



This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Tekcapital plc
("Tekcapital", "the Company" or "the Group")
Unaudited Half-Yearly Report for the period ending 31 May 2021

Record Results for the Period

Tekcapital Plc (AIM: TEK, OTCQB: TEKCF), the UK intellectual property investment group focused on transforming university discoveries into valuable products to improve quality of life, is pleased to announce its results for the six-month period ended 31 May 2021.

Financial highlights

- Net Assets increased 56% to US\$51.1m (30 Nov 2020: US\$32.7m)
- NAV per share US\$0.39 (30 Nov 2020: US\$0.35)
- Total Revenue of US\$14.5m (H1 2020: US\$2.9m)
 - Net increase of US\$13.8m in fair value of portfolio companies
 - Revenue from services US\$715,323 (H1 2020: \$557,684)
- Profit before tax of US\$13.0m (H1 2020: US\$1.9m)
- Completed a placing of 38,000,000 new ordinary shares of 0.4 pence in the Company ("Ordinary Shares") at a price of 10 pence each to raise US\$5.28m before expenses on 18 March 2021.
- Cash position of US\$2.5m as of 31 May 2021.

Operational highlights: Portfolio Companies

Belluscura[®] Plc ("Belluscura") (15% ownership) www.belluscura.com

- On 8 March 2021, Belluscura plc announced the receipt of 510(k) Clearance from the US Food and Drug Administration (the "FDA") for its X-PLO2R™ portable oxygen concentrator.
- In April 2021, Tekcapital converted its warrants and options held in Belluscura for new ordinary shares of 1 pence each in Belluscura, bringing total shares held to 17.1 million
- On May 28 2021, Belluscura consummated its IPO and commenced trading on the AIM Market of the London Stock Exchange. At the IPO Price of 45 pence per Belluscura share, Tekcapital's holding was worth ~ US\$10.8m, compared to the book value of US\$2m as at 30 November 2020.

Lucyd[®] Ltd ("Lucyd") www.lucyd.co

- On 6 January 2021, Lucyd announced the launch of Lucyd[®] Lyte™ its tech-enhanced, prescription eyewear for active lifestyles. As of the date of this report Lucyd Lytes have received more than 200 total 5-star ratings on Amazon and Lucyd.co websites.

- On 22 March 2021, Lucyd announced it had signed a distribution agreement with D. Landstrom Associates, to build distribution of Lucyd Lyte™ bluetooth e-glasses in big box retail stores in the U.S.
- On 1 April 2021, Lucyd announced that its US subsidiary Innovative Eyewear Inc had closed an over-subscribed Regulation Crowdfund, raising approximately US\$1m. Following completion of the crowdfund, Lucyd owned 75% of shares of Innovative Eyewear Inc.
- On 5 May 2021, Innovative Eyewear Inc announced hiring of Frank Rescigna, head of global sales, Ken Strominger, director of sports & electronics marketing and Alex Rivera, manager of graphics and photography, expanding its go to market capabilities following the successful crowdfund.

Tekcapital owns 100% of shares of Lucyd. Lucyd owns approximately 80% of shares in Innovative Eyewear, its US operating subsidiary.

Guident Ltd (“Guident”) www.guident.co

- On 5 May 2021 Guident demonstrated its low-latency, vehicle control software to power its Remote Monitoring and Control Center (RMCC). This is expected to be used in its first RMCC for AVs, to be launched later this year in Boca Raton, Florida. The RMCC will be able to monitor multiple vehicles from a remote, secure monitoring centre, akin to air traffic control for ground-based vehicles.
- During H1 2021, the company defined its go to market strategy and engaged advisors with relevant industry experience.
- During H1 2021, the company has also progressed the engineering development of its prototype regenerative shock absorbers.

Tekcapital owns 100% of shares of Guident. Guident owns approximately 91% of shares in Guident CORP, its US operating subsidiary.

