MicroSalt Plc

Annual Report and financial statements

For the Year Ended 31 December 2024

Company Number 10061337

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Strategic report

Chair's statement

I am delighted to announce, on behalf of the Board, MicroSalt Plc's ("MicroSalt" or the "Company") the full year results for 2024. This was a foundational year for us as we began receiving large, recurring purchase orders for our bulk product in Q4 2024 and completed the R&D for new patent pending product (Microsalt Premium) designed for the Quick Service Restaurants (QSR) and Fast Service Restaurants (FSR) sales channels.

Strategy

At MicroSalt we are focused on commercialising new technologies to produce full-flavour, low-sodium salt products for food manufacturers and consumers. The team at MicroSalt have developed a patented process for producing micron-sized salt crystals that provide all of the flavour of salt with roughly half of the sodium for a number of food applications.

These are timely innovations as the market responds to the consumer demand for products that taste great, and at the same time, reduce sodium intake. Our products are being used in the reformulation of existing products in the market, which have a history of proven and significant sales, as well as new product development. In several markets where sodium reduction strategies have been in place for many years MicroSalt is seen as a new and helpful tool to reinvigorate those plans.

Board and Governance

As a Board, we are committed to promoting the highest standards of corporate governance and ensuring effective communication with shareholders. We remain focused on ensuring the Company delivers on its long-term growth strategy and is run in a sustainable and socially responsible manner with a strong level of governance oversight from the Board of Directors.

Directors' responsibilities

The Directors' statement under Section 172 is included on pages 19 and 20.

Outlook

We are excited about 2025 as the year where we see MicroSalt growing its recurring commercial volume purchase orders for our bulk product, and we are re-affirming our FY 2025 guidance of US$2,500,000 in sales with a continuing acceleration through 2026. In Q1 2025, our bulk sales exceeded total bulk sales made during FY 2024. In addition to an application of Microsalt® on an increasing number of product lines of Customer 1 and 2, the Group currently has various other significant product placement opportunities at advanced stages with a range of national and multi-national companies. The nature and size of these existing and potential customers businesses dictates that once MicroSalt has been approved as a supplier on one product line, we can expect further developments across multiple products. We are also aware how important key players within a category are in driving innovation and establishing new expectations from consumers within that category. In this sense, the fact that we have a pipeline of various and numerous product applications is a positive signal.

Key performance indicators

FY 2024 revenue of US$ 0.75m (2023: US$ 0.6m) reflects primarily B2C sales, with a material ramp up in B2B sales commencing in Q4 2024 into 2025. Also, the net loss of US$ 5.8m (2023: US$ 3.5m) reflects the one-off nature of IPO costs ($1.3m), as well as what we also consider a non-recurring R&D spend related to the launch of Microsalt Premium in January 2025 and finally preparation for the launch of the first two major food manufacturing customers within the Company's B2B solution.

Chair's statement (continued)

We also anticipate additional growth of our MicroSalt® products as a result of our continued groundbreaking research and development efforts, all targeted to accelerate the potential application of MicroSalt across numerous other sales channels.

I would like to take this opportunity to thank our longer-term shareholders for their ongoing support, and to welcome all our new shareholders. I would also like to thank our employees, suppliers, customers, and everyone who has, and continues to support our mission, our vision and the business.

This report was approved by the Board on 30 May 2025 and signed on its behalf by:

Judith Batchelar
Chair
30 May 2025

Chief Executive Officer's statement

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% less sodium than traditional salt for food manufacturers and consumers.

To achieve this, 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.

In 2024, we have established regular and repeating revenue with one of the world's leading food and beverage companies across a number of countries (Mexico, US, Canada) as well as an international seasoning and flavour supplier. We have established an active B2B pipeline for future growth and we have created a groundbreaking product innovation that is already opening up significant additional revenue opportunities in 2025. Specifically, in 2024 we focused on two key initiatives:

- Worked with existing and new B2B accounts on the rollout of bulk Microsalt into a number of product lines across several international food manufacturers. This included expanding our presence to include Microsalt® on additional food products within the same customer and to vertically integrate into the seasoning and flavour manufacturers. Our go to market efforts have extended across continents, with inroads in Asia, Australia, South Africa, the UK, Germany, Canada, Latin America and South America, all of which have boosted our already vibrate sales pipeline, and resulted in significant sales volume increases in Q4 2024 and Q1 2025.

- Completed R&D and final testing of our new patent pending product (Microsalt Premium) designed for the Quick Service Restaurants (QSR) and Fast Service Restaurants (FSR) sales channels. Premium not only provides entry into the foodservice segment including restaurants, hotels, hospitals, healthcare and single serve packaging, it provides a foot hold into the entire lower sodium efforts associated with the fast-food channel (Fries, bread, cheese, chicken, etc). In the U.S alone, over 4.5 billion pounds of French fries were consumed each year, with 2 billion orders from just the fast-food industry.

This work resulted in our Q1 2025 bulk sales alone exceeding our 2024 B2B sales. Total bulk sales in Q1 2025 reached 98mT (216,190 lbs.) setting a new Company record and establishing three consecutive quarters of sales growth.

Looking ahead, our future is extremely bright and is now evidenced by growing sales volume, increased number of topical applications, expanded sales channels as well as countries served. Continued regulatory support for lower sodium food products acts as a catalyst to our growth both in the US and across the globe as well as a safeguard for the longevity of MicroSalt as a key component.

Financial summary

The Company's revenue of US$0.75m (2023: US$0.57m) and net loss of US$5.4m (2023: US$3.5m) are reflective of the costs associated with the IPO ($1.3m), R&D associated with the launch of the Premium product and preparation for the launch of the first two major food manufacturing customers within the Company's existing B2B solution.
This groundwork resulted in significant B2B sales volume increase in Q4 2024, which continued well into 2025.

Accordingly, most of the revenue in 2024 was D2C (Direct to Consumer). With initial B2B orders received in the latter part of 2024 and multiple other B2B opportunities in various stages of testing, combined with IPO readiness preparation, we expect bulk ingredient sales to become vast majority of our sales mix in 2025 and beyond.

Chief Executive Officer's statement (continued)

Inventories increased to US$0.7m (2023: US$0.6m), predominately due to an increase in raw materials, again in preparation for the expected bulk orders from the Company's first two major food manufacturing B2B customers (Customers 1 and 2).

Trade and other receivables decreased to US$0.9m (2023: US$1.3m), predominately due to IPO deferred costs included in 2023, which completed 1 February 2024.

Trade and other payables decreased to US$1.4m (2023: US$1.7m), predominately due to payments to trade payables post IPO.

Borrowings also increased to US$2.7m (2023: US$2.5m), predominately due to increases in the convertible loan notes and its interest issued by Tekcapital Group to MicroSalt prior to the IPO.

Operations summary

A key focus of the business during 2024 was of our larger-volume B2B opportunities with a number of multinational Fast-moving consumer goods (FMCG) companies and food manufacturers. Several of these opportunities completed the R&D, production and consumer testing phases. In particular, the Group was an approved supplier of Customers 1 and 2, which although separate entities, operate under the same group. Customer 1, (which has 80% of the Mexican snack food market) launched three existing popular products using MicroSalt in Q3/Q4 for which 44 mT of MicroSalt were delivered. Customer 1 also provided non-binding annualised volume targets, across a number of items and geographies. Furthermore, the Company began negotiating a joint development agreement along with additional item roll outs with Customer 2 which is expected to be executed in the second half of 2025.

