

WEBINAR INVESTOR PRESENTATION

# MICROSALT<sup>®</sup>

5<sup>th</sup> February 2024



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# Company profile and mission

Commercialises a patented technology to produce full-flavour, low-sodium salt for food manufacturers and consumers.

A major potential disruptor in the food market, thanks to micron sized particles which have improved adherence to foodstuffs compared to traditional salt crystals, while delivering the same sense of saltiness as traditional snacks using approximately 50% less sodium. Excess sodium consumption is a significant contributor to cardiovascular disease.

Solution meets rising demand for healthier alternatives to traditional salt. 86% of US healthcare costs are related to chronic diseases, with cardiovascular disease prominent. The WHO is targeting reducing global sodium intake by 30% by 2025. It is estimated this will save 7 million lives by 2030.

Microsalt's mission is to reduce global sodium consumption and heart disease, by providing a proprietary full-flavour, low-sodium salt for food manufacturers and consumers.



# Market opportunity



**Patented US technology achieves the flavour of traditional salt but with less sodium**, by using small salt crystals



Due to micron sized particles, MicroSalt **dissolves virtually immediately**, delivering a higher sense of saltiness with less salt



**Ideal for many applications** like crisps, tortillas, nuts, crackers, popcorn, energy bars, cookies, prepared pasta, peanut butter and many other foods



**Tastes exactly like salt because it is salt.** No added substitutes, no potassium chloride, no bitter aftertaste. Non-GMO. Gluten Free and Kosher



**Excellent product adhesion** for topical products. Eliminates salt precipitation during distribution for improved flavour consistency



**Dynamic market growth trajectory**  
Global sodium reduction market expected to reach US\$9.6 billion by 2032, with 5.8% CAGR

## 50% LESS SODIUM

Without sacrificing flavour

Consumers want reduced sodium & clean labels

Current market size

## \$5.5 billion

Global sodium reduction market (as of 2021)

Operating in a dynamic market with growth driven by expected increase in health consciousness among consumers, and government sodium reduction targets which will result in broader product offering and increased availability

# Investment proposition

## COMPETITIVE ADVANTAGE:

### UNIQUE PATENTED TECHNOLOGY

Tastes like salt because it is salt! Strong barriers to entry with multiple patents and trademarks

## STRONG MARKET DEMAND:

### SIGNIFICANT HEALTH BENEFITS

Consumer demand across both B2B and B2C channels and increased governmental pressure for healthier products

## DYNAMIC DEVELOPMENT POTENTIAL:

### RAPID GROWTH & SIGNIFICANT MARKET OPPORTUNITY

Anticipate strong revenue growth, attractive product margins and upside operational leverage. Global sodium reduction market valued at \$5.5 billion (2021)



## VISIBILITY FROM HIGH QUALITY CLIENT PIPELINE:

### BLUE-CHIP CUSTOMERS AND POTENTIAL CUSTOMERS

Several multinational and regional producers

## LIMITED RISK PROFILE:

### PRODUCTION AND SUPPLY CHAIN

Contracted manufacturing (US)

## STRONG TRACK RECORD:

### EXPERIENCED FOOD SECTOR MANAGEMENT

PLC team and committed senior management

## GROWTH TRAJECTORY:

### FOCUS ON CAPITAL GROWTH FOR SHAREHOLDERS AND

### CLEAR USE OF PROCEEDS

Accelerate sales, marketing, inventory and working capital, line extensions and manufacturing facility(s)





# Knowledgeable management team

## Extensive food industry experience



Rick Guiney

CEO

- More than 35 years of experience in the food industry including, Procter & Gamble, Anheuser-Busch and Quorn Foods
- President & CEO of Classic Snacks, Inc.



Konrad Dabrowski

CFO

- CFO of AIM listed Tekcapital plc
- Previously Finance Director at LucyD and Global Accounting Manager for Restaurants Brands International
- Qualified accountant – 5 years with Deloitte US



Judith Batchelar OBE

Non-executive Chair

- More than 35 years of leadership experience in the food industry
- Previously Director at Sainsbury plc and Safeway, with further roles at Marks & Spencer plc
- Fellow of the Institute Food Science and Technology
- Awarded an OBE in 2015 for services to the Food Industry
- President British Nutrition Foundation



Gary Urmston

NED

- More than 30 years of experience in the food industry
- Previously CFO at William Jackson Food Group Ltd and Produce Investments Ltd
- Extensive M&A, governance and internal control experience



Dan Emery

NED

- Previously VP of Sales & Marketing for Pilgrim's Pride
- Previously CEO and President of Meaningful Solutions a food/agriculture consulting firm, and CEO of GreenStar Coop, focused on gourmet food distribution

# Competitive advantage

Strong intellectual property – 1 patent granted in US, 14 pending across multiple regions.