Salarius® Ltd (“Salarius”) www.salarius.co

- On 2 December 2020, Salarius successfully launched its innovative SaltMe!® snack line on Amazon in North America, with demonstrable sales growth since the launch.
- On 5 February 2021, MicroSalt, Inc, a U.S. subsidiary of Salarius, commenced its [Regulation Crowdfunding](#) program on the [MicroVentures platform](#), where it is seeking to raise approximately US\$750K at a US\$5m pre-money valuation (with approximately US\$600k raised to-date).
- On 10 March 2021, Salarius announced it has appointed Eduardo Souchon as V.P. of Business Development and Jay Shah, M.D., a Mayo Clinic cardiologist as a medical advisor.
- During the period, the company progressed its B2B sales pipeline for Microsalt®, including advancement to pricing discussions and successful development of different flavor mixes using MicroSalt® for a number of snack manufacturers.

Tekcapital owns 97.2% ownership of Salarius. Salarius owns approximately 80% of shares in Microsalt Inc, its US operating subsidiary.

Operational highlights: Corporate

As part of our continuing efforts to develop our team and expand our services:

- Tekcapital participated as sponsor and exhibitor at the virtual 2021 Canadian Region Meeting by the Association of University Technology Managers (AUTM), where hundreds of tech transfer professionals and industry experts met.
- Tekcapital participated as sponsor and exhibitor at the virtual 2021 Central Region Meeting held by AUTM.
- Tekcapital delivered a successful webinar series "The Impact of Nanotechnology" to more than 60 participants from the technology and innovations ecosystem in LATAM.
- Tekcapital has delivered more than 100 Invention Evaluator reports to assess the market potential of new university technologies in 2021.

Post period end highlights:

On 5 July 2021, Lucyd's U.S. operating company, Innovative Eyewear, Inc. signed an exclusive purchase and distribution agreement with 8 Points Inc, a subsidiary of [Marca Eyewear Group Inc.](#) a leading Canadian eyewear distributor that provides high-end spectacles for optical stores and eye care professionals. This agreement sets out a minimum purchase requirement of US\$4.6m worth of Lucyd® Lyte® e-glasses over 30 months, to maintain retail distribution exclusivity in Canada.

Post period end, Innovative Eyewear, Inc launched its second crowdfund with StartEngine LLC at a US\$20m pre-money valuation, raising over US\$100,000 as of the date of this report.

Dr. Clifford M. Gross, Chairman said: 'We are glad to report strong half-year performance for the Group. Our key portfolio companies are progressing well and should reach significant additional milestones by the end of 2021. We are also pleased to highlight Belluscura's successful IPO during the period. We are excited about what we have achieved in the first half of 2021 and are bullish about our prospects for the remainder of the year.'

For further information, please contact:

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)

+44 (0) 20 3470 0470

Flagstaff Strategic and Investor Communications

Tim Thompson/Andrea Seymour/Fergus Mellon

+44 (0) 20 7129 1474

About Tekcapital plc

Tekcapital creates value from investing in new, university-developed discoveries that can enhance people's lives and provides a range of technology transfer services to help organisations evaluate and commercialise new technologies. Tekcapital is quoted on the AIM market of the London Stock Exchange (AIM: symbol TEK) and is headquartered in the UK. For more information, please visit www.tekcapital.com.

LEI: 213800GOJTOV19FIFZ85

General Risk Factors and Forward-Looking Statements

The information contained in this document has been prepared and distributed by the Company and is subject to material updating, completion, revision, verification and further amendment. This Report is directed only at Relevant Persons and must not be acted on or relied upon by persons who are not Relevant Persons. Any other person who receives this Report should not rely or act upon it. By accepting this Report the recipient is deemed to represent and warrant that: (i) they are a person who falls within the above description of persons entitled to receive the Report; (ii) they have read, agree and will comply with the contents of this notice. The securities mentioned herein have not been and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under any U.S. State securities laws, and

may not be offered or sold in the United States of America or its territories or possessions (the “United States”) unless they are registered under the Securities Act or pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. This Report is not being made available to persons in Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or any other jurisdiction in which it may be unlawful to do so and it should not be delivered or distributed, directly or indirectly, into or within any such jurisdictions.