R&D efforts delivered a patent pending product line extension, Microsalt Premium. This innovation specifically addresses the bulk density of the Microsalt base product to enhance its use in the QSR/FSR sales channels. The French fries category alone is significant with over 2 billion servings annually in the U.S., with the new revenue potential in the foodservice channel with restaurants, hospitals, hotels, heartcare and single serve packaging.

Sales and marketing

MicroSalt attended a number of US based and international food shows, which has been the core focus of its sales and outreach efforts. In 2024, the Company also attended shows and events in the UK, Canada, Germany, France and Dubai. These are in addition to the major industry events in the U.S market. These events provide venues for live demonstrations of MicroSalt and in person exchanges with both new and existing prospects. This has resulted in an extremely vibrate pipeline of pending sales successes while representing a cross section of company sizes and geographies.

The Company also invested actively in brand awareness via social media campaigns, LinkedIn, newsletters and customer educational pieces in order to provide industry exposure to Microsalt and its capabilities. The Company also appointed British celebrity chef Jack Stein as a Brand Ambassador. Post-period end, the Company also added new sales executives to its team to service the multitude of commercial opportunities in its pipeline.

Intellectual property

In May 2024 the United States Patent and Trademark Office granted and issued MicroSalt's patent entitled 'Low Sodium Salt Composition'. The Patent concerns the production of MicroSalt having claims directed to a low-sodium salt that adheres better to foods than a traditional salt that is not adhered to a carrier particle, and that is produced according to MicroSalt's claimed improved production process. An additional patent has also been applied and is pending relative to the manufacturing process of MicroSalt Premium.

Chief Executive Officer's statement (continued)

Political/regulatory update

The World Health Organisation ("WHO") has set a target of reducing global sodium intake by 30% by 2025, which it estimates will save 7 million lives by 2030. WHO research also found that every US$1 spent on sodium reduction translates to US$12 in healthcare cost savings for treating cardiovascular disease. Governmental pressure continues to increase across the UK, the EU, and Latin America with new regulations in Canada for 2025 regulatory efforts. Additionally, local dieticians and purchasing authorities are taking action, regardless of any legal mandates, to lower sodium.

The US FDA has issued initial guidance on pending (front of pack) F.O.P labels highlighted high, medium or low as it pertains to sodium, fat, and sugar. We expect this will force all US based manufacturers to examine their respective sodium levels with the understanding that high sodium levels will no longer be isolated to the back of the package. Items labelled as High may also be subject to further restrictions as governmental regulations continue, thereby incentivizing the food industry to provide healthier, lower sodium food.

Current trading and outlook

Although 2024 was a pivotal year for MicroSalt, marked by foundational efforts and strategic growth. It was a year of building as we promote our vision of a healthier future through reduced sodium in today's diets. We are discovering more and more possibilities and commercial opportunities for 2025 and beyond.

- Q1 2025 total bulk sales reached 98mT (216,190 lbs.) setting a new Company record and establishing three consecutive quarters of sales growth. Importantly, bulk revenue in Q1 2025 represents 142% of the total bulk revenue for all of 2024. This includes shipments to existing markets of Canada, Mexico, United States and newly opened markets in Great Britain and Belgium. The Company also expects significant improvement to its gross margins in 2025, as our sales mix is becoming much more reliant on bulk sales at the expense of lower margin consumer sales of its B2C products which made up most of our FY 2024 sales mix.
- On 1 February 2025, the Company completed its second equity fundraise on the AIM Market, raising approximately £2.4m (US$3.1m). The proceeds of the Subscription are being used mainly to invest in inventory to satisfy expected B2B customer demand in 2025.
- The launch of our Microsalt Premium product line in January 2025 targeting the quick service and fast service restaurant (QSR/FSR) market with a focus on French fries, has been very well received and is already in final consideration for rollout with a top international brand in Q3 of this year.
- We have continued to add to our sales staff to specifically address the opportunities for MicroSalt Premium within the QSR/FSR market.

The Group throughout 2024 and Q1 2025 has proven it is fundamentally strong in its structure, financing, IP, market opportunity and product acceptance to support our unequivocal belief in its future as a dominant supplier as the world turns to lower sodium options.

Finally, I must recognise, on behalf of the Board, our sincere thanks to all stakeholders in the business who have supported us and are making possible the achievement of our mission and objectives.

This report was approved by the CEO on 30 May 2025 and signed on behalf of the Board by:

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Name: Rick Guiney

Title: CEO

30 May 2025

Principal risks and uncertainties

Liquidity risk

Cash flow forecasting is performed on a regular basis. The Directors monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. The Company announced its IPO on the AIM Market raising approximately GBP 3.3m, and a further $3.1m was raised post year end, strengthening its balance sheet considerably.

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 commercial volume purchase orders 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.

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.

Credit risk

In order to minimise this risk, the Group endeavours to only deal with companies that are demonstrably creditworthy, and the CEO and CFO continuously monitor this exposure. The Group's maximum exposure to credit risk for the components of financial position at 31 December 2024 and 31 December 2023 is the carrying amount of its current trade and other receivables as set out in Note 16.

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, 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.

Principal risks and uncertainties (continued)

Disruption to outsourced production, storage and distribution operations

As at the date of this Document, the Group outsources manufacturing across facilities in Minnesota, New Jersey and West Virginia.

In its current stage of development, there is an 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 favorable 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.

Corporate Governance

Board of directors

Judith Batchelar – 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 – 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. into a leading national snack company in the US which was included on the Inc.500 Fastest Growing Company list.

Konrad Dabrowski – 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 – 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 – 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 USUS$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.

Directors' report

The Directors present their report, together with the audited financial statements of the Group and Company, for the year ended 31 December 2024.

Review of business and financial performance

Information on the financial position and development of the Group is set out in the Chairman's Statement on page 3.

Results

The Group reports a loss for the year of US$6.0m (2023: US$3.5m). The current year and prior year results relate solely to ongoing activities. The Directors do not recommend payment of a dividend.

Subsequent events

On 1 February 2025, the Company completed its second raise on the AIM Market of the London Stock Exchange, raising approximately £2.4m (US$3.1m).

Future developments

MicroSalt's future strategy is to achieve recurring commercial volume purchase orders for its bulk product and invest into the expansion of the MicroSalt® base product line to be more applicable to a wider array of commercial customers such as QSR/FSR (French fries), foodservice distribution (restaurants, hotels, hospitals, healthcare). International expansion is evolving as dictated by the continued focus on low sodium regulations and the market reach of our multi-national customers. Additionally, we expect gross margin improvement as our core bulk business delivers increased production efficiencies.

Financial risk management

Details of the Group's financial risk management objectives and policies and its exposure to risks associated with the use of financial instruments are disclosed in note 24 to the financial statements.

Going concern

The Directors have assessed the ability of the Group to continue as a going concern using cash flow forecasts. Following the completion of its IPO on the AIM Market of London Stock Exchange plc as detailed in note 26, cash raised pursuant to the IPO and cash generated from operating activities will finance the Group's working capital requirements. On 1 February 2025, the Company completed its second raise on the AIM Market of the London Stock Exchange, raising approximately £2.4m (US$3.1m). 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 financial statements continue to be prepared on the going concern basis.

