Unigel Group plc

Admission Document

THIS ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Admission Document, or the action you should take, you are recommended immediately to seek your own financial advice from an independent financial adviser, such as a stockbroker, solicitor, accountant or other adviser who specialises in advising on the acquisition of shares and securities and is authorised under the Financial Services and Markets Act 2000 ("FSMA") (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction).

This Admission Document is an admission document drawn up in accordance with the Aquis Stock Exchange Access Rulebook (the "AQSE Exchange Rules") and has been prepared in connection with the proposed application for admission of the issued and to be issued ordinary share capital of the Company to trading on the Access Segment of the AQSE Growth Market. This Admission Document does not constitute a prospectus within the meaning of section 85 of FSMA and has not been drawn up in accordance with the Prospectus Rules published by the Financial Conduct Authority ("FCA") and a copy has not been, and will not be, approved or filed with the FCA. This Admission Document does not constitute, and the Company is not making, an offer of transferable securities to the public within the meaning of section 102B of FSMA or otherwise.

The Company and each of the Directors, whose names appear on page 4 of this Admission Document, individually and collectively accept full responsibility for the information contained in this Admission Document, including for its compliance with the AQSE Exchange Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Admission Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The AQSE Growth Market, which is operated by Aquis Stock Exchange Limited ("Aquis Stock Exchange" or "AQSE"), a Recognised Investment Exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies.

It is not classified as a Regulated Market under applicable financial services law and AQSE Growth Market securities are not admitted to the Official List of the FCA. Investment in an unlisted company is speculative and involves a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in AQSE Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

The Company is required by Aquis Stock Exchange to appoint a Corporate Adviser to apply on its behalf for admission to the AQSE Growth Market and must retain a Corporate Adviser at all times. The requirements for a Corporate Adviser are set out in the Corporate Adviser Handbook and the Corporate Adviser is required to make a declaration to Aquis Stock Exchange in the form prescribed by Appendix B of the Corporate Adviser Handbook.

This Admission Document has not been approved by the Aquis Stock Exchange or the FCA.

Prospective investors should read the whole of this Admission Document. An investment in the Company is speculative and involves a high degree of risk. The attention of prospective investors is drawn in particular to Part II of this Admission Document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Company's business, financial position and prospects should be viewed in light of these risk factors.

Application will be made for the whole of the Company's issued and to be issued ordinary share capital to be admitted to trading on the AQSE Growth Market. It is expected that Admission (as defined on page 7 of this Admission Document) will become effective and dealings in the Ordinary Shares on the AQSE Growth Market will commence at 8.00 a.m. on 26 August 2022.

UNIGEL GROUP PLC

(Incorporated in England and Wales under the Companies Act 2006 with registration number 13934232)

UNIGEL

Subscription of 1,285,000 New Ordinary Shares of 0.5 pence each at 64 pence per Ordinary Share Admission to Trading on the Access Segment of the AQSE Growth Market

Cairn

Corporate Adviser

Cairn Financial Advisers LLP ("Cairn"), which is authorised and regulated by the FCA, is the Company's Corporate Adviser for the purposes of Admission. Cairn has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Admission Document, or for the omission of any material information, for which the Directors are solely responsible. Cairn is acting for the Company and no one else in relation to the arrangements proposed in this Admission Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person on the content of this Admission Document.

This Admission Document contains forward-looking statements, including, without limitation, statements containing the words "believes", "expects", "estimates", "intends", "may", "plan", "will" and similar expressions (including the negative of those expressions). Forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in Part II of this Admission Document, entitled "Risk Factors". Given these uncertainties, prospective investors are cautioned not to place any undue reliance on those forward-looking statements. The forward-looking statements contained in this Admission Document are made on the date of this Admission Document, and, except as otherwise required by law or the AQSE Exchange Rules, the Company, the Directors and Cairn are not under any obligation to update those forward-looking statements in this Admission Document to reflect actual future events or developments.

No legal, business, tax or other advice is provided in this Admission Document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence. This Admission Document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful and, in particular, this Admission Document is not for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this Admission Document in other jurisdictions may be restricted by law. The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States of America, Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, re-sold, renounced, taken up or delivered, directly or indirectly, in, into or from the United States of America, Canada, Australia, the Republic of South Africa or Japan or to any national of the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. This Admission Document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, in, and in particular, should not be distributed to persons with addresses in, the United States of America, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. No action has been taken by the Company or Cairn that would permit an offer of Ordinary Shares or possession or distribution of this Admission Document where action for that purpose is required. Persons into whose possession this Admission Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law or other laws of any such jurisdictions.

In making any investment decision in respect of Admission, no information or representation should be relied upon in relation to Admission or in relation to the Ordinary Shares other than as contained in this Admission Document. No person has been authorised to give any information or make any representation other than that contained in this Admission Document and, if given or made, such information or representation must not be relied upon as having been authorised.

It should be remembered that the price of securities and the income from them can go down as well as up and this Admission Document contains references to past performance of the Company and its subsidiaries. Past performance is not a reliable indicator of future results.

There is information given in this Admission Document which relates to tax treatment. Tax treatment depends on the individual circumstances of each investor and is subject to change in the future.

Third party information

The data, statistics and information and other statements in this Admission Document regarding the markets in which the Group operates, or its market position therein, is based upon the Company's records or are taken or derived from statistical data and information derived from the third-party sources described in this Admission Document.

In relation to these third-party sources, such information has been accurately reproduced from the identified information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of this information, no facts have been omitted which would render such information inaccurate or misleading.

Presentation of financial information

The financial information contained in this Admission Document, including that financial information presented in a number of tables in this Admission Document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Admission Document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Market, economic and industry data

The data, statistics and information and other statements in this Admission Document regarding the markets and industry in which the Company operates, or its market position therein, is based upon the Company's records or are taken or derived from statistical data and information derived from the sources described in this Admission Document. In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Time Zone

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

No Incorporation of Website

The information of the Company's website (or any other website) does not form part of this Admission Document.

CONTENTS

Directors, Secretary and Advisers

Directors	Kwang Hua ("Eric") Chhoa *(Chief Executive Officer)* Gary Revel-Chion *(Director)* Sven Janne Sjödén *(Non-executive Chairman)* Azlinda Ezrina Binti Ariffin *(Non-executive Director)*
Company Secretary	Ben Harber Shakespeare Martineau LLP 6th Floor, 60 Gracechurch Street London EC3V 0HR
Registered Office	Unigel House 7 Park View Alder Close Eastbourne East Sussex BN23 6QE
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Company Contact Details	Tel: +44 (0) 1273 612 122 Email: enquiries@unigel.com
Corporate Adviser	Cairn Financial Advisers LLP Ninth Floor 107 Cheapside London EC2V 6DN
Solicitors to the Company	Howard Kennedy LLP No.1 London Bridge London SE1 9BG
Reporting Accountants	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Auditors to Unigel	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Auditors to Unitape	Hakim Fry Chartered Accountants LLP 69-71 East Street Epsom Surrey KT17 1BP
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD

Admission Statistics

Subscription Price per New Ordinary Share	64 pence
Number of Ordinary Shares in issue prior to the Subscription	10,000,000
Number of New Ordinary Shares being issued pursuant to the Subscription	1,285,000
Number of Ordinary Shares in Issue on Admission	11,285,000
Percentage of the Enlarged Share Capital subject to the Subscription	11.39 per cent.
Estimated gross proceeds of the Subscription	£0.82 million
Market capitalisation on Admission	£7.2 million
AQSE Symbol at Admission	UNX
SEDOL	BPP4RY4
ISIN	GB00BPP4RY41
LEI	213800WJ4R4R99242P96

Expected Timetable of Principal Events

	2022
Publication and despatch of this Admission Document	19 August
Admission becomes effective and commencement of dealings in the Enlarged Share Capital on the AQSE Growth Market	8:00 a.m. on 26 August
CREST accounts (where relevant) expected to be credited	26 August
Share certificates (where relevant) expected to be despatched no later than	By 12 September, being 10 working days from Admission

All of the above timings refer to London time unless otherwise stated. All future times and/or dates referred to in this Admission Document are subject to change at the discretion of the Company and Cairn and if any of the above times or dates should change, the revised times and/or dates will be notified by an announcement on RIS.

Definitions

The following definitions shall apply throughout this Admission Document unless the context requires otherwise:

"Act"	the Companies Act 2006, as amended
"Admission"	admission of the Enlarged Share Capital to trading on the AQSE Growth Market and such admission becoming effective in accordance with the AQSE Exchange Rules
"Admission Document" or "Document"	this document dated 19 August 2022
"AIM"	the market of that name operated by the London Stock Exchange Group plc
"AQSE"	Aquis Stock Exchange Limited, a UK-based stock market providing primary and secondary markets for equity and debt products and which is permissioned as a Recognised Investment Exchange
"AQSE Corporate Adviser Rules"	the AQSE Exchange Corporate Adviser Handbook published by AQSE
"AQSE Exchange Rules"	the AQSE Growth Market Rulebook published by AQSE (as amended or reissued from time to time), which sets out the admission requirements and continuing obligations of companies seeking admission to and whose securities are admitted to trading on the AQSE Growth Market and the AQSE Corporate Adviser Rules
"AQSE Growth Market"	the Access Segment of the AQSE Exchange Growth Market operated by AQSE
"Articles"	the Company's articles of association as at the date of this Document
"Board" or "Directors"	the board of Directors as set out on page 4 of this Document
"Cairn"	Cairn Financial Advisers LLP, incorporated as a limited liability partnership registered in England with partnership number OC351689, the Company's AQSE Corporate Adviser and authorised and regulated by the FCA
"Certificated" or "in certificated form"	a share or other security which is not in uncertificated form (that is, not in CREST)
"Company"	Unigel Group plc, a company incorporated in England and Wales with registered number 13934232
"Concert Party"	means Hikari Capital Limited (and its directors, Eric Chhoa and his wife, Dera Chhoa), as set out more fully in paragraph 14 of Part VI of this Document. The Concert Party is beneficially interested in 10,000,000 Ordinary Shares, representing approximately 88.61 per cent. of the Enlarged Share Capital of the Company on Admission
"CREST"	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK and International Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as adopted in the United Kingdom and amended by the European Union (Withdrawal) Act 2018

"Disclosure and Transparency Rules"	the Disclosure Guidance and Transparency Rules made by the FCA in accordance with section 73(A)(3) of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market
"Enlarged Share Capital"	the entire issued Ordinary Share capital of the Company immediately following Admission, comprising the Ordinary Shares and the New Ordinary Shares
"EUWA"	the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal) Act 2020
"FCA"	the UK Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000, as amended
"Group" or "Unigel Group"	the Company and its subsidiaries as at the date of this Document
"Hikari Capital"	Hikari Capital Limited, a company incorporated in Hong Kong, with registered address 26/F Beautiful Group Tower, 77 Connaught Road Central, Central, Hong Kong, and registered number 1971111. The controller and majority shareholder of Hikari Capital is Eric Chhoa, Chief Executive Officer of the Company and the majority shareholder of the Unigel Group by virtue of his shareholding in Hikari Capital
"HMRC"	HM Revenue and Customs
"ISIN"	the International Securities Identification Number
"New Ordinary Shares"	the 1,285,000 new Ordinary Shares to be issued by the Company pursuant to the Subscription at the Subscription Price
"Official List"	the Official List of the FCA
"Ordinary Shares"	ordinary shares of 0.5 pence each in the capital of the Company
"QCA"	the Quoted Companies Alliance
"QCA Code"	the Corporate Governance Code for Small and Mid-Size Quoted Companies 2018, published by the QCA, as amended from time to time
"Registrar"	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD
"Regulatory Information Service" or "RIS"	any channel recognised as a channel for the dissemination of information as defined in the glossary of terms in the AQSE Exchange Rules
"Relevant System"	has the meaning given in the CREST Regulations
"SEDOL"	the Stock Exchange Daily Official List Identification Number
"Senior Management"	Mukhtiar (Danny) Sohal, Adrian Chisholm, Samantha Yeong and Rajesh Patel
"Shareholders"	the holders of Ordinary Shares from time to time
"Subscribers"	the persons who, having entered into a Subscription Letter, have made an irrevocable commitment (conditional on Admission) to subscribe for New Ordinary Shares
"Subscription"	the conditional subscription for New Ordinary Shares at the Subscription Price pursuant to and on the terms of certain agreements between the Company and the subscribers of such shares, including certain New Ordinary Shares

"Subscription Letters"	the letters dated 5 July 2022 from the Company to each Subscriber, pursuant to which Subscribers have subscribed for New Ordinary Shares under the Subscription
"Subscription Price"	64 pence per New Ordinary Share
"Subsidiaries"	any subsidiary as defined in the Act
"Takeover Code"	the City Code on Takeovers and Mergers, published by the Takeover Panel
"Takeover Panel"	the Panel on Takeovers and Mergers
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"Unigel Compounds"	Unigel Compounds Sdn Bhd, the holder of 40 per cent. of the shares in each of Unigel IP Limited and Unigel (UK) Limited
"USA" or "US" or "United States"	the United States of America, each State thereof (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction
"uncertificated" or "in uncertificated form"	securities recorded on a register of securities maintained by Euroclear UK and International Limited in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"Unigel"	Unigel (UK) Limited, a company incorporated in England and Wales with registered number 03032651
"Unigel Technologies"	Unigel Technologies Limited, a company incorporated in Hong Kong with registered number 2114616
"Unitape"	Unitape Limited, a company incorporated in England and Wales with registered number 03921955

Part I

Information on the Group

1. Introduction

Unigel Group Limited (the "**Company**") was incorporated as a private limited company with registered company number 13934232 on 23 February 2022. On 2 August 2022 the Company was re-registered as a public limited company.

The Company acts as the holding company for its wholly-owned operating subsidiary, Unitape Limited ("**Unitape**"), and its 60 per cent. owned operating subsidiary, Unigel (UK) Limited ("**Unigel**") (together the "**Group**"). Unitape is a UK registered manufacturing company which has established a global network in manufacturing and distribution of materials used in the manufacture of telecommunication cables. Unigel is a UK registered manufacturing company that specialises in the production of thixotropic gels for the cable, construction and power industries. Over the years, Unigel has developed into the preferred supplier of cable compounds to the global fibre optic cable industry.

The Company's majority shareholder, Hikari Capital Limited ("Hikari Capital"), acquired controlling stakes in Unitape and Unigel in 2017 and 2014 respectively as part of its "fibre optic cable components ecosystem" before deciding recently to have a dedicated platform in the form of the Company to service its customers and scale following the growth of the two businesses. The controller and majority shareholder of Hikari Capital is Eric Chhoa, Chief Executive Officer of the Company and the majority shareholder of the Unigel Group by virtue of his shareholding in Hikari Capital.

Unigel Group is a pioneer in the field of thixotropic gels for the fibre optic cable industry. The Company is also a leading supplier of laminated steel tapes to the fibre optic cable industry in the US. Thixotropic gels and laminated steel tapes are essential components to the rapidly growing global fibre optic cable market.

Established over 25 years ago, the Group is well known for its strong branding and customer service, premium product quality, technical innovation, and global customer base. Unigel Group leads the industry in customer service and its ability to collaborate with its key customers to formulate and create many "world's firsts" in the industry.

The Group exports to over 40 countries and is a key supplier to almost every leading fibre optic cable manufacturer worldwide and is the industry's only organisation with multiple manufacturing facilities spread across 3 continents, making the Group a reliable and preferred supplier to the fast paced, technology intensive and supply chain sensitive global fibre optic cable industry.

According to a recent report, the global fibre optic cable market is worth USD$9.2 billion in 2021. The Group intends to grow in tandem with the markets it serves and believes that with access to capital markets, the Group will be poised to capitalise on market growth, further investment in research and product development, increased production capacity and expansion of its current product portfolio offerings to take advantage of the proliferation of wired and wireless broadband networks around the world.

The Directors believe that it has a robust business model that can scale with market growth in the telecommunications sector. The proliferation of telecommunication networks has permeated all facets of our daily lives and economic activities, triggering exponential growth in network density and capacity, and the introduction of high growth new technologies such as 5G, artificial intelligence (AI), machine learning, robotics, internet of things (IoT), big data and further digitisation and orchestration of infotech and communications network present a strong opportunity for the Group to capitalise.

The ability to focus on growth opportunities for the Group will depend on its capacity to attract management and technical talents, and to address business growth beyond its current organic approach, including acquisitions of potential targets in the fibre optic cable components eco-system.

To date, the Group has taken a prudent and conservative approach to financing its business growth—mainly through internally generated funds, retained earnings, shareholder's advances, and trade financing. Following Admission, the Group is optimistic that in addition to raising its business profile, it will be able to tap into capital markets to create an acquisition currency to address its strategic alternatives initiative, as well as rewarding and attracting talent through a planned employee share options scheme.

The Company has, conditional on Admission, raised £0.82 million through the Subscription and believes that Admission will enhance the Group's profile and provide the Group with the ability to reward and further align its employees and stakeholders with the Group's commercial objectives. The net proceeds of the Subscription will help support the Group's expansion plans including strengthening Unitape's supply chain and distribution networks ahead of anticipated increased demand; research untapped areas in the optical fibre cable ecosystem and provide working capital for the Group.

2. Principal business activities and history of the Group

Unigel Group comprises two main business units, Unigel (UK) Limited ("Unigel") and Unitape Limited ("Unitape"). Unitape is a wholly owned subsidiary, and Unigel is 60.0 per cent. owned by the Group.

Unigel (UK) Limited

Unigel was incorporated in 1995 in the UK with company registration number 03032651. Unigel formulates, manufactures, and markets thixotropic gels primarily to the fibre optic cable industry. In addition, it also makes specialty gel products for the construction, green energy, and high voltage transmission apparatus markets. In November 2014, Hikari Capital acquired a 60.0 per cent. controlling stake in Unigel while the remaining 40.0 per cent. was acquired by Unigel Compounds Sdn Bhd, a wholly owned subsidiary of Opcom Holdings Berhad, a public company listed on the BURSA Exchange, Kuala Lumpur, Malaysia. Opcom Holdings Berhad was founded in 1994 by Eric Chhoa who is the Chief Executive Officer and the majority shareholder of the Unigel Group by virtue of his shareholding in Hikari Capital.

Unigel commenced its business activities in the UK, gradually expanding its product portfolio and export footprint. A new production facility was commissioned in 2011 in Hickory, North Carolina to be nearer and cater to its markets in the Americas. This facility is owned by Unigel Inc., a wholly owned subsidiary of Unigel. Subsequent to the acquisition of the company by Hikari Capital, a third manufacturing facility in Malaysia was added to its market footprint. The Malaysian manufacturing facility allowed the company to address the high volume but lower profit margin markets in the Asia-Pacific region. The manufacturing presence in Malaysia also enabled Unigel to pivot and export into the two biggest and highest growth markets: China and India. Unigel's production facility expansion in the Americas and Asia also enabled it to provide a high level of product availability assurance and improve the business continuity resiliency of its major customers, the global fibre optic cable manufacturers. Unigel's manufacturing presence in these three key strategic locations is an important selling point: the Covid pandemic and subsequent follow-on logistics problems globally enabled the company to maintain its supply chain to all its customers without interruption by switching production supply sources to mitigate shipping bottlenecks.

Unigel takes an "asset-lite" approach in its business model. The company does not believe in keeping every link of its business value chain in-house. Unigel focuses on only certain key value chain attributes which it believes are critical success factors in its business model and enhancing long term shareholder value: branding, marketing, customer relationship management, technical innovation, intellectual property (IP) management, and raw material sourcing.

Therefore, production of thixotropic gels in-house is no longer a core business value chain attribute especially for generic products. Apart from its wholly-owned production facility in the US, the manufacturing capacity in the UK and Malaysia are third party owned facilities with which Unigel has a contract manufacturing arrangement. Unigel has over the years developed extensive expertise in managing its outsourced manufacturing operations efficiently.

All three production facilities have been adequately dimensioned to cater to Unigel's global customer demand over the next five years. Should the need arise, Unigel, is able and willing to invest in additional production capacity for specialty gels which it customarily makes in-house due to the proprietary nature of the production technology.

The Product—Why Thixotropic Gels

In most typical fibre optic cable design and construction, the optical fibres are enclosed in a buffering tube made from a thermoplastic engineering polymer such as polybutylene terephthalate ("PBT") or polypropylene ("PP"). A typical optical fibre is made from pure glass with an internal core encased in nano-millimetre thick polymer coatings cured with a UV-LED lamp at high speed. Optical fibres are delicate and sensitive to physical stress, corrosion, moisture, oxidation, and variation in operating temperature.

Due to the fragile nature of optical fibres, adequate care must be taken for them to be well protected inside a fibre optic cable. During the production process, optical fibres are stranded into a PBT or PP buffer tube which in turn is flooded with thixotropic gel that acts as a buffering agent to coat, protect, and suspend the optical fibres inside the buffering tube. Thixotropic gels are formulated and engineered primarily to protect the optical fibre from physical shock, elongation stress, oxidation, moisture, and corrosion. Fibre optic cable has a typical lifespan of 30 years, and thixotropic gels play an important role in maintaining the lifespan of fibre optic cables.