Investors must rely on their own examination of the legal, taxation, financial and other consequences of an investment in the Company, including the merits of investing and the risks involved. Prospective investors should not treat the contents of this Report as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers concerning any acquisition of shares in the Company. Certain of the information contained in this Report has been obtained from published sources prepared by other parties. Certain other information has been extracted from unpublished sources prepared by other parties which have been made available to the Company. The Company has not carried out an independent investigation to verify the accuracy and completeness of such third party information. No responsibility is accepted by the Company or any of its directors, officers, employees or agents for the accuracy or completeness of such information.

All statements of opinion and/or belief contained in this Report and all views expressed represent the directors’ own current assessment and interpretation of information available to them as at the date of this Report. In addition, this Report contains certain “forward-looking statements”, including but not limited to, the statements regarding the Company’s overall objectives and strategic plans, timetables and capital expenditures. Forward-looking statements express, as at the date of this Report, the Company’s plans, estimates, valuations, forecasts, projections, opinions, expectations or beliefs as to future events, results or performance. Forward-looking statements involve a number of risks and uncertainties, many of which are beyond the Company’s control, and there can be no assurance that such statements will prove to be accurate. No assurance is given that such forward looking statements or views are correct or that the objectives of the Company will be achieved. Further, valuations of Company’s portfolio investments and net asset value can and will fluctuate over time due to a wide variety of factors both company specific and macro-economic. Changes in net asset values can have a significant impact on revenue and earnings of the Company and its future prospects. Additionally, the current Coronavirus pandemic may produce negative economic activities which could reduce the company’s economic performance and the performance of its portfolio companies in ways that are difficult to quantify at this juncture. It may cause a downturn in the markets in which the Company operates, reduce the Company’s net asset values, revenue, cash flow, access to investment capital and other factors which could negatively impact the Company. As a result, the reader is cautioned not to place reliance on these statements or views and no responsibility is accepted by the Company or any of its directors, officers, employees or agents in respect thereof. The Company does not undertake to update any forward-looking statement or other information that is contained in this Report. Neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information contained in this Report or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Report. Neither the issue of this Report nor any part of its contents is to be taken as any form of contract, commitment or recommendation on the part of the Company or the directors of the Company. In no circumstances will the Company be responsible for any costs, losses or expenses incurred in connection with any appraisal, analysis or investigation of the Company. This Report should not be considered a recommendation by the Company or any of its affiliates in relation to any prospective acquisition or disposition of shares in the Company. No undertaking, Report, warranty or other assurance, express or implied, is made or given by or on behalf of the Company or any of its affiliates, any of its directors,

officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this Report and no responsibility or liability is accepted for any such information or opinions or for any errors or omissions.

Intellectual Property Risk Factors

Tekcapital mission is to create valuable products from university intellectual property that can improve people's lives. Therefore, our ability to compete in the market may negatively affected if our portfolio companies lose some or all of their intellectual property rights. If patent rights that they rely on are invalidated, or if they are unable to obtain other intellectual property rights. Our success will depend on the ability of our portfolio companies to obtain and protect patents on their technology and products, to protect their trade secrets, and for them to maintain their rights to licensed intellectual property or technologies. Their patent applications or those of our licensors may not result in the issue of patents in the United States or other countries. Their patents or those of their licensors may not afford meaningful protection for our technology and products. Others may challenge their patents or those of their licensors by proceedings such as interference, oppositions and re-examinations or in litigation seeking to establish the invalidity of their patents. In the event that one or more of their patents are challenged, a court may invalidate the patent(s) or determine that the patent(s) is not enforceable, which could harm their competitive position and ours. If one or more of our portfolio company patents are invalidated or found to be unenforceable, or if the scope of the claims in any of these patents is limited by a court decision, our portfolio companies could lose certain market exclusivity afforded by patents owned or in-licensed by us and potential competitors could more easily bring products to the market that directly compete with our own. The uncertainties and costs surrounding the prosecution of their patent applications and the cost of enforcement or defense of their issued patents could have a material adverse effect on our business and financial condition.

