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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("**MAR**"). With the publication of this announcement via a Regulatory Information Service ("**RIS**"), this inside information is now considered to be in the public domain.

1 May 2020

Tekcapital plc

("Tekcapital" or the "Company")

**Conditional Placing to raise £925,000
Notice of General Meeting**

Tekcapital plc, (AIM: TEK) the UK intellectual property investment group focused on creating marketplace value from investing in university technology, announces that it has conditionally raised a total of £925,000 (US\$1.15 million) (before expenses) by way of the issue of, in aggregate, 9,250,000 new ordinary shares of 0.4 pence each in the Company (the "**New Ordinary Shares**"), at 10 pence per share (the "**Placing Price**") (together, the "**Placing**").

Key Highlights:

- £925,000 (US\$1.15 million) (before expenses) raised by means of a conditional fundraiser through the issue of, in aggregate 9,250,000 Placing Shares at 10 pence per share.
- Funds raised will primarily be committed to Tekcapital's portfolio of companies and to provide additional working capital for the Company.
- The Placing Price represents a discount of approximately 13 per cent. to the closing mid-market price of 11.5 pence on 30 April 2020, being the last trading day prior to the release of this announcement of the Placing.
- The Placing Shares will represent approximately 11.78 per cent. of the Existing Ordinary Shares and will, when issued, represent approximately 10.54 per cent. of the Enlarged Share Capital.
- The Placing, details of which are set out below, was undertaken by the Company's broker SP Angel Corporate Finance LLP.
- The Placing will be subject to Tekcapital's shareholders' approval at a general meeting (the "**General Meeting**") to be at 10.00a.m. on 19 May 2020.
- A Circular which sets out details of the conditional Placing and also includes a Notice of General Meeting will be sent to shareholders later today (the "**Circular**").

- Certain Directors who hold Existing Ordinary Shares have irrevocably undertaken to vote in favour of the Resolutions, in respect of their shares, representing 11 per cent of the Existing Ordinary Shares.

Clifford M. Gross Ph.D., Executive Chairman of Tekcapital plc commented:

"We are pleased to announce the completion of this placing as it will enable us to accelerate the further development of our portfolio companies."

Tekcapital Plc

Clifford M. Gross, Ph.D.

Via Flagstaff

SP Angel Corporate Finance LLP

(Nominated Adviser and Broker)

Richard Morrison/Charlie Bouverat (Corporate Finance)

Abigail Wayne / Rob Rees (Corporate Broking)

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The Circular, extracts of which are included below, will also be available later today via the Company's website: www.tekcapital.com

Background to and Reasons for the Placing

The Company has interests in four portfolio companies that the Directors believe can be disruptive in their markets and improve the health, safety and quality of life of their customers. The financial objective of the Company is to generate significant growth in the Company's net assets and returns on invested capital resulting from the commercialisation of university generated Intellectual Property ("IP").

On 6 February 2020, the Company announced an equity placing of 14,800,000 Ordinary Shares at a price of 5 pence per Ordinary Share to raise £0.74 million (approximately \$0.962 million as at that time) to fund investment in key activities, to further develop and progress with the commercialisation of its portfolio of IP technologies and for working capital purposes. This equity placing utilised the majority of the remaining share allotment authorities which were granted at the annual general meeting held on 5 April 2019.

Since the last fundraise, each of the portfolio companies has made progress and there are other near-term potential catalysts for further growth in the offering.

Belluscura plc ('**Belluscura**'), in conjunction with its research partner Separation Design Group LLC, filed a patent application in February 2020 covering novel integrated portable extracorporeal oxygenation and carbon dioxide removal systems for treating patients suffering from acute respiratory distress ('**ARDS**'), including ARDS caused by Coronavirus.

