general meeting or class meeting of the Company.

Where the default Shares represent at least 0.25 per cent. of the class of shares the direction notice may in addition direct, among other things, that any dividend or other money which would otherwise be payable on such Shares shall (in whole or in part) be retained by the Company and that no transfer of any of the Shares held by the Shareholders shall be registered.

The direction notice will cease to have effect when the Shareholder complies with the direction notice or sells the whole beneficial ownership of the relevant Shares to an unconnected third party acting in good faith by way of an arm's length transfer. The prescribed period referred to above is 14 days from the date of service of the notice under section 793 of the Companies Act.

6.2.4 *Variation or alteration of shares*

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class of shares may, subject to the Companies Act, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class (excluding shares held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class but not otherwise.

To every such separate general meeting the provisions of the Articles relating to general meetings apply but so that the necessary quorum at such a meeting other than an adjourned meeting shall be two persons present in person or by proxy holding at least one-third in nominal value of the issued shares of the relevant class (excluding shares held as treasury shares) and at an adjourned meeting one person present in person or by proxy shall be a quorum. Any holder of shares of the relevant class present in person or by proxy may demand a poll upon which every holder of shares of that class present in person or by proxy shall be entitled to one vote for every such share held by him. The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of such shares or by the terms upon which such shares are for the time being held, be deemed not to be modified, abrogated or varied by the creation or issue of further shares ranking *pari passu* therewith or the purchase or redemption by the Company of any of its own shares in accordance with the Companies Act and the Articles.

6.2.5 *Redeemable shares*

Subject to the provisions of the Companies Act, any Shares may be issued on terms that they may be redeemed or are liable to be redeemed at the option of the Company or the Shareholders on the terms and in the manner provided for by the Articles.

6.2.6 *Transfer of shares*

Subject to the following paragraph, the instrument of transfer of a Share shall be signed by or on behalf of the transferor (and, in the case of a Share which is not fully paid, by or on behalf of the transferee) and the transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of members. All transfers shall be effected by instrument in writing, in the usual or common form or any other form which the Directors may approve.

The Directors may, in their absolute discretion, refuse to register any transfer of Shares in certified form if it is not fully paid, if the Company has a lien on it, if it is not duly stamped, or it is by a Shareholder who has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Companies Act. In addition, the Directors may refuse to register a transfer of Shares if it is in favour of more than four persons jointly, if it is made to or by an infant, or it is of uncertificated shares in any circumstances that are allowed or required by the CREST Regulations or the relevant system.

If the Directors refuse to register a transfer of a share, they shall notify the transferee of the refusal and the reasons for it within two months after the date on which the transfer was lodged with the Company or the instructions to the relevant system received.

Notwithstanding any other provision of the Articles to the contrary, any Shares may be held in uncertificated form and title to Shares may be transferred by means of a relevant system such as CREST.

6.2.7 *Dividend rights*

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. No dividends shall be payable otherwise than in accordance with the Companies Act and out of the profits of the Company available for that purpose. Subject to any priority, preference or special rights, all dividends shall be declared and paid *pro rata* to the nominal amounts of the shares in respect of which the dividend is paid.

A Shareholder will not be entitled to receive any dividend if he has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the Companies Act.

The Directors may pay such interim dividends as they think fit. No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Companies Act.

Unless otherwise provided by the rights attached to any Share, no dividends in respect of a Share shall bear interest.

The Directors may, with the sanction of an ordinary resolution of the Company in general meeting, offer the holders of Shares the right to elect to receive new Shares credited as fully paid instead of cash in respect of the whole or any part of the dividend.

Any dividend unclaimed for a period of 12 years after it became due for payment shall be forfeited and cease to remain owing by the Company and thereafter shall belong to the Company absolutely.

6.2.8 *Return of capital*

Subject to the relevant statutory provisions and without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be subject to such restrictions on a return of capital as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may classify and determine).

6.2.9 *General meetings*

The Company must, in respect of each financial year, hold a general meeting as its annual general meeting in accordance with the Companies Act. Subject to the foregoing and to the provisions of the Companies Act, the Annual General Meeting shall be held at such time and place as the Directors may determine.

Subject to the provisions of the Companies Act, an Annual General Meeting shall be called on not less than 21 days' notice and all other General Meetings shall be called on not less than 14 days' notice. The period of notice shall in each case be exclusive of the day on which it is given or deemed to be given and of the day on which the meeting is to be held. The accidental omission to give notice (or any document intended to accompany any notice) to, or non-receipt of notice (or any document intended to accompany any notice) by, any person entitled to it shall not invalidate the proceedings at any General Meeting.

No business other than the appointment of a chairperson may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy (including by means of an electronic facility or facilities). If within ten minutes from the time appointed for the meeting (or such longer interval as the chairperson thinks fit) a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved.

At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairperson or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. A resolution put to vote at a general meeting held partly by means of electronic facility or facilities will be decided on a poll. Unless a poll is demanded as above, a declaration by the chairperson that a resolution has been passed, or passed with a particular majority is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. An entry in respect of such a declaration in the book containing the minutes of the proceedings of general meetings of the Company is also conclusive evidence of the fact without such proof.

No Shareholder is entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.

The appointment of a proxy must be in any usual form, or such other form as may be approved by the Directors, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. An instrument of proxy need not be witnessed.

The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.

The Directors may direct that any person wishing to attend any general meeting held at a physical place must submit to such searches or other security arrangements or restrictions as the Directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

The Directors may call general meetings at such times and places as they shall determine including partially holding general meetings by electronic facility or facilities. The Shareholders present by electronic means or their proxies will be entitled to participate in the meeting.

6.2.10 *Directors*

The number of Directors of the Company shall be not less than two but no more than twelve.

The Company may by ordinary resolution elect any person to be a Director. The Directors may also appoint a person as a Director but such person will only hold office until the next annual general meeting and will then be eligible for re-election.

All Directors are required to retire at the first annual general meeting. At every subsequent annual general meeting, any Directors who have been appointed by the Directors since the last annual general meeting, or who were not appointed or reappointed at one of the preceding two annual general meetings, must retire and may offer themselves for re-election.

A director shall not be required to hold shares in the Company but shall be entitled to attend and speak at any general meeting of the Company or any meeting of the holders of any class of shares in the Company.

The office of a Director will be vacated if the Director resigns, becomes bankrupt or is the subject of other insolvency-related proceedings, in certain circumstances where the Director is suffering from mental disorder, if the Director is absent from meetings of the Directors for six successive months without leave and the Directors resolves that the

Director's office should be vacated or if removed by notice in writing from all the other Directors, if the Director is an executive Director and ceases to hold that office and the majority of the other Directors resolve that such office be vacated, or if the Director is removed or becomes prohibited from being a Director under any provision of applicable statutes.

No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless not less than fourteen nor more than thirty-five days before the date appointed for the meeting there has been notice in writing given to the Company by a member duly qualified to attend and vote at the meeting of his intention to propose the person for appointment and a written notice signed by the person to be proposed of his willingness to be elected. The Company has power by ordinary resolution (of which special notice has been given) to remove any Director from office before the expiration of his period of office and may by ordinary resolution appoint another person in his place.

At meetings of the Directors, questions are determined by a majority of votes and in the case of an equality of votes the chairperson of the meeting shall have a second or casting vote. The quorum at Directors' meetings may be fixed by the Directors but otherwise shall be two. The Directors may delegate any of its powers to committees. Decisions of the Directors may also be taken by written resolution approved by all Directors eligible to vote on the matter, provided they would have formed a quorum at a meeting of the Directors.

6.2.11 *Directors' Conflicts of Interest*

A Director must declare to the other Directors any situation in which he has, or could have, a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the Company unless it relates to a contract, transaction or arrangement with the Company or the matter has been authorised by the Directors or the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.