Thixotropic gels are made from a proprietary formulation of specialty polymers, high grade base-oils and other specialty active chemical compounds. Typically, fibre optic cables are manufactured in special manufacturing environments at a high production speed. As a protective buffering agent for the fibre optic cable, the thixotropic gel must meet and maintain an operating viscosity range to do its work effectively. However, the operating viscosity inside the cable is too high for thixotropic gels to be applied into the buffer tubes without lowering the viscosity of the thixotropic gel. The viscosity of the thixotropic gel must be reduced to enable precision filling of the buffer tubes with thixotropic gels at high speed. To enable this to happen, buffering gels used for fibre optic cables are engineered to be thixotropic. Thixotropy is essentially a time-dependent sheer thinning property. When sheer stress (or agitation) is applied to the thixotropic gel during the production process, the viscosity of the thixotropic gel is reduced, enabling the less viscous gel to be applied easily and efficiently at high production speed. After the sheered thixotropic gel is flooded into the buffer tube, the thixotropic gel will return to its original viscosity after a finite period, allowing it to perform its intended purpose as a buffering agent.

It is estimated that an average kilometre of optical fibre cable uses approximately 10-25 kg of thixotropic gel as a buffering agent. The quantity of thixotropic gel used is dependent on cable design and construction, as well as the fibre count inside a fibre optic cable.

Unigel is a global leader and a specialist in the design and formulation of thixotropic gel for all types of fibre optic cable manufactured worldwide for a range of technical and operating environments. Unigel works with fibre optic cable manufacturers to co-develop products for emerging and new applications. The company leads its industry with many "world's firsts" such as polymer-based gel, semi-dry gel, and insulation gel for the power transmission apparatus market.

Manufacturing and Quality Environment

Unigel maintains a high standard of manufacturing and engineering in all its production facilities worldwide. There is a rigorous adherence to its time-tested manufacturing policy and standard operating procedures (SOPs). Unigel is accredited with both ISO 9001 and ISO 14001 certifications, ensuring that its quality and environmental management systems meet some of the most stringent international standards for its customers.

Unigel believes that it has one of the most efficient production processes in its industry, with a pervasive just-in-time production environment which helps to keep its working capital cycle at an optimum level. Given that Unigel is one of the biggest producers of thixotropic gel, it is able to leverage on the combined buying power of its three manufacturing facilities to negotiate favourable raw material prices for all its production facilities.

The company maintains a collegiate work environment between its UK research and development and production teams around the world. There is a high level of active collaboration internally, as well as with external customers. Unigel believes that one of its strengths is the company's enthusiasm to listen and work with its customers in new product development. Unigel is in the forefront of innovation in the industry space. Changes in technology, legislations, and development towards greener and environmental friendlier products in the fibre optic cable industry has challenged the company to develop fire-retardant gels and natural oil gels.

Product Management, Marketing & Sales

Unigel maintains a centralised marketing approach with its sales and product management team operating out of its UK head office in Eastbourne, East Sussex. Except for some key global accounts, the company leverages on its network of experienced distributors and agents around the world most of whom have been with Unigel for over ten years. Unigel believes that even though the thixotropic gel business is global in nature, especially with increased industry concentration over the past decade, the company's distributors and agents continue to play an important role in local market intelligence gathering and selling its products.

Unigel maintains a customer base in over 40 countries, and its brand is visible and well known across the fibre optic cable industry worldwide. The Directors believe that the company's branding tagline, "THE CABLE MAKERS CHOICE", is one of the most recognisable sales taglines in the industry. As a B2B business, Unigel maintains high market visibility by exhibiting at the industry's premier tradeshows such as Wire Dusseldorf in Germany, Wire Shanghai in China, and International Wire and Cable Symposium (IWCS) in the United States.

Unigel operates at the top of the industry pyramid, and due to its brand recognition and long history, there is a general preference and premium for its products. At the heart of the company is an openness to listen, innovate and collaborate with the fibre optic cable industry.

Unitape Limited

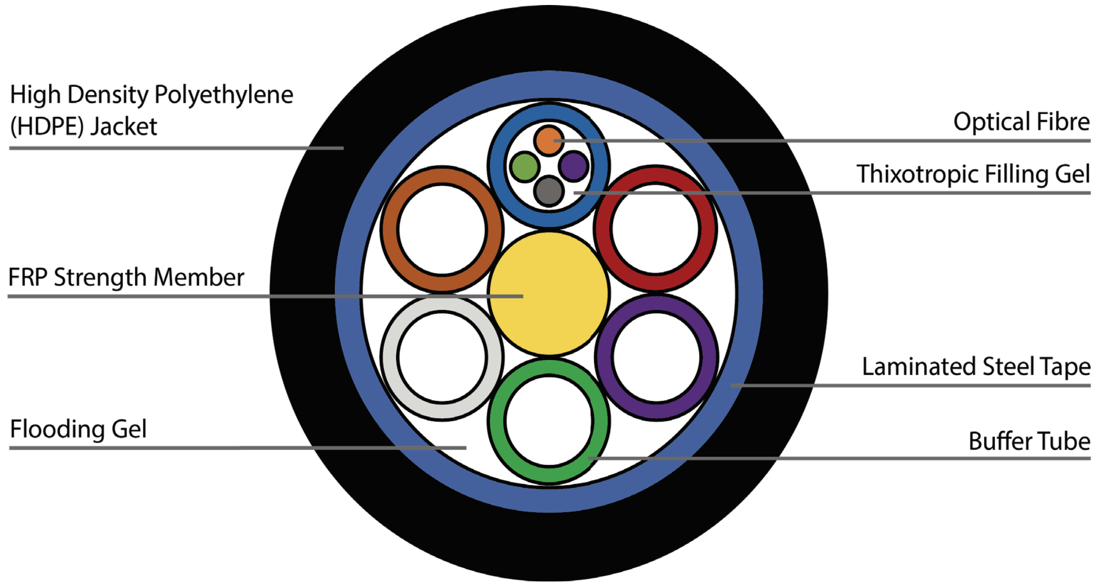
Unitape was incorporated in 2000 in the UK with company registration number 03921955. Unitape commenced its business activities as a trader of co-polymer steel tapes, and after 10 years of trading, the company progressed to backward integrate into the slitting of co-polymer jumbo rolls into steel tapes. To facilitate this, the company established a US subsidiary—Unitape (USA), LLC and leased a 30,000 sq ft production space in Conover, North Carolina for its slitting business. In 2017, Unitape (USA), LLC became a wholly owned subsidiary of Unitape.

In December 2017, Hikari Capital acquired the entire paid up capital of Unitape and its subsidiary as part of its strategy to amalgamate niche manufacturing companies in the fibre optic cable components industry space. In the summer of 2018, Unitape's backward integration strategy took a further step with the commissioning of a lamination production line. This capability enabled it to increase its local manufacturing content in the US resulting in profit margin improvement. Improved product customisation and shorter lead times also helped build customer confidence in Unitape and sales increased by 16.0 per cent. and 23.0 per cent. respectively in 2019 and 2020. The production capacity of the Conover plant is approximately 7,000 metric tonnes per year, and with the addition of leased storage space in 2021 the Company will be able to increase sales volume to approximately 10,000 metric tonnes of products per year. All sales, marketing, finance and administration functions are based in Unigel House in Eastbourne, East Sussex. Unitape has 4 staff in the UK, and 24 employees in the US.

The Product—Why Steel Tapes

Armoured fibre optic cables have a layer of co-polymer steel tape wrapped around a pre-jacketed cable. In a typical cable production process, semi-finished pre-jacketed cables are wrapped by co-polymer or laminated steel tapes as the cable goes through a "wrapper die" which forms a concentric steel wrap before the cable is extruded or jacketed with high density polypropylene (HDPE). The combination of the laminated steel tape and HDPE jacket as a protective shell prevents moisture ingression and physical impact. With enhanced physical properties, steel tape armoured fibre optic cables can be deployed without the use of ducts in demanding physical environment from high traffic urban roads to water-logged terrains in suburban or rural conditions.

Cross Section of an Armoured Fibre Optic Cable



Armoured fibre optic cables are deployed in many parts of the world, including the United States where it is the predominant method of cable design and construction. Armoured cables are directly buried into the ground without the use of ducting and manhole systems. It is said that there are cost advantages of deploying armoured cable as deployment costs are lower due to the minimal amount of infrastructure required and can be potentially less time consuming. Armoured cables are used pervasively in urban environments where it is difficult to build ducts and manhole systems to house fibre optic cable networks or when installation works permitting is complex and challenging, especially in dense metropolitan areas. The technology for directly buried armoured cable installation had improved tremendously in recent years. When installing fibre optic cables underneath roads, sidewalks or road shoulders, the surface is trenched, cables laid, and the trenches are filled up in a single unified installation process.

Manufacturing and Quality Environment

Unitape has a total production capacity of 8,000-10,000 metric tonnes per annum and is one of the leading suppliers of co-polymer steel tapes to the fibre optic cable industry in the United States. As of June 2022, the company has 19 staff in its production organisation. Unitape has over 10 years of production expertise and its experienced production team is also involved in both the process and product design. Unitape's production facility is run and managed efficiently with a low production scrap rate. The company is ISO 9001 certified, and all products go through a stringent quality control process before they are shipped out to the customers.

With increased local manufacturing content in the US, the company has more flexibility to offer more product categories and has improved its order lead times. The Company is also diversifying its raw material sourcing strategy. Historically it has depended on suppliers in northeast Asia, however in recent years, Unitape had started to source unlaminated steel tapes from Europe to mitigate against supply chain, logistics and geopolitical risks.

The company has also undertaken various research and development initiatives, in both product and process design and development. Unitape is leveraging on Unigel Group's research and development resources to develop its own proprietary bonding film, therefore mitigating the dependency risks on third party suppliers while reducing raw material cost. Following Admission, Unigel Group intends for more financial resources to be made available to Unitape for its continued expansion and capital equipment investment plans.

Product Management, Marketing & Sales

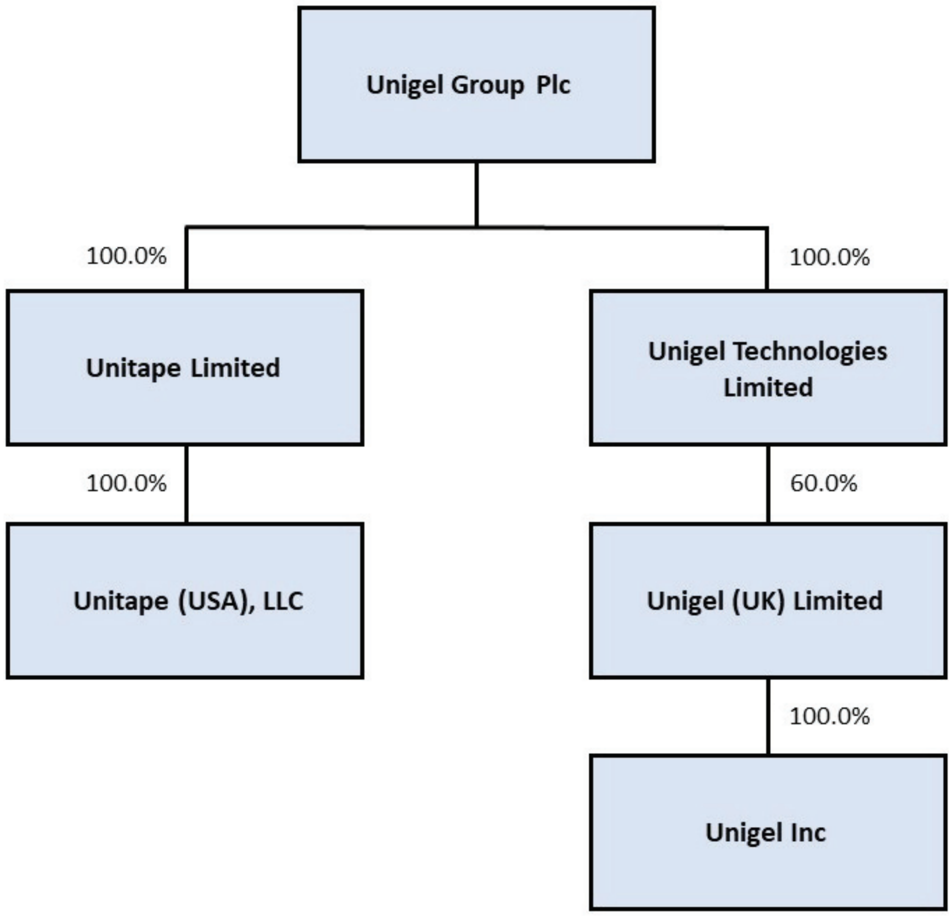
Unitape offers several types of co-polymer or laminated steel tapes for various applications. Apart from its standard offerings, the company also co-develops its steel tapes with certain key customers for special or emerging applications. As cables and cable raw materials evolve, new lamination tapes that enable easier end user installation, or more robust bonding with new cable raw materials are developed by Unitape.

Unitape supplies most of its products to the US market, with a small quantity going to Mexico and South America. The company sells directly to certain key customers, as well as working with a large national distributor in the US whom it has a good business relationship over the past twenty years. Unitape's products are used by almost all the premier fibre optic cable manufacturers in the US, and it continues to pursue and add new customers. The US fibre optic cable market is expected to grow by a CAGR of 12.8 per cent. over the next 5 years from 2022 to 2027.

Unitape expects steady growth in its steel tape business. It shares the US market with two other major suppliers. The Directors estimate that the company has approximately 30 per cent. market share with the potential to increase sales due to market growth as well as improving on its current market share.

3. Group structure

On Admission, the Group will be structured as set out per the below chart:



4. Market Opportunity

Optical fibre cables are a significant building block in the telecommunication infrastructure and are currently the principal medium for long and short haul, high volume, voice and data communications worldwide. It is used in high capacity national, regional and inter-continental trunk links and in inter-city, wireless, local loop, metro and enterprise networks.

The primary advantages of using optical fibre include:

- **High speeds** – transmission using light at various wavelengths whilst copper cables are limited to the speed of electrons.
- **High bandwidth capacity –** fibre optic cables have a maximum bandwidth of 60,000 Gbps compared to 10 Gbps for copper cables.
- **Long distance capability –** low attenuation and greater signal integrity in fibre cables allow for longer cable segments compared to utilising copper cabling. Due to copper cables using electrons (electricity) to carry data, electromagnetic interference causes a reduction in signal strength, reducing the bandwidth capability of copper cable.
- **Security** – due to being a closed system and because of the complexity of transmission technology.
- **Durability** – copper cables can only withstand a pulling force of 25 pounds, whereas fibre cables can withstand up to 200 pounds of pulling force. Copper cables are also susceptible to corrosion and can need replacing every five years but fibre cables are sturdier and can last up to 50 years before needing to be replaced.
- **Flexibility** – fibre can be used to transmit any media and is suited to any transmission method.

The global market for fibre optic cable is expected to grow at 17.7 per cent. CAGR over the next 5 years from 2022-2027. In dollar terms, Asia Pacific is the largest geographical market followed by the US market and Europe. The global fibre optic cable industry which comprises Unigel Group's customer base has undergone significant changes over the past decade. The advent of the internet, and its pervasiveness in our daily lives and economic activities has resulted in the incessant need for network speed, reliability, and exponential demand for data transmission. The digital transformation is bringing fundamental changes to every industry imaginable where a combination of artificial intelligence, big data, machine learning, network orchestration and visualisation, Internet of Things (IoT), Web 3.0 and advanced wireless networks will depend on broadband connectivity to harness their combined power to enrich our experience and quality of life.

In addition, the emergence of the "metaverse" will require a next generation ultra-high bandwidth secure connectivity infrastructure. Metaverse in simplistic terms, can be defined as a concept of shared digital worlds driven by virtual products and digital experiences which offer a high level of human immersion and interactivity. Many facets of virtual worlds have emerged recently featuring live concerts and online games where people literally spent thousands of hours in these virtual worlds. To many metaverse visionaries, that is just the tip of the iceberg. The emerging metaverse industry is conceiving a future where entire societies are connected and thrive in an online realm inhabited by avatars of real people.

Though still in its early days, the thought leadership driving metaverse and its longer-term implications cannot be underestimated as early pioneers raced to build metaverse worlds, platforms and ecosystems. Early adopters and a new generation of younger adopters may eventually earn, spend, and invest most of their money in full-fledged connected virtual economies. Industry analysts estimate that the metaverse could represent a $1 trillion market by 2030.

The metaverse will depend on and be powered by a next generation ultra-high bandwidth connectivity infrastructure that our present "legacy" telecommunications networks would not be able to cater to. As such, many industry players see the emergence of a new metaverse driven connectivity infrastructure which will be laid over the present telecommunications network. All the above will likely create an exponential demand for fibre optic cables which is by far the most economical and versatile medium to keep our metaverse future connected.

5. Acquisition strategy

To address growth opportunities in the global fibre optic cable market, Hikari Capital embarked on a strategic review of its investment approach in the fibre optic cable industry in 2000. Given its aspiration and industry knowledge, Hikari Capital formulated a set of investment criteria which became its core investment approach. The investment criteria include businesses that can scale beyond national borders, have high barriers to entry, low exposure to a single big customer, high technology content and have sustainable long-term growth potential. Of interest, were also industry subsectors where the opportunities arise for Hikari Capital to consolidate fragmented industry players to enhance its industry attractiveness through branding, shared resource platforming and other cost improvement initiatives.

Based on the above set of investment criteria, Hikari Capital decided to exit its legacy investment in Malaysia's largest fibre optic cable manufacturer, Opcom Holdings Berhad which was founded by Eric Chhoa in 1994. At the same time, a small but dedicated team within Hikari Capital began to undertake a worldwide analysis of specialty and niche technology companies in the global fibre optic cable industry. The team reviewed material companies, services companies, components businesses and project engineering companies whilst developing an industry vision of how technology and markets will evolve at the transmission, distribution, and manipulation layers of the telecommunications network. The industry analysis was reviewed yearly, and in 2013, Hikari Capital coined an investment phrase, the "fibre optic cable components ecosystem". Specifically, the components ecosystem comprises components businesses where Hikari Capital can acquire, consolidate and scale them into a group containing operating businesses with sustainable global business models.

Unigel and Unitape are the first two entities that form part of Hikari Capital's "fibre optic cable components ecosystem". Further opportunities were discovered for growth and thus Hikari Capital decided that it was time for the components ecosystem business to have a dedicated platform with its own independent management and recourse to finance its future growth. Hence, the genesis of Unigel Group Limited. The Company's Chief Executive Officer, Eric Chhoa, remains the controller of Hikari Capital and is the majority shareholder of the Company by virtue of his shareholding in Hikari Capital.

Over the past three years, especially during the Covid pandemic period, management have come across many acquisition targets in Europe, a myriad of retirement/exit sales, capacity bolt-ons and technology centric opportunities where value can be harnessed with these businesses sharing a common platform in customer base, branding, production capacity, logistics infrastructure and marketing and sales organisation.

With Admission to AQSE, the Directors believe that Unigel Group will be able to gain access to capital to fund future expansion and growth, including via further acquisitions.

6. Summary of Historical Financial Information and Current Trading Prospects

Unigel Group plc was incorporated on 23 February 2022. The Company is the holding company of the Group and therefore has not generated any revenues since incorporation.

The audited historical financial information for Unigel for the financial periods ended 31 December 2021 and 31 December 2020 are set out in Section A of Part IV of this Document. The audited historical financial information for Unitape for the financial periods ended 31 December 2021 and 31 December 2020 are set out in Section B of Part IV of this Document.

	Unigel UK for year ended 31 December 2021 £	Unitape for year ended 31 December 2021 £	Unigel Technologies for year ended December 2021 £	Consolidation Adjustments £	Group pro-forma for year ended 31 December 2021 £
Revenue	12,389,340	9,261,248	—	(113,806)	21,536,782
Gross Profit	1,605,996	1,379,327	—	—	2,985,323
Operating Profit	211,036	441,618	(10,596)	—	642,058
Profit before tax	269,351	487,334	(10,596)	—	746,089
Profit after tax	216,386	402,902	(10,596)	—	608,692

Demand for the Group's products has been consistent with the performance of the global fibre optic cable market in the first half of 2022. During the first half of 2022, the Group registered material growth in revenues over the first half of 2021, and the Group is ahead of management's expectations for the financial period ending 31 December 2022. At the same time, the Group's operating margins have increased compared to the first half of 2021, as well as management's expectations for the period.

However, the Group expects the second half of 2022 to slow down slightly and for the business performance to be in line with management's expectations for the full year 2022.

Despite this positive outlook, the Directors and Senior Management continue to proactively manage risks relating to raw material price increases, foreign exchange price volatility and the negative impact of COVID related bottlenecks in our global raw material sourcing process.

7. The Board of Directors and Senior Management

Board of Directors

Sven Janne Sjödén (Age 77), Non-executive Chairman

Janne was appointed as Chairman of Unigel Group plc with effect from Admission. Janne has been the Chairman of Unigel since 2014. Janne had an extensive career at Telefonaktiebolaget LM Ericsson, Sweden where he held numerous leadership and senior management roles including as the President and board member of Ericsson Network Technologies AB. He has previously served as an adviser to Handelsbanken AB, and was the Chairman and board member of The Hoverline Group AB in Sweden from 2008 to 2013. Janne graduated with a Bachelor of Science in Economics from the University of Uppsala, Sweden.

