

31 August 2016

TEKCAPITAL PLC
("Tekcapital", the "Company" or the "Group")

Unaudited Half Year Results

Tekcapital plc (AIM: TEK), an international provider of technology and intellectual property services, announces its unaudited half year results for the six months ended 31 May 2016.

Financial Highlights

- Half year revenues were \$247,262 (H1 2015: \$287,488)
- Net loss increased to \$997,174 (H1 2015: \$659,936), due mainly to the expenses involved with the establishment and launch of Belluscura Ltd ("Belluscura")
- Cash and cash equivalents at period end of \$1,937,595 (31 May 2015: \$3,786,424)
- Net assets at period end of \$3,157,254 (31 May 2015: \$4,313,490)

Operational Highlights

The establishment of Belluscura:

- The Group successfully established a new trading company, Belluscura, hired an experienced medical device team and acquired the exclusive licenses to manufacture and sell three proprietary medical devices.
- The acquired devices have been developed by and exclusively licensed from Stryker Corporation, a leading medical technology company. The devices have previously received US 510(k) regulatory clearance where necessary and achieved commercial sales prior to acquisition. The Group has also transferred its exclusive licence for a saliva glucose test, acquired from Arizona State University, which was previously in its out-licensing portfolio, to Belluscura.
- Post period end, Belluscura completed a private placement raising \$1.5 million and issuing 2,500,000 shares. Tekcapital now owns 74.44% of the share capital of Belluscura. On the basis of this placement, the value of Tekcapital's equity in Belluscura is approximately \$3.3 million. The Group's strategy is to rapidly grow Belluscura and explore further investment.

Acquisition of Vortechs Group:

- On 28 April 2016, the Group acquired certain assets and business from Vortechs Group, a leading technology transfer placement company in North America. This acquisition expands the range of the Group's business offerings and enables the sourcing of technology transfer professionals as well as new technologies for both corporate clients and university suppliers. The results for the period under review do not reflect any significant impact of the Vortechs Group business, as this acquisition occurred close to the end of the interim accounting period.

Further strengthening of the Group's portfolio of technologies for out-licensing, the Group acquired the exclusive license to, or acquisition of the following intellectual properties:

- The exclusive license to a patent application, entitled "Energy Harvesting from Constrained Buckling of Piezoelectric Beams" from the University of Michigan. After a successful pilot

study conducted by the inventors the Group is moving forward with the fabrication and testing of prototype energy harvesting footwear for subsequent out-licensing.

- The exclusively licensed US patent application entitled “Saliva glucose measurement devices and methods” describes a safe, fast and non-invasive method and device to collect and sample glucose in saliva for both human and companion animals. The biosensor device allows trace saliva fluid samples from a biological surface to be obtained for electrochemical analysis and the subsequent detection of analytes using disposable biosensor strips. This commercialisation of this intellectual property patent is currently being progressed by Belluscura.
- The exclusive licences to manufacture and sell three proprietary medical devices, with the commercial exploitation of these licences currently being progressed by Belluscura. The devices have been developed by and exclusively licensed from a leading medical technology company. These devices have received US 510(k) regulatory clearance where necessary and have previously achieved commercial sales prior to acquisition. The devices are:
 - “Slyde™”, a non-ambulatory patient evacuation sled;
 - “Passport®”, a trocar for use with the Da Vinci® Surgical System (keyhole surgery); and
 - “SNAP II”, a level of consciousness monitor for use during surgical procedures requiring general anesthesia.
 - These licensed products are protected by a portfolio of 19 issued and pending patents and industrial designs.
- The acquisition of the patent for μ Salt™ a new process technology for reducing the surface sodium content in a wide variety of foods, consistent with current U.S. Food and Drug Administration guidelines. The Group is currently manufacturing and testing this new salt technology on snack foods for a major food company.

These 22 intellectual property acquisitions during the reporting period have added to the Group’s existing portfolio, which currently numbers 51 patents and applications that the Group has either exclusively licensed or acquired since January 2015.

Commenting on the results, Dr. Clifford Gross, Executive Chairman of Tekcapital plc, said: "We have made significant progress towards achieving the objectives that we set out last year and have established a strong foundation for future revenue growth with our numerous technology acquisitions. When combined with the establishment and launch of Belluscura Ltd, the acquisition of the Vortechs Group to expand our service offerings, the recent acquisition of the μ Salt™ patent for reducing the surface salt content in a variety of foods and our progress with in-shoe energy harvesting technology for empowering a new generation of footwear that can recharge mobile devices, we believe these achievements provide significant upside potential for our shareholders.