The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:

- (a) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties);
- (b) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises, provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

A Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the Directors (subject in any such case to any limits or conditions to which such approval was subject).

6.2.12 *Votes and Directors' Interests*

A Director who is in any way, whether directly or indirectly, interested in a proposed or existing contract, transaction or arrangement with the Company must declare the nature and extent of that interest to the other Directors unless it cannot reasonably be regarded as likely to give rise to a conflict of interest.

A Director shall not vote on, or be counted in the quorum in respect of, any contract, transaction or arrangement or any other proposal in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of shares or debentures or other securities of or otherwise in or through the Company), except that this prohibition shall not apply to:

- (a) the giving of any security, guarantee or indemnity in respect of:
 - (i) money lent or obligations undertaken by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (ii) a debt or obligation of the Company or any subsidiaries in respect of which the Director has assumed responsibility in whole or in part under a guarantee, indemnity or by giving security;
- (b) any contract or arrangement by a Director to participate in the underwriting or sub-underwriting of any offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription, purchase or exchange;
- (c) any contract or arrangement concerning any other company in which the Director and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the Companies Act) representing one per cent. or more of either class of the equity share capital, or the voting rights, in such company;
- (d) any arrangement for the benefit of Directors or employees of the Company or directors or employees of any of its subsidiaries which does not award them any privilege or benefit not generally awarded to the other persons to whom such arrangement relates; and
- (e) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of *inter alia* any Directors of the Company.

Subject to the relevant statutory provisions the Company may, by ordinary resolution, suspend or release the above provisions either generally or in respect of a particular matter or ratify any transaction, arrangement or proposal not duly authorised by reason of a contravention of such provisions.

6.2.13 *Directors' fees and expenses*

The Directors shall be paid out of the funds of the Company for their services as Directors such aggregate sums as the Directors may determine. Any such sums shall be distinct from any salary, remuneration or other amounts payable to a Director.

The Directors are entitled to be paid all reasonable expenses as he may incur in attending and returning from meetings of the Directors, committees of the Directors, general meetings or otherwise in connection with the business of the Company or the proper exercise of his duties.

6.2.14 *Directors' indemnity and insurance*

The Directors may purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to the Company.

6.2.15 *Borrowing powers*

Subject to relevant statutory provisions and as provided in the Articles, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets (present and future) including uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and exercise all voting and other

rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to two times the adjusted capital and reserves.

7. TAKEOVER CODE, MANDATORY BIDS, SQUEEZE OUT AND SELL OUT AND NOTIFICATION OF MAJOR INTERESTS IN SHARES

7.1 Takeover Code

Other than as provided by the Takeover Code and Chapter 28 of the Companies Act, there are no rules or provisions relating to mandatory bids and/or squeeze out and sell out rules that apply to the Shares of the Company.

7.2 Mandatory Bid

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Shares were to increase the aggregate interest in shares of the acquirer and any parties acting in concert with it to Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties (if any) would be required by Rule 9 of the Takeover Code (except with the consent of the Takeover Panel) to make a cash offer for the Shares not already owned by the acquirer and its concert parties (if any) at a price not less than the highest price paid for Shares by the acquirer or its concert parties (if any) during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of Shares by a person holding together with its concert parties (if any) Shares carrying at least 30 per cent., but not more than 50 per cent., of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties (if any).

7.3 Concert Party

Following Admission, Tek Europe, Tekcapital, any of its directors, its employees and any subsidiary entities of which Tek Europe or Tekcapital owns more than 30 per cent. (the “**Concert Party**”) are acting in concert for the purposes of the Takeover Code in relation to their shareholdings in the Company. Between them, on Admission, the Concert Party will have an interest in 33,422,029 Shares, amounting to approximately 77.51 per cent. of the Enlarged Share Capital.

The table below shows the holdings and interests of the members of the Concert Party as at the date of this Document:

	<i>No. of Shares held</i>	<i>Percentage of share capital</i>	<i>Options and warrants held</i>	<i>Total holding on a fully diluted basis</i>	<i>Percentage holding on a fully diluted basis</i>
Tek Europe	30,747,609	87.24	–	30,747,609	73.28
Clifford Gross	–	–	400,000	400,000	0.95
Konrad Dabrowski	–	–	400,000	400,000	0.95

The table below shows the holdings and interests of the members of the Concert Party on Admission:

	<i>No. of Shares held</i>	<i>Percentage of Enlarged Share Capital</i>	<i>Options and warrants held</i>	<i>Total holding on a fully diluted basis</i>	<i>Percentage holding on a fully diluted basis</i>
Tek Europe	33,305,749	77.24	2,558,140	35,863,889	62.76
Clifford Gross	69,768	0.16	469,768	539,536	0.94
Konrad Dabrowski	46,512	0.11	446,512	493,024	0.86

(a) Information on members of the Concert Party

- (i) Tek Europe, the parent entity and founder of MicroSalt plc;

- (ii) Tekcapital, the AIM-listed parent company and consolidating entity of Tek Europe, which owns 100 per cent. of Tek Europe;
 - (iii) Lucyd Ltd., a portfolio company owned 100 per cent. by Tek Europe and a shareholder of NASDAQ listed Innovative Eyewear Inc.;
 - (iv) Guident Ltd, a portfolio company owned 100 per cent. by Tek Europe;
 - (v) Clifford Gross, Chief Executive Officer of Tekcapital and founder of MicroSalt plc; and
 - (vi) Konrad Dabrowski, Chief Financial Officer of MicroSalt plc. Biographical information is set out in paragraph 12 of Part I of this Document.
- (b) *Restrictions on the members of the Concert Party*

On Admission, the Concert Party will own more than 50 per cent. of the voting rights in the Company. For so long as the Concert Party's aggregate interest remains above 50 per cent. of the voting rights in the Company, it will generally be able to increase its shareholding without incurring any obligation on any member of the Concert Party under Rule 9 of the Takeover Code to make a general offer to Shareholders (subject to the considerations in Note 4 on Rule 9.1 of the Takeover Code), and Shareholders will not benefit from any specific minority shareholder protection other than to the extent prescribed under the relevant law.

Should any individual member of the Concert Party: (i) acquire any interest in Shares, where such person, together with persons acting in concert with them, is interested in Shares which in aggregate carry not less than 30 per cent. of the voting rights of the Company; or (ii) acquire any interest in Shares such that they are interested in 30 per cent. or more of the voting rights of the Company; or (iii) (where such individual member is interested in 30 per cent. or more of the voting rights of the Company but does not hold Shares carrying more than 50 per cent. of the voting rights of the Company) acquire any further interest in Shares, the Panel may regard this as giving rise to an obligation upon that member of the Concert Party to make a general offer for the Company at a price no less than the highest price paid by the individual member of the Concert Party, or any other member of the Concert Party, in the previous 12 months.

As set out above, assuming exercise of all options and warrants held by members of the Concert Party and assuming no other subscriptions rights are exercised by any other shareholders and/or no further issuance of Share by the Company, the Concert Party would be interested in 79.17 per cent. of the Company's voting rights.

Tek Europe also has approximately US\$2.6 million outstanding under convertible loan notes, which are described further in paragraphs 13.1.9, 13.1.15 and 13.1.16 of this Part VII. Were Tekcapital to exercise their conversion rights for the amount owed at the Issue Price, and assuming no other subscriptions rights are exercised by any other shareholders and/or no further issuance of Share by the Company, the Concert Party would be interested in 81.58 per cent. of the Company's voting rights.