Kwang Hua ("Eric") Chhoa (Age 57), Chief Executive Officer

Eric was appointed to the Board of Unigel Group plc on 23 February, 2022. Eric has founded, built and acquired numerous companies in the telecommunications cable, cable components and services areas over the past 25 years. In 2014 and 2017, Hikari Capital, a company which Eric controls, acquired 60 per cent. of Unigel and 100 per cent. of Unitape to build a cables component supply ecosystem for the global fibre optic cables industry. Eric graduated summa cum laude from Sophia University, Tokyo, Japan, and earned his MBA from Harvard Business School, Boston, Massachusetts.

Gary Revel-Chion (Age 63), Director

Gary was appointed as a Director of Unigel Group plc on 11 July, 2022. Gary is the current Financial Controller of Unigel and Unitape. Gary is a Chartered Accountant with over 35 years of experience across a wide range of industries. Prior to running his own accounting practice, Gary was employed at Robson Rhodes as a Senior Audit Manager. In 2018, Gary joined Unigel as Head of Finance where he was responsible for the financial operations of the business. Gary graduated with a BSc (Hons) in Accountancy and Economics from the University of Hull, England, and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Azlinda Ezrina Binti Ariffin (Age 53), Non-executive Director

Azlinda was appointed as an Independent Non-Executive Director of Unigel Group plc with effect from Admission. Azlinda has over 28 years of experience as a corporate lawyer and is a consulting partner at Withersworldwide LLP. She is also the founder and CEO of Dricopax Capital Limited, a multi-family office boutique firm in London. In April 2021, Azlinda was appointed to the board of MobilityOne Limited, an AIM listed company as an Independent Non-Executive Director. Azlinda graduated with an LLB (Hons) from University College of Wales, Cardiff. She is a barrister at Gray's Inn, and a member of the Law Society of England and Wales.

Senior Management

Mukhtiar ("Danny") Sohal, Deputy Chief Executive Officer of Unigel and Director of Unitape

Danny is an industry veteran and had been with Unigel since its inception in 1995. He currently serves as the Deputy CEO and is responsible for the day-to-day leadership of Unigel's global business operations. Danny has a proven track record in managing and positioning Unigel through industry cycles and changing market conditions in the thixotropic gel business over the past 30 years. Danny co-founded Unitape Limited in 2000, and serves on the boards of Unitape and Unigel Inc, a subsidiary of Unigel. Danny graduated with a Higher National Diploma in Mechanical and Production Engineering from the University of Hertfordshire, England.

Adrian Chisholm, Chief Operating Officer of Unitape

Adrian was appointed Chief Operating Officer of Unitape in 2018 and has overseen the doubling of Unitape's revenue performance over the past 5 years. As COO, he is responsible for overseeing the business operations of Unitape and the implementation of its near and long-term business plans to pivot Unitape into the industry's preferred business partner for its portfolio of products in North America. Adrian started his career with Unigel in 1996 and held positions in various business areas including product development, manufacturing and business development.

Wai Yee ("Samantha") Yeong, General Manager of Unigel

Samantha was appointed as General Manager, Marketing & Sales at Unigel in 2017. She has over 15 years of experience in supply chain management and product marketing in electronic and telecommunications products. Samantha is responsible for marketing and sales of Unigel's products in the Asia Pacific region. Prior to joining Unigel, Samantha led a supply chain team in a fibre optic cable manufacturing environment where she developed her knowledge and expertise in fibre optic cables and cable components. Samantha graduated with an Advanced Diploma in Business Administration from Institut Sarjana, Malaysia.

Rajesh Patel, Operations Manager of Unitape (USA), LLC

Rajesh was appointed Operations Manager of Unitape (USA), LLC in 2017. A mechanical engineer by training, Rajesh is responsible for manufacturing operations at Unitape (USA), LLC, located at Conover, North Carolina, USA. Under Rajesh's tenure, production output nearly tripled and the company achieved numerous milestones including quality and productivity improvement, delivery precision and customer satisfaction. Rajesh graduated with a Bachelor of Science in Mechanical Engineering from the University of Hertfordshire, England.

8. The Subscription, Use of Proceeds and Admission

Pursuant to the Subscription, the Company is issuing 1,285,000 New Ordinary Shares representing 11.39 per cent. of the Enlarged Share Capital immediately following Admission. At the Subscription Price, the placing of New Ordinary Shares will raise gross proceeds of approximately £0.82 million for the Company.

On 5 July 2022, the Company sent Subscription Letters to each of the Subscribers. Each Subscription Letter was entered into on the same terms as the others.

The Subscription is conditional on: (i) Admission occurring by no later than 5.00 p.m. on 30 September 2022; and (ii) the Subscription Letters not being terminated in accordance with their terms before Admission becomes effective.

The Subscription is not being underwritten. The Subscription Letters contain warranties given by each Subscriber which are customary for an agreement of this nature. The Company has the right, in its sole discretion, to terminate the Subscription, where it is no longer practicable or advisable to carry out the Subscription due to a change in market, economic or financial conditions. Save with the written consent of the Company, none of the Subscribers have the right to terminate or rescind their Subscription Letter in any circumstances.

If the conditions to the Subscription are not fulfilled by 30 September 2022, the Subscription Letters will automatically terminate, the Subscription will not proceed and the application for Admission will not proceed. In such event, subscription monies received will be returned to each relevant Subscriber by cheque or electronic transfer to the account from which payment was originally received at the Subscriber's risk and without interest.

The New Ordinary Shares will rank *pari passu* in all respects with the Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

The market capitalisation of the Company immediately following Admission, at the Subscription Price, will be approximately £7.2 million. Application will be made to AQSE for the Ordinary Shares to be admitted to trading on the AQSE Growth Market. It is expected that Admission will become effective and dealings, for normal settlement, will commence on 26 August 2022.

Upon Admission, the Company's Enlarged Share Capital will comprise 11,285,000 Ordinary Shares with voting rights. The figures of 11,285,000 Ordinary Shares may be used by Shareholders following Admission as the denominator for the calculations by which Shareholders may determine if they are required to notify their interests in, or a change in their interests in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Further details of the Subscription Letters are set out in paragraph 10.2 of Part VI of this Document.

The Directors believe that Admission and the Subscription will provide a platform for continued growth. In particular, the net proceeds of the Subscription will be utilised to cover the costs incurred by the Group as part of the Admission and for general working capital purposes.

9. Interests in Ordinary Shares

As at 18 August 2022, being the latest practicable date prior to publication of this Document, the Directors will in aggregate be interested, directly or indirectly, in 10,055,000 Ordinary Shares, representing approximately 89.10 per cent. of the Enlarged Share Capital.

Further details of the Directors' shareholdings are set out in paragraph 7.5 of Part VI of this Document.

10. Lock-in and Orderly Market Agreements

On Admission, the Directors of the Company, certain Senior Management and certain Persons Discharging Managerial Responsibility ("PDMR") will, in aggregate, hold 10,155,000 Ordinary Shares, representing 89.99 per cent. of the Enlarged Share Capital.

The Directors, certain Senior Management and certain PDMRs have agreed with the Company and Cairn, save for certain standard exceptions, not to dispose of any interest in the Ordinary Shares held by them for a period of six months following Admission and then for the following six months not to dispose of their Ordinary Shares without first consulting the Company and Cairn and obtaining the prior written consent of Cairn (which consent may be refused, provided or provided subject to such conditions as Cairn acting reasonably, determines in its absolute discretion) and ensuring that any approved disposal is brokered through the Company's broker from time to time in order to maintain an orderly market for the Ordinary Shares.

Details of the Lock-in and Orderly Market Agreements are set out in paragraph 10.5 of Part VI of this Document.

11. Corporate Governance

The Company's Board will meet monthly (in person or by video conference) or as otherwise required in its first 6-months following Admission. After the first 6 months following Admission, the Board shall review the frequency of Board meetings. The Board envisages that it will hold not less than eight meetings in its first year following Admission. The presence of at least two directors will be required to form a quorum. The Board, is responsible for the management of the business of the Company, establishing the policies and setting the strategic direction of the

Company. The Company will also hold additional Board meetings as and when required. It is the Directors' responsibility to oversee the financial position of the Group and monitor the business and affairs of the Company on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management and has adopted an anti-corruption and bribery policy.

The Group has elected to comply with the regulations of the QCA Code of Corporate Governance from Admission.

The Company has established an Audit and Risk Committee and a Remuneration and Nomination Committee with formally delegated duties and responsibilities.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in, amongst other matters, discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including reviewing the Company's annual financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment, reappointment, removal and independence of external auditors, and reviewing the effectiveness of the Group's internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

The Audit and Risk Committee is also responsible for (i) advising the Board on the Company's risk strategy, risk policies and current risk exposures, (ii) overseeing the implementation and maintenance of the overall risk management framework and systems, (iii) reviewing the Group's risk assessment processes and capability to identify and manage new risks and (iv) monitoring potential and actual changes to legislation, especially around the Company's products.

The Audit and Risk Committee will meet with appropriate employees of the Group at least once annually. The membership of the Audit and Risk Committee comprises Azlinda Ariffin (as its Chairperson), and Eric Chhoa.

The Audit and Risk Committee will meet formally twice a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee assists the Board in determining its responsibilities in relation to remuneration and nominations, including, amongst other matters, making recommendations to the Board on the Company's policy on executive remuneration, determining the individual remuneration and benefits package of each of the executive directors.

The membership of the Remuneration and Nomination Committee comprises Eric Chhoa (as its Chairperson), and Janne Sjoden.

The Remuneration and Nomination Committee will meet formally once a year and otherwise as required.

In addition, the corporate governance of Unigel Group plc is supported by the following:

Share Dealing Code

The Company has adopted a code for directors' and employees' dealings appropriate for a company whose shares are admitted to trading on the AQSE Growth Market and will take all reasonable steps to ensure compliance by the Directors and all employees. The form of this code is substantially the same as the model code contained in the rules of the Official List.

Anti-Bribery and Anti-Corruption Policy

The Company has adopted an anti-bribery and anti-corruption policy consistent with the UK Bribery Act. The policy is designed to ensure that the Directors, executive officers, employees and agents understand the requirements of the UK Bribery Act and adhere to the Company's policy to comply with the UK Bribery Act and all anti-bribery legislation wherever the Company conducts its business. The Company has a zero tolerance for practices which would amount to bribery and/or corruption.

The policy specifically addresses facilitation payments or gifts and hospitality, dealings with public officials, political donations, lobbying and advocacy and charitable donations, and includes provisions dealing with notification, as well as provisions regarding disciplinary action in the event that any part of the anti-bribery and anti-corruption policy has been breached. New and existing staff are required under the policy to be trained and the Company's approach to anti-bribery and anti-corruption must be communicated to its business partners.

12. Health and Safety

The Group has adopted an Employee Safety Handbook which sets out the Group's health and safety policy. The Employee Safety Handbook is given to each employee and the health and safety policy is designed to ensure that the Group complies with the various laws and regulations that govern health and safety in the jurisdictions in which the Group operates. The Group's health and safety policy is to observe local, national, legal and regulatory requirements and to apply best practice where there is no local legislation. It is reviewed regularly (at least annually).

As part of its health and safety responsibilities, the Group, *inter alia*: provides leadership and adequate control of identified health and safety risks; consults with its employees on matters affecting their health and safety; provides and maintains safe plant and equipment; and ensures the safe handling and use of substances.

13. The Takeover Code

The Takeover Code applies to the Company. Under the Takeover Code, when (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code or (ii) any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company. An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and at not less than the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him.

Shareholders should be aware that, under the Takeover Code, if a person (or group of persons acting in concert) holds shares carrying more than 50 per cent. of the company's voting rights, that person (or any person(s) acting in concert with him) will normally be entitled to increase their holding or voting rights without incurring any further obligations under Rule 9 to make a mandatory offer, although individual members of the concert party will not be able to increase their percentage shareholding through or between a Rule 9 threshold without Panel consent.

Immediately following Admission and assuming the issue and allotment of all of the New Ordinary Shares, members of the Concert Party will hold in aggregate, 10,000,000 Ordinary Shares, representing approximately 88.61 per cent. of the Enlarged Share Capital. The maximum holding of the Concert Party would be in aggregate, 10,000,000 Ordinary Shares, representing approximately 88.61 per cent. of the so enlarged share capital.

Further information on the provisions of the Takeover Code and the holdings of the Concert Party is set out in paragraph 14 of Part VI of this Document.

14. Share Option Schemes

The Board believes that the success of the Company will depend to a significant degree on the future performance of the Company's key management and that it is important to ensure that they are appropriately incentivised and that their interests are aligned with those of the Company. The Board regards share options as a key part of such incentive arrangements.

Following Admission, the Company intends to establish a new share option scheme for all eligible employees, which, if approved, will be an Enterprise Management Incentive Scheme. Up to a maximum of 10 per cent. of the Company's issued share capital from time to time will be awarded in options.

15. Dividend Policy

The declaration and payment by the Company of any dividends and the amount of them will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Company's operations, financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time. The Company does not currently intend to pay any dividends.

16. Settlement and CREST

Application has been made for all of the Ordinary Shares to be eligible for admission to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under the CREST system. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring shares as a part of the Subscription may elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a "system-member" (as defined in the CREST Regulations) in relation to CREST.

It is expected that, subject to the satisfaction of the conditions of the Subscription, the New Ordinary Shares will be registered in the names of the investors subscribing for them and issued either: in certificated form, where the investor so elects, with the relevant share certificate expected to be dispatched by post, at the investors' risk, or in CREST, where the investor so elects and only if the investor is a "system member" (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Ordinary Shares subscribed for expected to take place on 26 August 2022. Notwithstanding the election by investors as to the form of delivery of the New Ordinary Shares, no temporary documents of title will be issued. All documents or remittances sent by or to an investor, or as they may direct, will be sent through the post at their risk. Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the Company's register of members.

17. Taxation

Information regarding taxation is set out in Part III of this Document.

The Company cannot provide tax advice to individual Shareholders.

If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

18. Relationship Agreement

In light of Hikari Capital's shareholding in the Enlarged Share Capital immediately following Admission, as set out in paragraph 10.4 of Part VI of this Admission Document, Hikari Capital has entered into a relationship agreement in order to regulate the relationship between itself and the Company.

Further details of these arrangements are set out in paragraph 10.4 of Part VI of this Admission Document.

19. Further Information and Risk Factors

While the Directors consider that Admission represents a good investment opportunity for the reasons given in this Document, there are clearly risks involved in investing in a company such as Unigel Group plc. The attention of Shareholders is therefore drawn to the section entitled “Risk Factors”, which contains risk factors relating to the Company, its operations and its future plans, which can be found in Part II of this Document. All Shareholders are strongly encouraged to read that section carefully before making a decision to invest in the Company.

Part II

Risk Factors

This Document contains forward looking statements, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, *inter alia*, the risk factors described in this Part II. The Directors believe that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

Historical facts, information gained from historic experience, present facts, circumstances and information, and assumptions from all or any of these are not a guide to the future. Aims, targets, plans and intentions referred to herein are no more than that and do not imply forecasts. The Ordinary Shares should be regarded as a highly speculative investment and an investment in Ordinary Shares should only be made by those with the necessary expertise to fully evaluate the investment.

Factors that might cause a difference include, but are not limited to, those set out in this Part II. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. The Company disclaims any obligation to update any such forward-looking statements in this Document to reflect future events or developments.

Investing in the Company is speculative and involves a high degree of risk. You should carefully consider the entire contents of this Document, including, but not limited to, the risk factors described below, before you decide to invest in the Company. Ordinary Shares may not be a suitable investment for all recipients of this Document. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities. As at the date of this Document, the Directors consider the following risks to be the material risks of which they are aware and the most significant risks for Shareholders and potential investors. Such risks have not been set out in any order of priority and the list below is not exhaustive. In addition, you should note that the risks described below are not the only risks faced by the Group. In particular, there may be additional risks that the Directors currently consider not to be material or of which they are not presently aware.

If any of the following risk factors were to materialise, the Group's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment. The Group's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates as well as overall global financial conditions.

1. GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Ordinary Shares will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full or any amount initially invested.

The prices of shares and any income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Changes in economic conditions including, for example, interest rates, currency exchange rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect the Company's prospects.

The future value of the Ordinary Shares is likely to be directly related to the Company's ability to generate revenues from the sales of its products. There are several risks in executing the Company's strategy and some of these risks are set out below.

There is no guarantee that acceptable or adequate resources or funding will be secured in the future. The lack of capital may have a material adverse effect on the Company and its future prospects.

There may be risks of securing qualified personnel for carrying out the Company's business plan.

2. RISKS RELATING TO THE GROUP

The Company will, on Admission, have a substantial single shareholder with an aggregate equity interest of approximately 88.61 per cent. in the Company's Ordinary Shares

On Admission, the Concert Party will hold 10,000,000 Ordinary Shares representing approximately 88.61 per cent. of the Company's Enlarged Share Capital. This concentration of share ownership may adversely affect the Company's ability to act independently and in Shareholders' best interests, particularly as the Concert Party has the ability to determine the outcome of ordinary resolutions (50 per cent. majority) and special resolutions (75 per cent. majority).

Furthermore, investors may believe that there are disadvantages in investing in a company in which one shareholder has an interest at this level and this could affect the liquidity of the Company's shares. In addition, for so long as the Concert Party holds more than 50 per cent. of the Company's voting share capital, members of the Concert Party will be able (subject to note 4 on Rule 9.1 of the Code) to acquire further shares in the Company without incurring any obligation under Rule 9 of the Code to make a general offer to acquire all of the Enlarged Share Capital.

Lack of Company history

The Company was incorporated in February 2022. As such, the Group has only existed in its current format for a short period. Whilst the Group's subsidiary companies have manufacturing and supply histories of considerable lengths under the direction and management of their respective board members, the individual businesses have not been under the collective management of the Company's Board for a significant period of time.

Dependence on its Directors and Senior Management and the Group's ability to attract, recruit and retain key personnel

Although the Directors and Senior Management (as further specified in Part I in this Document) have entered into service agreements or letters of appointment with the Company, the loss of the services of such individuals may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Company. The Group's strategy for growth and ultimate success is particularly dependent upon the continued active participation of the Company's Directors and Senior Management, as well as other key personnel and technical specialists. Loss of the services of one or more of these individuals could have a material adverse effect upon the Group's business, financial condition, customer relationships and/or results of operations. Furthermore, the Group's success and achievement of its growth plans depend on the Group's ability to recruit, hire, train and retain other highly qualified technical and managerial personnel.

Competition for qualified employees and technical specialists among companies in the technology, engineering and manufacturing sectors and on a regional basis is very high. The loss of any such persons, or an inability to attract, retain and motivate any additional highly skilled employees required for the initiation and expansion of the Group's activities, could have a material adverse effect on the Group's business, financial condition and/or results of operations. If the Group is unable to continue to attract and retain high quality personnel, the rate and success at which the Group can develop and commercialise products and services will be limited.

Currency risk

The Group trades internationally and is exposed to exchange rate risk primarily in conversion from US dollars and Euros to Sterling. Approximately 90 per cent. of the Group's sales are in US dollars and Euros. The Group will be required to convert US dollars and Euros to Sterling to meet certain expenses and purchases that are transacted in Sterling. Additionally, the Group's financial results are presented in Sterling and are thus exposed to exchange rate risk on translation of foreign currency assets and liabilities of its subsidiaries, Unigel and Unitape. Accordingly, the Group's financial results could be impacted by any significant movement in the value of Sterling, US Dollars or Euros. The Group hedges its exposure to currency risk but if the hedges fail, the Group is exposed to fluctuations in exchange rates that could harm its business, results of operations and financial condition.

Technological innovation

The Group must continue to innovate its product portfolio and manufacturing process to remain an industry technology leader. About 10 per cent. of the Group's resources are in product development as well as research and development. The Group's performance may be negatively affected if its workforce in the research and product development sector are unable to customise products to meet the changing requirements of its customer base or to work with customers on joint product development. The general manufacturing process for the Group's products is well established but may be negatively affected if the Group fails to continue to explore new technological processes to reduce energy costs and improve its commitment to the sustainability of the environment.

Information system breakdown

As a group with significant manufacturing and production operations, computer programs and/or information system breakdowns, may affect the business operations, including cyber security attacks which could disrupt the Group's systems and operations and affect its ability to service its customers leading to reduced revenue from sales and/or reputational damage, which could have an adverse effect on the Group's financial results as well as your investment.

The Group's growth strategy

As part of the Group's on-going growth strategy, the Company may contemplate to acquire a number of companies and/or businesses in the telecommunications cable components sector in order to expand the Group's existing business. Acquisitions of this nature can have both positive and negative consequences and, although the Directors have a demonstrated track record in merger and acquisition activities, there is risk involved with any acquisition.

Additionally, the Group may not be able to identify or acquire suitable acquisition targets on acceptable terms. Moreover, if in the future, the Group seeks to acquire an acquisition target that is of a significant size, it may need to finance such an acquisition through either additional debt or equity financing or a combination of additional debt and equity financing. As the intention of the Company is to expand the Group's existing offering, the Group cannot be certain that its business and acquisition strategy will be successful. Any failure to expand and improve operational, financial and management and quality control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and/or results of operations. The actual performance of the Group following Admission may differ materially from the expectations of both the Directors and the Shareholders.