Directors

Since 1 January 2024, the following Directors have held office:

Mr K Dabrowski
Mr R Guiney
Ms J Batchelar (Appointed 1 February 2024)
Mr G Urmston (Appointed 1 February 2024)
Mr D Emery (Appointed 1 February 2024)

Directors' report (continued)

Significant shareholdings

The Directors are aware of the following interests, directly or indirectly, in 3% or more of the Company's ordinary shares as at 31 December 2024:

Shareholders	Shares	%
Tekcapital Europe Ltd	33,305,749	69.1
Victor Manzanilla	2,090,812	4.3

The Directors were aware of the following interests, directly or indirectly, in 3% or more of the Company's ordinary shares as at 31 December 2023:

Shareholders	Shares	%
Tekcapital Europe Ltd	30,747,609	87.2
Victor Manzanilla	2,090,812	5.9

Directors' and officers' indemnity insurance

The Group maintains qualifying third-party indemnity insurance for the benefit of the Directors.

Events after the reporting period

Information relating to events since the end of the year is given in Note 27 to the financial statements.

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, directors' report, annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with UK adopted International Accounting Standards ("IFRS"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year.

The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM.
In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy, at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

Independent Auditors

Crowe U.K LLP were appointed as auditor to the Group and the Company and in accordance with section 485 of the Companies Act 2006. A resolution to reappoint Crowe as independent auditor will be proposed at the next Annual General Meeting.

Statement of disclosure of information to auditors

Each of the persons who was a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Annual general meeting

The Notice of Meeting including details of the proposed resolutions will be posted to shareholders in due course and will appear on the Company's website.

By order of the Board of Directors and signed on behalf of the Board on 30 May 2025.

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Name: Rick Guiney
Title: CEO

30 May 2025

Corporate governance statement

The MicroSalt Board is committed to maintaining high standards of corporate governance. In accordance with AIM Rule 26, AIM quoted companies are required to adopt and give details of the corporate governance code which they have adopted and to show how they are following it. The Board has adopted the Quoted Companies Alliance's Corporate Governance Code for small and mid-size quoted companies (the "QCA Code").

Of the recognised codes generally adhered to by AIM companies, the QCA Code has been drafted with smaller businesses in mind, with a pragmatic and principles-based approach. It was therefore deemed by the Board to be the most suitable.

Solid corporate governance is the foundation on which the business is managed, and this is supported by the range of talents of the directors. Biographies of the directors appear on page 10 and demonstrate a range of experience and calibre to bring the right level of independent judgment to MicroSalt's business. Ensuring financial strength alongside the growth of portfolio businesses are key guiding principles, supported by an effort to ensure solid communication with shareholders.

The chair is responsible for leading the Board and for its overall effectiveness in directing the Group. They ensure that the Board implements, maintains and communicates effective corporate governance processes and promotes a culture of openness and debate designed to foster a positive governance culture throughout the Group.

The Board is responsible for the Group's systems of internal controls and for reviewing their effectiveness. Such systems can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board believes that the Group has internal control systems in place appropriate to the size and nature of its business. The Board is satisfied that the scale of the Group's activities does not currently warrant the establishment of an internal audit function.

The Board is also responsible for identifying the major business risks faced by the group and for determining the appropriate course of action to manage those risks. Formal meetings are held quarterly to review strategy, management and performance of the Group, with additional meetings between those dates convened as necessary. MicroSalt's adoption of the QCA principles is summarised in the table below. Further details are made available on the Group's website at https://MicroSaltinc.com/corporate-governance/.

No	QCA principle	MicroSalt adoption
1	Establish a strategy and business model which promote long-term value for shareholders	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. The Board also considers factors such as impact of supply chain, manufacturing, CO2 emissions, health implications of each potential investee's product/service on the environment and society as a whole as part of its supply chain and customer adoption process. The Directors believe Group's mission to lower sodium consumption goes the long way addressing one of the main health concerns in the world. The principal risks facing the Group are set out on Page 8 and 9 of this Report.
2	Seek to understand and meet shareholder needs and expectations	The Board engages with shareholders and the broader investment community via a variety of channels and activities including the annual general meeting, updates to shareholders via reporting and the regulatory news service, and institutional and retail investor presentations, both face-to-face and online. The CEO and CFO are the primary contacts for investor interaction.

Corporate governance statement (continued)

No	QCA principle	MicroSalt adoption
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.
4	Embed effective risk management, considering both opportunities and threats, throughout the organization	The principal risks facing the Group are set out on Page 8 and 9 of this Document. The risks involved and the specific uncertainties for the Group are regularly monitored and the Board, led by the Audit Committee, are formally reviewing such risks at regular intervals and adapt them as the Group's operations grow and evolve. All proposals reviewed by the Board include consideration of the issues and risks of the proposal. Where necessary, the Board draws on the expertise of appropriate external consultants or advisers to assist in dealing with or mitigating risk.
5	Maintain the board as a well-functioning, balanced team led by the chair	The biographies of the Directors are set out on Page 10 of this Report. 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. MicroSalt's 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 is 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. 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 meets 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.

Corporate governance statement (continued)

No	QCA principle	MicroSalt adoption
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 on Page 10 of this Report. The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver 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, the Company's Nominated Adviser, in respect of continued compliance with, among other things, the AIM Rules for Companies and the Market Abuse Regime. As the Group evolves over time, the Board will be reassessed to ensure its membership remains appropriate for skills and experience.
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	The Directors consider seriously the effectiveness of the Board, Audit Committee, Remuneration Committee, and individual performance of each Director. The Company has established 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.
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 behaviors throughout the Group, and for ensuring that such values and behaviors guide the objectives and strategy of the Group. The culture is set by the Board and is regularly considered and discussed at Board meetings.

Corporate governance statement (continued)

No	QCA principle	MicroSalt adoption
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. 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.
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 as 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 the annual report and accounts as well as its half year report as key communication channels through which progress in meeting the Group's objectives and updating its strategic targets can be given to Shareholders. 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.

Audit committee report

The Board operates an Audit Committee, chaired by Gary Urmston following his appointment on 1 February 2024. This Committee carries out duties as set out in the Company's Admission Document, supervising the financial and reporting arrangements of the Group. During the period, no issues arose that the Directors consider appropriate to disclose in their Report. The audit committee plans to meet at least 3 times during the calendar year.

Directors' remuneration report

The Board has delegated to its Remuneration Committee, chaired by Judith Batchelar following her appointment on 1 February 2024, certain responsibilities in respect of the remuneration of senior executives. During the period, no issues arose that the Directors consider appropriate to disclose in their Report. The remuneration committee plans to meet at least 2 times during the calendar year.

The following Directors remuneration was earned during the period.

		2024			2023
Directors	Remuneration	Share based payment expense	Bonus	Total	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Judith Batchelar	43	20	-	63	105
Gary Urmston	46	-	-	46	39
Daniel Emery	12	4	-	16	28
Rick Guiney	185	102	15	302	405
Konrad Dabrowski	71	24	15	110	63

The remuneration shown in the table above comprises total cost-to-company salaries and Directors' fees earned in accordance with Director contracts approved by the Board prior to appointment. The amounts per the table above represents the totality of gross remuneration earned by each director.

The Director's proportion of the share option expense was US$149,000 (2023: US$446,000). The Group did not make any contributions to a pension scheme in the period ended 31 December 2024 (2023: Nil). The Directors' held no beneficial interests in shares as of 31 December 2024 or 31 December 2023.