7.4 **Squeeze Out**

Under the Companies Act, if a "takeover offer" (as defined in section 974 of the Companies Act) is made by an offeror to acquire all of the shares in the Company not already owned by it and the offeror were to acquire, or contract to acquire, not less than 90 per cent. in value of the Shares which are the subject of such offer and not less than 90 per cent. of the voting rights carried by those shares, the offeror could then compulsorily acquire the remaining shares. The offeror would do so by sending a notice to outstanding shareholders before the end of the three month period beginning on the day after the last day on which the offer can be accepted. The notice must be made in the prescribed manner. Six weeks later, the offeror would send a copy of the notice to the Company together with an instrument of transfer executed in respect of the outstanding Shares on behalf of the holder in favour of the offeror and pay the consideration for those Shares. The Company would hold the consideration on trust for outstanding shareholders.

The consideration offered to those shareholders whose Shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the original offer unless a member can show the offer value is unfair.

7.5 **Sell-out**

The Companies Act gives minority shareholders a right to be bought out in certain circumstances by a person who has made a takeover offer. If a takeover offer related to all the shares in the Company and at any time before the end of the period within which the offeror could be accepted, the offeror holds, or has agreed to acquire, not less than 90 per cent. in value of the Shares and not less than 90 per cent. of the voting rights in the Company, any holder of Shares to which the offer relates who has not accepted the offer can, by a written communication to the offeror, require it to acquire that holder's Shares.

The offeror is required to give each Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out but that period cannot end less than three months after the end of the acceptance period or, if later, three months after the date specified in the notice given by the offeror. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

7.6 **Notification of Major Interests in Shares**

Chapter 5 of the DTRs makes provisions regarding notification of certain shareholdings and holdings of financial instruments.

Where a person holds voting rights in the Company as a Shareholder through direct or indirect holdings of financial instruments, then that person has an obligation to make a notification to the FCA and the Company of the percentage of voting rights held where that percentage reaches, exceeds or falls below three per cent. or any whole percentage point above three per cent. The requirement to notify also applies where a person is an indirect Shareholder and can acquire, dispose of or exercise voting rights in certain cases.

Shareholders are encouraged to consider their notification and disclosure obligations carefully as a failure to make any required notification to the Company may result in disenfranchisement pursuant to the Articles.

8. **INTERESTS OF THE DIRECTORS**

- 8.1 The interests of the Directors and of members of their respective families (as defined in the glossary to the AIM Rules for Companies) (all of which are beneficial unless otherwise stated), in the issued share capital of the Company, were as at the date of this Document and are expected to be immediately following Admission, to the extent their existence is known to, or would with reasonable diligence be ascertained by, a Director, are as follows:

- 8.1.1 Prior to, and on, Admission, interests in the Shares are and will be as follows:

<i>Name</i>	<i>At the date of this Document</i>		<i>On Admission</i>	
	<i>No. of Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>No. of Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Judith Batchelar	–	–	46,512	0.11
Rick Guiney	–	–	46,512	0.11
Konrad Dabrowski	–	–	46,512	0.11
Daniel Emery	–	–	–	–
Gary Urmston	–	–	46,512	0.11

8.2 Prior to, and on, Admission, the following Options over Shares will be outstanding:

<i>Name</i>	<i>Number of Shares under option</i>	<i>Exercise price</i>	<i>Latest exercise date</i>
Judith Batchelar	804,800	US\$0.32	15 September 2033
Rick Guiney	2,600,000	US\$0.25 – US\$0.55	15 September 2033
Konrad Dabrowski	400,000	US\$0.55	30 September 2033
Daniel Emery	604,800	US\$0.25	15 September 2033
Gary Urmston	–	–	–

8.3 Prior to, and on, Admission, the following Warrants over Shares will be outstanding:

<i>Name</i>	<i>Number of Warrants</i>	<i>Exercise price</i>	<i>Latest exercise date</i>
Judith Batchelar	46,512	£0.473	31 January 2027
Rick Guiney	46,512	£0.473	31 January 2027
Konrad Dabrowski	46,512	£0.473	31 January 2027
Daniel Emery	–	–	–
Gary Urmston	46,512	£0.473	31 January 2027

8.4 Upon Admission, the Directors will in aggregate be interested in, directly and indirectly, 186,048 Shares representing approximately 0.43 per cent. of the Enlarged Share Capital.

8.5 Save as disclosed above, none of the Directors (or persons connected with the Directors within the meaning of section 252 of the Companies Act) has any interest, whether beneficial or non-beneficial, in any share or loan capital of the Company.

8.6 There are no outstanding loans made or guarantees granted or provided by the Company or the Subsidiary to or for the benefit of any of the Directors.

8.7 Save as disclosed in paragraphs 7, 8 and 11 of this Part VII, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by any member of the Group in the current or immediately preceding financial year or which were effected during an earlier financial year and which remains in any respect outstanding or under-performed.

8.8 None of the Directors or any person connected with them (within the meaning of sections 252 to 255 of the Companies Act) has any interest (whether beneficial or non-beneficial) in any financial product referenced to the Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Shares including a contract for difference or a fixed odds bet).

9. ADDITIONAL INFORMATION ON THE DIRECTORS

9.1 Other than in respect of the Company and the Subsidiary, the names of all companies and partnerships of which the Directors have been a director or partner at any time in the five years preceding the date of this Document and indicating whether they are current or past are set out below:

<i>Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Judith Batchelar	North Highland Products Ltd RPA Management Ltd Daemon Solutions Ltd Accounting for Sustainability The Matt Hampson Foundation RBG Kew Enterprises Ltd Food Matters International Ltd Elst Unlimited Company and Monaghan Group Holdings Unlimited t/a Monaghan Mushrooms	Mark Lambert Testimonial Ltd Farm Africa Ltd Marine Stewardship Council National Grocers Benevolent Fund Campden BRI

<i>Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Rick Guiney	None	Classic Snacks, Inc.
Konrad Dabrowski	None	None
Daniel Emery	None	None
Gary Urmston	CPI Group (UK) Ltd CPI Management Company Ltd CPI Books Ltd CPI Anthony Rowe Ltd CPI William Clowes Ltd CPI Colour Ltd CPI Fulfilment & Distribution Ltd Pitman Press Limited Bath Press Limited	Troy Foods (Salads) Limited Troy Foods Limited Produce Investments Limited Greenvale AP Limited Rowe Farming Limited Restrained Company Limited Greenvale Holdings Limited Crop4Sight Limited Greenvale Growing Limited April 1983 Bidco Limited April 1983 Holdco Limited Restrained BV WJS Health Ltd WJS Finance Ltd Solway Veg Ltd Ancient Recipes Ltd WJS Properties Ltd William Jackson Bakery (Export) Ltd William Jackson & Son Ltd Jackson's Bakery Ltd Jacksons Inns & Taverns Ltd MyFresh Prepared Produce Ltd Parrapak Foods Ltd Tryton Foods Ltd Kwoks Foods Ltd Tryton Foods (export) Ltd William Jackson Bakery Ltd Hazeldene Foods Ltd Aunt Bessie's Ltd WJS Finance (2) Ltd Abel & Cole Ltd Abel & Cole Holdings Ltd Abel & Cole Finance Ltd WJS Properties 2 Ltd TFD Holdings Ltd William Jackson Foods Ltd Piper Acquisitions Ltd Piper Holdco Ltd Richard Wellock & Son Ltd The Fresh Olive Company Ltd

- 9.2 Between 1985 and 2013, Rick Guiney was a director of Classic, Snacks Inc.. In 2017, an application was made for voluntary bankruptcy of Classic Snacks, Inc. as part of a winding up of Classic Snacks, Inc.. Classic Snacks, Inc. was subsequently wound up on 14 April 2017 with all creditors being paid in full.
- 9.3 Between June 2022 and November 2022, Gary Urmston was a director of Troy Foods Limited. Gary Urmston resigned as a director on 8 November 2022 and on 30 November 2022, Troy Foods Limited was placed into administration. The administration is ongoing and there is likely to be a shortfall to creditors, however the quantum is unknown at this stage.
- 9.4 Save as disclosed above, none of the Directors has:

- 9.4.1 any unspent convictions in relation to indictable offences;
- 9.4.2 had any bankruptcy order made against him or entered into any voluntary arrangements;
- 9.4.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director;
- 9.4.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- 9.4.5 been the owner of any asset or been a partner in any partnership which owned, any asset which while he owned that asset, or while he was a partner or within the 12 months after he ceased to be a partner in the partnership which owned the asset entered into receivership;
- 9.4.6 been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies); or
- 9.4.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

10. SIGNIFICANT SHAREHOLDERS

- 10.1 Save as disclosed in paragraph 8.1 of this Part VII, the Company is only aware of the following persons who, at the date of this Document and immediately following Admission, represent an interest (within the meaning of DTR Chapter 5) directly or indirectly, jointly or severally in three per cent. or more of the Company's issued share capital or could exercise control over the Company:

Name	At the date of this Document		On Admission	
	No. of Shares	Percentage of Issued Share Capital	No. of Shares	Percentage of Enlarged Share Capital
Tek Europe	30,747,609	87.24	33,305,749	77.24
VHM Global Research	2,090,812	5.93	2,090,812	4.85

- 10.2 Neither the Directors nor any significant holder of Shares, as listed above in paragraph 8.1 of this Part VII, has voting rights different to other Shareholders.
- 10.3 Save as disclosed in paragraph 8.1 of this Part VII, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. To the best knowledge of the Company there are no arrangements which may at a date subsequent to Admission result in a change of control of the Company.

11. DIRECTORS AND OFFICERS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

11.1 *The Company*

11.1.1 *Rick Guiney and Konrad Dabrowski – Executive Director Letters of Appointment*

Rick Guiney and Konrad Dabrowski have each entered into a letter of appointment with the Company dated 26 January 2024, under the terms of which they have each agreed to act as an Executive Director of the Company with effect from 26 January 2024. The appointments will (subject to Admission in relation to Mr Guiney) continue for an initial term of up to three years from 26 January 2024 (subject to re-election by Shareholders as required by the Articles) and are terminable earlier by the Company in various specified circumstances and in any event by either party on three months' prior written notice for Mr Dabrowski and six months' prior written notice for Mr Guiney.

The Company has agreed that Mr Guiney shall receive compensation as set out in his offer letter with the Subsidiary (see paragraph 11.2.1 of Part VII of this Document) for his services as an Executive Director and Mr Dabrowski shall receive compensation as set out in his offer letter with the Subsidiary (see paragraph 11.2.2 of Part VII of this Document) for his services as an Executive Director.

The letters of appointment are governed by English law.

11.1.2 *Judith Batchelar, Daniel Emery and Gary Urmston – Non-Executive Director Letters of Appointment*

Judith Batchelar, Daniel Emery and Gary Urmston have each entered into a letter of appointment with the Company dated 26 January 2024, under the terms of which they have each agreed to act as a Non-Executive Director of the Company with effect from 26 January 2024. The appointment will (subject to Admission) continue for an initial term of up to three years from Admission (subject to re-election by Shareholders as required by the Articles) and are terminable earlier by the Company in various specified circumstances and in any event by either party on three months' prior written notice for Mr Urmston and Mr Emery and six months' prior written notice for Ms Batchelar.

Ms Batchelar is to serve as the Non-Executive Chair of the Board and will receive a fee of £12,000 for services provided to the Company prior to Admission and an annual fee of £36,000 from Admission. In addition, Ms Batchelar will receive a bonus of £10,000 (subject to a maximum of £50,000 per annum) for introductions to prospective snack food manufacturers and/or retail distribution chains which result in a signed contract with the Company.

The Company has agreed that Mr Emery and Mr Urmston shall each receive an annual fee of £36,000 for their services as a Non-Executive Director.

The letters of appointment are governed by English law.

11.2 **The Subsidiary**

11.2.1 *Rick Guiney – Executive Director Letter of appointment*

Mr Guiney has entered into a letter of appointment with the Subsidiary dated 18 September 2023, under the terms of which he has agreed to act as an Executive Director of the Subsidiary with effect from 18 September 2023.

The Subsidiary has agreed that Mr Guiney shall receive an annual base salary of US\$150,000.00 which shall increase to US\$200,000 on Admission, inclusive of any fees due to Mr Guiney by any member of the Group as an officer of any member of the Group, for his services as an Executive Director. Mr Guiney is eligible to participate in the Subsidiary's discretionary annual bonus scheme in an amount to be determined by the Subsidiary in its sole discretion. The offer letter contains a confidentiality provision effective during and after the termination of Mr Guiney's appointment. The offer letter also contains non-competition and non-solicitation provisions effective for a period of 12 months following the termination of Mr Guiney's appointment.

The appointment will continue unless terminated by either party on six months' prior written notice. In addition, the Subsidiary may terminate Mr Guiney's appointment "for cause" which includes: (i) gross and wilful misconduct in the performance of duties; (ii) a material breach in any material provision of the offer letter; (iii) commission of fraud, embezzlement, misrepresentation, or act of dishonesty in the performance of duties; (iv) conviction or plea of "guilty" or "no contest" to a felony, or misdemeanour involving moral turpitude; or (v) wilful and repeated refusal or failure to follow the reasonable written directions of the board of directors of the Subsidiary.

The letter of appointment is governed by the applicable law relating to the Subsidiary (this being the law of the US State of Florida).

11.2.2 *Konrad Dabrowski – Executive Director Letter of Appointment*

Mr Dabrowski has entered into a letter of appointment with the Subsidiary dated 18 September 2023, under the terms of which he has agreed to act as an Executive Director of the Subsidiary with effect from Admission.

The Subsidiary has agreed that Mr Dabrowski shall receive an annual base salary of £90,000 (to be converted to US dollars at an exchange rate on the date of the Admission and each anniversary of Admission) inclusive of any fees due to Mr Dabrowski by any member of the Group as an officer of any member of the Group, for his services as an Executive Director. Mr Dabrowski is eligible to participate in the Subsidiary's discretionary annual bonus scheme in an amount to be determined by the Subsidiary in its sole discretion. The offer letter contains a confidentiality provision effective during and after the termination of Mr Dabrowski's appointment. The offer letter also contains non-competition and non-solicitation provisions effective for a period of 12 months following the termination of Mr Dabrowski's appointment.

The appointment will continue unless terminated by either party on three months' prior written notice. In addition, the Subsidiary may terminate Mr Dabrowski's appointment "for cause" which includes: (i) gross and wilful misconduct in the performance of duties; (ii) a material breach in any material provision of the offer letter; (iii) commission of fraud, embezzlement, misrepresentation, or act of dishonesty in the performance of duties; (iv) conviction or plea of "guilty" or "no contest" to a felony, or misdemeanour involving moral turpitude; or (v) wilful and repeated refusal or failure to follow the reasonable written directions of the Chief Executive Officer of the Subsidiary.

11.3 **General**

Other than payment of salary and benefits in lieu of notice, the Directors' service agreements and/or letters of appointment (as applicable) do not provide for benefits upon termination of employment or in connection with retirement from office.

12. **EMPLOYEES**

12.1 The Group currently has nine employees who are based in the US. The Group also currently has seven agency arrangements.

12.2 The table below sets out the number of employees employed by the Group during the financial years ended 31 December 2020, 2021, 2022 and 2023:

<i>Financial year</i>	<i>Average number of persons employed</i>
2023	7
2022	7
2021	5
2020	5

13. **MATERIAL CONTRACTS**

Other than as set out below, and other than contracts entered into in the ordinary course of business, neither the Company nor any member of the Group, has entered into any contract in the two years immediately prior to the date of this document which is or may be material, or which contains any provision under which the Company or any member of the Group has any obligation or entitlement which is material to the Company as at the date of this Document:

13.1 **Agreements entered into by the Company**

13.1.1 *Placing Agreement between the Company, the Directors, Tekcapital and Zeus*

The Company has entered into a Placing Agreement dated 27 January 2024 with: (i) the Directors; (ii) Tekcapital; and (iii) Zeus, pursuant to which Zeus was appointed as agent of the Company to use its reasonable endeavours to procure subscribers for the Placing

Shares at the Issue Price. Under the terms of the Placing Agreement, Zeus has the right to appoint sub-agents to assist with the Placing.