The Group may be unsuccessful in fulfilling its acquisition strategy

Competitors may also follow similar acquisition strategies. Existing competitors and/or new entrants, including financial investors interested in entering the telecommunications cable components industry, may have greater financial resources available for investments or may have the capacity to accept less favourable terms than the Group, which may prevent the Group from acquiring target businesses and reduce the number of potential acquisition targets. The Group's ability to acquire new businesses may also be restricted under applicable competition or antitrust laws. If the Group is not able to pursue its acquisitions strategy, this could have a material adverse effect on the Group's business and growth prospects.

The Group may be unable to manage its growth or implement its expansion strategy

The Group may not be able to expand its product and service offerings, the Company's markets, or implement the other features of the Group's business strategy at the rate or to the extent presently planned. The Group's projected growth will place a significant strain on the Group's administrative, operational and financial resources. If the Group is unable to successfully manage the Group's future growth, establish and continue to upgrade the Group's operating and financial control systems, recruit and hire necessary personnel or effectively manage unexpected expansion difficulties, the Company's financial condition and results of operations could be materially and adversely affected.

Access to further capital

Whilst it is the opinion of the Directors that the Group's working capital is sufficient for its present requirements, that is for at least 12 months from the date of this Document, the Group's ability to deliver its business strategy beyond that period is dependent, in part, on its ability to generate sufficient revenues from the sales of its products.

The Company may require additional funds to respond to business challenges, enhancing existing products and services and further developing its sales and marketing channels and capabilities. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing Shareholders could suffer significant dilution. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. For the avoidance of doubt, nothing in this risk factor constitutes a qualification of the working capital statement contained in paragraph 9 of Part VI (Additional Information).

Competition

The Group operates in industries with significant global competition. This competition could adversely affect your investment and competitive pressures could have a material adverse effect on the Group's business. The principal competitive factors in this industry include product range, pricing, product quality, distribution capabilities and responsiveness to changing consumer preferences and demand, with varying emphasis on these factors depending on the market and the product.

The Group faces competition from local and international producers and manufacturers. Other market participants may seek to increase their sales and distribution capabilities by, for example, introducing new products to compete with the Group's own products. The Group's revenue and market share could suffer if these new competing products perform well, or if competing products are offered at prices that are lower than the prices of the Group's products.

Political, economic and sovereign risks

As the Group operates in multiple overseas jurisdictions outside of the United Kingdom, the Group will be subject to those risks associated with operating in those foreign jurisdictions. Such risks can include economic, social or political instability or change, hyperinflation or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licensing, export duties, repatriation of income or return of capital, consumer health and safety, labour relations as well as government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents.

Any deterioration in political or economic conditions in the countries in which the Group wishes to commence future operations, including hostilities or terrorist activity, may adversely affect the Group's ability to expand into those territories in order to make the business more profitable. Additionally, there is a risk that these governments may change their policies regarding foreign investment (either directly or indirectly through operation), which may also impact on the Group's ability to expand.

The current hostilities in the Ukraine and the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long term and far reaching consequences for the global economy and the Group's customers and suppliers. In particular, the interruption and/or limitation in the supply of certain natural resources (such as oil and gas) could have a negative impact on the Group's profits.

3. RISKS RELATING SPECIFICALLY TO THE GROUP'S OPERATING SUBSIDIARIES

Key customers

The historic and future sales performance of Unitape and Unigel has been and is dependent on the relationship with key customers. In the case of Unigel, 71 per cent. of its sales in the most recent financial period were derived from its top 10 customers. In the case of Unitape, 91 per cent. of its sales in the most recent financial period were derived from 3 large customers. Were any of these customers to no longer purchase products from either of these companies and the surplus capacity not taken up by other customers (existing or new), then this could have a material adverse impact on each company's financial performance and a resultant impact on the Group's financial performance.

Supply risks

The Group is dependent on certain key suppliers for a significant portion of its raw material input requirement. It is important that the Group is constantly in search for new suppliers in other geographical regions that are able to meet these raw material requirements, and/or vary its product formulation so the Group may find suitable raw material substitutes. The inability of the Group to mitigate this risk may affect the Group's results and financial condition.

In the laminated steel tapes business, the Group sources its raw materials from Asia and Europe. Supply chain upheavals caused by the COVID-19 pandemic had imposed a serious strain on the ability of industry players to secure the necessary volume of raw materials at a cost effective and timely basis over the past two years. It is important that the Group diversifies its supplier base to source raw materials from other geographical regions, including initiatives of selecting backup suppliers, with different capabilities and other considerations, to devise a recovery strategy for business continuity in the event of a supply chain disruption.

Demand risks

The demand for thixotropic gel and laminated steel tapes is dependent on the demand from the global fibre optic cable industry. Any slowdown in the global fibre optic cable industry, and in the United States to a certain extent, would have a material impact on the sales and performance of the Group. The demand for the Group's laminated steel tapes is under competitive pressure from low cost imports. This pressure requires Unitape to ensure that the quality of its products and its delivery precision is maintained, to enable the Group to preserve competitively priced products and ensure high quality after sales service.

Product defects

The success of the Group's products and services depends largely upon meeting the quality standards and requirement of its customer base. A lack of consistency in the quality of products or defects in the Group's products may affect the sales of the Group. Defects in raw materials purchased from third parties and used in the production of the Group's products or defects in the production processes could lead to lower quality products and/or loss to customers and could result in reduced sales of the affected products.

Transport risk

The Group relies on third party freight companies to transport its products to customers. Products may not reach customers as scheduled due to unforeseen delays occurring during transportation. Delayed delivery to customers may affect the continuous sales to the affected customers. There is also the risk of increasing transportation costs which the Group has less ability to control, and such cost increases may reduce demand from customers.

Intellectual property

The Group is able to utilise the "Unigel" trade name and certain intellectual property rights including the right to manufacture and distribute gel filling, flooding compounds and associated equipment through an intellectual property licence from Unigel IP Limited in return for a set percentage commission on the Group's product sales. Unigel IP Limited is a corporate entity which is not owned by the Group.

Although the Group has a licence agreement for intellectual property rights in place with Unigel IP Limited and is its sole customer, there is no guarantee that the current agreement will remain unaltered and it could be terminated to the detriment of the Group. Furthermore, any claims made against Unigel IP Limited's intellectual property rights, even without merit, could have a material impact on the Group's ability to continue utilising the intellectual property to manufacture and distribute its products. A third-party asserting infringement claims against Unigel IP Limited and its customers could require the Group to cease the infringing activity. In addition, the Group may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources independently or with Unigel IP Limited or with third parties. There can be no assurance that such claims would not have a material adverse effect on the Group's business, financial condition or results. No assurance can be given that third parties will not in the future claim rights in proprietary rights from time to time held by Unigel IP Limited and utilised by the Group. Although the Group's business model is such that it is not entirely reliant on the intellectual property held by Unigel IP Limited but rather a combination of factors involving its trading history, product quality, branding, customer service track record and the strategic geographic location of its plants, the loss of intellectual property rights may have an adverse effect on the Group's reputation, business, results of operations and financial condition.

4. RISKS RELATING TO TAXATION

Taxation of returns from assets located outside the UK may reduce any net return to Shareholders

It is possible that any returns the Group or the Company receives from any assets, companies or businesses which the Group has or acquires and which is or are established, undertake operations, or are held, outside the UK may be reduced by irrecoverable foreign taxes and this may reduce any net return derived by Shareholders from a shareholding in the Company.

Future changes in tax legislation applicable to the Group, Unigel and Unitape may reduce net returns to Shareholders

There can be no certainty that the current taxation regime in the US, UK or in other overseas jurisdictions within which the Company operates, and plans to operate in the future, will remain in force or that the current levels of corporate taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Company, which may have a material adverse effect on the Company's financial position.

The tax treatment of Unigel and Unitape would be subject to changes in tax legislation or practices in territories in which relevant operating subsidiaries are resident for tax purposes or in which they have permanent establishments or other taxable presences. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid. Any changes to tax legislation or practices in which the Group entities are resident for tax purposes may have a material adverse effect on the financial position of the Company, reducing net returns to Shareholders.

There can be no assurance that the Company will be able to make returns to Shareholders in a tax-efficient manner

It is intended that the Company will be structured to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Group's assets, or the Group may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

Any change in the Company's tax status or in taxation law could negatively affect the Company's ability to provide returns to Shareholders

Statements in this Document concerning the taxation of the Company or of Shareholders are based on current tax law and practice which is subject to change. The taxation of an investment in the Company also depends on the individual circumstances of the relevant Shareholder. Any Shareholder who is in doubt as to its tax position should consult an appropriate adviser.

5. RISKS RELATING TO THE ORDINARY SHARES

No prior market in the Ordinary Shares

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

Suitability

An investment in the Ordinary Shares may not be suitable for all readers of this Document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

Investment in AQSE-traded securities

An investment in companies whose shares are traded on the AQSE Growth Market is perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on The Official List or AIM. The AQSE Growth Market is a market designed primarily for emerging or smaller companies. The future success of the AQSE Growth Market and liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may become or may be relatively illiquid and therefore, such Ordinary Shares may be or may become difficult to sell.

Share price volatility and liquidity

The market for the Ordinary Shares following Admission may be highly volatile and subject to wide fluctuations in response to a variety of factors which could lead to losses for Shareholders. These potential factors include amongst others: any additions or departures of key personnel, litigation and press, newspaper and/or other media reports. Market perception of the Company may change, potentially affecting the value of Shareholders' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

In addition, stock markets have from time-to-time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares. The trading of the Ordinary Shares on the AQSE Growth Market should not be taken as implying that there will be a liquid market for the Ordinary Shares and there is no guarantee that an active market will develop or be sustained after Admission. It may be more difficult for an investor to realise his or her investment in the Company than in a company whose shares are quoted on the Official List or AIM. Notwithstanding the fact that an application has been made for the Ordinary Shares to be traded on the AQSE Growth Market, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. Continued admission to the AQSE Growth Market is entirely at the discretion of AQSE.

Prospective shareholders should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than or lose all of their investment.

Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

An investment in the Ordinary Shares may be relatively illiquid for as long as the Company's shares trade on the AQSE Growth Market. There may be a limited number of Shareholders and there may be infrequent trading in the Ordinary Shares and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable.

Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market for the Ordinary Shares may fall below the Subscription Price.

Dilution

If available, future financings to provide required capital may dilute Shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing Shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

Future sale of Ordinary Shares

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market following Admission. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares. The Company may require additional capital in the future which may not be available to it.

The risks noted above do not necessarily comprise all of the risks potentially faced by the Company and are not intended to be presented in any assumed order of priority.

Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Potential investors are strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this nature before making any decision to invest.

PART III

Taxation

The following statements are intended only as a general guide to certain UK tax considerations relevant to prospective investors in the Ordinary Shares. They do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares. They are based on current UK tax law and what is understood to be the current published practice (which may not be binding) of HMRC as at the date of this Document, both of which are subject to change, possibly with retrospective effect. The following statements relate only to Shareholders who are resident (and, in the case of individuals, resident and domiciled) for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment (other than in an individual savings account or pension arrangement) and who are the absolute beneficial owners of both the Ordinary Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Ordinary Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the Company, persons holding Ordinary Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or not resident in the UK, collective investment schemes, trusts and those who hold 5 per cent. or more of the Ordinary Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC-approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme, able to claim any inheritance tax relief or any non-UK resident Shareholder holding Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate Shareholder, a permanent establishment or otherwise).

Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

1. Taxation of dividends

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

United Kingdom resident individual shareholders

The following information is based on current UK tax law in relation to rules applying to dividends paid to individuals and trustees from 6 April 2022 onwards.

UK resident individuals are entitled to a £2,000 annual dividend allowance. Dividends received and not exceeding this allowance will not be subject to income tax. Dividends received in excess of this allowance will be taxed at 8.75 per cent. up to the limit of the basic rate income tax band. Dividends received in excess of the basic tax income tax band will be taxed at 33.75 per cent. up to the limit of the higher rate income tax band. Where dividends are received in excess of the higher rate income tax band, then the excess will be taxed at 39.35 per cent. being at the additional rate of income tax.

Dividends paid to trustees and personal representatives of deceased persons do not benefit from the dividend allowance and may be subject to tax at different rates to those specified above. Such persons should seek independent advice on the taxation of dividend income.

Dividends received by the trustees of discretionary or accumulation trusts and not exceeding the first band will be taxed at 8.75 per cent. The first band is established by taking £1,000 and dividing this amount by the number of settlements formed by the settlor up to a maximum of 5. The minimum first band is £200. Any dividends received by such trusts in excess of the first band will be taxed at 39.35 per cent. If the shareholder is in doubt as to the amount of the first band, then independent professional advice should be obtained.

United Kingdom resident corporate Shareholders

Shareholders that are within the charge to corporation tax will be subject to corporation tax on dividends paid by the Company on the Ordinary Shares, unless (subject to special rules for such Shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each Shareholder's position will depend on its own particular circumstances, although it would normally be expected that the dividends paid by the Company on the Ordinary Shares would fall within an exempt class. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules.

Non-United Kingdom resident Shareholders

No tax credit will attach to any dividend paid by the Company on the Ordinary Shares. A Shareholder who is tax resident outside the United Kingdom should, subject to certain conditions being met, not be subject to UK taxation but may be subject to non-UK taxation on dividend income under local law. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

2. Taxation on chargeable gains

Individual and corporate Shareholders who are resident in the United Kingdom may, depending on their circumstances (including the availability of allowances, exemptions or reliefs), realise a chargeable gain or an allowable loss for the purposes of taxation of chargeable gains on a sale or other disposal (or deemed disposal) of Ordinary Shares.

An individual Shareholder who is subject to UK income tax at the higher or additional rate will be liable to UK capital gains tax on the amount of any chargeable gain realised by a disposal of Ordinary Shares at the rate of 20 per cent. An individual Shareholder who is subject to income tax at the basic rate only should only be liable to capital gains tax on the chargeable gain up to the unused amount of the Shareholder's basic rate band at the rate of 10 per cent. and at a rate of 20 per cent. on the gains above the basic rate band.

Individuals may benefit from certain reliefs and allowances, including a personal annual exemption, which presently exempts £12,300 of gains from tax for the tax year 2022/23.

An individual Shareholder who is only temporarily resident outside the United Kingdom may still be liable to UK tax on any capital gain realised (subject to available allowances, exemptions or reliefs) upon a sale or other disposal (or deemed disposal) of Ordinary Shares.

For such Shareholders that are bodies corporate resident in the UK, they will generally be subject to corporation tax (rather than capital gains tax) at the prevailing rate of UK corporation tax. on any chargeable gain realised on a disposal of Ordinary Shares, subject to the availability of any exemption or relief.

Shareholders who are not tax resident in the United Kingdom and, in the case of an individual Shareholder, not temporarily non-resident, will not generally be subject to UK taxation of capital gains on a sale or other disposal (or deemed disposal) of Ordinary Shares unless such Ordinary Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment. Shareholders who are not resident in the United Kingdom may be subject to non-UK taxation on any gain under local law.

3. Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty or SDRT will be generally payable on the issue of Ordinary Shares.

The AQSE Growth Market qualifies as a recognised growth market for the purposes of the UK stamp duty and SDRT legislation. Accordingly, for so long as the Ordinary Shares are admitted to trading on the AQSE Growth Market and are not listed on any other market, no charge to UK stamp duty or SDRT should arise on their subsequent transfer.

If the Ordinary Shares cease to qualify for this exemption their transfer on sale will be subject to stamp duty and/or SDRT (generally at the rate of 0.5 per cent. of the consideration subject to a *de minimis* threshold), although special rules apply in respect of certain transfers including transfers to market intermediaries and transfers into clearance services or depositary receipt arrangements.

The statements in this paragraph apply to any holders of Ordinary Shares irrespective of their residence, and are a summary of the current position and are intended to be a general guide to the current stamp duty and SDRT position. Shareholders in any doubt about their position should seek appropriate tax advice.

4. Inheritance tax

Ordinary Shares will be assets situated in the United Kingdom for the purposes of UK inheritance tax. A transfer of such value (i.e. gift) of such assets by, or upon the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is or was neither domiciled in the United Kingdom nor deemed to be domiciled there, under certain rules relating to long residence or previous domicile. Generally, UK inheritance tax is not chargeable on transfers of value to individuals if the transfer is made more than seven complete years prior to the death of the transferor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a transfers of value and particular rules apply to such transfers where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares bringing them within the charge to inheritance tax. Holders of Ordinary Shares should consult an appropriate professional adviser if they make a gift of any kind or a transfer at less than market value, or if they intend to hold any Ordinary Shares through a trust or similar indirect arrangements. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

Relief from Inheritance Tax, known as business relief, may apply to shares in unlisted trading companies where the relevant shares have been held by the individual for at least two years prior to the transfer of value. This relief which, depending on the circumstances, can grant full relief in respect of certain shares may apply notwithstanding that the Company's shares are admitted to trading of the AQSE Growth Market.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PROSPECTIVE INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

PART IV

Historical Financial Information on Unigel and Unitape

SECTION A – HISTORICAL FINANCIAL INFORMATION ON UNIGEL

Important Notice

Crowe U.K. LLP do not accept or assume responsibility to anyone other than Unigel and Unigel's members as a body, for its audit work, for its audit reports or for the opinions it has formed. The statutory audit of Unigel was undertaken in order that Crowe U.K. LLP might report to Unigel's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. The audit procedures and the audit working papers were designed and created solely for the purpose of enabling Crowe U.K. LLP to form and state an opinion to Unigel's respective members as a body, in accordance with the statutory requirements for audit, on whether the financial statements of Unigel, which are the responsibility of the directors of Unigel, give a true and fair view of the state of affairs of Unigel as at the end of the relevant financial year and of the profit and loss for the period then ended. Crowe U.K. LLP's auditing procedures were designed to enable Crowe U.K. LLP to express an opinion on Unigel's financial statements as a whole and not, for example and save where otherwise expressly stated, on individual account balances, financial amounts, financial information or the adequacy of financial, accounting or management systems.

REGISTERED NUMBER: 03032651 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

UNIGEL (UK) LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

UNIGEL (UK) LIMITED
COMPANY INFORMATION
YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	S J Sjödén K H Chhoa M Kreuger Z B M Said (resigned 1 January 2021) E Otsubo-Chhoa M S Mohamed Tarmizi (appointed 1 January 2021) B K Lim (appointed 23 January 2021 and resigned 8 February 2022)
SECRETARY:	Waterstone Company Secretaries Limited
REGISTERED OFFICE:	c/o Waterstone Company Secretaries Limited Suite Lg. 03 Bridge House 181 Queen Victoria Street London EC4V 4EG
REGISTERED NUMBER:	03032651 (England & Wales)
AUDITORS:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

UNIGEL (UK) LIMITED
GROUP STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The group turnover increased significantly during the year which was mostly due to a higher volume of sales although rising oil prices and logistics costs played a part. Forward planning minimised the uncertainty associated with Brexit and company coped well with the continuing challenges of Covid-19. The unprecedented rise in logistics costs meant that the gross margin percentage came under pressure. The company continued to enter new markets during the year and expand its product range although fluctuations in exchange rates, oil prices and logistics costs continued to affect profitability.

The objectives for the forthcoming year are to continue to increase market share and margins by improving manufacturing techniques and product formulations through investment in research and development.

In order to ensure the continued development of the business, the company will continue to venture into new geographical markets as well as continuing the expansion of its product range.

PRINCIPAL RISKS AND UNCERTAINTIES

By continuing to venture into new geographical markets the group hopes to minimise the risk arising from economic fluctuations in particular regions. The main risks continue to be associated with fluctuations in foreign currency exchange rates, particularly the US Dollar, and the fluctuation in the price of oil and logistics costs. The directors are aware of these risks and constantly monitor the conversion of currency to minimise this cost and also search for alternative suppliers to reduce direct costs.

FINANCIAL RESULTS

The turnover for the year was £12,389,340 (2020: £10,081,998) and the profit after tax was £216,386 (2020: £359,220). The gross profit percentage was 13.0% (2020: 19.0%).

COVID-19 PANDEMIC

The group meets its working capital requirements through the receipt of revenue from global sales of cable filling and flooding compounds. Ultimately the receipt of revenue depends upon the availability of liquidity for the group's customers and the level of activity in the telecommunications market.

The Covid-19 pandemic has continued to have only a limited impact on the operations and operational financing of the group as the telecommunications industry is considered an essential service in many countries throughout the world and exemption from lockdown is commonplace. All of the group's manufacturing sites are currently operational and demand for product has been stable. However, at the date of approval of these financial statements it is not clear how long the current circumstances are likely to last and what the long-term impact will be.

The directors prepare annual budgets and forecasts in order to ensure that they have sufficient liquidity in place for the business. Based on their latest assessment of the budgets and forecasts for the group, and from the borrowing facility available from the group's bankers, the directors believe that the group will have sufficient funds to enable it to continue to trade as a going concern and to discharge its debts and liabilities as they fall due in the period of at least twelve months from the date of approval of these financial statements. The directors therefore consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

ON BEHALF OF THE BOARD:

S J Sjödén – Director

17 March 2022

UNIGEL (UK) LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was the manufacture and sale of cable filling and flooding compounds and associated pumping and delivery equipment.

DIVIDENDS

Dividends of £150,000 have been distributed for the year ended 31 December 2021 (2020: £100,000).