The details of the options held by each director at 31 December 2024 are as follows (complete this table with the rest of the directors):

	No of Options	Exercise Price	Grant Date*	Latest exercise date
Judith Batchelar	804,800	USUS$0.33	15-Sep-23	15-Sep-33
Daniel Emery	604,800	USUS$0.25	15-Sep-23	15-Sep-33
Rick Guiney	2,600,000	USUS$0.25-USUS$0.55	15-Sep-23	15-Sep-33
Konrad Dabrowski	400,000	USUS$0.55	15-Sep-23	30-Sep-33

* On September 2023, the Company performed a share consolidation to issue 1 share for every existing 520 shares.

Total of key management personnel compensation should include short term benefits and share based payments is disclosed in Note 9 of the accounts below.

Directors' statement under Section 172 (1) of the Companies Act 2006

Our Board (please also see Board of Directors on page 10 for information on Directors) ensures that all decisions are taken for the long term, and collectively and individually aims to always uphold the highest standard of conduct. Similarly, our Board acknowledges that the business can only grow and prosper over the long-term if it understands and respects the views and needs of the Company's investors, customers, employees, suppliers and other stakeholders to whom we are accountable, as well as the environment we operate within. When making decisions, each director ensures that they act in the way that would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following matters:

a) The likely consequences of any decision in the long term

In line with our strategy, MicroSalt's purpose is to save lives by reducing excess sodium consumption.

With this in mind, we apply the same high standards of responsible stewardship to our businesses as if we were to own them forever, and it is this approach to decision making that requires the Directors to have regard to the likely consequences of decisions in the long-term.

The long-term decision making and strategy also considers consequences of climate change, such as changes in extreme and unpredictable weather. The Board considers the potential impacts of the climate change related disruptions on business operations of Microsalt Group as they relate to supply chain, customer demand and business operations as these risks may affect future investment decisions.

b) The interests of the Group's employees

The Board strives to maintain and develop a culture where everyone feels valued and included. The Board also considers the health, safety and wellbeing of all Microsalt employees in everyday decisions. Feedback from employees is actively encouraged and is considered a key driver in developing our business activities, processes and workplace environment. Initiatives to encourage wellbeing are well established and continue to evolve and are strongly influenced by the workforce. Professional and personal development of employees is viewed as fundamental to the continued success of the Company.

c) The need to foster the Group's business relationships with suppliers, customers and others

The Board ensures that the Group's mission is focused on improving the world with university discoveries, and focuses on innovations that, if successful, can improve the quality of life of customers we serve.

The Board recognises that it is crucial that we deliver a reliable service to our customers and maintain excellent relationships with suppliers.

d) The impact of the Group's operations on the community and the environment

In their decision making, the Directors need to have regard to the impact of the Company's operations on the community and environment. The Board plays a constructive role in tackling issues through engagement and making sure the Group's investments focus on improving quality of life and attempt to solve significant health and safety problems facing communities. The Board also considers the impact of the Group's investment decisions on the environment as part of screening process.

e) The desirability of the Group maintaining a reputation for high standards of business conduct

The Board recognises that culture, values, and standards are key contributors to how the Group creates and sustains value over the longer term, and to enable it to maintain a reputation for high standards of business conduct. High standards of business conduct guide and assist in the Board's decision making, and in doing so, help promote the Group's success, recognising, amongst other things, the likely consequences of any decision in the long-term and wider stakeholder considerations. The standards set by the Board mandate certain requirements and behaviour with regards to the activities of the Directors, the Group's employees and others associated with the Group.

Directors' statement under Section 172 (1) of the Companies Act 2006 (continued)

f) The need to act fairly as between members of the Group

The Company has one class of ordinary shares, which have the same rights as regards voting, distributions and on a liquidation. Executive directors and senior management are also significant shareholders in the Group, holding in aggregate approximately 6% of the register. Accordingly, the Board feels that the executive Directors and senior management team are well aligned with all other shareholders.

g) MicroSalts IPO

The Company's shares are admitted to trading on the AIM Market of London Stock Exchange plc which the Board believe will enhance the Group's ability to raise capital and compete more effectively in the sodium reduction market.

The above statement should be read in conjunction with the Corporate Governance Statement on pages 14 to 17.

Independent auditor’s report to the members of MicroSalt plc

Opinion

We have audited the financial statements of Microsalt plc (the “Parent Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2024, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2024.
- the Group and Parent Company statements of financial position as at 31 December 2024.
- the Group statement of cash flows for the year then ended.
- the Group and Parent Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK Adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company's affairs as at 31 December 2024 and of the Group’s loss for the year then ended.
- the group financial statements have been properly prepared in accordance with UK Adopted International Accounting Standards.
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the Group’s and Parent Company’s ability to continue to adopt the going concern basis of accounting included:

- Reviewing the directors’ going concern assessment including the working capital cash flow forecast that covers at least 12 months from the date of approval of the financial statements.
- Evaluating the reliability of the data underpinning the forecast working capital cash flows including numerical accuracy of calculations.
- Obtaining management judgements and supporting evidence for future revenues over the course of the forecast period, including analysing post year end performance and orders received, reviewing future order projections and verify to third party support.
- Assessing the cash flow requirements of the Group based on budgets and forecasts, including understanding what forecast expenditure is committed and what could be considered discretionary.
- Considering potential downside scenarios and the resultant impact on available funds.

Independent auditor's report to the members of MicroSalt plc (continued)

- Making enquiries of management as to its knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the Group's ability to continue as a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements to be $211,000, based on approximately 5% percent of a normalised Group loss before tax (meaning excluding the costs of the IPO). Materiality for the Parent Company financial statements as a whole was set at $117,000 based on 1.5% of Parent Company total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at $147,700 for the Group and $81,900 for the Parent Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of $10,550. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The group operates in two jurisdictions: the United Kingdom and the United States of America. The full scope audit of Microsalt Plc was conducted from the UK. We conducted full scope audit of significant components of the Group from the UK and did not engage component auditors as support was provided to us by management along with Parent audit support. The audit approach and key audit matters identified were consistent across the Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The only matter which we identified as a Key Audit Matter was Going Concern, which is described in 'Conclusions relating to Going Concern' above.

This is not a complete list of all risks identified by our audit.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Independent auditor’s report to the members of MicroSalt plc (continued)

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors’ report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the directors’ responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group’s and Parent Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Independent auditor's report to the members of MicroSalt plc (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. The most significant legal and regulatory frameworks identified for the Group were the Companies Act 2006 and AIM Rules for Companies. Our work included reviewing board and committee minutes, relevant correspondence, and direct enquiries of
- management and those charged with governance concerning whether they had knowledge of actual, suspected, or alleged fraud.
- We considered the nature of the industry in which Microsalt operates, control environment and the design and implementation of key controls and policies, including directors' remuneration.
- As part of our audit planning process, we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. We assessed that the risk was greater in areas that involve significant management estimate or judgement. We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.
- To address the pervasive risk of management override of controls, we considered the fraud risk related to any unusual transactions or unexpected relationships, including assessing the risk of undisclosed related party transactions. Our procedures to address this risk included testing a risk-based selection of journal transactions, both at the year end and throughout the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Bullock (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW, UK

