

14 April 2015

Tekcapital plc
("Tekcapital" or "the Company")

Technology Acquisition and Issue of Equity

Tekcapital acquires exclusive licence to portfolio of 13 optical technology patents

- Potential to empower the development of small form, head-mounted projected displays with eye tracking -
- Potential for incorporation within augmented and virtual reality applications across multiple sectors -

Tekcapital plc (AIM: TEK), an international provider of technology and intellectual property services, is pleased to announce that it has acquired the exclusive worldwide license to a portfolio of 13 optical technology patents from the University of Central Florida. The patents enable the development of new, small form, lightweight and see-through high-resolution, head-mounted projection displays with eye tracking. Suitable for collaborative augmented reality ("AR") applications, the patents are able to support a wide range of consumer, medical, military and industrial applications.

This broad technology portfolio is designed to be incorporated into many existing optical systems such as head-mounted displays and also has the potential to empower the development of next generation wearable optics for both augmented reality and fully immersive virtual reality ("VR") applications. Wearable displays with compact illumination are able to project video, navigation, messaging and games and overlay augmented reality applications on a large virtual screen format with hands free operation. The patent portfolio enables design trade-offs between packaging, illumination, field of view and resolution for AR / VR head-mounted projected displays.

This portfolio was developed at CREOL, the College of Optics and Photonics at the University of Central Florida (UCF). CREOL is one of the world's foremost institutions for research and education in optical and photonic science and engineering. Over the years, the college has maintained a tradition of promoting growth in optics and photonics and enjoys a strong partnership with industry.

The directors of Tekcapital believe this technology portfolio represents an important IP opportunity with the potential for market adoption across multiple sectors via out-licensing.

Industry potential

According to a report from research firm Gartner, Inc.¹ by 2018 about a third of smart wearables will have near eye head-mounted displays ("HMDs") with transparent interfaces incorporated into attractive and fashionable designs which will drive mainstream consumer adoption. These HMDs will support AR / VR applications in consumer-grade lightweight, video eyeglasses.

The directors of Tekcapital believe that AR glasses could be transformative and may become the user interface of choice, gradually replacing the hand held smart-phone touchscreen interface for many applications.

With these patents, the directors of Tekcapital believe Tekcapital is well placed to benefit from the growing interest in HMD patent portfolios, as demonstrated by several recently observed transactions by industry leaders involving HMD patent portfolios, including Microsoft's acquisition of the Osterhout Design Group portfolio of 81 patents and applications for US\$150 Million², Facebook's acquisition of Oculus VR for \$2 Billion³ and Google's acquisition of HMD patents from Hon Hai Precision Industry (Foxconn) for an undisclosed amount⁴.

Commenting on the acquisition, Dr. Clifford M. Gross, Executive Chairman of Tekcapital, said:

"We are excited to have acquired the exclusive license to this important portfolio of patents from the University of Central Florida and we look forward to commercialising this technology with forward-thinking technology companies that can benefit from improving their products with these advanced optical technologies."

Svetlana Shtrom, Ph.D., Director of Technology Transfer, UCF Office of Research & Commercialization, added:

"We are pleased to have licensed this excellent portfolio of optical patents to Tekcapital and we are very excited about the potential for this technology to improve existing optical systems and empower a new generation of improved products."



Tekcapital will issue 479,060 new ordinary shares (“Consideration Shares”) to the UCF for the acquisition of the exclusive license to this portfolio of 13 patents and provide a portion of the future revenue generated from the portfolio to the university.

Application will be made for the Consideration Shares to be admitted to trading on AIM, which is expected to become effective on or around 24 April 2015. The Consideration Shares will rank pari passu with the Company’s existing ordinary shares in issue.

Following the issue of the Consideration Shares later this month, Tekcapital will have in issue 23,928,579 ordinary shares of 0.4p each with one voting right each. The Company does not hold any ordinary shares in treasury. Therefore the total number of ordinary shares and voting rights in the Company will be 23,928,579. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA’s Disclosure and Transparency Rules.

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Tekcapital helps clients profit from new, university-developed intellectual properties. With our proprietary discovery search engine, linked to 4,000+ universities in 160 countries, coupled with expert scientific review, we provide a turn-key service to make it easy for clients to find and acquire the IP they need to create a competitive advantage. Tekcapital plc is listed on the AIM market of the London Stock Exchange (AIM: symbol TEK) and is headquartered in Oxford, in the UK. For more information, please visit www.tekcapital.com

About the UCF Center for Innovation & Entrepreneurship

The University of Central Florida Center for Innovation & Entrepreneurship (UCF CIE) is a university wide program consolidating and coordinating major innovation and entrepreneurship support activities with the objectives of: Education, Research and Outreach. Its goal is to leverage university and regional partnerships to create an effective entrepreneurial support infrastructure in the Central Florida Region, with a mission to promote innovation, wealth creation, and economic vitality. The UCF CIE programs include: Florida Small Business Development Center at UCF, GrowFL, UCF’s Business Incubation Program, Center for Entrepreneurial Leadership, Innovation Corps (I-Corps), Office of Technology Transfer, and the Venture Accelerator. Connect at cie.ucf.edu

Cited References

1. <http://www.gartner.com/newsroom/id/2941317>
2. <http://techcrunch.com/2014/03/27/microsoft-paid-up-to-150m-to-buy-wearable-computing-ip-from-the-osterhout-design-group/>
3. <http://techcrunch.com/2014/03/25/facebook-to-buy-oculus-vr-maker-of-the-rift-headset-for-around-2b-in-cash-and-stock/>
4. <http://www.augmentedrealitytrends.com/augmented-reality/augmented-reality-display-patents-of-foxconn-is-now-google-property.html>

List of Exclusively Licensed Patents

1. Head-Mounted Display With Eye Tracking Capability US Patent #6,433,760
2. Compact Lens Assembly for the Teleportal Augmented Reality System US Patent #6,731,434
3. Compact Lens Assembly for the Teleportal Augmented Reality System (CIP) US Patent #6,804,066
4. Head-mounted Display by Integration of Phase-Conjugate Material US Patent #6,963,454
5. Head Mounted Display by Integration of Phase Conjugate Material DIV US Patent#6,999,239
6. Compact Microlenslet Arrays Imager US Patent #7,009,773
7. Iterative Least-Squares Wavefront estimation for general pupil shapes US Patent #7,088,457
8. Head Mounted Projection Display with a Wide Field of View US Patent #7,119,965
9. Imaging System for Eyeglass-Based Display Devices US Patent #7,499,217
10. Projection based Head Mounted Display with Eye-Tracking Capabilities US Patent # 7,522,344
11. Compact Optical See-Through Head-Mounted Display with Occlusion Support US Patent #7,639,208
12. Systems and Methods for Providing Compact Illumination in Head Mounted Displays US Patent #7,843,642
13. Imaging Systems for Eyeglass-Based Display Devices US Patent #7,969,657