The Placing Agreement is conditional, among other things, on Admission taking place no later than 1 February 2024 or such later date as may be agreed by the Company and Zeus and the Company, its Directors and Tekcapital complying with certain obligations under the Placing Agreement. The Placing is not being underwritten.

Pursuant to the Placing Agreement, the Company, its Directors and Tekcapital have given certain warranties to Zeus regarding, among other things, the accuracy of information in this Document.

The Company has agreed to pay to Zeus an investment banking fee of £250,000 and a commission of up to 5 per cent. of the gross Placing proceeds received by the Company, some of which is payable at the discretion of the Company. Commissions will also be payable to any sub-agents appointed by Zeus under the terms of the agreement. The Company will also pay Zeus' reasonable expenses in connection with the Placing and Admission, regardless of whether Admission occurs.

Zeus is entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Admission and to the payment of its outstanding costs on such termination. The agreement is governed by English law.

13.1.2 *Subscription Agreements between the Company and each of the Subscribers*

The Subscribers have each entered into a Subscription Agreement, dated 26 January 2024, with the Company pursuant to which they have conditionally agreed to subscribe for a total of 5,155,829 Subscription Shares at the Issue Price. The Subscription Agreements are conditional on Admission occurring on or before 8.00 a.m. London time on 1 February 2024 (or such later date as the Company may determine, not being later than 29 February 2024). In accordance with the requirements of the Subscription Agreements the Subscribers are required to give certain customary warranties and representations. The Subscription Agreements are governed by English law.

13.1.3 *Lock-in Agreements between each of the Locked-In Shareholders, the Company and Zeus*

Lock-in Agreements were entered into between each of the Locked-in Shareholders, the Company and Zeus, on 27 January 2024. Pursuant to the terms of the agreements, the Locked-in Shareholders have agreed not to dispose of any interest in Shares for the period of 12 months following Admission, except in certain very limited circumstances and for a further period of 12 months following the expiry of the initial 12 month period, only to dispose of an interest in Shares through Zeus and in such manner as they may reasonably require with a view to maintenance of an orderly market in the New Shares.

The Lock-in Agreements relate to, in aggregate, 33,787,113 Shares. The Lock-in Agreements are each governed by English law.

13.1.4 *Nominated Adviser and Broker Agreement between the Company and Zeus*

A Nominated Adviser and Broker Agreement dated 27 January 2024 has been entered into between the Company, the Directors and Zeus pursuant to which the Company has appointed Zeus to act as its nominated adviser to the Company and broker for the purposes of the AIM Rules for Companies.

The Nominated Adviser and Broker Agreement has a minimum term of 12 months and thereafter is subject to termination, among other things, by either the Company or Zeus on the giving of not less than three months' prior written notice. Either party may nevertheless terminate the agreement with immediate effect if the other party is in material breach of its obligations under the Nominated Adviser and Broker Agreement.

The Company has agreed to pay an annual fee of £75,000 (quarterly in advance) to Zeus for its services pursuant to the agreement.

The agreement contains certain undertakings by the Company and indemnities given by the Company in respect of, among other things, compliance with all applicable regulations.

The Nominated Adviser and Broker Agreement is governed by English Law.

13.1.5 *Relationship Agreement between the Company, Zeus and Tek Europe*

The Company has entered into a Relationship Agreement dated 27 January 2024 with Zeus and Tek Europe which regulates aspects of the continuing relationship between the Company and Tek Europe, as Tek Europe is a substantial shareholder in the Company and will continue to be so after Admission. On Admission, Tek Europe will hold approximately 77.24 per cent. of the Enlarged Share Capital of the Company. The agreement will ensure that the Company is capable at all times of carrying on its business independently of Tek Europe, and that future transactions between the Company and Tek Europe are on arm's length terms and on a normal commercial basis.

Under the terms of the Relationship Agreement, Tek Europe will undertake amongst other things, that for so long as they, or any of their associates have an aggregate interest in 20 per cent. or more of the voting rights attached to the New Shares they will do all such things as are reasonable to ensure that the Company, and any Group Company, is able to conduct its business independently of them and their associates and will not take any action which would prejudice the Company's ability to do this. Tek Europe will agree that in taking decisions relating to the Company they will act in the best interests of the shareholders as a whole independently of what may be in the best interests of them or any of their associates.

The Relationship Agreement is conditional on Admission occurring by 2024. The Relationship Agreement is governed by English law.

13.1.6 *Exchange Agreements between the Company and the Exchange Shareholders*

On or before 30 September 2023, the Company entered into the Exchange Agreements with each of the Exchange Shareholders. Pursuant to each of the Exchange Agreements, the Company acquired the relevant shareholders' entire interest in the Subsidiary, in exchange for which the Company agreed to allot and issue an aggregate of 4,256,228 Shares. Each of the Exchange Agreements provided for the shares of common stock in the Subsidiary to be transferred with full title guarantee and free from all encumbrances. In addition, certain of the Exchange Shareholders had entered into agreements with the Subsidiary, pursuant to which their entitlement to such shares vested over a period of time, or entitled such persons to the allotment and issue of additional shares in the Subsidiary upon the occurrence of certain events. In such cases, the relevant share for Exchange Agreements also contained provisions terminating these arrangements.

Each of the Exchange Agreements are governed by the laws of the State of New York.

The Company has received stamp duty relief pursuant to section 77 of the Finance Act 1986 from HMRC in respect of the Exchange Agreements.

13.1.7 *Registrars Agreement between the Company and the Registrar*

On 26 January 2024, the Company entered into an agreement with the Registrars pursuant to which the Company appointed the Registrar as its share registrar to provide, or procure the provision of, share registration services and certain online services with effect from Admission.

Pursuant to the terms of the Registrars Agreement, the Company is to pay certain fees and charges to the Registrars including annual fees, set-up fees and in certain circumstances fees for transfers and insurance. The Registrars Agreement is for a fixed period of three years and thereafter will be renewed on an annual basis but will be terminable by either party giving six months' written notice to the other. In certain circumstances the parties will be entitled to terminate the Registrars Agreement without notice. The Registrars Agreement is governed by English law.

13.1.8 *Warrant Instrument*

On 26 January 2024, the Company determined by a resolution of the Board to issue 7,313,976 Warrants, each Warrant entitling the holder thereof to subscribe for Shares at £0.473 per Share (or such adjusted price as may be determined from time to time in accordance with the provisions of the Warrant Instrument) payable in cash in full on subscription. The Warrants are issued conditional on Admission, subject to the Articles and otherwise on the terms of the Warrant Instrument.

The Warrants are exercisable (in whole or in part (subject to a minimum of 50 per cent. of the Warrants held by the Warrantholder being exercised) by the Warrantholder at any time between the date of Admission and the earlier of: (i) the date that no further rights being conferred by the Warrants to subscribe for Shares are exercisable; (ii) the fifth business day following notification by the Company that the closing price of the Shares (as shown in the FTSE AIM All-Share Index) has exceeded £1.27 on any trading day; or (iii) 31 January 2027. The Warrants are not admitted to trading on AIM or any other market.

At any time when the new Shares are admitted to trading on AIM, application will be made by the Company to the London Stock Exchange for the Shares allotted pursuant to any exercise of Warrants to be admitted to trading on AIM.

The Warrant Instrument is governed by English law.