30 May 2025

Financial statements

Consolidated statement of profit or loss and other comprehensive income

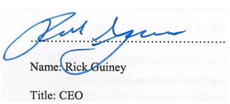
	Note	Year ended 31 December 2024 US$'000	Year ended 31 December 2023 US$'000
Revenue	4	750	574
Cost of sales		(1,188)	(724)
Gross (loss)/profit		(438)	(150)
Other operating income	5	3	120
Administrative expenses		(3,983)	(3,318)
IPO Costs		(1,430)	-
Operating loss		(5,848)	(3,348)
Finance income		6	-
Finance expense	10	(289)	(131)
Loss before taxation		(6,131)	(3,479)
Taxation	11	-	-
Loss for the year		(6,131)	(3,479)
Loss for the year attributable to:			
Owners of the parent		(6,131)	(3,479)
		(6,131)	(3,479)
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation differences		89	6
Total comprehensive income		(6,042)	(3,473)
Total comprehensive loss attributable to:			
Owners of the parent		(6,042)	(3,473)
		(6,042)	(3,473)
Loss per share for loss attributable to the owners			
Basic and diluted loss per share (US$)	12	(0.13)	(0.39)

The notes on pages 30 to 49 form part of these financial statements

Consolidated statement of financial position

Company Number 10061337	Note	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Assets			
Current assets			
Inventories	15	714	568
Trade and other receivables	16	872	1,259
Cash and cash equivalents	17	261	117
Total current assets		1,847	1,944
Non-current assets			
Property, plant & equipment	14	200	8
Intangible assets	13	498	321
Total non-current assets		698	329
Total assets		2,545	2,273
Liabilities			
Current liabilities			
Trade and other payables	18	1,348	1,745
Total current liabilities		1,348	1,745
Non-current liabilities			
Borrowings	19	2,746	2,524
Total non-current liabilities		2,746	2,524
Total liabilities		4,094	4,269
Net (liabilities)/assets		(1,549)	(1,996)
Equity			
Share capital	20	99	73
Share premium	20	6,183	-
Share-based payment reserve		1,340	1,060
Capital contribution reserve		500	500
Translation reserve		95	6
Accumulated losses		(9,766)	(3,635)
Total equity		(1,549)	(1,996)

The financial statements were approved and authorised for issue by the Board of Directors on 30 May 2025 and were signed on its behalf by:



The notes on pages 30 to 49 form part of these financial statements

Consolidated statement of changes in equity

	Note	Share capital	Share premium	Share based payment reserve	Capital contribution reserve	Accumulated Earnings (losses)	Translation reserve	Total attributable to the company	Non – controlling interests	Total equity
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2023		-	1,121	488	2,452	(3,999)	-	62	270	332
Loss for the year		-	-	-	-	(3,479)	6	(3,473)	-	(3,473)
Transactions with owners										
Issue of ordinary share capital	20	73	2,452	-	(2,452)	-	-	73	-	73
Capital contribution from ultimate controlling party		-	-	-	500	-	-	500	-	500
Cancellation of share premium		-	(3,573)	-	-	3,573	-	-	-	-
Share-based payments		-	-	572	-	-	-	572	-	572
Share-for-share exchange		-	-	-	-	270	-	270	(270)	-
At 31 December 2023		73	-	1,060	500	(3,635)	6	(1,996)	-	(1,996)
Profit for the year		-	-	-	-	(6,131)	-	(6,131)	-	(6,131)
Other comprehensive income		-	-	-	-	-	89	89	-	89
Transactions with owners										
Issue of shares	20	26	7,023	-	-	-	-	7,049	-	7,049
Cost of share issue		-	(840)	-	-	-	-	(840)	-	(840)
Share-based payments	21	-	-	280	-	-	-	280	-	280
At 31 December 2024		99	6,183	1,340	500	(9,766)	95	(1,549)	-	(1,549)

The notes on pages 30 to 49 form part of these financial statements

Consolidated statement of cash flows

	Note	Year ended 31 December 2024 US$'000	Year ended 31 December 2023 US$'000
Cash flows from operating activities			
Proft (Loss) before income tax		(6,132)	(3,479)
Depreciation of property, plant and equipment	14	12	1
Amortisation of intangible assets		24	6
Share based payment expense		280	572
Loss/(gain) on foreign currency translation		89	-
Finance income		(6)	-
Finance expense	10	289	131
		(5,444)	(2,769)
(Increase) / decrease in inventories	15	(146)	(360)
Decrease/(increase) in trade and other receivables	16	387	(1,038)
(Decrease)/Increase in trade and other payables	18	(729)	1,580
Net cash used in operating activities		(5,932)	(2,587)
Cash flows from investing activities			
Purchase of intangible assets	13	(201)	(180)
Payments to acquire property, plant and equipment	14	(204)	(9)
Interest received		6	-
Net cash used in investing activities		(399)	(189)
Cash flows from financing activities			
Issue of shares		7,048	73
Proceeds from borrowings	23	267	2,723
Payment of share issue costs		(840)	-
Net cash from financing activities		6,475	2,796
Increase in cash and cash equivalents	17	144	20
Cash and cash equivalents at beginning of year		117	91
Effect of foreign exchange rate changes		-	6
Cash and cash equivalents at end of year		261	117

The notes on pages 30 to 49 form part of these financial statements

Notes to the consolidated financial statements

1. General information

MicroSalt Plc (the "Company") 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 Company together with its subsidiary undertaking (the "Group") is that of the development and sale of low sodium salt and snack foods.

2. Accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS").

The financial statements have been prepared under the historical cost convention. The measurement bases and principal accounting policies of the Group are set out below.

New standards and interpretations

Standards and interpretations which are effective in the current year

None of the standards which became effective during the period which are applicable to the Group, have had a material impact.

Standards and interpretations that are not yet effective

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.

2.2 Going concern

The Directors have assessed the ability of the Group to continue as a going concern using cash flow forecasts. The Group meets its day to day working capital requirements through cash raised from the admission to AIM and revenue sales. On 1 February 2025, the Company completed its second raise on the AIM Market of the London Stock Exchange, raising approximately £2.4m (US$3.1m) in order to solidify its funding to continue its aggressive growth strategy including R&D, sales support and production requirements. The Directors are satisfied that there are sufficient resources to continue in business for the foreseeable future and for at least 12 months from the date of signing these financial statements.

Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

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. The unfolding tariff uncertainty risk is mitigated by the fact that all Microsalt's current production is concentrated in the United States and not subject to tariffs. Therefore, the financial statements continue to be prepared on the going concern basis.

2.3 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 business to business transactions on credit terms.

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

2.4 Basis of consolidation

The consolidated financial statements present 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 changes in ownership in a subsidiary do not result in a loss of control, the non-controlling shareholders' interests are initially measured at the non-controlling interests' proportionate share of the subsidiaries net assets. Subsequent to this, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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.

2.5 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.

2.6 Finance expense

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

Notes to the consolidated financial statements (continued)

2 Accounting policies (continued)

2.7 Foreign currency translation

The functional currency of the Company is GB Pounds Sterling. For the purposes of the consolidated financial Information, the results and financial position of the Company and its subsidiary are presented in US 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.

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

The assets and liabilities of the Group are expressed in US 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.

2.8 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit and loss, 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 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.

2.9 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
Computer equipment	-	20 per cent straight-line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

2.10 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 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.

2.11 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.

2.12 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.

Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

2.13 Financial assets

The Group classifies its financial assets at amortised cost. 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.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime ECLs. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net; such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2.14 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.

Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

2.15 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.

Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 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.

2.16 Equity instruments

Equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all liabilities and comprises the following:

- “Share capital” represents the nominal value of equity shares;
- “Share premium” represents the excess value of equity shares above the nominal value;
- “Share-based payment reserve” represents the cumulative fair value of options;
- “Capital contribution reserve” represents non-cash contributions from equity holders;
- “Accumulated losses” represents retained earnings less retained losses;
- “Translation reserve” represents the Cumulative gains and losses on translating the net assets of the Company to the presentation currency of the Group” and
- “Non-controlling interests” represents the cumulative net profits/(losses) in relation to non-controlling interests.