DIRECTORS

The directors and changes thereto are shown below:

S J Sjödén

K H Chhoa

M Kreuger

Z B M Said (resigned 1 January 2021)

E Otsubo-Chhoa

M S Mohamed Tarmizi (appointed 1 January 2021)

B K Lim (appointed 23 January 2021 and resigned 8 February 2022)

GOING CONCERN

The directors have prepared the financial statements on a going concern basis and in making this assessment they have considered the following:

- The cash reserves of the company have continued to be strong since the balance sheet date and were £216,410 at 28 February 2022;
- Turnover in the two months to 28 February 2022 was approximately 19% higher than forecast in the business plan;
- The borrowing facility from the group's bankers remains available as required;
- Funding from related parties has been extended with further extensions likely to be available if required.

In preparing the 2022 business plan the directors have considered the risk factors likely to be relevant for the year ahead and have not factored in any additional funding beyond that currently available. Having considered the above, the directors believe they have a reasonable expectation that the group will have adequate resources to continue to discharge its debts and liabilities as they fall due for the foreseeable future. The directors therefore consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 company and the group and of the profit or loss of the group for that period. 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
– prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each 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 group's auditors are aware of that information.

ON BEHALF OF THE BOARD

S J Sjödén – Director

17 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIGEL (UK) LIMITED YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of Unigel (UK) Limited (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland (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 the parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, 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.

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 doubt on the group'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 responsibility and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matters 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 Group 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 Group Strategic Report and Directors' 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 parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 the 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. 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 within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, inappropriate revenue recognition, the valuation of trade debtors and stock balances. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under United Kingdom Generally Accepted Accounting Practice and applicable law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located 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.

John Glasby (senior statutory auditor)

For and on behalf of

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Date: 17 March 2022

UNIGEL (UK) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
TURNOVER	2	**12,389,340**	10,081,998
Cost of sales		**(10,783,344)**	(8,165,406)
GROSS PROFIT		**1,605,996**	1,916,592
Administrative expenses		**(1,394,960)**	(1,467,942)
OPERATING PROFIT	3	**211,036**	448,650
Interest receivable and similar income		**65,993**	—
Interest payable and similar charges	4	**(7,678)**	(8,777)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**269,351**	439,873
Tax on profit on ordinary activities	7	**(52,965)**	(80,653)
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		**216,386**	359,220
Other comprehensive income for the year			
Gain/(loss) on foreign exchange		**3,829**	(19,723)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**220,215**	339,497

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current period or previous year.

The notes on pages 53 to 65 form part of these financial statements

UNIGEL (UK) LIMITED
REGISTERED NUMBER: 03032651
CONSOLIDATED BALANCE SHEET
31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	9		**593,438**		635,518
Tangible assets	10		**832,477**		880,609
			1,425,915		1,516,127
CURRENT ASSETS					
Stocks	12	**1,099,385**		654,380	
Debtors	13	**2,618,718**		2,259,091	
Cash at bank and in hand		**334,131**		343,834	
		4,052,234		3,257,305	
CREDITORS					
Amounts falling due within one year	14	**3,193,841**		2,525,561	
NET CURRENT ASSETS			**858,393**		731,744
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,284,308**		2,247,871
CREDITORS					
Other loan falling due after more than one year			**—**		37,698
PROVISION FOR LIABILITIES					
Deferred tax			**182,150**		178,230
NET ASSETS			**2,102,158**		2,031,943
CAPITAL AND RESERVES					
Called up share capital	17		**1,000,000**		1,000,000
Profit and loss account	18		**1,102,158**		1,031,943
SHAREHOLDERS' FUNDS			**2,102,158**		2,031,943

The financial statements were approved by the Board of Directors on 17 March 2022 and were signed on its behalf by:

S J Sjödén
Director

The notes on pages 53 to 65 form part of these financial statements

UNIGEL (UK) LIMITED
REGISTERED NUMBER: 03032651
COMPANY BALANCE SHEET
31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	9		**593,438**		635,518
Tangible assets	10		**173,178**		191,228
Investments	11		**6,465**		6,465
			773,081		833,211
CURRENT ASSETS					
Stocks	12	**772,008**		322,015	
Debtors	13	**2,681,118**		2,396,944	
Cash at bank and in hand		**322,152**		282,602	
		3,775,278		3,001,561	
CREDITORS					
Amounts falling due within one year	14	**2,974,534**		2,179,120	
NET CURRENT ASSETS			**800,744**		822,441
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,573,825**		1,655,652
PROVISION FOR LIABILITIES					
Deferred tax			**145,861**		140,417
NET ASSETS			**1,427,964**		1,515,235
CAPITAL AND RESERVES					
Called up share capital	17		**1,000,000**		1,000,000
Profit and loss account brought forward		**515,235**		412,136	
(Loss)/profit for the year		**(87,271)**		103,099	
Profit and loss account carried forward	18		**427,964**		515,235
SHAREHOLDERS' FUNDS			**1,427,964**		1,515,235

The financial statements were approved by the Board of Directors on 17 March 2022 and were signed on its behalf by:

S J Sjödén
Director

The notes on pages 53 to 65 form part of these financial statements

UNIGEL (UK) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2021

Group	Share capital £	Retained earnings £	Total equity £
At 1 January 2020	1,000,000	792,446	1,792,446
Comprehensive income for the year			
Profit for the year	—	359,220	359,220
Other comprehensive loss for the year	—	(19,723)	(19,723)
Dividends paid	—	(100,000)	(100,000)
Total comprehensive Income for the year at 31 December 2020	**1,000,000**	**1,031,943**	**2,031,943**
Comprehensive income for the year			
Profit for the year	—	216,386	216,386
Other comprehensive gain for the year	—	3,829	3,829
Dividends paid		(150,000)	(150,000)
Total comprehensive income for the year at 31 December 2021	**1,000,000**	**1,102,158**	**2,102,158**

Company	Share capital £	Retained earnings £	Total equity £
At 1 January 2020	1,000,000	412,136	1,412,136
Comprehensive income for the year			
Profit for the year	—	203,099	203,099
Dividends paid	—	(100,000)	(100,000)
Total comprehensive income for the year at 31 December 2020	**1,000,000**	**515,235**	**1,515,235**
Comprehensive income for the year			
Profit for the year	—	62,729	62,729
Dividends paid		(150,000)	(150,000)
Total comprehensive income for the year at 31 December 2021	**1,000,000**	**427,964**	**1,427,964**

UNIGEL (UK) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2021

		2021		2020	
	Notes	**£**	**£**	**£**	**£**
Net cash outflow from operating activities	1		**(13,771)**		(166,854)
Returns on investments and servicing of finance	**2**		**(51,003)**		(48,777)
Taxation			**(60,141)**		—
Capital expenditure	**2**		**(67,044)**		(111,565)
			(191,959)		(327,196)
Financing	**2**		**182,256**		46,951
Decrease in cash in the year			**(9,703)**		(280,245)
Reconciliation of net cash flow to movement in net debt	3				
(Decrease) in cash in the year			**(9,703)**		(280,245)
Cash inflow from increase in debt			**(182,256)**		(46,951)
Change in net debt resulting from cash flows			**(191,959)**		(327,196)
Net cash at 1 January			**296,883**		624,079
Net cash at 31 December			**104,924**		296,883

The notes on pages 53 to 65 form part of these financial statements

UNIGEL (UK) LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Operating profit	**211,036**	448,650
Depreciation and amortisation charges	**157,058**	181,545
Loss on fixed asset disposals	**3,346**	—
(Increase)/decrease in stocks	**(445,005)**	162,713
(Increase) in debtors	**(359,627)**	(722,377)
Increase/(decrease) in creditors	**419,421**	(237,385)
Net cash (outflow) from operating activities	**(13,771)**	(166,854)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2021 £	2020 £
Returns on investments and servicing of finance		
Proceeds on sale of fixed assets	**682**	—
Interest paid less interest received and similar income	**58,315**	(8,777)
Dividends paid	**(110,000)**	(40,000)
Net cash outflow for returns on investments and servicing of finance	**(51,003)**	(48,777)
Capital expenditure		
Purchase of intangible fixed assets	**(38,941)**	(52,800)
Purchase of tangible fixed assets	**(28,103)**	(58,765)
Net cash outflow for capital expenditure	**(67,044)**	(111,565)
Financing		
New loan received	**182,256**	46,951
Net cash inflow from financing	**182,256**	46,951

3. ANALYSIS OF CHANGES IN NET DEBT

	At 01/01/21 £	Cash flow £	At 31/12/21 £
Net cash:			
Cash at bank and in hand	343,834	(9,703)	334,131
Debt:			
Loan	(46,951)	(182,256)	(229,207)
Cash at bank and in hand	296,883	(191,959)	104,924

1. ACCOUNTING POLICIES

Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of the consolidated financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies. Information is given in the accounting policies noted below.

Going concern

The group meets its working capital requirements through the receipt of revenue from global sales of cable filling and flooding compounds. Ultimately the receipt of revenue depends upon the availability of liquidity for the group's customers and the level of activity in the telecommunications market.

The Covid-19 pandemic has continued to have only a limited impact on the operations and operational financing of the group as the telecommunications industry is considered an essential service in many countries throughout the world and exemption from lockdown is commonplace. All of the group's manufacturing sites are currently operational and demand for product has been stable. However, at the date of approval of these financial statements it is not clear how long the current circumstances are likely to last and what the long-term impact will be.

The directors prepare annual budgets and forecasts in order to ensure that they have sufficient liquidity in place for the business. They have considered the effect on the group's business from different scenarios when assessing the impact of Covid-19 in various countries with which it trades. Based on this assessment, and having regard to the post year-end cash reserves and trading levels of the group, related party funding and the borrowing facility available from the group's bankers, the directors believe they have a reasonable expectation that the group will have adequate resources to continue to discharge its debts and liabilities as they fall due for the foreseeable future. The directors therefore consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary undertaking as at the balance sheet date. The financial statements of the subsidiary are prepared to the same reporting date as the company. The subsidiary is consolidated from the date of incorporation, being the date on which the group obtained control.

In preparing the consolidated financial statements, intra-group balances, transactions and unrealised gains or losses are eliminated in full.

The company does not provide for the unrealised gains and losses on its US dollar loan to the subsidiary nor for its share of the subsidiary company losses; both of which are recognised in the group results.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding sales taxes, except in respect of goods sold on consignment where turnover is recognised when the group obtains the right to consideration.

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

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

Freehold property	–	straight line on cost over 39 years
Improvements to property	–	straight line on cost over the period of the lease
Plant and machinery	–	straight line on cost over 15 years
Fixtures and fittings	–	15% on reducing balance and straight line on cost over 7 years
Computer equipment	–	straight line on cost over 4-5 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Research and development

Expenditure on pure and applied research and development is charged to the profit and loss account in the year in which it is incurred.

Product development costs are capitalised in the year in which they are incurred, and subsequently amortised over the estimated useful economic life of the products developed.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

The financial statements of the subsidiary undertaking whose functional currency is US Dollars have

been translated into sterling using the average rate to translate the profit and loss account and the closing rate to translate the balance sheet.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment. The cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Judgements in Applying Accounting Policies and Key Sources of Estimation

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Intangible fixed assets

The useful economic life of capitalised development costs is assessed having regard to industry knowledge and anticipated future demand for particular products. Costs are amortised over a period estimated to correspond with future economic benefits of no more than 10 years.

Debtors provision

The risk of debtor default is assessed by reference to overdue amounts and recent payment history. If there is a deemed material risk of non-payment a provision is made.

Stock provision

Non-moving, slow moving and short dated stocks are assessed at the balance sheet date and if it is deemed that there is a material risk that some or all of the stock cannot be sold, then a provision is made.

2. TURNOVER

The company has not disclosed an analysis of turnover as, in the opinion of the directors, the information is commercially sensitive.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Hire of plant and machinery	**46,837**	49,316
Other operating leases	**34,383**	28,238
Depreciation – owned assets	**76,037**	109,019
Amortisation – owned assets	**81,021**	72,526
Fees payable to the company's auditor for the audit of the company's annual accounts	**17,300**	15,917
Fees payable to the subsidiary's auditor for the audit of the subsidiary's annual accounts	**12,483**	11,684
Foreign exchange differences	**59,321**	(1,341)

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
Factoring interest	**2,678**	134
Interest on other loans	**5,000**	8,643
	7,678	8,777

5. STAFF COSTS

	2021 £	2020 £
Directors' remuneration	**44,724**	9,623
Other wages and salaries	**670,902**	697,506
Pension costs	**10,525**	9,309
Social security costs	**63,584**	56,250
	789,735	772,688

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

Directors	**6**	4
UK – Sales, scientific & administration	**9**	9
US – Manufacturing	**7**	7
	22	20

6. OBLIGATIONS UNDER OPERATING LEASES

	2021 £	2020 £
At 31 December 2021 the Group and Company had future minimum lease payments under non-cancellable operating leases as follows:		
Less than 1 year	34,383	34,383
Later than 1 year and not later than 5 years	—	34,383
	34,383	68,766

7. TAXATION

The tax charge on the profit on ordinary activities was as follows:

	2021 £	2020 £
Current tax:		
Corporation tax	**49,257**	63,873
Deferred taxation	**3,708**	16,780
Tax on profit on ordinary activities	**52,965**	80,653

Factors affecting the tax charge

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

	2021	2020
	£	£
Profit on ordinary activities before tax	**269,351**	439,873
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2020 – 19.00%)	**51,400**	83,600
Effects of:		
Expenses not deductible for tax	**23,300**	21,700
Income not taxable	**(8,800)**	—
Depreciation in excess of/(less than) capital allowances	**3,400**	(3,100)
Research & development enhanced expenditure	**(17,000)**	(23,100)
Deferred tax provision on timing differences	**3,708**	11,058
Tax on losses in UK and US subsidiary	**—**	(16,900)
Foreign exchange gain on inter-company account	**400**	(4,300)
Under-provision in prior year, tax rate and other differences	**(3,443)**	11,695
Current tax charge	**52,965**	80,653

8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £62,729 (2020: £203,099).

9. INTANGIBLE FIXED ASSETS

Group and company

	Development costs £
COST	
At 1 January 2021	**736,484**
Additions	**38,941**
Disposals	**(4,435)**
	770,990
AMORTISATION	
At 1 January 2021	**100,966**
Charge for the year	**81,021**
On disposals	**(4,435)**
At 31 December 2021	**177,552**
NET BOOK VALUE	
At 31 December 2021	**593,438**
At 31 December 2020	635,518

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 January 2021	562,798	7,324	1,432,270
Additions	—	—	23,164
Disposals	—	—	(11,086)
Exchange differences	3,664	—	7,795
At 31 December 2021	566,462	7,324	1,452,143
DEPRECIATION			
At 1 January 2021	100,860	4,207	1,027,385
Charge for year	13,198	1,465	56,774
On disposals	—	—	(7,848)
Exchange differences	912	—	6,744
At 31 December 2021	114,970	5,672	1,083,055
NET BOOK VALUE			
At 31 December 2021	451,492	1,652	369,088
At 31 December 2020	461,938	3,117	404,885

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2021	15,168	36,738	2,054,298
Additions	129	4,810	28,103
Disposals	—	(895)	(11,981)
Exchange differences	54	99	11,612
At 31 December 2021	15,351	40,752	2,082,032
DEPRECIATION			
At 1 January 2021	11,939	29,298	1,173,689
Charge for year	517	4,083	76,037
On disposals	—	(105)	(7,953)
Exchange differences	53	73	7,782
At 31 December 2021	12,509	33,349	1,249,555
NET BOOK VALUE			
At 31 December 2021	2,842	7,403	832,477
At 31 December 2020	3,229	7,440	880,609

Company

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2021	**7,324**	**344,584**	**6,888**	**26,229**	**385,025**
Additions	**—**	**285**	**129**	**2,338**	**2,752**
Disposals	**—**	**—**	**—**	**—**	**—**
At 31 December 2021	**7,324**	**344,869**	**7,017**	**28,567**	**387,777**
DEPRECIATION					
At 1 January 2021	**4,207**	**166,204**	**4,290**	**19,096**	**193,797**
Charge for year	**1,465**	**15,290**	**409**	**3,638**	**20,802**
On disposals	**—**	**—**	**—**	**—**	**—**
At 31 December 2021	**5,672**	**181,494**	**4,699**	**22,734**	**214,599**
NET BOOK VALUE					
At 31 December 2021	**1,652**	**163,375**	**2,318**	**5,833**	**173,178**
At 31 December 2020	3,117	178,380	2,598	7,133	191,228

11. FIXED ASSET INVESTMENTS

Company

	£
COST	
At 1 January 2021 and 31 December 2021	**6,465**
NET BOOK VALUE	
At 31 December 2021	**6,465**
At 31 December 2020	6,465

The investment is held at cost less provision for impairment. The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary

Unigel Inc.

Country of incorporation: United States of America
Nature of business: Manufacture of thixotropic gel .
Registered office: 1027 19th Street S.W., Hickory, NC 28602, USA

	% holding
Class of shares:	
Ordinary	100.00

12. STOCKS

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Raw materials	**631,827**	554,102	**390,092**	313,740
Finished goods and equipment for sale	**467,558**	100,278	**381,916**	8,275
	1,099,385	654,380	**772,008**	322,015

13. DEBTORS

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Amounts falling due within one year:				
Trade debtors	**2,307,318**	1,822,704	**2,150,261**	1,628,781
Amounts recoverable on consignment stock contracts	**250,057**	281,784	**250,057**	281,784
Other debtors	**1,565**	9,985	**1,565**	8,107
VAT	**4,036**	29,683	**4,036**	29,683
Prepayments and accrued income	**55,742**	114,935	**39,245**	109,494
	2,618,718	2,259,091	**2,445,164**	2,057,849
Amounts falling due after more than one year:				
Amounts owed by group undertakings	**—**	—	**235,954**	339,095
Aggregate amounts	**2,618,718**	2,259,091	**2,681,118**	2,396,944

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Bank loans and overdrafts (note 16)	**229,207**	—	**229,207**	—
Loans from group undertakings	**200,000**	200,000	**200,000**	200,000
Other loan	**—**	9,253	**—**	—
Trade creditors	**2,225,166**	1,798,482	**2,017,867**	1,519,963
Corporation tax	**9,024**	60,141	**18,295**	19,630
Social security and other taxes	**25,993**	21,474	**25,993**	21,474
Accruals and deferred income	**504,451**	436,211	**483,172**	418,053
	3,193,841	2,525,561	**2,974,534**	2,179,120

15. FINANCIAL INSTRUMENTS

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**2,558,940**	2,114,473	**2,637,837**	2,257,767
	2,558,940	2,114,473	**2,637,837**	2,257,767
Financial liabilities				
Financial liabilities measured at amortised cost	**3,158,824**	2,443,946	**2,930,246**	2,138,016
	3,158,824	2,443,946	**2,930,246**	2,138,016

Financial assets measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, other creditors and accruals and deferred income.

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Factoring advance	**229,207**	—	**229,207**	—
Factoring advance	**229,207**	—	**229,207**	—

Factoring advances are secured on the trade debtors to which they relate.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**2021 £**	**2020 £**
1,000,000	Ordinary	£1	**1,000,000**	1,000,000

18. RESERVES

Group

	Profit and loss account £	Total £
At 1 January 2021	**1,031,943**	**1,031,943**
Profit for the year	**216,386**	**216,386**
Foreign currency translation differences	**3,829**	**3,829**
Dividends paid	**(150,000)**	**(150,000)**
At 31 December 2021	**1,102,158**	**1,102,158**

Company

	Profit and loss account £	Total £
At 1 January 2021	**515,235**	**515,235**
Profit for the year	**62,729**	**62,729**
Dividends paid	**(150,000)**	**(150,000)**
At 31 December 2021	**427,964**	**427,964**

19. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Unigel Limited, a company incorporated in Hong Kong. The company's ultimate parent undertaking is Hikari Capital Limited, a company incorporated in Hong Kong.