We are excited and confident in the progress we have made towards creating marketplace and shareholder value from university and corporate intellectual capital."

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About Tekcapital plc - The World's Largest University Network for Open Innovation

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 makes it easy for clients to find and acquire university IP, analyse the market potential and engage the technology transfer professionals 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

Chairman's Statement

Our strategy is to scale Tekcapital's business to a position that enables us to provide our service offerings to a wide range of clients around the world, with an initial concentration on the US and UK markets.

We have also focused on adding additional services, either organically or through acquisitions, with the aim of enabling the Group to assist its clients in further determining and realising value from IP through the transformative innovations that they represent.

We have successfully expanded our service offerings with the acquisition of certain of the assets and the business of the Vortechs Group that is also expected to contribute to growth in subsequent periods.

Our technology acquisition and out licensing services leverage our core competencies and have enabled Tekcapital to acquire the rights to an additional 22 intellectual properties during the period under review resulting in a total of 51 exclusive intellectual property licenses or acquisitions since January 2015. These acquisitions have been across a diverse range of application areas including:

- wearable optical displays;
- non-invasive glucose monitoring for diabetics;
- improved food processes to enhance the nutritional content of widely-consumed foods;
- portable energy harvesting to power mobile electronics from everyday human movement;
- improved air conditioning efficiency using advanced aeronautical designs; and
- proprietary medical devices.

All of these technology rights have been acquired for either cash or equity in Tekcapital and potentially present significant up-side potential to shareholder value if successfully commercialised. The goal of the Group is to out-license this IP portfolio to major manufacturers, to empower clients to create a competitive advantage from the advancement these technologies can deliver.

Financial Review

Revenue for the period was approximately \$247,000 (H1 2015: approximately \$287,000).

Administrative expenses have increased by approximately \$256,000 from the prior, year largely as a result of the non-recurring costs involved with the establishment of Belluscura. This new subsidiary, which has its own management team, acquired three exclusive licenses for proprietary medical devices and commenced operations towards the end of the period.

Our start-up investment related to the establishment and launching of Belluscura has resulted in the majority of the increase in the net loss for the period compared to the same period in the prior year. However, based on our recently completed private placement in Belluscura, we believe this investment should lead to a significant increase in the Group's net assets in 2017.

Cash and cash equivalents at the end of the period stood at \$1.94 million (FY 2015: \$3.14 million), with net assets of the expanded Group at \$3.18 million (FY 2015: \$3.72 million).

Current trading and outlook

As an entrepreneurial Group, Tekcapital's year to date has been focused on the establishment of Belluscura and the acquisition of the Vortechs Group business, along with the other progress described in this report. By the end of the year (November 2016) we expect to make significant out-license progress, recognise the benefits of the integration of the Vortechs Group business and report progress from our Belluscura

investment. We are dedicated and excited to continue the development and commercialization of our IP portfolio investments as well as with the expansion of our market footprint over the coming months. In a market place of such huge unrealised potential, we will remain focused on making prudent investments in intellectual properties for mid and long-term harvest.

Dr. Clifford Gross
Executive Chairman

Unaudited condensed consolidated income statement for the six month period ended 31 May 2016

	Notes	Six months ended 31 May 2016 Unaudited \$	Six months ended 31 May 2015 Unaudited \$	Year ended 30 November 2015 Audited \$
Revenue		247,262	287,488	407,420
Cost of sales		-	-	-
Gross profit		247,262	287,488	407,420
Foreign exchange movements		-	(95)	-
Other administrative expenses		(1,244,749)	(947,352)	(1,868,124)
Operating loss		(997,487)	(659,959)	(1,460,704)
Finance income		313	23	709
Loss before taxation		(997,174)	(659,936)	(1,459,995)
Income tax expense	3	-	-	(820)
Loss after taxation		(997,174)	(659,936)	(1,460,815)
Attributable to :				
Equity holders of the parent		(990,204)	(659,936)	(1,460,815)
Non-controlling interests		(6,970)	-	-
		(997,174)	(659,936)	(1,460,815)

All amounts relate to continuing operations.