2.17 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 ordinary shares of MicroSalt Inc. on 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.

Notes to the consolidated financial statements (continued)

2. Accounting policies (continued)

2.18 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. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements 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 financial statements 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 financial statements are discussed below:

Critical judgements

Information about critical judgements that may have most significant effect on recognition and measurement on assets, liabilities and expenses is provided below:

Going Concern

The Group liabilities exceeded its assets as at 31 December 2024, mainly due to the convertible loan notes (CLN) issued by TeckCapital for US$2,746,000. Management knows that the CNL holder is our most significant shareholder which considerably mitigates the risk associated with these CLN. The going concern basis is being upheld by future cashflow forecasts which involves significant management judgement.

Notes to the consolidated financial statements (continued)

Investment in subsidiary (company only)

The valuation of the investment in subsidiary is supported by the company delivering on its future business plan. The future business plan is underpinned by forecast cash flows which involve significant management judgements. If the Group was to underperform the forecast performance of the business plan, there is a risk that this balance might be impaired.

4. Revenue from contracts with customers

All Group revenue was generated from the sale of goods across North America and recognised at the date the goods were delivered. 3 customers make up 10% or more of revenue in the period ended 31 December 2024 (2023:1).

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Customer 1	209	-
Customer 2	157	107
Customer 3	122	-

5. Other operating income

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
R&D expenditure tax credit	-	48
Other income	3	72
	3	120

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. Operating loss

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Amortisation of intangible assets	24	6
Research and development expense	247	81
Share-based payment expense	280	572
Inventory recognised as an expense	-	81
Expected credit losses	14	(3)

Notes to the consolidated financial statements (continued)

8. Auditors' remuneration

During the year the Group obtained the following services from the Group's auditors:

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Fees payables for the audit of the Group and Company's annual accounts	94	45
Fees payables for all other pre-IPO non-audit services	47	208
	141	253

9. Employees and directors

	2024 US$'000	2023 US$'000
Wages and salaries	670	276
Social security costs	227	72
Share-based payment expense	280	572
	1,177	920

The average monthly number of employees and Directors during the year was as follows:

	2024 Number	2023 Number
Management and administration	7	5
	7	5

Directors' remuneration is as follows:

	2024 US$'000	2023 US$'000
Directors' emoluments, including salaries and fees	433	221
Social security costs	184	18
Share-based payment expense	280	572
	897	811

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.

The remuneration of the highest paid Director who served during the year was Rick Guiney which consisted of base salary of US$200,000 (2023: US$150,000), paid by MicroSalt Inc.

Notes to the consolidated financial statements (continued)

10. Finance expense

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Finance costs:		
Interest on convertible loans	289	131
	289	131

11. Taxation

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2024 or for the year ended 31 December 2023.

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Loss on ordinary activities before tax	(6,131)	(3,479)
Tax using the Group's domestic tax rates	(1,533)	(817)
Effects of:		
Deferred tax adjustment - remeasurement of current year losses at future tax rate	-	(52)
Unutilised tax losses carried forward	1,533	869
Total taxation credit	-	-

The main rate of UK corporation tax for the year ended 31 December 2024 was 25%. On 1 April 2023, the main rate of UK corporation tax increased from 19% to 25%, resulting in an effective tax rate of 23.5% for the year ended 31 December 2023.

No provision has been made for the 2024 deferred taxation as no taxable income has been received to date, and the probability of future taxable income is indicative of current market conditions which remain uncertain.

At the Statement of Financial Position date, the Directors estimate that the Group has unused tax losses of US$9,763,000 (2023: US$7,096,000).

Losses may be carried forward indefinitely in accordance with the applicable taxation regulations.

Notes to the consolidated financial statements (continued)

12. Basic and diluted 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 ordinary shares in issue. Loss per share is presented based on the number of shares outstanding in the Company.

	31 Dec 2024	31 Dec 2023
Loss used in calculating basic and diluted loss per share (US$)	(6,042,000)	(3,479,000)
Weighted average number of shares	45,851,697	8,895,498
Basic and diluted loss per share (US$)	(0.13)	(0.39)

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 2023 has been adjusted for the effect of the 3200:1 share subdivision and subsequent 1:520 share consolidation.

13. Intangible assets

	Patent US$'000	Trademark US$'000	Total US$'000
Cost			
At 1 January 2023	154	-	154
Additions	149	31	180
At 31 December 2023	303	31	334
Amortisation			
At 1 January 2023	7	-	7
Charge for the period	6	-	6
At 31 December 2023	13	-	13
Net book amount			
At 31 December 2023	290	31	321
Cost			
At 1 January 2024	303	31	334
Additions	197	4	201
At 31 December 2024	500	35	535
Amortisation			
At 1 January 2024	13	-	13
Charge for the period	24	-	24
At 31 December 2024	37	-	37
Net book amount			
At 31 December 2024	463	35	498

Notes to the consolidated financial statements (continued)

14. Property, plant and equipment

	Computer Equipment US$'000	Plant & equipment US$'000	Total US$'000
Cost			
At 1 January 2023	-	9	9
Additions	-	-	-
At 31 December 2023	-	9	9
Depreciation			
At 1 January 2023	-	1	1
Charge for the period	-	-	-
At 31 December 2023	-	1	1
Net book amount			
At 31 December 2023	-	8	8
Cost			
At 1 January 2024	-	9	9
Additions	23	181	204
At 31 December 2024	23	190	213
Depreciation			
At 1 January 2024	-	1	1
Charge for the period	2	10	12
At 31 December 2024	2	11	13
Net book amount			
At 31 December 2024	21	179	200

15. Inventory

	2024 US$'000	2023 US$'000
Raw materials	226	279
Finished goods and goods for resale	488	289
	714	568

Notes to the consolidated financial statements (continued)

16. Trade and other receivables

	2024 US$'000	2023 US$'000
Trade receivables	492	224
Other receivables	245	307
Prepayments	135	728
	872	1,259

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.

Prepayments as of December 31, 2023 include US$690,000 of deferred costs in relation to the IPO of the Company on AIM, which completed 1 February 2024.

Analysis of trade receivables based on age of invoices:

	< 30 days past due	31 – 60 days past due	61 -90 days past due	> 90 days past due	Total gross	ECL	Total net
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
31 December 2024	220	89	37	178	524	(22)	502
31 December 2023	145	10	44	33	232	(8)	224

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$22,000 (2023: US$8,000) based on historical data available to management in addition to forward looking information utilising management knowledge. The ECL is based on 90% of trade receivables over 60 days past due being recoverable and therefore an ECL of 10% 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.

17. Cash and cash equivalents

	2024 US$'000	2023 US$'000
Cash at bank	261	117
	261	117

Notes to the consolidated financial statements (continued)

18. Trade and other payables

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Amounts falling due in one year:		
Trade payables	1,196	974
Other payables	47	667
Accruals	105	104
	1,348	1,745

Other payables include amounts owed to related parties (see note 25).

19. Borrowings

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Current		
Convertible loan notes	2,746	2,524
	2,746	2,524

On 1 June 2022, the Group issued convertible loan notes ("CLNs") with a principal amount of US$2,000,000 of which US$2,000,000 was drawn and outstanding at 31 December 2024 (2023: US$2,000,000). The Group issued further CLNs on 1 March 2023 and 1 October 2023, with principal amounts of US$2,000,000 each, of which US$267,000 (2023: US$909,000) and US$Nil (2023: US$Nil) were drawn down at 31 December 2024, respectively.