To protect or enforce their patent rights, our portfolio companies may initiate interference proceedings, oppositions, re-examinations or litigation against others. However, these activities are expensive, take significant time and divert management's attention from other business concerns. They may not prevail in these activities. If they are not successful in these activities, the prevailing party may obtain superior rights to our claimed inventions and technology, which could adversely affect their ability of our portfolio companies to successfully market and commercialize their products and services. Claims by other companies may infringe the intellectual property rights on which our portfolio companies rely, and if such rights are deemed to be invalid it could adversely affect our portfolio companies and ourselves as investors in these companies.

From time to time, companies may assert, patent, copyright and other intellectual proprietary rights against our portfolio company's products or technologies. These claims can result in the future in lawsuits being brought against our portfolio companies or their holding company. They and we may not prevail in any lawsuits alleging patent infringement given the complex technical issues and inherent uncertainties in intellectual property litigation. If any of our portfolio company products, technologies or activities, from which our portfolio companies derive or expect to derive a substantial portion of their revenues and were found to infringe on another company's intellectual property rights, they could be subject to an injunction that would force the removal of such product from the market or they could be required to redesign such product, which could be costly. They could also be ordered to pay damages or other compensation, including punitive damages and attorneys' fees to such other company. A negative outcome in any such litigation could also severely disrupt the sales of their marketed products to their customers which in turn could harm their relationships with their customers, their market share and their product revenues. Even if they are ultimately successful in defending any intellectual property litigation, such litigation is expensive and time consuming to address, will divert our management's attention from their business and may harm their reputation and ours.

Several of our portfolio companies may be subject to complex and costly regulation and if government regulations are interpreted or enforced in a manner adverse to them, they may be subject to enforcement actions, penalties, exclusion, and other material limitations on their operations that could have a negative impact on their financial performance. All of the above listed risks can have a material, negative affect on our net asset value, revenue, performance and the success of our business and the portfolio companies we have invested in.

Chairman's statement

Tekcapital brings innovations from lab to market. In the first half of 2021, our key portfolio companies have made significant progress and as a result, our net assets ended the period at record levels.

Key portfolio companies

Tekcapital Plc commercialises university intellectual property, a process known as technology transfer, both for its own portfolio and as a service for client companies.

We believe that when you couple commercialization ready, compelling university IP with strong senior management, you increase the probability that vibrant companies will emerge, net assets will grow, returns on invested capital are likely to increase and exits, if they occur, should occur faster. When we realise exits, the Group's goal is to distribute a portion of proceeds as a special dividend to our shareholders.

The Company believes that there is considerable value to be realised from its portfolio companies and is continuing to further assist and invest in these operations. A common theme across our portfolio companies is that they have proprietary intellectual property, capable management in our view, and if successful, can improve the quality of life for the customers they serve. The Company's key investments include:

- **Salarius Ltd** (www.salarius.co), of which Tekcapital owns 97.2%, owns a patented process for producing nano-particle salt crystals ("MicroSalt®"), which can reduce sodium content in snack foods by up to 50.0%, yet provide the same level of salty flavour found in traditional snacks. Salarius' goal is to make snack foods healthier. According to the World Health Organization, cardiovascular disease takes the lives of 17.9 million people per year and is responsible for 31% of global deaths and as such the low sodium ingredient market is estimated to reach US\$1.76 billion by 2025¹.
- **Lucyd Ltd** (www.lucyd.co), which is wholly owned by Tekcapital, sells innovative Bluetooth enabled glasses, through its US. Subsidiary Innovative Eyewear, Inc (80% ownership). The company owns 24 design and utility patents (14 granted and 10 pending) for its Bluetooth® enabled sound glasses. We believe Lucyd was the first company to offer proper prescription glasses online that allow the wearer to connect to their smartphones and digital assistants. Their mission is to *Upgrade your Eyewear® with useful hands-free technology*. In 2019, the largest number of pedestrian injuries were reported in the past 30 years² and every seven minutes a pedestrian is struck by a car due primarily to both drivers and pedestrian alike being distracted with their smart phones. Lucyd's glasses have speakers built into the arms of the glasses which allows users to make calls and listen to music, whilst maintaining situational awareness of the traffic around them having nothing placed in the ears. Additionally, Lucyd is developing a voice-controlled app called Vyrb™ which will enable it's Lyte customers and others to respond to posts on Twitter with their voice, obviating the need to look at their phones or type responses. Lucyd is positioned at the intersection of the online eyewear, hearables and digital assistant markets. Online eyewear sales in the U.K. are projected to reach US\$824m³ in 2019. The U.S. online eyewear market is projected to reach US\$3.5bn in 2019 and expected to grow annually by 1.3%⁴.
- **Guident Ltd** (www.guident.co), which is wholly owned by Tekcapital (Guident owns approximately 91% of shares in Guident CORP, its US operating subsidiary), was established to commercialise new technology to enhance the utility and safety of autonomous vehicles ("AVs") and ground-based autonomous

¹ <https://www.futuremarketinsights.com/reports/sodium-reduction-ingredient-market>

² <https://www.caranddriver.com/news/a31136893/pedestrian-deaths-increase-2019/>

³ <https://www.statista.com/outlook/12000000/156/eyewear/united-kingdom>

⁴ <https://www.statista.com/statistics/428692/projected-size-of-global-autonomous-vehicle-market-by-vehicle-type/>

delivery devices. Using its proprietary IP, Guident is developing software Apps that allow operators of AV's to remotely monitor and control their vehicles. Remote monitoring and control is a legal requirement for AV operation in the State of Florida and other jurisdictions. The autonomous vehicle market is expected to reach US \$65.3 billion by 2027⁵.

- **Belluscura plc** (www.belluscura.com), of which Tekcapital owns approximately 15%, has developed an improved portable oxygen concentrator (POC) to provide on-the-go supplemental O₂. Their device is smaller, lighter and quieter than most competitive products and has a replaceable filter cartridge that will allow the user to upgrade the unit as their disease progresses. The device was recently cleared for sale by the FDA and Belluscura is expected to begin sales in Q3 2021. As a result of the global prevalence of Chronic obstructive pulmonary disease (COPD), the medical portable oxygen market is expected to grow from US\$1.4bn in 2018 to US\$5bn by 2030⁶. A recent report by [Grand View Research](#) indicates an increasing demand for portable oxygen concentrators, and anticipates unit sales to grow from 405k units per year in 2019 to 581k units per year in 2026 for a total value of US\$1.4bn. This anticipated growth may have a positive impact on portfolio company Belluscura.

Corporate

In H1 2021 consulting services sales increased by 28% to US\$715K from US\$558K (H1 2020).

Financial performance

Despite significant headwinds resulting from COVID-19, in H1 2021 Tekcapital continued to create value which resulted in a 56% increase in its net assets. This was largely due to return on invested capital (ROIC) for Belluscura following its IPO and the improved performance of Lucyd following the successful launch of its first commercial product. The Group has now demonstrated 4.5 years of consistent growth of Net Assets.

Fundraisings

On 18 March 2021, the Group announced that it had completed a fundraising of US\$5.28 million gross proceeds through the placing of 38,000,000 new Ordinary Shares, primarily with new and existing institutional investors at a price of 10 pence per share. These funds are being utilized for accelerating portfolio company growth and for working capital.