Unaudited consolidated statement of comprehensive income for the six month period ended 31 May 2016

	Notes	Six months ended 31 May 2016 Unaudited \$	Six months ended 31 May 2015 Unaudited \$	Year ended 30 November 2015 Audited \$
Loss for the year		(997,174)	(659,936)	(1,460,815)
Other comprehensive income				
Currency translation difference		(4,966)	(37,290)	47,851
Other comprehensive income		(4,966)	(37,290)	47,851
Total comprehensive income		(1,002,140)	(697,226)	(1,412,964)
Attributable to :				
Equity holders of the parent		(995,170)	(697,226)	(1,412,964)
Non-controlling interests		(6,970)	-	-
		(1,002,140)	(697,226)	(1,412,964)
Basic and diluted loss per share (\$):	4	(0.028)	(0.03)	(0.049)

Unaudited condensed consolidated statement of financial position as at 31 May 2016

	Notes	As at 31 May 2016	As at 31 May 2015	As at 30 November 2015
		Unaudited US\$	Unaudited US\$	Audited US\$
Assets				
Non-current assets				
Intangible assets	5	1,387,470	523,244	708,577
Property, plant and equipment		60,475	4,130	7,920
		<u>1,447,945</u>	<u>527,374</u>	<u>716,497</u>
Current assets				
Trade and other receivables		134,138	188,717	105,955
Cash and cash equivalents		1,937,595	3,786,424	3,139,246
		<u>2,071,733</u>	<u>3,975,141</u>	<u>3,245,201</u>
<i>Total assets</i>		<u><u>3,519,678</u></u>	<u><u>4,502,515</u></u>	<u><u>3,961,698</u></u>
Equity and liabilities				
Current liabilities				
Trade and other payables		361,924	189,025	241,181
Current income tax liabilities		500	-	1,300
Loans and borrowings		-	-	-
Total liabilities		<u>362,424</u>	<u>189,025</u>	<u>242,481</u>
Capital and reserves				
Share capital	6	228,052	223,677	224,684
Share premium		6,377,383	5,896,007	5,980,751
Retained earnings		(3,421,560)	(1,734,025)	(2,461,900)
Translation reserve		42,885	-	47,851
Merger reserve		(72,169)	(72,169)	(72,169)
Total equity attributable to equity holders of the parent		<u>3,154,591</u>	<u>4,313,490</u>	<u>3,719,217</u>
Non-controlling interests		2,663	-	-
<i>Total equity and liabilities</i>		<u><u>3,519,678</u></u>	<u><u>4,502,515</u></u>	<u><u>3,961,698</u></u>

Unaudited condensed consolidated statement of cash flows for the six month period ended 31 May 2016

Notes	Six months ended 31 May 2016	Six months ended 31 May 2015	Year ended 30 November 2015
	Unaudited US\$	Unaudited US\$	Audited US\$
Cash flows from operating activities			
Loss before income tax	(997,174)	(659,936)	(1,459,995)
Adjustments for:			
Depreciation	2,071	1,870	3,057
Amortisation	19,781	6,803	23,087
Share based payment expense	36,577	2,779	38,493
Finance costs (net)	(313)	(23)	(709)
Net foreign exchange difference	(4,966)	(47,488)	47,851
Operating profit before working capital changes	(944,024)	(695,995)	(1,348,216)
Changes in working capital:			
Increase in trade and other receivables	(28,183)	(98,150)	(15,387)
Increase in trade and other payables	120,750	88,973	141,129
Tax paid	(800)	(1,300)	(820)
Net cash used in operating activities	(852,257)	(706,472)	(1,223,294)
Cash flows from investing activities			
Acquisition of property, plant and equipment	(54,632)	(55)	(4,349)
Disposals of property, plant and equipment	-	419	-
Acquisition of intangible assets	(295,075)	-	(162,080)
Interest received	313	23	709
Net cash (used in)/from investing activities	(349,394)	387	(165,720)
Cash flows from financing activities			
Proceeds from issuance of Ordinary Shares	-	3,286,060	3,286,060
Costs of raising finance	-	(164,456)	(164,456)
Proceeds from the exercise of warrants	-	-	35,751
Net cash from financing activities	-	3,121,604	3,157,355
Net increase in cash and cash equivalents	(1,201,651)	2,415,519	1,768,341
Cash and cash equivalents at the beginning of the period	3,139,246	1,370,905	1,370,905
Cash and cash equivalents at the end of the period	1,937,595	3,786,424	3,139,246

During the period ended 31 May 2016 the Company's material non-cash transactions consisted of shares issued on acquisition of licences, as disclosed in note 5.