In addition, Belluscura anticipates receiving clearance from the US Food and Drug Administration ('**FDA**') clearance for the X- $\text{PLO}_2\text{R}^{\text{TM}}$ portable oxygen concentrator in H1 2020 with manufacturing and sales of their device commencing in H2 2020. The device is designed for people requiring respiratory treatment for lung disease. Globally, more than 250 million people suffer from chronic obstructive pulmonary disease ('**COPD**'), the third leading cause of death. Additionally, as a result of the COVID-19 pandemic, a recent study has shown that recovered patients may suffer residual lung damage, potentially necessitating supplemental oxygen. Approximately US\$225,000 of the funds raised

in this Placing will be used to invest in Belluscura (at the current valuation of approximately US\$9.0m (15p/share). The Company will receive one warrant for every two shares purchased, exercisable at 15p for a period of three years from the date of its investment. If the Company elects to exercise all these warrants, it would invest approximately a further US\$111,000 in Belluscura. The Company will also receive an additional option to invest up to £1.0m at a maximum price of 23p per share within 30 days following receipt of clearance from the FDA to launch and commence production of the X-PLO2R™ portable oxygen concentrator.

In March 2020, Salarius Limited (**'Salarius'**) announced that it had signed its first distribution deal with one of North America's largest natural food wholesalers to launch its new SaltMe!® natural potato crisps in North America. SaltMe! Crisps utilize Salarius' patented MicroSalt® to deliver full flavour with roughly 50% less sodium. Sodium consumption is a leading risk factor for hypertension which is linked to the development of cardiovascular disease, the leading cause of premature death in the world. Subsequently, on 22 March 2020, this distribution partner made an initial order to launch sales of the SaltMe!® natural potato crisps in 71 stores starting in May 2020. A further agreement was reached iLevel Brands Inc (**'iLevel Brands'**) as part of its launch of North American sales of its new SaltMe!® natural potato crisps, to expand market penetration and brand awareness for its new potato chip snack line. This agreement is expected to enhance market penetration and accelerate sales growth for the SaltMe!® product line in the second half of 2020. These agreements follow quickly on from agreements with two US food ingredient brokers, Hanks Brokerage Inc, and Accurate Ingredients Inc, announced in January 2020 and December 2019, respectively, to sell MicroSalt® to snack food companies which are expected to generate sales in H1 2020 or soon thereafter. With the pace of commercialisation increasing, the Company will use approximately US\$250,000 of funds raised in the Placing to support Salarius' growth and development.

In January 2020, Lucyd Limited (**'Lucyd'**) launched its Loud 3.0 Bluetooth enabled upgraded tech eyewear in two styles, with Bluetooth. These prescription compatible, audio glasses offer enhanced sound quality, comfort and style at an attractive price. In March 2020, Lucyd filed a new patent and a trademark on its forthcoming Vyrb™ app. Vyrb users will be able to activate smartphone actions with their voice beyond what is currently available with voice assistants, such as social media posting, with Vyrb's flexible and intuitive user experience. By using the app along with Lucyd Bluetooth glasses, the user will be able to spend less time looking at their phone, and keep more of their focus on the real world. This is especially pressing given the rise in pedestrian fatalities due to smartphone distraction. Every seven minutes, a pedestrian is struck by a vehicle in the U.S.. More pedestrians and cyclists were killed in 2018 than in any year since 1990. Deaths of pedestrians have jumped by 42% in the last decade, and pedestrian and bicyclist fatalities continue to rise, with deaths of those on foot climbing 3.4% to 6,283 last year in the U.S. The number of people killed on roads while using bicycles and other non-motorized vehicles rose 6.3% to 857. The launch of the Vyrb app is targeted for December 2020. The Company will use approximately US\$50,000 of funds raised in the Placing to support Lucyd in the development of the Vyrb™ app.

In March 2020, Guident Limited (**'Guident'**) announced significant progress in the development of both its management team and its intellectual property portfolio. Guident appointed Harald Braun as the Company's Chairman and CEO, Daniel Grossman as the Company's Chief Revenue Officer, Michael Trank as VP Software Development and Dr. Gabriel Castaneda as Lead Architect, Artificial Intelligence Software. At the same time, it announced that it has received a Notice of Allowance from the United States Patent and Trademark Office for its patent application #16/386,530 entitled "Methods and Systems for Emergency Handoff of an Autonomous Vehicle" and has filed an additional patent entitled, "Intelligent Remote Monitoring and Control of Autonomous Vehicles." This brings Guident's IP portfolio to five intellectual properties, of which four have been allowed or granted. All of these patents are focused on improving the safety of Autonomous Vehicles and land-based delivery drones. The Directors believe that these developments will enable Guident to potentially make a meaningful contribution to the safety of Autonomous Vehicles and ground-based delivery drones. According to Allied Market Research the autonomous vehicle (**'AV'**) market is expected to reach \$556 billion by 2026 with a CAGR of 39%. The Company will use approximately US\$50,000 of funds raised in the Placing to support Guident's growth and development.