Current Trading and Outlook

Having continued to develop and expand Tekcapital's existing business, the Board is confident that continued investment in our portfolio companies remains the right approach for long-term value creation. Additionally, most of our portfolio companies are exploring external funding. Further, we believe that we are executing on our strategy and this should result in increases in returns on invested capital as our portfolio companies continue to mature towards meaningful exits, which we hope to see in the next 24 months. Whilst it is clear that the Company is progressing very well, net asset values will fluctuate from period to period due to individual portfolio company performance, valuations and changes in market conditions and macro-economic financial conditions including the recent Coronavirus pandemic. We are grateful for the patience and support of our shareholders. We are also sincerely appreciative of our dedicated, creative and incredibly hardworking team without which, none of the results reported herein would be possible.

Dr Clifford M Gross

Chairman and CEO

16 August 2021

⁵ <https://www.statista.com/statistics/428692/projected-size-of-global-autonomous-vehicle-market-by-vehicle-type/>

⁶ <https://www.marketwatch.com/press-release/medical-oxygen-concentrators-market-size-is-estimated-to-achieve-us-499-billion-by-2030-2021-05-17?siteid=bigcharts&dist=bigcharts&tesla=y>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 May 2021

	Notes	Six months ended 31 May 2021 Unaudited US\$	Six months ended 31 May 2020 Unaudited US\$	Year ended 30 November 2020 Audited US\$
Continuing Operations				
Revenue from services		715,753	557,684	1,195,252
Unrealised profit on the revaluation of investments	7	13,780,423	2,301,963	8,688,111
Total Revenue		14,496,176	2,859,647	9,883,363
Cost of sales		(384,236)	(248,900)	(458,728)
Gross Profit		14,111,940	2,610,747	9,424,635
Administrative expenses		(1,154,686)	(711,300)	(1,742,641)
Operating Profit		12,957,254	1,899,447	7,681,994
Profit on ordinary activities before income tax				
Income tax expense		(94)	(1,818)	(2,076)
Profit after tax for the period		12,957,160	1,897,629	7,679,918
Other comprehensive income				
Foreign exchange profit/(loss)		430,914	(182,115)	92,949
Total other comprehensive income/(loss)		430,914	(182,115)	92,949
Total comprehensive profit for the period		13,388,074	1,715,514	7,772,867
Earnings per share				
Basic earnings per share	6	0.120	0.026	0.095
Diluted earnings per share		0.117	0.025	0.094

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 May 2021

	Notes	As at 31 May 2021 Unaudited US\$	As at 31 May 2020 Unaudited US\$	As at 30 November 2020 Audited US\$
Assets				
Non-current assets				
Intangible assets		838,770	838,770	838,770
Financial assets at fair value through profit and loss	7	46,426,210	22,758,873	30,491,657
Convertible Loan Notes		1,778,282	735,978	588,169
Property, plant and equipment		11,317	13,475	9,622
		<u>49,054,579</u>	<u>24,347,096</u>	<u>31,928,218</u>
Current Assets				
Trade and other receivables		236,446	1,038,395	647,436
Cash and cash equivalents		2,456,493	1,034,348	538,473
		<u>2,692,939</u>	<u>2,072,743</u>	<u>1,185,909</u>
Total Assets		<u>51,747,518</u>	<u>26,419,839</u>	<u>33,114,127</u>
Liabilities				
Current liabilities				
Trade and other payables		443,194	127,635	247,442
Current income tax liabilities		500	500	500
Deferred Revenue		154,721	110,474	154,721
Total liabilities		<u>598,415</u>	<u>238,609</u>	<u>402,663</u>
Net Assets		<u>51,149,103</u>	<u>26,181,230</u>	<u>32,711,464</u>
Equity				
Ordinary shares	8	735,625	494,861	521,830
Share premium	8	17,992,484	12,786,361	13,211,344
Retained earnings		31,791,802	12,976,794	18,780,012
Translation reserve		701,361	(4,617)	270,447
Merger reserve		(72,169)	(72,169)	(72,169)
Total Equity		<u>51,149,103</u>	<u>26,181,230</u>	<u>32,711,464</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 May 2021