Patent-protected technology helps create high barriers to entry within the reduced-sodium salt market.

|                    |  |  |  |          |  |                |  |
|--------------------|---|---|---|---|---|---|---|
| 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, Cream of Tartar, Drier and Natural Flavour (derived from Yeast) | Potassium Chloride, Potassium Bitartrate, Adipic Acid, Silicon Dioxide, Fumaric Acid, Mineral Oil | Potassium Chloride, Sodium Chloride, Anti-Caking Agent (Magnesium Carbonate)        |

# Three-pronged marketing strategy to target defined audiences

## B2B

- Helping businesses make their products taste great, but with less sodium
- Long term contracted revenues

## B2C

- Helping consumers make their meals taste great, but with less sodium
- Retail brick and mortar partnerships

## E-Commerce

- Placement in Amazon FBA US
- Placement in Amazon UK



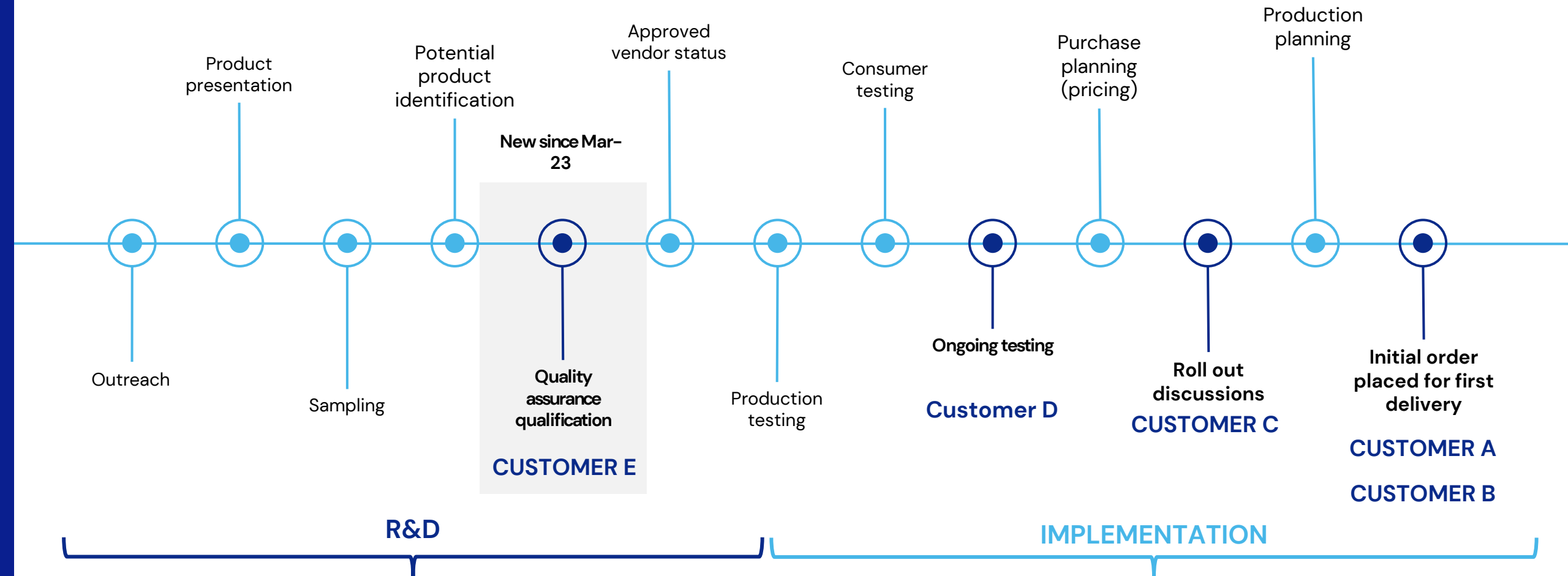
Underpinned by a  
targeted marketing  
strategy

- Market outreach through newsletters, email blasts, social media, shelf talkers, Influencers
- Free sampling within medical community to drive health centric consumers to the stores
- Attendance at industry trade shows to highlight MicroSalt® as a commercially sensible solution
- Sales support with follow-up and on-site testing



# Visibility from high quality customer base and pipeline

- Microsalt currently has 2 Fortune 500 B2B customers and multiple large B2B prospects
- Consistently shortening conventional onboarding timelines



**CUSTOMER A** a national Fortune-500 pharmacy/food retailer

**CUSTOMER B** the Mexican business of Customer C

**CUSTOMER C** one of 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 meat and poultry products in the US

# Key Opportunities from Customer Pipeline

## Customer A: Fortune 500 pharmacy / food retailer

- Order received: private label Customer A products e.g. nuts
- Strong scores in all consumer taste and production run testing
- Initial roll-out with c.800 health hubs, in various cities then potential in c. 9,000 stores
- Expected that MicroSalt shakers will be sold alongside products on end of shelf space in 2024

## Customer B: Mexican subsidiary of Customer C

- Fulfilled commercial purchase orders totalling 29mT in 2023
- Continuing regular orders are now expected
- Additional Latin American and South American countries identified as further potential roll-out targets
- Further line additions are anticipated in H1-24