20. RELATED PARTY DISCLOSURES

a) Opcom Holdings Berhad

Major Shareholder

Unigel Compounds Sdn Bhd, a fully owned subsidiary of Opcom Holdings Berhad provided services to the group during the year. The value of services provided during the year and the balance outstanding at the year-end were as follows:

	Group		Company	
	2021 £	2020 £	**2021 £**	2020 £
Sales	**335,275**	367,563	**335,275**	367,563
Debtor at balance sheet date	**—**	70,845	**—**	70,845
Purchases	**3,220,445**	2,960,480	**3,163,894**	2,813,293
Creditor at balance sheet date	**1,428,997**	1,126,728	**1,324,077**	1,018,055

b) Hikari Capital Limited

Ultimate parent company

Unigel IP Limited, which is ultimately a 60% subsidiary of Hikari Capital Limited, provided services and a loan to the group in the year. The value of services provided and interest charged during the year and the balance outstanding at the year-end were as follows:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Licence fees, interest and costs payable	**491,365**	438,621	**491,365**	438,621
Creditor, loan, accrued costs and interest at balance sheet date	**605,210**	422,074	**605,210**	422,074

Unitape Limited, which is a 100% subsidiary of Hikari Capital Limited, provided services and was provided with services in the year. The value of services provided during the year and the balance outstanding at the year-end were as follows:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Recharged costs receivable	**22,585**	22,363	**22,585**	22,363
Debtor balance at balance sheet date	**4,871**	2,646	**4,871**	2,646
Recharged costs payable	**79,425**	87,979	**79,425**	87,979

Unigel Siber Inc., which is a 70% subsidiary of Hikari Capital Limited, was provided with services in the year. The value of services provided and the balance outstanding at the year-end were as follows:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Recharged costs receivable	**25,728**	—	**294**	—
Debtor balance at balance sheet date	**3,620**	—	**294**	—

c) Unigel Limited

Immediate parent company

Unigel Limited provided a loan to the group in the year. The value of interest charged during the year and the balance outstanding at the year-end were as follows:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Interest payable and purchases	**—**	21,615	**—**	21,615
Creditor balance outstanding at balance sheet date	**18,000**	18,000	**18,000**	18,000

d) Corporate Partners Limited

Common directorship

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Rent and rates payable	**44,687**	38,099	**44,687**	38,099
Creditor balance at balance sheet date	**—**	—	**—**	—

REGISTERED NUMBER: 03921955 (England and Wales)

UNITAPE LIMITED

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Hakim Fry
Chartered Accountants
Statutory Auditor
69-71 East Street
Epsom
Surrey
KT17 1BP

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FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	M S Sohal K H Chhoa Ms C W S Koh
REGISTERED OFFICE:	Unigel House 7 Park View Alder Close Eastbourne East Sussex BN23 6QE
REGISTERED NUMBER:	03921955 (England and Wales)
AUDITORS:	Hakim Fry Chartered Accountants Statutory Auditor 69-71 East Street Epsom Surrey KT17 1BP

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of manufacture and distribution of materials used in telecommunication cables.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

M S Sohal
K H Chhoa
Ms C W S Koh

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the group and of the profit or loss of the group for that period. 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;

— 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

M S Sohal – Director

Date: 26 May 2022

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF UNITAPE LIMITED

Opinion

We have audited the financial statements of Unitape Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 affairs as at 31 December 2021 and of the group's profit for the year then ended;

— have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

— 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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, 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.

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 the 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

— the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and

— the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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; or

— the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 the 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.

Auditors' 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 a Report of the Auditors that includes our opinion. 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

— the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

— we identified the laws and regulations applicable to the company through communication with directors and other management;

— we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection;

— we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

— identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

— making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

— considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

— performed analytical procedures to identify any unusual or unexpected relationships;

— tested journal entries to identify unusual transactions;

— assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

— investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

— agreeing financial statement disclosures to underlying supporting documentation;

— enquiring of management as to actual and potential litigation and claims; and

— reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Samantha Lawrence ACA FCCA (Senior Statutory Auditor)
for and on behalf of Hakim Fry
Chartered Accountants
Statutory Auditor
69-71 East Street
Epsom
Surrey
KT17 1BP

Date: 26 May 2022

UNITAPE LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	**31.12.21** £	**31.12.21** £	31.12.20 £	31.12.20 £
TURNOVER			**9,261,248**		6,722,215
Cost of sales			**7,881,921**		5,548,662
GROSS PROFIT			**1,379,327**		1,173,553
Distribution costs		**20,561**		1,187	
Administrative expenses		**914,637**		792,312	
			935,198		793,499
			444,129		380,054
Other operating income			**50,476**		—
OPERATING PROFIT	4		**494,605**		380,054
Interest payable and similar expenses			**4,709**		13,410
PROFIT BEFORE TAXATION			**489,896**		366,644
Tax on profit	5		**84,432**		77,983
PROFIT FOR THE FINANCIAL YEAR			**405,464**		288,661
Profit attributable to:					
Owners of the parent			**405,464**		288,661

The notes form part of these financial statements

UNITAPE LIMITED (REGISTERED NUMBER: 03921955)
CONSOLIDATED BALANCE SHEET
31 DECEMBER 2021

		31.12.21		31.12.20	
	Notes	**£**	**£**	£	£
FIXED ASSETS					
Intangible assets	7		**5,252**		7,453
Tangible assets	8		**455,852**		440,251
Investments	9		**—**		—
			461,104		447,704
CURRENT ASSETS					
Stocks		**2,532,643**		1,315,434	
Debtors	10	**1,786,275**		739,835	
Cash at bank		**58,864**		32,740	
		4,377,782		2,088,009	
CREDITORS					
Amounts falling due within one year	11	**3,898,433**		1,512,343	
NET CURRENT ASSETS			**479,349**		575,666
TOTAL ASSETS LESS CURRENT LIABILITIES			**940,453**		1,023,370
CREDITORS					
Amounts falling due after more than one year	12		**(14,861)**		—
PROVISIONS FOR LIABILITIES	14		**(80,579)**		(83,821)
NET ASSETS			**845,013**		939,549
CAPITAL AND RESERVES					
Called up share capital			**300**		300
Share premium	15		**85,097**		85,097
Capital redemption reserve	15		**150**		150
Retained earnings	15		**759,466**		854,002
			845,013		939,549

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2022 and were signed on its behalf by:

M S Sohal – Director

UNITAPE LIMITED (REGISTERED NUMBER: 03921955)
COMPANY BALANCE SHEET
31 DECEMBER 2021

	Notes	31.12.21 £	31.12.21 £	31.12.20 £	31.12.20 £
FIXED ASSETS					
Intangible assets	7		**4,025**		4,386
Tangible assets	8		**893**		12,596
Investments	9		**284,791**		284,791
			289,709		301,773
CURRENT ASSETS					
Stocks		**2,512,363**		1,251,929	
Debtors	10	**1,533,385**		746,832	
Cash at bank		**23,884**		9,464	
		4,069,632		2,008,225	
CREDITORS					
Amounts falling due within one year	11	**3,662,722**		1,438,170	
NET CURRENT ASSETS			**406,910**		570,055
TOTAL ASSETS LESS CURRENT LIABILITIES			**696,619**		871,828
CAPITAL AND RESERVES					
Called up share capital			**300**		300
Share premium	15		**85,097**		85,097
Capital redemption reserve	15		**150**		150
Retained earnings	15		**611,072**		786,281
			696,619		871,828
Company's profit for the financial year			**324,790**		227,859

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2022 and were signed on its behalf by:

M S Sohal – Director

UNITAPE LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	**31.12.21** £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	**656,443**	56,658
Interest paid		**(4,709)**	(13,410)
Tax paid		**(56,284)**	(16,256)
Net cash from operating activities		**595,450**	26,992
Cash flows from investing activities			
Purchase of tangible fixed assets		**(90,934)**	(20,278)
Sale of tangible fixed assets		**29,967**	—
Net cash from investing activities		**(60,967)**	(20,278)
Cash flows from financing activities			
New loans in year		**(18,419)**	—
Equity dividends paid		**(500,000)**	(100,000)
Net cash from financing activities		**(518,419)**	(100,000)
Increase/(decrease) in cash and cash equivalents		**16,064**	(93,286)
Cash and cash equivalents at beginning of year	2	**(293,096)**	(210,950)
Effect of foreign exchange rate changes		**30,475**	11,140
Cash and cash equivalents at end of year	2	**(246,557)**	(293,096)

The notes form part of these financial statements

UNITAPE LIMITED
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.21	31.12.20
	£	£
Profit before taxation	**489,896**	366,644
Depreciation charges	**50,816**	54,416
Finance costs	**4,709**	13,410
	545,421	434,470
Increase in stocks	**(1,217,209)**	(135,049)
Increase in trade and other debtors	**(1,046,440)**	(274,942)
Increase in trade and other creditors	**2,374,671**	32,179
Cash generated from operations	**656,443**	56,658

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	**58,864**	32,740
Bank overdrafts	**(305,421)**	(325,836)
	(246,557)	(293,096)

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	32,740	54,781
Bank overdrafts	(325,836)	(265,731)
	(293,096)	(210,950)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	32,740	26,124	58,864
Bank overdrafts	(325,836)	20,415	(305,421)
	(293,096)	46,539	(246,557)
Debt			
Debts falling due within 1 year	—	(3,558)	(3,558)
Debts falling due after 1 year	—	(14,861)	(14,861)
	—	(18,419)	(18,419)
Total	(293,096)	28,120	(264,976)

UNITAPE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATUTORY INFORMATION

Unitape Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements are prepared in accordance with the Group's accounting principles and include the accounts of the Parent Company and it's trading subsidiary undertaking. Group companies are consolidated from the date the Group exercises control or influence over the company. Divested companies are included in the consolidated accounts until the date the Group ceases to control or exercise influence over them. In preparing Unitape Limited consolidated financial statements any Intra-Group transactions have been eliminated.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the company's sales channels have been met, as described below.

a) Sale of goods.

Sales of goods are recognised on sale to the customer, which is considered the point of despatch from the warehouse. Sales are usually on credit terms.

b) Interest income

Interest income is recognised in the period earned.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of twenty years.

Tangible fixed assets

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

Short leasehold	—	in accordance with the property
Plant and machinery	—	at varying rates on cost
Computer equipment	—	25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 24 (2020 – 23).

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.21	31.12.20
	£	£
Depreciation – owned assets	**48,615**	52,215
Goodwill amortisation	**1,840**	1,840
Patents and licences amortisation	**361**	361
Auditors' remuneration	**8,050**	8,138
Foreign exchange differences	**16,776**	(11,466)

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.21	31.12.20
	£	£
Current tax:		
UK corporation tax	**78,931**	53,731
Overseas taxation	**9,216**	3,936
Total current tax	**88,147**	57,667
Deferred tax	**(3,715)**	20,316
Tax on profit	**84,432**	77,983

6. INDIVIDUAL INCOME STATEMENT

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.

7. INTANGIBLE FIXED ASSETS

Group

	Goodwill	**Other intangible assets**	**Totals**
	£	**£**	**£**
COST			
At 1 January 2021 and 31 December 2021	**9,200**	**7,217**	**16,417**
AMORTISATION			
At 1 January 2021	**6,133**	**2,831**	**8,964**
Charge for year	**1,840**	**361**	**2,201**
At 31 December 2021	**7,973**	**3,192**	**11,165**
NET BOOK VALUE			
At 31 December 2021	**1,227**	**4,025**	**5,252**
At 31 December 2020	3,067	4,386	7,453

Company

	Other intangible assets £
COST	
At 1 January 2021 and 31 December 2021	**7,217**
AMORTISATION	
At 1 January 2021	**2,831**
Charge for year	**361**
At 31 December 2021	**3,192**
NET BOOK VALUE	
At 31 December 2021	**4,025**
At 31 December 2020	4,386

8. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 January 2021	**6,561**	**743,933**	**12,768**	**763,262**
Additions	**—**	**88,656**	**2,278**	**90,934**
Disposals	**—**	**(62,147)**	**—**	**(62,147)**
Exchange differences	**43**	**5,535**	**87**	**5,665**
At 31 December 2021	**6,604**	**775,977**	**15,133**	**797,714**
DEPRECIATION				
At 1 January 2021	**3,901**	**308,530**	**10,580**	**323,011**
Charge for year	**431**	**47,327**	**857**	**48,615**
Eliminated on disposal	**—**	**(32,180)**	**—**	**(32,180)**
Exchange differences	**34**	**2,324**	**58**	**2,416**
At 31 December 2021	**4,366**	**326,001**	**11,495**	**341,862**
NET BOOK VALUE				
At 31 December 2021	**2,238**	**449,976**	**3,638**	**455,852**
At 31 December 2020	32,660	435,403	2,188	440,251

Company

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 January 2021	**13,940**	**3,746**	**17,686**
Additions	**—**	**794**	**794**
Disposals	**(13,940)**	**—**	**(13,940)**
At 31 December 2021	**—**	**4,540**	**4,540**
DEPRECIATION			
At 1 January 2021	**1,703**	**3,387**	**5,090**
Charge for year	**697**	**260**	**957**
Eliminated on disposal	**(2,400)**	**—**	**(2,400)**
At 31 December 2021	**—**	**3,647**	**3,647**
NET BOOK VALUE			
At 31 December 2021	**—**	**893**	**893**
At 31 December 2020	12,237	359	12,596

9. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2021 and 31 December 2021	**284,791**
NET BOOK VALUE	
At 31 December 2021	**284,791**
At 31 December 2020	284,791

Group

The investment in Unitape LLC detailed under "company" below is classified as a subsidiary undertaking and treated as such with effect from the acquisition of a controlling interest in August 2017.

Company

Investments are comprised of £284,791 representing a 100% shareholding in Unitape LLC whose registered office is 620 Reese Drive, Conover, North Carolina, USA

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.21	31.12.20	**31.12.21**	31.12.20
	£	£	**£**	£
Trade debtors	**1,773,907**	719,913	**1,525,185**	647,332
Amounts owed by group undertakings	**—**	—	**—**	93,698
Other debtors	**12,368**	19,922	**8,200**	5,802
	1,786,275	739,835	**1,533,385**	746,832

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.21	31.12.20	**31.12.21**	31.12.20
	£	£	**£**	£
Bank loans and overdrafts	**308,979**	325,836	**305,421**	325,836
Trade creditors	**2,736,631**	1,038,405	**2,534,769**	1,041,922
Taxation and social security	**92,801**	64,039	**87,172**	61,486
Other creditors	**760,022**	84,063	**735,360**	8,926
	3,898,433	1,512,343	**3,662,722**	1,438,170

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.12.21	31.12.20
	£	£
Bank loans	**14,861**	—

13. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.12.21	31.12.20	**31.12.21**	31.12.20
	£	£	**£**	£
Bank overdraft	**305,421**	325,836	**305,421**	325,836
Bank loans	**18,419**	—	**—**	—
	323,840	325,836	**305,421**	325,836

The company's bank facilities are secured by way of fixed and floating charge over the assets of the company and by extension the group.

14. PROVISIONS FOR LIABILITIES

	Group	
	31.12.21	31.12.20
	£	£
Deferred tax	**80,579**	83,821

Group

	Deferred tax
	£
Balance at 1 January 2021	**83,821**
Provided during year	**(3,715)**
Foreign exchange movements	**473**
Balance at 31 December 2021	**80,579**

15. RESERVES

Group

	Retained earnings	Share premium	Capital redemption reserve	Totals
	£	£	£	£
At 1 January 2021	**854,002**	**85,097**	**150**	**939,249**
Profit for the year	**405,464**			**405,464**
Dividends	**(500,000)**			**(500,000)**
At 31 December 2021	**759,466**	**85,097**	**150**	**844,713**

Company

	Retained earnings	Share premium	Capital redemption reserve	Totals
	£	£	£	£
At 1 January 2021	**786,282**	**85,097**	**150**	**871,529**
Profit for the year	**324,790**			**324,790**
Dividends	**(500,000)**			**(500,000)**
At 31 December 2021	**611,072**	**85,097**	**150**	**696,319**

16. RELATED PARTY DISCLOSURES

Directors' fees include £12,000 payable to Kable Consultancy Limited, a company in which Mukhtiar Sohal, a director, has a significant shareholding.

During the year, the company purchased products and services in the amount of £22,855 from Unigel (UK) Limited, a company under common control. Unitape Limited recharged £90,951 to Unigel (UK) Limited for a share of costs. At the year end an amount of £4,871 was owed to Unigel (UK) Limited.

17. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Hikari Capital Limited, a company incorporated in Hong Kong.

UNITAPE LIMITED
CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	31.12.21		31.12.20	
	£	£	£	£
Sales		**9,261,248**		6,722,215
Cost of sales				
Purchases	**5,734,002**		4,767,054	
Carriage	**2,104,321**		780,289	
Commissions payable	**43,598**		1,196	
Product testing	**—**		123	
		7,881,921		5,548,662
GROSS PROFIT		**1,379,327**		1,173,553
Other income				
Sundry receipts		**50,476**		—
		1,429,803		1,173,553
Expenditure				
Advertising and sales promotion	**561**		1,187	
Travel	**20,000**		—	
Rent	**6,596**		6,050	
Insurance	**672**		—	
Directors' salaries	**81,150**		6,000	
Wages	**76,309**		39,904	
Pensions	**3,132**		2,833	
Telephone	**—**		(15)	
Management charges	**45,253**		45,253	
Sundry expenses	**435**		483	
Unitape LLC overhead	**571,409**		537,611	
Computer costs	**615**		156	
Factoring charges	**59,190**		41,380	
Unrealised loss/(gain) on inter-company account	**1,235**		(765)	
Legal fees	**12,770**		61,115	
Auditors' remuneration	**8,050**		8,138	
Foreign exchange (gain)/ losses	**16,776**		(11,466)	
Amortisation of intangible fixed assets				
Goodwill	**1,840**		1,840	
Patents and licences	**361**		361	
Depreciation of tangible fixed assets				
Short leasehold	**432**		461	
Plant and machinery	**46,630**		50,360	
Computer equipment	**1,553**		1,394	
Bad debts	**(22,418)**		(1,338)	
Bank charges	**2,647**		2,557	
Factoring interest	**4,709**		13,410	
		939,907		806,909
NET PROFIT		**489,896**		366,644

This page does not form part of the statutory financial statements

PART V

Unaudited Pro Forma Statement of Net Assets and Pro Forma Income Statement

19 August 2022

MOORE Kingston Smith

The Directors
Unigel Group plc
Unigel House
7 Park View
Alder Close
Eastbourne
East Sussex
BN23 6QE

The Partners
Cairn Financial Advisers LLP
9th Floor
107 Cheapside
London
EC2V 6DN

Dear Sirs

Pro Forma Statement of Income and Net Assets: Unigel (UK) Limited ("Unigel UK"), Unitape Limited ("Unitape"), Unigel Technologies Limited ("Unigel Technologies") and Unigel Group plc ("Unigel Group"), together the "Group".

We report on the unaudited *pro forma* financial statements (the "*Pro Forma* Financial Information") set out below relating to the Group which has been prepared on the basis described in the notes, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Group in preparing the financial statements for the period ended 31 December 2021. This report is required by guidance issued by Aquis Stock Exchange Limited ("Aquis Stock Exchange") with respect to the AQSE Growth Market and is given for the purpose of complying with that guidance and for no other purposes.

Responsibilities

It is the responsibility of the directors of the Group to prepare the *pro forma* financial information in accordance with guidance issued by the Aquis Stock Exchange.

It is our responsibility to form an opinion, as required by guidance issued by the Aquis Stock Exchange as to the proper compilation of the *pro forma* financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the *pro forma* financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis Of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the *pro forma* statements of income and net assets with the directors of the Group.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the *pro forma* financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Group.

Opinion

In our opinion:

(a) the *pro forma* statement of income and statement of net assets have been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of Unigel UK, Unitape, and Unigel Technologies.

Declaration

For the purposes of guidance issued by the Aquis Stock Exchange, we are responsible for this report as part of the AQSE Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AQSE Admission Document in compliance with guidance issued by the Aquis Stock Exchange.

Yours faithfully

MOORE KINGSTON SMITH LLP

Chartered Accountants and Registered Auditors
9 Appold Street
London
EC2A 2AP

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

Set out below are unaudited *pro forma* statements for of income and net assets of the Group as at 31 December 2021 ("the *Pro Forma* Information").

Pro-forma Statement of Consolidated Comprehensive Income for the financial year ended 31 December 2021

	Unigel UK for year ended 31 December 2021 £ Note 1	Unitape for year ended 31 December 2021 £ Note 1	Unigel Technologies for year ended December 2021 £	Consolidation Adjustments £ Note 2	Group pro-forma for year ended 31 December 2021 £
Revenue	12,389,340	9,261,248	—	(113,806)	**21,536,782**
Cost of sales	(10,783,344)	(7,881,921)	—	113,806	**(18,551,459)**
Gross Profit	**1,605,996**	**1,379,327**	**—**	**—**	**2,985,323**
Administrative expenses	(1,394,960)	(937,709)	(10,596)	—	**(2,343,265)**
Operating Profit	**211,036**	**441,618**	**(10,596)**	**—**	**642,058**
Interest receivable and other financial income	65,993	50,476	—	—	**116,469**
Interest payable	(7,678)	(4,760)	—	—	**(12,438)**
Profit before tax	269,351	487,334	(10,596)	—	**746,089**
Tax	(52,965)	(84,432)	—	—	**(137,397)**
Profit after tax	**216,386**	**402,902**	**(10,596)**	**—**	**608,692**
OCI	3,829	2,565	—	—	**6,394**
Total comprehensive income for the year	**220,215**	**405,467**	**(10,596)**	**—**	**615,086**
Total comprehensive income for the year attributable to:					
Non-controlling interest	**88,086**	**—**	**—**		**88,086**
Owners of the Group	**132,129**	**405,467**	**(10,596)**		**527,000**

	Unigel UK 31 December 2021 £ Note 1	Unitape 31 December 2021 £ Note 1	Unigel Group at 31 December 2021 £	Unigel Technologies at 31 December 2021 £ Note 2	Consolidation Adjustments £	Group at 31 December 2021 £	Subscription net of expenses £ Note 3	Pro-forma at 31 December 2021 £
Fixed Assets								
Investments				2,318,250	(2,318,250)	—		—
Intangible assets	593,438	5,252			1,772,879	2,371,569		2,371,569
Tangible assets	832,477	455,852				1,288,329		1,288,329
	1,425,915	**461,104**	**—**	**2,318,250**	**(545,371)**	**3,659,898**		**3,659,898**
Current Assets								
Stocks	1,099,385	2,532,643				3,632,028		3,632,028
Trade debtors	2,307,318	1,773,907			(4,871)	4,076,354		4,076,354
Other debtors	311,400	12,368	100	78,000	(17,636)	384,232		384,232
Cash	334,131	58,864		67,457		460,452	489,400	949,852
	4,052,234	**4,377,782**	**100**	**145,457**	**(22,507)**	**8,553,066**	**489,400**	**9,042,466**
Current Liabilities								
Trade creditors	2,225,166	2,736,631			(4,871)	4,956,926		4,956,926
Bank loans / overdrafts	229,207	308,979				538,186		538,186
Loans from group undertakings	200,000	–			(18,000)	182,000		182,000
Other creditors	539,468	852,823		1,943,909		3,336,200		3,336,200
	3,193,841	**3,898,433**	**—**	**1,943,909**	**(22,871)**	**9,013,312**	**—**	**9,013,312**
Net Current Assets / (Liabilities)	**858,393**	**479,349**	**100**	**(1,798,452)**	**364**	**(460,246)**	**489,400**	**29,154**
Non-Current Liabilities								
Creditors > 1yr	—	14,861				14,861		14,861
Deferred tax	182,150	80,579				262,729		262,729
Net Assets	**2,102,158**	**845,013**	**100**	**519,798**	**(545,007)**	**2,922,062**	**489,400**	**3,411,462**

Notes:

1. The *Pro Forma* Financial Information has been prepared in accordance with the accounting policies of Unigel UK and Unitape to be adopted in its next financial statements, which are consistent with those accounting policies adopted in preparing the historical information. The financial information for the Group has been extracted, without material adjustment, from the audited consolidated accounts of Unigel UK and Unitape to 31 December 2021.
2. The *Pro Forma* Financial Information for Unigel Technologies has been prepared in accordance with the accounting policies to be adopted in its next financial statements, which are consistent with those accounting policies adopted in preparing the historical information. The financial information for Unigel Technologies has been extracted from the audited accounts of Unigel Technologies to 31 December 2021, removing the investment held in Unigel IP Limited which was held at 31 December 2021 and subsequently sold at book value after the year end.
3. Pursuant to the subscription, the Group will raise £822,400 of cash, therefore pro-forma adjustments have been recorded to show the cash proceeds of £822,400, net of Admission expenses which are expected to total £333,000.