The Company therefore believes that it is the right time to raise further funds to primarily support the growth and development of its investee companies.

Details of the Placing

The Company has conditionally raised £925,000 (US\$1.15m), before expenses, by way of a conditional Placing to new and existing investors of 9,250,000 Placing Shares each at the Placing Price.

The Placing Price represents a discount of approximately 13 per cent. to the closing mid-market price of 11.5 pence on 30 April 2020, being the last trading day prior to the release of this announcement of the Placing.

Assuming the issue of all of the Placing Shares, the Placing Shares will represent approximately 11.78 per cent. of the Existing Ordinary Shares and will, when issued, represent approximately 10.54 per cent. of the Enlarged Share Capital.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission of the Placing Shares will become effective and that dealings will commence on 20 May 2020 following the General Meeting.

The Placing Shares will, following Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued Ordinary Share capital of the Company and otherwise rank *pari passu* in all other respects with the Existing Ordinary Shares.

The Placing and the Placing Agreement

In connection with the Placing, on 1 May 2020 the Company entered into the Placing Agreement pursuant to which SP Angel have agreed to act as agents for the Company and use their reasonable endeavours to place the Placing Shares with certain new and existing investors. The Placing is conditional, among other things, upon: (i) the passing of the Resolutions; and (ii) Admission occurring as soon as practicable following the General Meeting or by such later time and/or date as SP Angel and the Company may agree but not later than 8.00 a.m. on 30 June 2020 (being the long stop date).

The Placing Agreement contains customary warranties from the Company in favour of SP Angel in relation to (amongst other things) the accuracy of the information in the Circular and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify SP Angel in relation to certain liabilities they may incur in undertaking the Placing. SP Angel have the right to terminate the Placing Agreement in certain circumstances prior to Admission. In particular, SP Angel may terminate in the event that there has been a breach of any of the warranties, the conditions of the agreement have become incapable of fulfilment or for force majeure. The Placing will not be underwritten.

Use of Proceeds

The net proceeds of the Placing, which are estimated to be £820,000 (US\$1.0m), will be used to invest in the Company's portfolio companies and for working capital purposes.

The Company intends to invest approximately US\$225,000 in Belluscura, through the purchase of 1,200,000 shares at 15p per share and it will receive a warrant to acquire 600,000 additional shares exercisable at 15p for a period of three years from the date of its investment. The Company also intends to invest US\$250,000 in Salarius to support Salarius' growth and development and US\$50,000 each in Lucyd and Guident to advance their commercialisation programs.

The remaining US\$425,000 will be used to further support the Group's portfolio companies or as required for working capital purposes.

Current Prospects and Outlook

The Group expects to release its audited results for the year ended 30 November 2019 during May 2020.

General Meeting

The Directors do not currently have the authority to issue all of the Placing Shares simultaneously so the Placing will be subject to TekCapital's shareholders approving the Resolutions to, amongst other things, increase the Directors' authority to allot the Placing Shares, and to disapply statutory pre-emption rights, at the General Meeting. Application will be made for the Placing Shares to be admitted to trading on AIM as soon as practicable following the General Meeting.

The Company will also use this opportunity to refresh the general authority to allot Ordinary Shares and to disapply statutory pre-emption rights (in the same proportions as at the Annual General Meeting in 2019), as the Company has used up all of its general authority to issue Ordinary Shares. This will provide the Board with adequate headroom to raise new capital should the opportunity arise between the date of the General Meeting and the next Annual General Meeting. The Board are maintaining the same percentage authorities as per the last Annual General Meeting.

These authorities will be refreshed at the next Annual General Meeting. The Board is keeping the date of the next Annual General Meeting under consideration, in light of COVID-19 and in line with many other quoted companies, the Board is likely to delay holding the AGM until later in the summer in the hope that it can hold a meeting at which shareholders can physically attend.