The CLNs incur interest of 10% per annum and are repayable four years after commencement or can be converted into ordinary shares of MicroSalt Inc. upon certain conversion events at the option of the noteholder. During the year ended 31 December 2024, US$Nil (2023: US$500,000) was converted into ordinary shares of MicroSalt Inc.

Notes to the consolidated financial statements (continued)

20. Share capital

	31 Dec 2024 Shares	31 Dec 2024 US$	31 Dec 2023 Shares	31 Dec 2023 US$
Allotted, called up and fully paid				
Opening number of £0.01 ordinary shares for 2023 and £0.001625 ordinary shares for 2024	35,245,729	72,926	1,892	26
Subdivision into £0.000003125 ordinary shares		-	6,052,508	-
Issue of ordinary share		-	1	-
Consolidation of shares into £0.001625 ordinary shares		-	(6,042,758)	-
Issue of ordinary shares	12,971,405	25,671	35,234,086	72,900
Closing number of £0.001625 ordinary shares	48,217,134	98,597	35,245,729	72,926

All issues are for cash unless otherwise stated.

On 15 June 2023, the Company performed a share subdivision to issue 3,200 new ordinary shares for every existing 1 share. Subsequently, on 30 September 2023, the Company performed a share consolidation to issue 1 share for every existing 520 shares.

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Share premium		
Opening balance	-	1,121
Issue of shares	7,023	2,452
Cancellation of share premium	-	(3,573)
Cost of share issue	(840)	-
Closing balance	6,183	-

On 1 February 2024, the company issued 7,871,423 shares at £0.43 per new share; also on July 01, 2024, the company issued 4,799,981warrants at £0.473 per new share. The cost associated to the IPO process included legal, financial and advisory services for about USD820,000.

On 1 February 2024, the Company completed its IPO on the AIM Market of London Stock Exchange plc raising approximately £3.1m (US$3.9m)

On 29 June 2023, the Company cancelled the share premium account of the Company, and the amount of the share premium account was transferred to distributable reserves. The Cancellation of Reserve was carried out by way of the solvency statement procedure under section 641(1)(a) of the Companies Act.

Notes to the consolidated financial statements (continued)

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:

Date of grant	No. of options ('000)	Exercise price	Vesting conditions	Contractual life of options	Share price at grant date	Remaining option life	Risk free interest rate
1 January 2022	56,000	US$0.2500	Time-based[1]	3 years	US$1.00	1 year	0.87%
24 February 2022	1,000,000	US$0.2500	Time-based[2]	4 years	US$1.00	3 years	1.06%
1 August 2022	400,000	US$0.3225	Time-based[3]	3 years	US$1.29	3 years	2.87%
27 October 2022	804,800	US$0.3225	Exit event[5]	3 years	US$1.29	3 years	3.45%
18 November 2022	1,600,000	US$0.5450	Time-based[2]	5 years	US$2.18	3 years	3.26%
30 April 2024	351,000	US$0.8804	Time-based[3]	3 years	US$0.88	3 years	4.36%

[1]100% of the share options vest in one annual instalment 12 months after the grant date.
[2]2.78% of the share options vest in equal monthly instalments over 36 months from the grant date.
[3]33.33% of the share options vest 12 months after the grant date, 33.33% of the share options vest 24 months after the grant date and the remaining 33.33% of share options vest 36 months after the grant date.
[4]50% of the share options vest six months after the grant date and 50% 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.

The number of options and exercise price for the Options granted before 2023 have been adjusted for the effect of a 3200:1 share subdivision and subsequent 1:520 share consolidation which occurred in 2023.

All options granted have an expected volatility of 80%.

On 30 September 2023, all of the options held with MicroSalt Inc. were cancelled and reissued with the Company on the same terms as the existing agreements. As such, the fair value of the options did not increase as a result of the modification and therefore no adjustment was made to share-based payment expense in 2023.

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 US$ ("WAEP") are as follows:

	2024 No.	2024 WAEP	2023 No.	2023 WAEP
Outstanding at the beginning of the year	6,710,684	0.37	6,710,684	0.37
Granted during the year	351,000	0.88	-	-
Outstanding at the end of the year	7,061,684	0.39	6,710,684	0.37
Exercisable at the end of the year	6,031,897	0.37	4,569,024	0.37

The number of share options and WAEP have been adjusted for the period 2023 for the effect of the 3200:1 share subdivision and subsequent 1:520 share consolidation.

Notes to the consolidated financial statements (continued)

22. Financial instruments

The Group's financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, accruals, and convertible loan note liabilities, that arise directly from its operations.

Financial assets

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Trade receivables	502	224
Other receivables	246	307
Cash at bank	261	117
	1,009	648

Financial liabilities

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Trade payables	1,196	974
Other payables	47	667
Accruals	115	104
Convertible loan note liabilities	2,746	2,524
	4,104	4,269

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

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.

a) Foreign exchange risk

The Group operates internationally and is exposed to currency risk arising on cash and cash equivalents, receivables and payables denominated in a currency other than the respective functional currencies of the Group entities, which are primarily US Dollars and Sterling. The Group's manages foreign currency risk by, where possible, settling liabilities denominated in a currency other than its functional currency with cash already denominated in that currency.

Notes to the consolidated financial statements (continued)

22. Financial instruments (continued)

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	31 Dec 2024 US$’000	31 Dec 2023 US$’000
Net foreign currency liabilities		
GBP	153	208

Sensitivity analysis

A 10% strengthening of sterling against the Group’s primary currencies at 31 December 2024 would have decreased equity and profit or loss by the amounts shown below:

	31 Dec 2024 US$’000	31 Dec 2023 US$’000
Effect on equity	15	21
Effect on profit or loss	15	21

A 10% weakening of sterling against the Group’s primary currencies at 31 December 2024 would have an equal but opposite effect on the amounts shown above.

b) 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 only interest-bearing borrowings are at a fixed interest rate of 10%, 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.

c) 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 note above.

The receivables age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. 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 is based on 90% of trade receivables over 60 days past due being recoverable. Further disclosures regarding trade and other receivables are provided within note 16.

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-.

Notes to the consolidated financial statements (continued)

22. Financial instruments (continued)

d) 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:

	Group	
	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Within 1 year:		
Trade and other payables	1,244	1,641
Accruals	115	104
Later than 1 year and less than 4 years	1,359	1,745
Convertible loan note liabilities	2,746	2,524
After 4 years	2,746	2,524
Total including interest cash flows	4,105	4,269
Less: interest cash flows	(289)	(131)
Total principal cash flows	3,816	4,138

The convertible loan notes issued by Tekcapital Group and its interests are repayable US$2,189,000 in 2027 and US$557,000 in 2028.

23. Related party disclosures

Key management personnel remuneration is disclosed in note 9 above.