PART VI

Additional Information

1 RESPONSIBILITY

The Directors, whose names appear on page 4 of this Document, and the Company itself, accept responsibility, both individually and collectively, for the information contained in this Document and compliance with the AQSE Exchange Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 THE COMPANY

2.1 The Company was incorporated and registered in England and Wales on 23 February 2022 under the name Unigel Group Limited with registered number 13934232 as a private company limited by shares under the Act.

2.2 On 2 August 2022, the Company was re-registered as a public company with the name Unigel Group plc. Accordingly, the liability of the members of the Company is limited to the amount paid up on their shares.

2.3 The principal legislation under which the Company operates is the Act. The Company operates in conformity with its Articles and the Act.

2.4 The registered office of the Company is Unigel House, 7 Park View, Alder Close, Eastbourne, East Sussex, BN23 6QE. The Company is domiciled in England. The Company's telephone number is +44 (0) 1273 612 122. The principal place of business of the Company is at the registered office.

2.5 The Company's website is at www.unigel.com. The information on the Company's website does not form part of this Document.

2.6 The ISIN of the Ordinary Shares is GB00BPP4RY41 and the SEDOL is BPP4RY4. The Company's legal entity identifier (LEI) is 213800WJ4R4R99242P96. Its AQSE symbol is UNX.

2.7 The Company has no administrative, management or supervisory bodies other than the Board and the committees of the Board, comprising the Audit and Risk Committee and the Nomination and Remuneration Committee.

2.8 The Articles do not contain any provisions which would have an effect of delaying, deferring or preventing a change in control of the Company.

3 THE GROUP AND ITS PRINCIPAL ACTIVITIES

3.1 The business of the Company and its principal activity is to act as the holding company of the Group. As at the date of this Document the Company has, and will on Admission have, the following direct and indirect subsidiaries which are private limited companies:

Name	Registered Number	Principal activity	Status	Country of incorporation	Interest held by the Company (directly or indirectly)
Unigel Technologies Limited	2114616	Holding Company	Active	Hong Kong	100% (direct)
Unitape Limited	03921955	Manufacturing	Active	England and Wales	100% (direct)
Unigel (UK) Limited	03032651	Manufacturing	Active	England and Wales	60% (indirect)
Unitape (USA), LLC	201009500573	Manufacturing	Active	United States	100% (indirect)
Unigel Inc.	201022800149	Manufacturing	Active	United States	60% (indirect)

3.2 Save as referred to in the paragraphs above, the Company does not hold any shares or other securities in the capital of any company and is not otherwise part of a group of companies.

4 SHARE CAPITAL

4.1 The Company does not have an authorised share capital. The issued share capital of the Company as at the date of this Document and as it will be immediately following Admission is set out below:

	Issued and fully paid	
	Number	Aggregate nominal value
As at the date of this Document Ordinary Shares	10,000,000	£50,000.00
As at Admission Ordinary Shares	11,285,000	£56,425.00

Ordinary Shares

4.2 The Ordinary Shares have been and will be created pursuant to the Act and the Articles and will be sterling denominated ordinary shares of 0.5 pence each in the capital of the Company.

4.3 The Ordinary Shares shall have attached to them full voting, dividend and capital distribution (including on winding up) rights. The Ordinary Shares do not and will not confer any rights of redemption.

4.4 The Ordinary Shares shall have the rights and be subject to the restrictions referred to in paragraph 5.1 of this Part VI.

Share Capital History

4.5 The Company was incorporated on 23 February 2022 with an issued share capital of £100 divided into 1,000 shares of £0.10 each, credited as fully paid. Since incorporation the following alterations to the Company's share capital have occurred:

4.5.1 on 11 July 2022, the Company issued an aggregate of 4,000 new ordinary shares of £0.10 each in consideration for the transfer to the Company of: (1) the entire issued share capital of Unitape; and (2) the entire issued share capital of Unigel Technologies with the amount of £0.10 credited as paid up on each share;

4.5.2 on 12 July 2022, the Company sub-divided its entire class of ordinary shares, being 5,000 ordinary shares of £0.10 each into 100,000 Ordinary Shares of £0.005 each with an aggregate share premium of £500 fully paid up; and

4.5.3 on 12 July 2022, the Company issued 9,900,000 Ordinary Shares to Hikari Capital, the existing holder of ordinary shares, for cash at nominal value.

4.6 Pursuant to shareholder resolutions passed on 12 July 2022, the Directors were generally and unconditionally authorised to exercise all the powers of the Company to allot Ordinary Shares:

4.6.1 up to an aggregate of 1,285,000 in respect of the New Ordinary Shares to be issued in connection with the Subscription; and

4.6.2 up to an aggregate of 3,761,667 representing a general authority to allot one third of the Company's enlarged share capital.

4.7 The Directors intend to use the authority described in paragraph 4.6 for: (i) the issue of the New Ordinary Shares to be issued in connection with the Subscription; and (ii) general share issues subject to a limit of 10 per cent. for non-pre-emptive share issues.

4.8 The authorities described in paragraph 4.6 above shall expire on the earlier of the expiration of: (i) the conclusion of the next annual general meeting of the Company or (ii) 12 October 2023, save that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as it the authority has not expired.

Admission

4.9 The New Ordinary Shares to be issued under the Subscription will on Admission rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after the date of this Document. The New Ordinary Shares to be issued under the Subscription will be freely transferable in accordance with the Articles.

4.10 The Ordinary Shares will be traded on the Access Segment of the AQSE Growth Market. The Ordinary Shares are not listed or traded on, and no application is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

4.11 The Ordinary Shares are in registered form and will, following Admission, be capable of being held in uncertificated form. The Company has applied to Euroclear UK & International Limited for the Ordinary Shares to be admitted to CREST with effect from Admission. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under CREST. CREST is a voluntary system and holders of Ordinary Shares who wish to retain share certificates will be able to do so. It is expected that definitive certificates will be posted to those Shareholders who are to receive their Ordinary Shares in certificated form by 12 September 2022.

4.12 The Company does not have in issue any securities not representing share capital.

4.13 There are no shares held by or on behalf of the Company in itself or by any other member of the Group in the Company.

4.14 Save as set out in this Document, the Company has not issued any convertible securities, exchangeable securities or securities with warrants.

4.15 Save as disclosed in this Document, no person has any acquisition right over, and the Company has incurred no obligation over, the Company's authorised but unissued share capital or given any undertaking to increase the Company's capital.

4.16 Save as disclosed in this Part VI:

4.16.1 no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;

4.16.2 no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

4.16.3 no commission, discount, brokerage or any other special term has been granted by the Company or any of its subsidiaries or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company or any of its subsidiaries;

4.16.4 no fee and no founder, management or deferred shares have been issued by the Company; and

4.16.5 there has been no change in the amount of the issued share capital of the Company and no material change in the amount of the issued share capital of any of its subsidiaries.

5 CERTAIN RIGHTS ATTACHING TO THE ORDINARY SHARES

5.1 The Articles of the Company include provisions to the following effect:

5.1.1 **Voting rights**

Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every Ordinary Share of which he is the holder. Votes may be given personally or by proxy. No member is entitled to vote unless all calls or other sums have been paid to the Company.

5.1.2 **Dividends**

Subject to the Act and as set out in the Articles, the Company may by ordinary resolution declare dividends to the members according to their respective rights and interests but no dividend shall exceed the amount recommended by the Board. No dividend may be paid otherwise than in accordance with the Act. The Board may at any time declare and pay such interim dividends as appears to be justified by the position of the Company.

Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend or other moneys payable in respect of a share may be paid:

5.1.2.1 in cash;

5.1.2.2 by cheque or dividend warrant payable to the holder or person entitled to payment;

5.1.2.3 by direct debit, bank or other funds transfer system or by such other electronic means (including, in the case of an uncertificated share, a Relevant System) to such account as the holder or person entitled to payment may notify to the Company for the purpose; or

5.1.2.4 by any other method as may be agreed between the Company and the holder or person entitled to payment.

5.1.3 **Return of Capital**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law divide amongst the members in specie the whole or any part of the assets of the Company and may for that purpose, value any assets and determine how the division shall be carried out.

5.1.4 **Redemption**

Subject to the provisions of the Act and the Articles, the Company can issue shares which are required to be redeemed and shares which may be redeemed at the option of the Company or the relevant member.

5.1.5 **Pre-emption rights**

Subject to the Act and any resolution passed by the Company, the Board may offer, allot or otherwise deal with or dispose of any new shares on such terms as the Board may decide.

Under the Act, if the Company issues shares or certain other securities, current shareholders will generally have pre-emption rights to those shares or securities on a pro-rata basis. The Shareholders may, by special resolution, grant authority to the Board to allot shares as if the pre-emption rights did not apply. This authority may be either specific or general and may not exceed a period of five years.

5.1.6 **Winding up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

6 SHARE OPTION SCHEME

6.1 Following Admission, the Company intends to establish a new share option scheme for all eligible employees, which, if approved, will be an Enterprise Management Incentive Scheme. Up to a maximum of 10 per cent. of the Company's issued share capital from time to time will be awarded in options.

7 DIRECTORS' AND OTHER INTERESTS

7.1 The Directors of the Company and their respective functions are set out in paragraph 7 of Part I of this Document.

7.2 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member, in addition to their directorship of the Company, are set out below:

Name	Current directorships and partnerships	Previous directorships and partnerships
Eric Chhoa	AU Networks Sdn Bhd Airzed Broadband Sdn Bhd Airzed Services Sdn Bhd Boulevard Ventures Sdn Bhd Fibertown Sdn Bhd Perennial Renaissance Sdn Bhd Webtransact Sdn Bhd Rezeki Tegas Sdn Bhd Corporate Partners Limited Hikari Limited Hikari Capital Limited Unigel (UK) Limited Unigel IP Limited Unigel Limited (United Kingdom) Hikari Distillery Limited Unigel Technologies Limited Unigel Inc. Unigel Siber Inc. Unigel Limited (Hong Kong) Unitape Limited	Opcom Holdings Berhad Opcom Cables Sdn Bhd Unigel Compounds Sdn Bhd Opcom Shared Services Sdn Bhd Opcom Trading Sdn Bhd Paystar Sdn Bhd Capital Decisions Sdn Bhd Kiosk Commerce Sdn Bhd Unigel Sdn Bhd Opcom Managed Services Sdn Bhd The Hawksmoor Estate Pty Ltd
Gary Revel-Chion	None	None
Janne Sjödén	Fiberstaden AB Unigel (UK) Limited	Opcom Holdings Berhad
Azlinda Ariffin	Dricopax Capital Limited Pan Asian Women's Association Mobilityone Limited M-One Tech Limited DPX Ventures Limited Withers Worldwide LLP International Students House	Withers LLP

7.3 Save as disclosed in this Document, none of the Directors is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the five years immediately preceding the date of this Document;

7.4 Save as disclosed in this Document, none of the Directors or the Senior Management has at any time within the five years immediately preceding the date of this Document:

7.4.1 has any convictions (whether spent or unspent) in relation to offences;

7.4.2 has been declared bankrupt or has entered into an individual voluntary arrangement;

7.4.3 was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;

7.4.4 was a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration or voluntary arrangement of that partnership;

7.4.5 has had any asset which has been subject to a receivership or was a partner in a partnership at the time of or within the 12 months preceding any asset of the partnership being subject to a receivership;

7.4.6 has been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or

7.4.7 has been disqualified by a court from acting as a director or other officer of any company or from acting in the management or conduct of the affairs of any company.

7.5 The interests of the Directors and their immediate families, all of which are beneficial (unless otherwise stated), and of connected persons within the meaning of section 252 of the Act, in the issued share capital of the Company as at the date of this Document and as they are expected to be on Admission, together with the percentages which such interests represent of the Ordinary Shares in issue are as follows:

	At the date of this Document		**On Admission**	
	Number of issued Ordinary Shares held	**Percentage of issued Ordinary Share Capital**	**Number of issued Ordinary Shares**	**Percentage of issued Ordinary Share Capital**
Eric Chhoa[1]	10,000,000	100.00	10,000,000	88.61
Gary Revel-Chion[2]	nil	nil	35,000	0.31
Sven Janne Sjödén	nil	nil	20,000	0.18
Azlinda Ariffin	nil	nil	nil	nil
Total	**10,000,000**	**100.00**	**10,055,000**	**89.10**

Note 1: Eric Chhoa and his wife, Dera Chhoa own 100 per cent. of Hikari Capital, holder of 10,000,000 Ordinary Shares in the Company.
Note 2: Julia Frances Revel-Chion, Gary Revel-Chion's wife, acquired 35,000 New Ordinary Shares via the Subscription.

7.6 In addition to the interests of the Directors set out in paragraph 7.5 above, as at the date of this Document, insofar as is known to the Company, no persons will as at the date of this Document or immediately following Admission hold at least 5% of the Company's capital or voting rights as a shareholder through his direct or indirect holding of financial instruments.

7.7 Save as disclosed above, none of the Directors nor any person connected with the Directors (within the meaning of section 252 of the Act) holds or is beneficially or non beneficially interested, directly or indirectly, in any share capital or loan capital of the Company or any of its subsidiary undertakings, or in any options to subscribe for or securities convertible into shares of the Company or any of its subsidiary undertakings.

7.8 Save as disclosed in this Document, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group during the current or immediately preceding financial year and which was effected by the Group and remains in any respect outstanding or unperformed.

7.9 There are no loans made or guarantees granted or provided by the Company or the Group to or for the benefit of any Director which are outstanding.

7.10 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

7.11 Neither the Directors nor any major Shareholders have different voting rights to the other Shareholders.

7.12 There are no family relationships between any of the Directors and/or the Senior Management.

7.13 None of the Directors or members of their family has a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares.

8 DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

8.1 The Directors have entered into service contracts, employment agreements or consultancy agreements which are summarised below. Save for these agreements there are no service agreements between any Director and the Company or any of the subsidiaries not determinable without payment of compensation (other than statutory compensation) within one year and none are proposed to be entered into.

Executive Directors

8.1.1 Eric Chhoa – Service Agreement

8.1.1.1 On 29 July 2022, Mr Chhoa entered into a service agreement with the Company, to take effect upon Admission, to serve as Chief Executive Officer at an annual fee of £9,000.

8.1.1.2 The agreement is terminable on 6 months' notice by either party, subject to the Company's right to terminate with immediate effect in certain circumstances, and contains restrictive covenants relating to competition, customers, suppliers and employees and provisions for the protection of the intellectual property of the Group. The appointment shall continue unless terminated by either party or if Mr Chhoa fails to be re-elected at any annual general meeting in which he is required to stand for re-election.

8.1.2 Eric Chhoa – Employment Contract with Unigel Group Limited

8.1.2.1 On 20 July 2022, Mr Chhoa entered into an employment agreement with the Company for his employment as Chief Executive Officer with an annual salary of £10,000. Mr Chhoa will also be eligible for a discretionary performance related bonus and a contributory pension scheme. He is also entitled to paid paternity leave and sick leave.

8.1.2.2 Mr Chhoa's employment with the Company started on 23 February 2022. The Agreement is terminable on six months' notice. The Company reserves the right to make a payment in lieu of notice.

8.1.2.3 On 20 July 2022, Mr Chhoa also entered into a separate restrictive covenant agreement with the Company in connection with his employment. The restrictive covenant agreement contains customary restrictions against, *inter alia*, working for a competitive business, and soliciting clients, customers and employees to leave the business, for a period of 12 months following the termination of his employment.

8.1.3 Eric Chhoa – Employment Contract with Unitape Limited

8.1.3.1 On 20 July 2022, Mr Chhoa entered into an employment agreement with Unitape for his employment as Chief Executive Officer with an annual salary of £35,000 effective from 18 July 2022. Mr Chhoa will also be eligible for a discretionary performance related bonus and a contributory pension scheme. He is also entitled to paid paternity leave and sick leave.

8.1.3.2 Mr Chhoa's employment with Unitape started on 1 January 2020. The Agreement is terminable on six months' notice. The Company reserves to right to make a payment in lieu of notice.

8.1.3.3 On 22 July 2022, Mr Chhoa also entered into a separate restrictive covenant agreement with Unitape in connection with his employment. The restrictive covenant agreement contains customary restrictions against, *inter alia*, working for a competitive business, and soliciting clients, customers and employees to leave the business, for a period of 12 months following the termination of his employment.

8.1.4 Eric Chhoa – Employment Contract with Unigel (UK) Limited

8.1.4.1 On 22 July 2022, Mr Chhoa entered into an employment agreement with Unigel for his employment as Chief Executive Officer with an annual salary of £45,000 effective from 18 July 2022. Mr Chhoa will also be eligible for a discretionary performance related bonus and a contributory pension scheme. He is also entitled to paid paternity leave and sick leave.

8.1.4.2 Mr Chhoa's employment with Unigel started on 6 November 2014. The Agreement is terminable on six months' notice. The Company reserves to right to make a payment in lieu of notice.

8.1.4.3 On 22 July 2022, Mr Chhoa also entered into a separate restrictive covenant agreement with Unigel in connection with his employment. The restrictive covenant agreement contains customary restrictions against, *inter alia*, working for a competitive business, and soliciting clients, customers and employees to leave the business, for a period of 12 months following the termination of his employment.

8.1.5 Gary Revel-Chion – Service Agreement

8.1.5.1 On 29 July 2022, Mr Revel-Chion entered into a service agreement with the Company, to take effect upon Admission, to serve as Director at an annual fee of £9,000.

8.1.5.2 The agreement is terminable on 6 months' notice by either party, subject to the Company's right to terminate with immediate effect in certain circumstances, and contains restrictive covenants relating to competition, customers, suppliers and employees and provisions for the protection of the intellectual property of the Group. The appointment shall continue unless terminated by either party or if Mr Revel-Chion fails to be re-elected at any annual general meeting in which he is required to stand for re-election.

8.1.6 Gary Revel-Chion – Employment Contract with Unigel (UK) Limited

8.1.6.1 On 10 January 2022, Mr Revel-Chion entered into an employment agreement with Unigel. Mr Revel-Chion was re-designated as the Financial Controller of Unigel with an annual salary of £93,703.84 with effect from 1 July 2022. Mr Revel-Chion will also be eligible for a discretionary performance related bonus and a contributory pension scheme. He is also entitled to paid paternity leave and sick leave.

8.1.6.2 The agreement took effect from 1 January 2022, with Mr Revel-Chion's previous employment with Unitape, which started on 1 July 2018, counting towards his period of continuous employment. The Agreement was originally terminable on three months notice and has subsequently been amended to six months' notice. Unigel reserves the right to make a payment in lieu of notice.

8.1.6.3 On 8 April 2022, Mr Revel-Chion also entered into a separate restrictive covenant agreement with Unigel in connection with his employment. The restrictive covenant agreement contains customary restrictions against, *inter alia*, working for a competitive business, and soliciting clients, customers and employees to leave the business, for a period of 12 months following the termination of his employment.

Non-Executive Directors

8.1.7 Sven Janne Sjödén

8.1.7.1 Mr Sjödén is a non-executive director of the Company. On 29 July 2022, Mr Sjödén entered into a non-executive appointment agreement with the Company, to take effect upon Admission. Mr Sjödén shall be paid an annual fee of £9,000 and is responsible for payment of tax, national insurance and other contributions required by law. Mr Sjödén is required to attend annual and general meetings of the Company as requested and all full Board meetings. Mr Sjödén is subject to confidentiality and intellectual property undertakings.