13.1.9 *Convertible loan notes dated 21 September 2020 and 1 June 2022*

Convertible loan note instruments in favour of the Company (as the assignee of Tekcapital) were constituted by the Subsidiary on 21 September 2020 (2020 CLN) and 1 June 2022 (2022 CLN). The principal amounts of convertible loan notes under the 2020 CLN and the 2022 CLN was each limited to US\$2,000,000. The convertible loan notes under the 2020 CLN and the 2022 CLN each carry interest at the rate of 10 per cent. per annum. Each of the 2020 CLN and 2022 CLN are governed by English law.

On 14 January 2022, pursuant to the ILA (Jan-22), the Company agreed to convert US\$1,058,317 of the amount outstanding on the 2020 CLN into 1,058,317 shares of common stock of the Subsidiary at a conversion price of US\$1.00 per share of common stock. On 22 November 2022, pursuant to the ILA (Nov-22), the Company agreed to convert US\$1,351,262.10 of the amount outstanding on the 2022 CLN into 619,845 shares of common stock of the Subsidiary at a conversion price of US\$2.18 per share of common stock.

On 23 January 2024, the Company confirmed that the facility provided by the 2022 CLN was completely drawn down by the end of 2023. Pursuant to the intercompany loan and debt transfer agreement dated 19 September 2023 (see paragraph 13.1.18 of Part VII of this Document), the debts owed by the Subsidiary under the CLNs were transferred to the Company.

13.1.10 *Replacement option agreements between the Company and the holders of options of shares in the Subsidiary*

The Company entered into agreements with each of the holders of options over shares of common stock in the Subsidiary (the "Option holders") on either 15 September 2023 or 30 September 2023. Under the terms of each of the agreements, the Option holders have agreed to surrender the options they hold over shares of common stock in the Subsidiary granted pursuant to the 2022 Plan ("**Old Options**") in exchange for the grant to them of new options over shares in the Company ("**New Options**"). The participants were not required to surrender existing options granted pursuant to the 2022 Plan.

In entering into the agreement the Option holder has agreed that with effect from completion of the agreement they will have no further rights in connection with the Old Options and the grant of the New Options is in full and final settlement of any and all claims that the Option holder may have in respect of the Old Options. The New Options may be exercised by the Option holder, to the extent they vest, in accordance with the terms of

the relevant agreement. When the New Options are exercised the Option holders will acquire shares in the capital of the Company and thus become Shareholders. The Option holders do not have any right to purchase shares of common stock in the capital of the Subsidiary. A summary of the New Options are set out in paragraph 5 of Part VII of this Document.

The agreements did not amend, modify or terminate any terms or conditions applicable to the Old Options, including in relation to vesting and exercise periods, other than as set out above. The replacement option agreements are governed by English law.

13.1.11 *Intercompany license agreement between the Company and the Subsidiary*

On 22 October 2020, (as amended on 17 July 2023) the Company entered into an intercompany license agreement with the Subsidiary pursuant to which the Company grants to the Subsidiary an exclusive licence to the “Intellectual Property Rights” to develop, make, manufacture, have made, use, sell, have sold, import, export, lease, otherwise transfer, and/or offer for sale product(s) covered by the ‘650 Patent and US patent application 16/535,703. The Subsidiary is also granted the right to sublicense its rights under the licence either exclusively or non-exclusively as it sees fit. The licence is stated to be revocable on termination of the agreement, which may be terminated for material breach, insolvency, or if the Subsidiary challenges the validity or enforceability of any of the licensed intellectual property rights.

In consideration of the licence grant, the Subsidiary agreed to pay the Company: (i) US\$1.00 plus 100 per cent. of its initial issued shares; and (ii) a royalty payment equal to three per cent. of net sales of products that incorporate the licensed intellectual property rights payable quarterly for the term of the agreement. In addition, upon the successful license or sale of the licensed patents, the Subsidiary agreed to pay US\$13,000 to the Company plus 30 per cent. of all future net sales or licensing income derived from the licensed patents. There are no termination provisions.

The agreement is stated to be governed by the laws of England and Wales.

13.1.12 *Management services agreement between the Company and Tek Europe*

On 1 December 2020, the Company entered into a management services agreement with Tek Europe. This agreement provides that Tek Europe will provide time, team members, resources and effort to the Company in exchange for a quarterly retainer fee of US\$35,000. In addition, the Company must reimburse Tek Europe for all related expenses incurred. The agreement has no set term length, and lasts until either party terminates the agreement. Either party can terminate the agreement upon 30 days written notice to the other party.

The agreement is stated to be governed by the laws of England and Wales. This agreement was terminated on 31 December 2023.

13.1.13 *Intercompany loan and debt transfer agreements between the Company, the Subsidiary, Tekcapital, Tek Europe and Tekcapital LLC*

The Company entered into the ILA (Jan-22) and the ILA (Nov-22), pursuant to each of which, each of the Company, Tekcapital, Tek Europe and Tekcapital LLC incurred costs, expenses and facilitated payments on behalf of the Subsidiary. The purpose of the ILA (Jan-22) and the ILA (Nov-22) is to reflect the intercompany loans and to transfer the following debts to the Subsidiary:

- US\$1,058,317 pursuant to the terms of the ILA (Jan-22); and
- US\$1,351,262.10 pursuant to the terms of the ILA (Nov-22).

Under both the ILA (Jan-22) and the ILA (Nov-22), the parties agreed that the Company would be entitled to repayment of the relevant debt which is owed by the Subsidiary.

These debts were subsequently settled as follows:

On 14 January 2022, the Company and the Subsidiary agreed to convert the Subsidiary's outstanding debt of US\$1,058,317 under the ILA (Jan-22) into 1,058,317 shares of common stock in the Subsidiary, at a rate of US\$1.00 per share of common stock. The Company received 1,058,317 shares of common stock in the Subsidiary in exchange for extinguishing the outstanding debt under the ILA (Jan-22).

On 22 November 2022, the Company and the Subsidiary agreed to convert the Subsidiary's outstanding debt of US\$1,351,262.10 under the ILA (Nov-22) into 619,845 shares of common stock in the Subsidiary, at a rate of US\$2.18 per share of common stock. The Company received 619,845 shares of common stock in the Subsidiary in exchange for extinguishing the outstanding debt under the ILA (Nov-22).

Both the ILA (Jan-22) and the ILA (Nov-22) were governed by English law.

13.1.14 *Assignment agreement between the Company, Ya-Jane Wang, Sakharam K. Patil and S K Patil & Associates, Inc.*

On 1 June 2016, the Company entered into an assignment agreement with Ya-Jane Wang and Sakharam K. Patil, and S K Patil & Associates, Inc. ("**Assignors**") under which the Assignors assigned to the Company all their right, title and interest in and to the '650 Patent and the invention protected by it. The consideration for the assignment was US\$5,000 and the Company further agreed that upon the successful license or sale of the '650 Patent, it would provide US\$13,000 to the Assignors plus 30 per cent. of all future net sales or licensing income derived from the '650 Patent. There are no termination provisions and no governing law provisions.

On 1 June 2018, the Company entered into an amendment agreement with the Assignors in respect of the assignment agreement dated 1 June 2016. The amendment agreement added that if the Company or any company within its group decides to manufacture and/or sell the patented salt or foods that utilise the patented salt, then the Company is required to pay a royalty of three per cent. of net sales of products that utilised the patented technology for the life of the '650 Patent. There are no termination provisions.

The amendment agreement is governed by English law.

13.1.15 *Convertible loan note dated 1 March 2023*

A convertible loan note instrument in favour of Tek Europe was constituted by the Company on 1 March 2023. The principal amount of convertible loan notes was limited to US\$2,000,000. The convertible loan notes carry interest at the rate of 10 per cent. per annum. The convertible loan note instrument is governed by English law.

An aggregate of approximately US\$0 is outstanding on this convertible loan note as at the date of this Document.