		Transaction amount		*Balance owed*	
Related party relationship	*Type of transaction*	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Tekcapital plc	Convertible loan notes issued	(67)	2,723	2,746	2,524
Tekcapital Europe Ltd	Related party loan	(642)	590	-	642

Notes to the consolidated financial statements (continued)

24. Changes in liabilities from financing activities

	At 1 January 2023 US$'000	Financing cash flows US$'000	Interest US$'000	Non-cash changes US$'000	At 31 December 2023 US$'000
Convertible loan notes	170	2,723	131	(500)	2,524
Total liabilities from financing activities	170	2,723	131	(500)	2,524

	At 1 January 2024 US$'000	Financing cash flows US$'000	Interest US$'000	Non-cash changes US$'000	At 31 December 2024 US$'000
Convertible loan notes	2,524	267	289	(334)	2,746
Total liabilities from financing activities	2,524	267	289	(334)	2,746

The non-cash change in 2024 relates a balance due to the ultimate controlling party that was settled by issue of convertible loan note. The non-cash change in 2023 relates to the capital contributions from the ultimate controlling party.

25. Events after the reporting date

On 1 February 2025, the Company completed its second raise on the AIM Market of the London Stock Exchange, raising approximately £2.4m (US$3.1m).

Company statement of financial position

Company Number 10061337	Note	As at 31 December 2023 US$'000	As at 31 December 2022 US$'000
Assets			
Current assets			
Inventories	5	9	9
Trade and other receivables	6	4,355	1,153
Cash and cash equivalents	7	69	92
Total current assets		4,433	1,254
Non-current assets			
Investments	9	3,454	3,393
Intangible assets	4	35	31
Total non-current assets		3,489	3,424
Total assets		7,922	4,678
Liabilities			
Current liabilities			
Trade and other payables	8	358	1,216
Total current liabilities		358	1,216
Total liabilities		358	1,216
Net assets		7,564	3,462
Equity			
Share capital		99	73
Share premium		6,183	-
Share-based payment reserve		1,340	1,060
Capital contribution reserve		500	500
Translation reserve		128	142
Retained earnings		(686)	1,687
Total equity		7,564	3,462

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent Company is not presented as part of these financial statements. The parent Company's loss for the financial year was US$2,373,000 (2023: US$135,000).

These financial statements were approved and authorised for issue by the Board of Directors on 30 May 2025 and were signed on its behalf by:

Name: Rick Guiney
Title: CEO

The notes on pages 52 to 56 form part of these financial statements

Company statement of changes in equity

	Share capital US$'000	Share premium US$'000	Share based payment reserve US$'000	Capital contribution reserve US$'000	Accumulated losses US$'000	Translation reserve US$'000	Total US$'000
At 1 January 2023	-	1,121	-	2,452	(1,111)	-	2,462
Loss for the year	-	-	-	-	(135)	-	(135)
Other comprehensive income	-	-	-	-	-	142	142
Transactions with owners							
Issue of ordinary share capital	73	2,452	-	(2,452)	-	-	73
Capital contribution from ultimate controlling party	-	-	-	500	-	-	500
Cancellation of share premium	-	(3,573)	-	-	3,573	-	-
Transfer of share based payment reserve from subsidiary	-	-	972	-	(640)	-	332
Share-based payments	-	-	88	-	-	-	88
At 31 December 2023	73	-	1,060	500	1,687	142	3,462
Loss for the year	-	-	-	-	(2,373)	-	(2,373)
Other comprehensive loss	-	-	-	-	-	(14)	(14)
Transactions with owners							
Issue of ordinary share capital	26	7,023	-	-	-	-	7,049
Cost of share issue	-	(840)	-	-	-	-	(840)
Share-based payments	-	-	280	-	-	-	280
At 31 December 2024	99	6,183	1,340	500	(686)	128	7,564

The notes on pages 52 to 56 form part of these financial statements

Notes to the company financial statements

1. Accounting policies

1.1. Basis of preparation

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"), on a historical cost basis and in accordance with the Companies Act 2006.

The results of the Company are included in the consolidated financial statements of the Group, which are presented alongside these financial statements.

These financial statements are presented in US Dollars, which is the Company's presentational currency. The Company's functional currency is GB Pounds.

The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements of the Group except as described in this note.

Disclosure exemptions adopted:

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'.
- The following paragraphs of IAS 1, 'Presentation of financial statements'
    a) 10(d) (statement of cash flows);
    b) 16 (statement of compliance with IFRS);
    c) 38A (requirement for minimum of two primary statements, including cash flow statements);
    d) 38B-D (additional comparative information);
    e) 111 (statement of cash flows information); and
    f) 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors'.
- The requirements in IAS 24, 'Related party disclosures'.

1.2. Going concern

The Directors continue to adopt the going concern basis in the preparation of the financial statements. Further details are included in note 2.2 to the consolidated financial statements.

1.3. Investment in subsidiaries

Investments in subsidiary undertakings are stated at cost less provision for any impairment in value.

Notes to the company financial statements (continued)

2. Loss for the year

Disclosures of auditor remuneration in relation to the audit of the Company financial statements are included within note 8 of the Group financial statements.

3. Employees and directors

	2024 US$'000	2023 US$'000
Wages and salaries	89	58
Social security costs	8	7
Share-based payment expense	167	74
	264	139

The average number of employees and Directors during the year was as follows:

	2024 Number	2023 Number
Management and administration	2	3
	2	3

Director's renumeration is as follows:

	2024 US$'000	2023 US$'000
Directors' emoluments, including salaries and fees	89	58
Social security costs	8	7
Share-based payment expense	167	74
	264	139

The Company has taken advantage of the exemption under FRS 101 to not disclose key management personnel compensation.

Notes to the company financial statements (continued)

4. Intangible assets

	Trademark US$'000
Cost	
At 1 January 2023	-
Additions	31
At 31 December 2023	31
Amortisation	
At 1 January 2023	-
Charge for the period	-
At 31 December 2023	-
Net book amount	
At 31 December 2023	31
Cost	
At 1 January 2024	31
Additions	4
At 31 December 2024	35
Amortisation	
At 1 January 2024	-
Charge for the period	-
At 31 December 2024	-
Net book amount	
At 31 December 2024	35

5. Inventory

	2024 US$'000	2023 US$'000
Raw materials	-	-
Finished goods and goods for resale	9	9
	9	9

Notes to the company financial statements (continued)

6. Trade and other receivables

	2024 US$'000	2023 US$'000
Other receivables	4,346	455
Prepayments	9	698
	4,355	1,153

7. Cash and cash equivalents

	2024 US$'000	2023 US$'000
Cash at bank	69	92
	69	92

8. Trade and other payables

	31 Dec 2024 US$'000	31 Dec 2023 US$'000
Amounts falling due in one year:		
Trade payables	221	300
Other payables	43	830
Accruals	94	86
	358	1,216

9. Investment in subsidiary

	2024 US$'000	2023 US$'000
Cost		
Opening balance	3,393	2,410
Additions	61	983
Closing balance	3,454	3,393

The Company owns directly 91.75% of the issued and fully paid ordinary share capital of its subsidiary undertaking. All ownership interests in subsidiaries are equal to their voting rights.

Subsidiary	Country of incorporation	Registered address	Ownership interest held by the Company 2024	Ownership interest held by the Company 2023
MicroSalt Inc.	United States of America	11900 Biscayne Blvd, Suite 630, Miami, Florida, 33181	92%	92%

Notes to the company financial statements (continued)

10. Ultimate controlling party

At 31 December 2024, the ultimate controlling party of the Company was Tekcapital plc.

11. Events after the reporting date

On 1 February 2025, the Company completed its second raise on the AIM Market of the London Stock Exchange, raising approximately £2.4m (US$3.1m).

Company information

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Mr R Guiney
Ms J Batchelar
Mr G Urmston
Mr D Emery

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