8.1.7.2 Mr Sjödén shall be appointed for an initial term of three years unless the agreement is terminated earlier by either party giving three months written notice. However, the appointment may be terminated by the Company without notice if terminated in accordance with the Articles or if Mr Sjödén is not re-elected to the Board after having been required to retire by rotation.

8.1.8 Azlinda Ariffin

8.1.8.1 Ms Ariffin is a non-executive director of the Company. On 29 July 2022, Ms Ariffin entered into a non-executive appointment agreement with the Company, to take effect upon Admission. Ms Ariffin shall be paid an annual fee of £18,000 and is responsible for payment of tax, national insurance and other contributions required by law. Ms Ariffin is required to attend annual and general meetings of the Company as requested and all full Board meetings. Ms Ariffin is subject to confidentiality and intellectual property undertakings.

8.1.8.2 Ms Ariffin shall be appointed for an initial term of three years unless the agreement is terminated earlier by either party giving three months written notice. However, the appointment may be terminated by the Company without notice if terminated in accordance with the Articles or if Ms Ariffin is not re-elected to the Board after having been required to retire by rotation.

8.2 The estimated aggregate remuneration, including benefits in kind, to be paid to the Directors in the 12 months ending 31 December 2022 is £177,500; this estimate is based on the contractual arrangements currently in place with each Director.

9 WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Subscription, that the Group will from the time of Admission have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

10 MATERIAL CONTRACTS

The following are summaries of: (i) each material contract (not being a contract entered into in the ordinary course of business) that has been entered into by any member of the Group within the period of two years immediately preceding the date of this Document; and (ii) any other contract (not being a contract entered into in the ordinary course of business) that has been entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Document:

10.1 Share Exchange Agreements

On 8 July 2022, the Company entered into a share exchange agreement with Hikari Capital (in its capacity as sole shareholder of Unitape) whereby Hikari Capital agreed to transfer its entire shareholding in Unitape to the Company in exchange for ordinary shares in the Company.

On 11 July 2022, the Company entered into a share exchange agreement with Hikari Capital (in its capacity as sole shareholder of Unigel Technologies) whereby Hikari Capital agreed to transfer its entire shareholding in Unigel Technologies to the Company in exchange for ordinary shares in the Company.

10.2 Subscription Letters

On 5 July 2022, the Company sent Subscription Letters to each of the Subscribers. Each Subscription Letter was entered into on the same terms as the others.

The Subscription is conditional on:

(i) Admission occurring by no later than 5.00 p.m. on 30 September 2022; and

(ii) the Subscription Letters not being terminated in accordance with their terms before Admission becomes effective.

The Subscription is not being underwritten.

The Subscription Letters contain warranties given by each Subscriber which are customary for an agreement of this nature.

The Company has the right, in its sole discretion, to terminate the Subscription, where it is no longer practicable or advisable to carry out the Subscription due to a change in market, economic or financial conditions. Save with the written consent of the Company, none of the Subscribers have the right to terminate or rescind their Subscription Letter in any circumstances.

If the conditions to the Subscription are not fulfilled by 5.00 p.m. on 30 September 2022, the Subscription Letters will automatically terminate, the Subscription will not proceed and the application for Admission will not proceed. In such event, subscription monies received will be returned to each relevant Subscriber by cheque or electronic transfer to the account from which payment was originally received at the Subscriber's risk and without interest.

10.3 **Admission Agreement**

The Company, the Directors and Cairn have entered into an Admission Agreement, under which Cairn has agreed, subject to certain conditions, to make the application for the entire issued Ordinary Share capital of the Company to be admitted to trading on the Access Segment of the AQSE Growth Market, on the Company's behalf. The Admission Agreement is conditional upon, *inter alia*, Admission occurring by 2 September 2022 or such later date as is agreed in writing between the Company and Cairn, being no later than 8.00 a.m. on 30 September 2022.

The Admission Agreement contains certain customary representations and warranties from the Company and the Directors, in favour of Cairn, as to the accuracy of the information in this Document and certain other matters concerning the Company and an indemnity from the Company to Cairn and its affiliates in respect of certain liabilities and claims that may arise or be made against them in connection with the Admission.

Cairn has the right to terminate the Admission Agreement prior to Admission in certain circumstances, including, *inter alia*, any breach by the Company or any Director of any of their respective obligations or warranties in the Admission Agreement or in certain force majeure situations. If the Admission Agreement is terminated, the application for Admission will be withdrawn. The Admission Agreement is governed by English law and is subject to the exclusive jurisdiction of the English courts.

10.4 **Relationship Agreement**

Hikari Capital, the Company and Cairn have entered into a relationship agreement dated 29 July 2022 to regulate the relationship between the Company and Hikari Capital after Admission. The relationship agreement, which provides for the autonomous operation of the Company by the Board independently of Hikari Capital, will take effect on Admission and will be binding on Hikari Capital until it ceases, directly or indirectly, to exercise control over at least 10 per cent. of the voting rights in respect of the entire issued share capital of the Company. Pursuant to the relationship agreement, Hikari Capital also undertakes, amongst other things, that it will (and, in relation to its associates, will procure that each of its associates will): (i) conduct all transactions or arrangements with the Group on an arm's length basis and on normal commercial terms; (ii) ensure that no contract of arrangement between Hikari Capital and any member of the Group is entered into or varied without the prior approval of a majority of the Board and any Director appointed to the Board by Hikari Capital shall abstain from voting on such resolution; and (iii) use its reasonable endeavours to procure in so far as it is able that the Company is able at all times to carry on its business independently of Hikari Capital.

10.5 **Lock-in and Orderly Market Agreements**

The Company has entered into lock-in and orderly market agreements with each of Hikari Capital; Sven Janne Sjödén; Crystal Koh; Magnus Kreuger; Julia Frances Revel-Chion; Sally Singh-Sohal, and Aida Shamsuddin (the "Covenantors") dated 29 July 2022. Each Covenantor has agreed to the following lock-up arrangements:

(1) for a 6 month lock-in period from the date of Admission (the "Lock-in Period"), the relevant Covenantor has undertaken that, subject to certain customary exceptions, they will not, and will procure that a person who is a connected person will not, directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares held by them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing; and

(2) for a further 6 months after the Lock-in Period ends, the relevant Covenantor has undertaken that, subject to certain customary exceptions, they will not directly or indirectly transfer the legal and/or beneficial ownership (or any interest therein or in respect thereof) of the specified number of Ordinary Shares held by them immediately prior to Admission (or any Ordinary Shares which may accrue to them as a result of such holding) or enter into any transaction with the same economic effect as any of the foregoing otherwise than through the Company's broker from time to time with a view to maintaining an orderly market.

10.6 **AQSE Corporate Adviser Agreement**

Under an agreement dated 29 July 2022 and made between the Company and Cairn (the "Corporate Adviser Agreement") the Company has, conditional on Admission, appointed Cairn to act as AQSE Corporate Adviser to the Company for the purposes of the AQSE Exchange Rules.

The agreement contains certain indemnities and undertakings given by the Company.

The agreement continues for a minimum period of 12 months from Admission and thereafter may be terminated by either party giving the other three months' written notice.

10.7 **Registrar Agreement**

The Company entered into a registrar agreement with the Registrar on 23 June 2022. Under the terms of the registrar agreement, the Registrar is entitled to an annual minimum register maintenance charge of £2,070 per annum. The Registrar is also entitled to fees for certain additional activities under the registrar agreement. The fees are subject to increases to reflect the change in costs of the Registrar of providing its services. The annual fee is payable yearly in advance and the registrar agreement may be terminated by either party giving six weeks' prior notice to terminate the registrar agreement.

10.8 **IP Licensing Agreement**

On 6 November 2014, Unigel IP Limited entered into an intellectual property licensing agreement with Unigel whereby Unigel IP Limited agreed to licence the right to manufacture and distribute gel, compounds and other equipment using the Unigel intellectual property and know-how, together with the use of the "Unigel" trade name and other intellectual property owned by Unigel IP Limited. In consideration for the licence, Unigel agreed to pay a licence fee of 4.5 per cent. of the gross and group consolidated sales (including by any of Unigel's subsidiaries) of the products manufactured and/or sold using Unigel IP Limited's intellectual property. The agreement has an initial period of five years, whereupon it automatically extends for further periods of one year thereafter until terminated. Unigel IP Limited has the right to terminate the agreement with ninety days written notice, or immediately in any circumstances to do with Unigel's insolvency.

The parties have entered into four addenda to the intellectual property licensing agreement which each had the effect of revising the licence fee in respect of products sold in India and Vietnam from 4.5 per cent. to 3 per cent. of the gross and group consolidated sales of the products manufactured and/or sold, for a limited period of time. The latest addendum was entered into on 2 November 2021 to document the extension of this revised licence fee to 31 December 2022.

10.9 **Unigel – Invoice Finance Agreement with Bibby Factors International Limited**

On 25 January 2010, Unigel entered into an invoice finance agreement with Bibby Factors International Limited ("Bibby"), whereby Bibby agreed to provide, *inter alia*, factoring, invoice discounting, and trade financing facilities to Unigel subject to a funding limit of £1 million. The agreement was most recently renewed on 28 October 2021 to run for a minimum term of 12 months from 1 November 2021. At least three months' notice must be given to terminate the agreement following the expiry of the 12 month minimum period.

10.10 **Unitape – Receivables Finance Agreement with Lloyds Bank Commercial Finance Limited**

On 10 August 2016, Unitape entered into a receivables finance agreement with Lloyds Bank Commercial Finance Limited ("Lloyds") whereby Lloyds agreed to provide Unitape with a factoring facility subject to a funding limit of £675,000. This agreement was terminated when the debt owing to Lloyds was repaid by the Company entering into a new factoring agreement with Bibby Commercial Finance Limited ("Bibby") as described in paragraph 10.11 below.

10.11 **Unitape – Invoice Finance Agreement with Bibby Commercial Finance Limited**

On 10 May 2022, Unitape entered into an invoice finance agreement with Bibby to purchase Unitape's debt to Lloyds with the aim of improving Unitape's cashflow, subject to a funding limit of £2,000,000. The agreement is for an initial period of 24 months whereupon it may be terminated by three months notice.

11 RELATED PARTY TRANSACTIONS

11.1 The following related party transactions been entered into by the Group, at arms' length, since 1 January 2020 to 31 July 2022:

11.1.1 Unigel Compounds holds 40 per cent. of the shares in Unigel. Unigel sells raw materials to Unigel Compounds and Unigel (together with its subsidiary, Unigel Inc.) purchases finished products from Unigel Compounds. During the financial year ended 31 December 2020, the total amount of these related party transactions amounted to sales of £367,563 and purchases of £2,960,480. During the financial year ended 31 December 2021, the total amount of these transactions amounted to sales of £335,275 and purchases of £3,220,445. For the period between 1 January 2022 and 31 July 2022 these transactions amounted to sales of £118,552 and purchases of £2,225,403. As at 31 December 2020, Unigel Compounds also had a debtor balance of £70,845 and a creditor balance of £1,126,728. As at 31 December 2021, it had a creditor balance of £1,428,997. As at 31 July 2022, it had a creditor balance of £1,521,006.

11.1.2 Unigel Limited holds 60 per cent. of the shares in Unigel IP Limited. Eric Chhoa is the majority shareholder of Unigel Limited. Unigel Compounds holds the remaining 40 per cent. of the shares in Unigel IP Limited. Unigel IP Limited provides services and a loan to Unigel. In particular, as described in paragraph 10.8 of this Part VI, Unigel IP Limited receives a licence fee of 4.5 per cent. of the gross and group consolidated sales of the goods manufactured under the licence agreement with Unigel (other than in India and Vietnam where the licensing fee is 3.0 per cent.). During the financial year ended 31 December 2020, licence fees, interest and costs payable to Unigel IP amounted to £438,621. The creditor balance, loan, accrued costs and interest as at 31 December 2020 were £422,074. During the financial year ended 31 December 2021, licence fees, interest and costs payable to Unigel IP amounted to £491,365. The creditor balance, loan, accrued costs and interest as at 31 December 2021 were £605,210. For the period between 1 January 2022 and 31 July 2022, licence fees, costs and interest payable to Unigel IP amounted to £369,957. As at 31 July 2022, Unigel IP had a creditor balance, loan and accrued costs in its favour from Unigel of £676,516.

11.1.3 Unitape and Unigel are both under the common control of Hikari Capital and as such certain employees work across both companies. Recharged costs represent salary and wages of staff that work across both companies. During the financial year ended 31 December 2020, Unitape purchased products and services in the amount of £22,363 from Unigel. Unitape recharged £87,979 to Unigel for a share of costs. At the year-end an amount of £2,646 was owed to Unigel. During the financial year ended 31 December 2021, Unitape purchased products and services in the amount of £22,585 from Unigel. Unitape recharged £79,425 to Unigel for a share of costs. At the year-end an amount of £4,871 was owed to Unigel. For the period between 1 January 2022 and 11 July 2022 (being the date that Unigel and Unitape became part of the Group) Unitape purchased products and services in the amount of £38,650 from Unigel.

11.1.4 Unigel Technologies Limited is Unigel's immediate parent company. Unigel Technologies Limited has provided a loan to Unigel. During the financial year ended 31 December 2020, interest payable and purchases amounted to £21,615. At as 31 December 2020, Unigel Technologies Limited had a creditor balance of £18,000. As at 31 December 2021, Unigel Technologies Limited had a creditor balance outstanding of £18,000. As at 31 July 2022, Unigel Technologies Limited has a creditor balance outstanding of £18,000.

11.1.5 Eric Chhoa is a substantial shareholder of Hikari Composites Sdn Bhd. During the financial year ended 31 December 2020, the related party transactions between Hikari Composites Sdn Bhd and Unigel amounted to purchases of £256,217. As at 31 December 2020, Hikari Composites Sdn Bhd had a creditor balance and accrued costs of £60,874. During the financial year ended 31 December 2021, the related party transactions amounted to sales of £218,097 and purchases of £340,652. At as 31 December 2021 it had a debtor balance of £106,595 and a creditor balance and accrued costs of £71,518. For the period between 1 January 2022 and 31 July 2022, the related party transactions amounted to sales of £348,767 and purchases of £543,741. As at 31 July 2022, it had a debtor balance of £150,100 and a creditor balance and accrued costs of £140,519.

11.1.6 Eric Chhoa is a majority shareholder and director of Corporate Partners Limited. Corporate Partners Limited rents office premises to Unigel and Unitape. During the financial year ended 31 December 2020, such rental payments amounted to £38,099 from Unigel and £6,049 from Unitape. During the financial year ended 31 December 2021, such rental payments amounted to £44,688 Unigel and £6,301 from Unitape. For the period between 1 January 2022 and 31 July 2022, such rental payments amounted to £26,069 from Unigel and £6,214 from Unitape. From Admission, Corporate Partners Limited will license office premises to the Company pursuant to a licence agreement. The licence fee will be £9,000 per annum for a two year term.

11.1.7 Unigel Siber Inc is a company majority-owned by Hikari Capital. Unigel Inc licences its factory premises to Unigel Siber Inc. As Unigel and Unigel Siber are under common control, they also share certain factory space and employees. There were no such related party transactions during the financial year ended 31 December 2020. During the financial year ended 31 December 2021, these related party transactions amounted to £25,728, together with a debtor balance as at 31 December 2021 of £3,620. For the period between 1 January 2022 and 31 July 2022 these related party transactions were £17,817, together with a debtor balance as at 31 July 2022 of £2,335.

11.1.8 Bee Khin Lim was previously a director of Unigel and resigned on 8 February 2022. During the period between 1 January 2022 and 31 July 2022, Bee Khin Lim received consultancy fees of £2,528 (whilst still a director of Unigel) and £14,308 (post being a director of Unigel).

11.1.9 Mukhtiar Sohal is a director of Unitape and a significant shareholder of Kable Consultancy Limited. During the financial year ended 31 December 2020, Kable Consultancy Limited received directors' fees of £12,000 (in respect of Mr Sohal). During the financial year ended 31 December 2021, Kable Consultancy Limited received directors' fees of £12,000 (in respect of Mr Sohal). For the period between 1 January 2022 and 31 July 2022, Kable Consultancy Limited received directors' fees of £3,000 (in respect of Mr Sohal).

12 EMPLOYEES

The Group employed on average 46 people during the financial year ended 31 December 2021 and 43 people during the financial year ended 31 December 2020.

13 LITIGATION

No member of the Group is or has been involved in any legal or arbitration proceedings which are active, pending or threatened against it, or being brought by it, which are having or may have a significant effect on the Group's financial position or profitability.

14 CONCERT PARTY

As described in paragraph 13 of Part I of this Document, a concert party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code. Control means an interest, or interests in, shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control.

Under Rule 9 of the Takeover Code there is a presumption that a company is acting in concert with its directors unless the contrary is established. Paragraph (9) of the definition of 'acting in concert' also presumes any shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Takeover Code applies to be acting in concert for the purposes of the Takeover Code unless the contrary is established. The Takeover Panel and the Company have agreed that Hikari Capital Limited (and its directors, Eric Chhoa and his wife, Dera Chhoa), are acting in concert in relation to the Company.

The interests of the Concert Party (all of which, unless otherwise stated, are beneficial) in the issued share capital of the Company they are expected to be immediately following Admission are set out below:

Name	Number of Ordinary Shares on Admission	% of Enlarged Share Capital on Admission
Hikari Capital Limited	10,000,000	88.61

15 MANDATORY BID, SQUEEZE OUT AND SELL OUT RULES

15.1 Mandatory bid

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

15.2 Squeeze-out rules

Under the Act, if a person who has made a general offer to acquire Ordinary Shares (the "**offeror**") were to acquire, or contract to acquire, 90 per cent. in value of the Ordinary Shares which are the subject of such offer and 90 per cent. of the voting rights carried by those shares, the offeror could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding Shareholders before the end of the 3 month period beginning on the day after the last day on which the offer can be accepted. The notice must be made in the prescribed manner. Six weeks later, the offeror would send a copy of the notice to the Company together with an instrument of transfer executed in respect of the outstanding Ordinary Shares on behalf of the holder in favour of the offeror and pay the consideration for those Ordinary Shares. The Company would hold the consideration on trust for outstanding shareholders. The consideration offered to those shareholders whose Ordinary Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the general offer.

15.3 **Sell-out rules**

The Act gives minority shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in paragraph 15.1 above. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds, or has agreed to acquire, not less than 90 per cent. in value of the Ordinary Shares and those shares carry not less than 90% of the voting rights in the Company, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder's Ordinary Shares.

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

16 GENERAL

16.1 Save as disclosed in this Document, there are no patents or other intellectual property rights, licences or particular contracts that are of fundamental importance to the Company's business.

16.2 The gross proceeds of the Subscription are expected to be approximately £0.82 million. The total costs and expenses (including professional fees, printing and advertising costs) payable by the Company in relation to the application for Admission are estimated to amount to approximately £333,000 (exclusive of VAT) and are payable by the Company.

16.3 Save as disclosed in this Document, there has been no material change in the financial or trading position of the Group since 31 December 2021, being the date to which the financial information set out in Part IV of this Document have been drawn up.

16.4 The principal activities of the Group are as described in Part I of this Document. Save as disclosed in Part I of this Document, there are no exceptional factors which have influenced the Group's activities.

16.5 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealing on any investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for there to be dealings in the Ordinary Shares on any such exchange.

16.6 There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

16.7 Save as disclosed in this Document, there are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

16.8 The accounting reference date of the Company is 31 December. The first accounting period of the Company will end on 31 December 2022.

16.9 All the information provided in this Document has been sourced from the Company and the Company's other advisers named on page 4 of this Document. All such information has been accurately reproduced and so far as the Company is aware and is able to ascertain no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information set out in this Document has been sourced from a third party the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

16.10 No commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this Document relates or of his procuring or agreeing to procure subscriptions for such securities.

16.11 No paying agent has been appointed by the Company.

16.12 Save as disclosed in this Document, there are no investments in progress, and there are no future investments on which the Directors have already made firm commitments, which are significant to the Group.

17 CONSENTS

17.1 Cairn Financial Advisers LLP of Ninth Floor, 107 Cheapside, London, EC2V 6DN is authorised and regulated by the Financial Conduct Authority. Cairn has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its name and the references to it in the form and context in which it appears.

17.2 Moore Kingston Smith LLP of Devonshire House, 60 Doswell Road, London, EC1M 7AD has given and has not withdrawn its written consent to the inclusion of its name, its report set out in Part V of this Document and the references to such reports and its name, in the form and context in which they appear. Moore Kingston Smith LLP accepts responsibility for the report set out in Part V in accordance with the AQSE Exchange Rules, confirms that to the best of its knowledge having taken all reasonable care to ensure that such is the case the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information. Moore Kingston Smith LLP are regulated by the Institute of Chartered Accountants of England and Wales.

18 AVAILABILITY OF ADMISSION DOCUMENT

Copies of this Document are available free of charge from the registered office of the Company and from the office of Cairn, Ninth Floor, 107 Cheapside, London, EC2V 6DN during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this Document and will remain available for at least 30 days after the date of Admission.

Dated 19 August 2022