## Customer C: One of world's largest beverages / snack food companies

- Potential application on multiple product lines and locations, including for a multi-billion dollar corn puff snack brand worldwide
- Global Joint Development Agreement for additional product innovation and development opportunities
- Discussions across multiple geographic markets. Mexico launch acts as official start of their sodium reduction plan worldwide
- First orders expected H1 2024

## Customer D: one of the largest global bakery companies

- Accelerated through R&D channels following positive sample and production results
- MicroSalt confirmed for use in Product T, a Mexican rolled corn tortilla snack
- Expected volumes indicated– c.500 kgs of MicroSalt required per hour per line for initial run

## Customer E: one of the largest suppliers of meat and poultry products in the US

- Dialogue continuing for partnership within existing sodium reduction initiatives
- Go-ahead given to invest in testing

# Financial highlights

## P&L



**Revenue** of \$0.6m in FY23 (unaudited) and \$0.6m FY22 (primarily B2C). In 2023, the Company focused its resources on rollout of Microsalt® with 2 of its major B2B customers in late FY23



**Operating loss** \$2.5m in FY22



**Funding** historically through convertible loan notes, totalling \$5.6m at 31 Dec 2023

## Balance sheet

Initial focus on **working capital and inventory** needed to satisfy the needs of major food manufacturers interested in MicroSalt

**No major capital expenditures expected** in the near future – option to build own manufacturing plant will be reviewed regularly and a function of B2B demand

Qualifying **R&D** related to line extensions and **IP** portfolio build up expected to be capitalised in the future

# Use of proceeds

Expected to be deployed over 12 months



# Summary

- **Competitive advantage through unique leading patented technology** – Tastes like salt because it is salt! Strong barriers to entry, multiple patents and trademarks
- **Strong market demand for significant health benefits** – Pent up consumer demand across both B2B and B2C channels. Increased governmental pressure for healthier products
- **Dynamic development potential from rapid growth and significant market opportunity** – Anticipates strong revenue growth, attractive product margins and upside operational leverage. Global market currently valued at \$5.5 billion (2021)
- **Visibility from high quality pipeline of high quality customers and potential customers** – Several multinational and regional producers
- **Limited risk profile from production and supply chain** – Contracted manufacturing (US)
- **Strong track record and experienced food sector management** – PLC team and committed senior management
- **Clear trajectory from use of proceeds and focus on capital growth for shareholders** – Accelerate sales, marketing, line extensions, manufacturing facility



*"I am absolutely delighted to be working with MicroSalt to show how a true low-sodium salt can produce the same taste while providing significant benefits to health. As a chef, salt is the most important ingredient, and this product is game changing."*

**Jack Stein, Chef Director for Rick Stein,** and Microsalt's brand ambassador. Jack Stein was voted Best Chef at the Food Magazine Reader Awards 2023.

# APPENDIX



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# Growth strategy

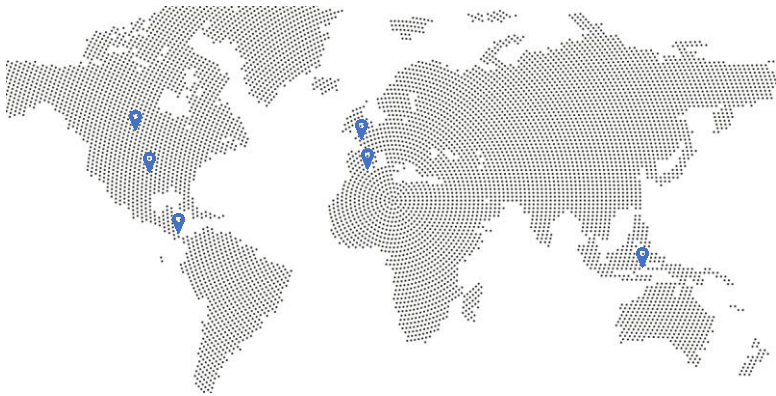
## B2B

- Targeted marketing
- 6 major international markets
- Focused R&D

## PRODUCTION

- Utilising co-manufactures in short term
- Own facility when volumes allow
- Reduce storage and export costs
- Modular production locations across the focus markets

## CORE GEOGRAPHIES



## RETAIL & FOODSERVICE

- Expand presence in the US
- Geographic expansion in key developed markets
- Engage in local marketing and in store promotional activity

## E-COMMERCE

- Expand presence in the US
- Geographic expansion in key developed markets
- Engage in local marketing and in store promotional activity

# Sourcing and production



## SOURCING AND PROCESS

- Mine salt main salt type used for MicroSalt®
- Current annual production capacity of 726k kg of MicroSalt® with SaltMe!® products on demand
- Production process requires salt, clean water and maltodextrin – spray dried
- MicroSalt® tested at external laboratory before distributed to customers. Relevant food safety certificates in place
- Contract manufacturing – scalable
- 60-month shelf life



## PRODUCTION STRATEGY

- Outsourced and flexible manufacturing model
- US expansion possible through contract manufacturing – current manufacturer and beyond
- US manufacturing (owned) plant with raw product storage
- International expansion using local production and export