Unaudited condensed consolidated statement of changes in equity for the six month period ended 31 May 2016

	Attributable to equity holders of the parent						Non-controlling interest	Total Equity
	Share capital	Share Premium	Translation Reserve	Merger Reserve	Retained Earnings	Total		
	US\$	US\$	US\$	US\$	US\$	US\$		
Unaudited								
Balance at 1 December 2015	224,684	5,980,751	47,851	(72,169)	(2,461,900)	3,719,217	-	3,719,217
Comprehensive income								
Loss for the period	-	-	-	-	(990,204)	(990,204)	(6,970)	(997,174)
Other comprehensive income	-	-	(4,966)	-	-	(4,966)	-	(4,966)
Total comprehensive income for the period	-	-	(4,966)	-	(990,204)	(995,170)	(6,970)	(1,002,140)
Share based payments	-	-	-	-	36,577	36,577	-	36,577
Issue of ordinary shares	3,368	396,632	-	-	-	400,000	-	400,000
New funds into non-controlling interest	-	-	-	-	-	-	3,600	3,600
(Loss)/Gain arising from change in non-controlling interest	-	-	-	-	(6,033)	(6,033)	6,033	-
Balance at 31 May 2016	228,052	6,377,383	42,885	(72,169)	(3,421,560)	3,154,591	2,663	3,157,254
Unaudited								
Balance at 1 December 2014	154,842	2,673,905	-	(72,169)	(1,039,578)	1,717,000	-	1,717,000
Issue of Ordinary Shares, net of issue costs	68,835	3,222,102	-	-	-	3,290,937	-	3,290,937
Share based payments	-	-	-	-	2,779	2,779	-	2,779
Comprehensive income								
Loss for the period	-	-	-	-	(659,936)	(659,936)	-	(659,936)
Other comprehensive expense								
Currency translation differences	-	-	-	-	(37,290)	(37,290)	-	(37,290)
Total comprehensive expense	-	-	-	-	(697,226)	(697,226)	-	(697,226)

Balance at 31 May 2015	223,677	5,896,007	-	(72,169)	(1,734,025)	4,313,490	-	4,313,490
Audited								
Balance at 1 December 2014	154,842	2,673,905	-	(72,169)	(1,039,578)	1,717,000	-	1,717,000
Comprehensive income								
Loss for the period	-	-	-	-	(1,460,815)	(1,460,815)	-	(1,460,815)
Other comprehensive income	-	-	47,851	-	-	47,851	-	47,851
Total comprehensive income for the period	-	-	47,851	-	(1,460,815)	(1,412,964)	-	(1,412,964)
Share based payments	-	-	-	-	38,493	38,493	-	38,493
Issue of ordinary shares	69,270	3,436,126	-	-	-	3,505,396	-	3,505,396
Costs of share issue	-	(164,456)	-	-	-	(164,456)	-	(164,456)
Warrants exercised	572	35,176	-	-	-	35,748	-	35,748
Balance at 30 November 2015	224,684	5,980,751	47,851	(72,169)	(2,461,900)	3,719,217	-	3,719,217

Share capital represents the amount subscribed for share capital at nominal value.

Share premium represents the amount subscribed for share capital in excess of nominal value and net of any issue costs.

The merger reverse relates to the share for share exchange undertaken by the Company with Tekcapital Europe Limited on 18 February 2014.

Accumulated losses represent all other net gains and losses and transactions with owners not recognised elsewhere.

Notes to the financial information

1. General information

Tekcapital PLC is a company incorporated in England and Wales and domiciled in the UK. The Company's registered office is at 5 Fleet Place, London, EC4M 7RD. The nature of the Company's operations and its principal activities are to act as the holding company of a group of companies engaged in international technology and intellectual property services provider.

2. Basis of preparation

The financial information for the six months ended 31 May 2016 set out in this interim financial information is unaudited and does not constitute statutory financial statements.

The interim condensed financial information has been presented in US Dollars ("\$").

The principal accounting policies used in preparing the interim results are those the Group expects to apply in its financial statements for the year ending 30 November 2016.

3. Taxation

No charge to taxation has arisen in the six month period ended 31 May 2016 (31 May 2015: \$nil).

4. Loss per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period.

In calculating the weighted average number of Ordinary Shares outstanding (the denominator of the earnings per share calculation) during the period in which the share transaction occurs:

- The number of Ordinary Shares outstanding from the beginning of that period to the acquisition date shall be computed on the basis of the weighted average number of Ordinary Shares of the legal acquiree (accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the merger agreement; and
- The number of Ordinary Shares outstanding from the acquisition date to the end of that period shall be the actual number of Ordinary Shares of the legal acquirer (the accounting acquiree) outstanding during the period.