Pursuant to a letter dated 30 September 2023, Tek Europe has agreed that it will not exercise its option to convert convertible loan notes in the Company that would result in Tek Europe owning more than 50 per cent. of the share capital of the Company.

13.1.16 *Convertible loan note dated 7 November 2023*

A convertible loan note instrument in favour of Tek Europe, as assignee of Tekcapital, was constituted by the Company on 7 November 2023. The principal amount of convertible loan notes was limited to US\$2,000,000. The convertible loan notes carry interest at the rate of 10 per cent. per annum. The convertible loan note instrument is governed by English law.

On 23 January 2024, the Company confirmed that US\$597,457.75 was drawn down on this convertible loan note. Together with the drawn down facility of the 2022 CLN, an aggregate of US\$2,597,457.75 is outstanding on the convertible loan notes as at the date

of this Document. The outstanding balance of the convertible loan notes plus accrued interest is expected to be repaid in full in December 2025.

13.1.17 *ONE Advisory Engagement Letter between the Company and ONE Advisory*

On 19 December 2022, the Company entered into an engagement letter with ONE Advisory (the “**Engagement Letter**”) pursuant to which the Company appointed ONE Advisory to provide assistance with certain of the accounting workstreams required prior to Admission.

Pursuant to the terms of the Engagement Letter, the Company is to pay certain fees and charges to ONE Advisory including fees for the provision of IFRS conversion services, financial position and prospects procedures services and working capital model services. The Engagement Letter has no set term but will terminate once the work has been completed. The Letter of Engagement is terminable by the Company at any time prior to Admission by giving written notice to ONE Advisory. In certain circumstances ONE Advisory will be entitled to terminate the Letter of Engagement without notice. The Letter of Engagement is governed by English law.

13.1.18 *Intercompany loan and debt transfer agreement between the Company, the subsidiary, Tek Europe, Tekcapital and Tekcapital LLC*

On 19 September 2023, the Company entered an intercompany loan and debt transfer agreement with the Subsidiary, Tek Europe, Tekcapital and Tekcapital LLC. The agreement formally documents the transfer of all Debt (defined as any and all debt which is owed to the Subsidiary, Tek Europe, Tekcapital or Tekcapital LLC on behalf of the Company) to the Company and confirms that Tek Europe is entitled to repayment of the Debt which is owed by the Company. The agreement is governed by English law.

13.1.19 *Limited Undertaking Letter between the Company and Tek Europe*

In an undertaking to the Company and Zeus dated 27 January 2024, Tek Europe has agreed that on and from Admission, it shall not: (i) exercise any warrants held in the Company; or (ii) convert any convertible loan notes held in relation to the Company, if such exercise or conversion would result in Tek Europe’s shareholding in the Company exceeding the percentage share ownership (legally and/or beneficially) at Admission. Tek Europe may convert any convertible loan notes if the conversion is approved by a majority of the independent shareholders (excluding Tek Europe) at a general meeting of the Company. The undertaking is governed by English law.

13.2 **Agreements entered into by the Subsidiary**

13.2.1 *Share Exchange Agreement between the Company and certain former shareholders of the Subsidiary*

On 30 November 2020, the Subsidiary entered into six exchange agreements with the Company, Tek Europe and each of the Subsidiary Exchange Shareholders pursuant to which the Subsidiary Exchange Shareholders agreed to exchange stock options over shares of the Company, whether vested or not, for 643,479 shares of common stock in the capital of the Subsidiary. Each of the exchange agreements is governed by the laws of England and Wales.

13.2.2 *Management services agreement between the Subsidiary and Tek Europe*

On 1 October 2020, the Subsidiary entered into a management services agreement with Tek Europe. This agreement provides that Tek Europe will provide time, team members, resources and effort to the Subsidiary in exchange for a quarterly retainer fee of US\$25,000. In addition, the Subsidiary must reimburse Tek Europe for all related expenses incurred. The agreement has no set term length, and lasts until either party terminates the agreement. Either party can terminate the agreement upon 30 days written notice to the other party.

The agreement is stated to be governed by the laws of England and Wales. This agreement was terminated on 31 December 2023.

14. RELATED PARTY TRANSACTIONS

Save as set out in paragraphs 13.1.10, 13.1.11, 13.1.12, 13.1.13, 13.1.14, 13.2.1 and 13.2.2, there are no related party transactions that the Group has entered into during the period covered by the historic financial information set out in Part IV up to the date of this Document:

15. NO GOVERNMENTAL, LEGAL OR ARBITRATION PROCEEDINGS

The Company is not and has not been involved in any governmental, legal or arbitration proceedings, which may have or have had during the 12 months immediately preceding the date of this Document a significant effect on the financial position or profitability of the Company or the Group, and so far as the Directors are aware, there are no such proceedings pending or threatened against the Company or the Group.

16. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, and taking into account the net proceeds of the Fundraise, the working capital available to the Company and the Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

17. INTELLECTUAL PROPERTY

The Group has a portfolio of intellectual property in place to protect its process and sodium manufacturing technology from potential competitors. Entities in the Group are sole owners of its IP portfolio, which includes two patent families across its core products and markets.

17.1 Patents

The Group's primary intellectual property is a portfolio of 15 patents, one of which has been granted in the US, with an expiry date of September 2030, and the other 14 pending across multiple regions globally:

Family No.	Title	Territory	Application/ Publication Registration Number	Applicant/ Assignee	Filing Date	Priority Date	Inventor(s)	Status
1	Low-Sodium Salt Compositions	USA	US8900650 (B1) ¹	Salarius Ltd (renamed MicroSalt plc)	08/04/2013	08/04/2013	Ya-Jane Wang Sakharam K. Patil	Granted
	Low-Sodium Salt Compositions	USA	US2021037865(A1)	Salarius Ltd (renamed MicroSalt plc)	08/08/2019	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Abandoned
	Improved Low Sodium Salt Composition	PCT	WO2021026017(A1)	Salarius Ltd (renamed MicroSalt plc)	31/07/2020	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Improved Low Sodium Salt Composition	Australia	AU2020326597(A1)	Salarius Ltd (renamed MicroSalt plc)	20/01/2022	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
2	Improved Low Sodium Salt Composition	Brazil	BR112022002302(A2)	Salarius Ltd (renamed MicroSalt plc)	31/07/2020	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Improved Low Sodium Salt Composition	Canada	CA3150035(A1)	Salarius Ltd (renamed MicroSalt plc)	04/02/2022	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Improved Low Sodium Salt Composition	Chile	00308-2022	Salarius Ltd (renamed MicroSalt plc)	07/02/2022	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Improved Low Sodium Salt Composition	China	CN114206133(A)	Salarius Ltd (renamed MicroSalt plc)	07/02/2022	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Improved Low Sodium Salt Composition	EP	EP4009812 (A1)	Salarius Ltd (renamed MicroSalt plc)	21/01/2022	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application



<i>Family No.</i>	<i>Title</i>	<i>Territory</i>	<i>Application/ Publication Registration Number</i>	<i>Applicant/ Assignee</i>	<i>Filing Date</i>	<i>Priority Date</i>	<i>Inventor(s)</i>	<i>Status</i>
	Improved Low Sodium Salt Composition	Hong Kong	HK40068999A	Salaris Ltd (renamed MicroSalt plc)	15/08/2022	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Improved Low Sodium Salt Composition	India	IN202227011860A	Salaris Ltd (renamed MicroSalt plc)	04/03/2022	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Improved Low Sodium Salt Composition	Japan	JP2022543683(A)	Salaris Ltd (renamed MicroSalt plc)	07/02/2022	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Improved Low Sodium Salt Composition	Mexico	MX2022001611 (A)	Salaris Ltd (renamed MicroSalt plc)	31/07/2020	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Improved Low Sodium Salt Composition	Russia	2022103224	Salaris Ltd (renamed MicroSalt plc)	09/02/2022	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
	Low Sodium Salt Composition	USA	US2023217973 (A1)	Salaris Ltd (renamed MicroSalt plc)	27/02/2023	08/08/2019	Javier Contreras Victor Hugo Manzanilla	Application
Additional Patent	Compositions and methods for reduced leavening time and sodium content in doughs comprising micron-sized salt particles adhered to a carrier	USA	63/580,590 ¹	Microsalt Ltd	05/09/2023	05/09/2023	Richard Guiney Clifford Gross	Application

¹ On 22 October 2020, (as amended on 17 July 2023) the Company entered into an intercompany license agreement with the Subsidiary pursuant to which the Company grants to the Subsidiary an exclusive licence to the "Intellectual Property Rights" to develop, make, manufacture, have made, use, sell, have sold, import, export, lease, otherwise transfer, and/or offer for sale product(s) covered by the '650 Patent and US patent application 16/535,703.