THE BOARD STRONGLY ENCOURAGES ALL SHAREHOLDERS TO VOTE ON THE RESOLUTIONS BY PROXY BEFORE THE DEADLINE OF 10.00 A.M. ON 15 MAY 2020.

THE MOST RECENT "STAY AT HOME" MEASURES ADOPTED BY THE GOVERNMENT PROHIBIT, UNLESS ESSENTIAL FOR WORK PURPOSES, PUBLIC GATHERINGS OF MORE THAN TWO PEOPLE. THE COMPANY'S VIEW, WHICH IS SUPPORTED BY THE CHARTERED GOVERNANCE INSTITUTE (ICSA) IS THAT ATTENDANCE AT A GENERAL MEETING BY A SHAREHOLDER, OTHER THAN ONE SPECIFICALLY REQUIRED TO FORM THE QUORUM FOR THAT MEETING, IS NOT ESSENTIAL FOR WORK PURPOSES. THE COMPANY HAS ARRANGED FOR A QUORUM TO BE PRESENT IN PERSON AT THE MEETING. ACCORDINGLY, WE HEREBY NOTIFY SHAREHOLDERS THAT ANYONE SEEKING TO ATTEND THE MEETING IN PERSON WILL BE REFUSED ENTRY.

SHAREHOLDERS ARE ASKED INSTEAD TO VOTE BY PROXY BY COMPLETING THEIR FORM OF PROXY IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT BELOW

Resolution 1 authorises the allotment of such number of Placing Shares as are necessary for the Placing, as well as providing the Directors with a standing authority to allot equity securities up to 43,889,021 Ordinary Shares (being an aggregate nominal value of £175,556.08 and 50 per cent. of the Enlarged Share Capital) otherwise than in connection with the Placing.

Similarly, Resolution 2 authorises the disapplication of statutory pre-emption rights in respect of such number of Placing Shares as are necessary for the Placing as well as providing the Directors with a standing authority to allot equity securities otherwise than in accordance with statutory pre-emption rights up to 43,889,021 Ordinary Shares (being an aggregate nominal value of £175,556.08 and 50 per cent. of the Enlarged Share Capital) otherwise than in connection with the Placing.

RECOMMENDATION AND IRREVOCABLE UNDERTAKINGS

The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as all of the Directors who hold Existing Ordinary Shares have irrevocably undertaken to do so in respect of their own beneficial holdings of Existing Ordinary Shares, representing, in aggregate, approximately 11 per cent. of the Existing Ordinary Share capital.

Yours faithfully

Clifford M. Gross Ph.D.

Chief Executive Officer

About Tekcapital plc

Tekcapital creates value from investing in new, university-developed intellectual properties and provides a range of IP investment services to make it easy for organisations to commercialise university-developed technology. Tekcapital is quoted 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

LEI: 213800GOJTOV19FIFZ85

For further information, please contact:

Forward-Looking Statements:

Certain statements in this announcement are or may be deemed to be forward-looking statements. Forward-looking statements are identified by their use of terms and phrases such as “believe” “could” “should” “envisage” “estimate” “intend” “may” “plan” “will” or the negative of those variations or comparable expressions including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors’ current expectations and assumptions regarding the Company’s future growth results of operations performance future capital and other expenditures (including the amount, nature and sources of funding thereof) competitive advantages business prospects and opportunities. Such forward-looking statements reflect the Directors’ current beliefs and assumptions and are based on information currently available to the Directors. Many factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, fluctuations in portfolio company net asset values, competition environmental and other regulatory changes actions by governmental authorities the availability of capital markets reliance on key personnel uninsured and underinsured losses and other factors many of which are beyond the control of the Company such as the COVID-19 pandemic. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions. The Company cannot assure investors that actual results will be consistent with such forward-looking statements.

SP Angel Corporate Finance LLP, which is a member of the London Stock Exchange, is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is acting as financial adviser, nominated adviser and broker for the purposes of the AIM Rules for Companies. SP Angel Corporate Finance LLP is acting exclusively for the Company in connection with the matters referred to in this announcement and for no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing any advice in relation to the contents of this announcement or any transaction, arrangement or matter referred to herein.