The basic earnings per share for each comparative period before the acquisition date presented in the consolidated financial information following a share for share exchange shall be calculated by dividing:

- The profit or loss of the legal acquiree attributable to ordinary shareholders in each of those periods; by
- The legal acquiree's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

Six months ended 31 May 2016 US\$	Six months ended 31 May 2015 US\$	Year ended 30 November 2015 US\$
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Losses attributable to equity holders of the Company (\$)	(997,174)	(659,936)	(1,460,815)
Weighted average number of Ordinary Shares in issue:			
Basic	34,948,117	25,032,898	29,901,585
Diluted	34,948,117	25,032,898	29,901,585
Basic loss per share (\$)	(0.028)	(0.03)	(0.049)
Diluted loss per share (\$)	(0.028)	(0.03)	(0.049)

At 31 May 2016 and 31 May 2015 the Company had no dilutive financial instruments in place and therefore diluted earnings per share is the same as basic earnings per share.

5. Intangible assets

	Purchased intangible assets				
	Licenses US \$	Website development US \$	Vortechs US \$	Invention Evaluator US \$	Total US \$
Costs					
At 1 December 2014	-	33,306	-	320,550	353,856
Additions during the period	179,796	-	-	-	179,796
At 31 May 2015	179,796	33,306	-	320,550	533,652
At 1 December 2014	-	33,306	-	320,550	353,856
Additions during the period	378,228	-	-	3,185	381,413
At 30 November 2015	378,228	33,306	-	323,735	735,269
At 1 December 2015	378,228	33,306	-	323,735	735,269
Additions during the period	190,800	-	500,000	7,875	698,675
At 31 May 2016	569,028	33,306	500,000	331,610	1,433,944
Accumulated amortisation and impairment					
As 1 December 2014	-	(3,605)	-	-	(3,605)
Amortisation for the period	(1,493)	(5,310)	-	-	(6,803)
At 31 May 2015	(1,493)	(8,915)	-	-	(10,408)
As 1 December 2014	-	(3,605)	-	-	(3,605)
Amortisation for the period	(12,467)	(10,620)	-	-	(23,087)
At 30 November 2015	(12,467)	(14,225)	-	-	(26,692)
At 1 December 2015	(12,467)	(14,225)	-	-	(26,692)
Amortisation for the period	(14,790)	(4,992)	-	-	(4,992)

At 31 May 2016	(27,257)	(19,217)	-	-	(31,684)
Net book value					
At 31 May 2015	178,303	24,391	-	320,550	523,244
At 30 November 2015	365,761	19,081	-	323,735	708,577
At 31 May 2016	541,771	14,089	500,000	331,610	1,387,470

During the period the Group acquired certain assets and business for Vortechs Group Inc, a leading technology transfer executive search firm. The Company issued 577,868 new ordinary shares of 0.4 pence at an issue price of 47.5 pence and paid \$100,000 cash as consideration for this acquisition.

6. Share capital

The Company's ordinary shares are of £0.004 par value.

Issued and fully paid	Shares Number	Share capital US\$	Share premium US\$
Ordinary shares of £0.004 each			
At 1 December 2014	23,383,747	154,842	2,673,905
Shares issued for the acquisition of Licenses	544,792	3,114	166,219
Shares issued in further public offering	10,750,000	65,721	3,055,883
As at 31 May 2015	<u>34,678,539</u>	<u>223,677</u>	<u>5,896,007</u>
At 1 December 2014	23,383,747	154,842	2,673,905
Shares issued for the acquisition of Licenses	614,592	3,549	215,784
Shares issued in further public offering	10,750,000	65,721	3,055,883
Shares issued on exercise of warrants	95,000	572	35,179
As at 30 November 2015	<u>34,843,339</u>	<u>224,684</u>	<u>5,980,751</u>
At 1 December 2015	34,843,339	224,684	5,980,751
Share issue (28 April 2016)	577,868	3,368	396,632
As at 31 May 2016	<u>35,421,207</u>	228,052	6,377,383

All of the Company's issued ordinary shares have full voting, dividend and capital distribution (including winding up) rights; they do not confer any rights of redemption. The Company does not hold any ordinary shares in treasury.

On 28 April 2016 the Company issued 577,868 Ordinary Shares for \$400,000 on acquisition of certain assets and business of the Vortechs Group.

7. Related party transactions

During the period the Company employed the services of MMM Consulting Ltd, a company of which Tekcapital's Finance Director Malcolm Groat is a director and minority shareholder. The fees paid were \$10,444 (31 May 2015: \$12,196). The balance outstanding at the end of period was \$10,552 (31 May 2015: \$Nil)

8. Events after the reporting period

On 16 June 2016 Belluscura, a then 95% owned subsidiary of the Company, completed a private placement raising \$1.5 million and issuing 2,500,000 shares. This placement has resulted in a dilution of the Group's ownership interest to 74.44%.

9. Interim Results

The interim results for the six months ended 31 May 2016 will be available on the Company's website at <http://tekcapital.com/investors/>.

- Ends -