17.2 Trademarks

The Group has the following trademarks:

<i>Trade Mark</i>	<i>Territory</i>	<i>Application Number</i>	<i>Application Date</i>	<i>Registration Number</i>	<i>Registration Date</i>	<i>NICE Class(es)</i>	<i>Registered Proprietor</i>
MicroSalt	UK	UK00003335931	04/09/2018	UK00003335931	23/11/2018	1, 30	MicroSalt Ltd.
MicroSalt	UK	UK00003338975	17/09/2018	UK00003338975	07/12/2018	1, 30	MicroSalt Ltd.
MicroSalt	USA	88148686	09/10/2018	6202430	17/11/2020	1, 30	MicroSalt Ltd.
MicroSalt	International Registration designating: – Brazil – Canada – China – India – Japan – Mexico	1540353	26/05/2020	n/a	n/a	1, 30	MicroSalt Ltd.
MicroSalt	Brazil	International number: 1540353 Local number: 501540353	26/05/2020	International number: 1540353 Local number: 501540353	15/07/2020	1, 30	MicroSalt Ltd.
	Canada	International number: 1540353 Local number: 501540353	26/05/2020	n/a (pending)	n/a (pending)	1,30	MicroSalt Ltd.

Trade Mark	Territory	Application Number	Application Date	Registration Number	Registration Date	NICE Class(es)	Registered Proprietor
	China	1540353	26/05/2020	1540353	16/03/2023	1, 30	MicroSalt Ltd.
	India	1540353	26/05/2020	n/a (pending)	n/a (pending)	1, 30	MicroSalt Ltd.
	Japan	1540353	26/05/2020	n/a (pending)	n/a (pending)	1, 30	MicroSalt Ltd.
	Mexico	1540353	26/05/2020	1540353	15/10/2020	1, 30	MicroSalt Ltd.
	UK	UK00003870074	20/01/2023	UK00003870074	12/05/2023	1, 29, 30	MicroSalt Ltd.
	International Registration designating: – Brazil – Canada – China – EU – India – Japan – Mexico – USA	1739951	23/01/2023	n/a	n/a	1, 29, 30	MicroSalt Ltd.
	Brazil	1739951	23/01/2023	n/a	n/a	1, 29, 30	MicroSalt Ltd.
	Canada	1739951	23/01/2023	n/a	n/a	1, 29, 30	MicroSalt Ltd.
	China	1739951	23/01/2023	n/a	n/a	1, 29, 30	MicroSalt Ltd.
	EU	1739951	23/01/2023	n/a	n/a	1, 29, 30	MicroSalt Ltd.
	India	1739951	23/01/2023	n/a	n/a	1, 29, 30	MicroSalt Ltd.
	Japan	1739951	23/01/2023	n/a	n/a	1, 29, 30	MicroSalt Ltd.
	Mexico	1739951	23/01/2023	n/a	n/a	1, 29, 30	MicroSalt Ltd.
	USA	1739951	23/01/2023	n/a	n/a	1, 29, 30	MicroSalt Ltd.
	UK	UK00003359044	06/12/2018	UK00003359044	01/03/2019	1, 30	MicroSalt Ltd.
	UK	UK00003393341	18/04/2019	UK00003393341	12/07/2019	1, 29, 30	MicroSalt Ltd.
	US	88257685	10/01/2019	5930482	10/12/2019	1, 30	MicroSalt Ltd.
	UK	UK00003173670	08/07/2016	UK00003173670	14/10/2016	30	MicroSalt Ltd.
	UK	UK00003312424	21/05/2018	UK00003312424	24/08/2018	29, 30, 43	MicroSalt Ltd.
	NEOSNAX						

Save as disclosed in this Document, there are no patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are or may be of material to the Company's business or profitability.

18. ACCOUNTING MATTERS

- 18.1 Save for the Fundraise and as disclosed in this Document, there has been no significant change in the financial or trading position of the Group since 30 June 2023, the date to which the unaudited interim financial information in Part V of this Document has been prepared.
- 18.2 The financial information set out in this Document relating to the Group does not constitute statutory accounts. Crowe U.K. LLP, which is registered by the Institute of Chartered Accountants in England and Wales (ICAEW) to carry on audit work in the UK, have been the auditors of the Group since 2023.
- 18.3 The gross proceeds of the Fundraise are expected to be £3.1 million, with net proceeds expected to be approximately £2.4 million. The total costs and expenses relating to the Fundraise payable by the Company are estimated to be £0.6 million (excluding VAT).
- 18.4 The accounting reference date of the Company is 31 December.

19. CONSENTS

- 19.1 Zeus of 82 King Street, Manchester, M2 4WQ has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears.
- 19.2 Crowe U.K. LLP of 55 Ludgate Hill, London, EC4M 7JW, UK has given and not withdrawn its written consent to the inclusion in this Document of reference to its name in the form and context in which it appears and to the inclusion of its accountant's report on the Historical Financial Information relating to the Company in Part IV of this Document in the form and context in which it appears and has authorised the contents of that report for the purposes of the AIM Rules for Companies.

20. GENERAL

- 20.1 Zeus is registered in England and Wales under number 04417845 and its registered office is at 82 King Street, Manchester, M2 4WQ. Zeus is regulated by the FCA and is acting in the capacity of nominated adviser and broker to the Company.
- 20.2 Where information has been sourced from a third party, the Company confirms that the information has been accurately reproduced and that as far as it is aware and is able to ascertain from the information published by those third parties, no facts have been omitted which would render the information produced inaccurate or misleading.
- 20.3 Save as disclosed in this Document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the company.
- 20.4 No public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this Document.
- 20.5 Save as disclosed elsewhere in this Document, SP Angel Corporate Finance LLP and Pinnacle Equities Pty Ltd AFSL 300776 have received fees totalling £10,000 or more from MicroSalt plc within the 12 months immediately preceding the date of this Document, or have entered into a contract to receive £10,000 or more from MicroSalt plc on or after Admission.
- 20.6 Save as disclosed in this Part VII of this Document, no person (excluding professional advisers otherwise disclosed in this Document and trade suppliers) has:
- 20.6.1 received, directly or indirectly, from the Company within the 12 months preceding the date of application for Admission; or
 - 20.6.2 entered into contractual arrangements (not otherwise disclosed in this Document) to receive, directly or indirectly, from the Company on or after Admission any of the following:
 - 20.6.2.1 fees totalling £10,000 or more;
 - 20.6.2.2 securities in the Company with a value of £10,000 or more calculated by reference to the expected price of a New Share at Admission; or
 - 20.6.2.3 any other benefit with a value of £10,000 or more at the date of Admission.

21. AVAILABILITY OF THIS DOCUMENT

Copies of this Document are available free of charge from the Company's registered office and at the offices of Zeus at 125 Old Broad Street, London, EC2N 1AR, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission. An electronic version of this Document is also available to download from the Company's website at www.MicroSalt.co.

27 January 2024