	Attributable to equity holders of the parent					
	Ordinary shares	Share Premium	Translation Reserve	Merger Reserve	Retained Earnings	Total Equity
	US\$	US\$	US\$	US\$	US\$	US\$
Unaudited						
Balance at 1 December 2020	521,830	13,211,344	270,447	(72,169)	18,780,012	32,711,464
Share issue	213,795	5,082,394				5,296,189
Cost of share issue		(301,254)				(301,254)
Profit for the period					12,957,160	12,957,160
Other comprehensive income			430,914			430,914
Share based payments					54,630	54,630
Balance at 31 May 2021	735,625	17,992,484	701,361	(72,169)	31,791,802	51,149,103
Unaudited						
Balance at 1 December 2019	372,984	10,993,546	177,498	(72,169)	11,055,821	22,527,680
Share issue	121,877	1,967,235				2,089,112
Cost of share issue		(174,420)				(174,420)
Profit for the period					1,897,629	1,897,629
Other comprehensive income			(182,115)			(182,115)
Share based payments					23,346	23,345
Balance at 31 May 2020	494,861	12,786,361	(4,617)	(72,169)	12,976,794	26,181,231
Audited						
Balance at 1 December 2019	372,984	10,993,546	177,498	(72,169)	11,055,821	22,527,680
Share issue	147,298	2,450,245				2,597,543
Cost of share issue		(262,252)				(262,253)
Share options exercised	1,548	29,805				31,353
Profit for the period					7,679,918	7,679,918
Other comprehensive income			92,949			92,949
Share based payments					44,273	44,273
Balance at 30 November 2020	521,830	13,211,344	270,447	(72,169)	18,780,012	32,711,464

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 directly attributable issue costs.

The merger reserve arose on the share for share exchange undertaken by the Company with Tekcapital Europe Limited on 18 February 2014.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 May 2021

Group	Note	Six months ended 31 May 2021 US \$	Six months ended 31 May 2020 US \$	For the year ended 30 Nov 2020 US \$
Cash flows from operating activities				
Cash outflows from operations		(1,306,438)	(1,149,198)	(948,166)
Taxation paid		(94)	(1,818)	(2,076)
Net cash outflows from operating activities				
		(1,306,532)	(1,151,016)	(950,242)
Cash flows from investing activities				
Purchase of financial assets at fair value through profit and loss		(1,771,901)	(219,584)	(1,345,679)
Purchases of property, plant and equipment				(950)
Net cash outflows from investing activities				
		(1,771,901)	(219,584)	(1,346,629)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares		5,296,189	2,089,112	2,628,896
Costs of raising finance		(301,252)	(174,420)	(262,252)
Net cash inflows from financing activities				
		4,994,937	1,914,692	2,366,644
Net increase/(decrease) in cash and cash equivalents				
Cash and cash equivalents at beginning of year		1,916,504	544,092	69,773
Exchange gain/(loss) on cash and cash equivalents		538,473	472,899	472,899
		1,516	17,357	(4,199)
Cash and cash equivalents at end of the period				
		2,456,493	1,034,348	538,473

Notes to the financial information

1. General information

Tekcapital PLC is a company incorporated in England and Wales and domiciled in the UK. The address of the registered office is 12 New Fetter Lane, London, United Kingdom, EC4A 1JP. The Company is a public limited company, which is quoted on the AIM market of the London Stock Exchange in 2014.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2. Basis of preparation

The financial information for the six months ended 31 May 2021 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 ("\$").

3. Accounting policies

3.1 Statement of compliance

The accounting policies applied by the Group in these unaudited half year results are consistent with those applied in the annual financial statements for the year ended 30 November 2020.

The financial statements of Tekcapital PLC Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4 of the FY 2020 accounts. The estimates that changed since then are disclosed in Note 7.

4. Going concern

The Group meets its day to day working capital requirements through its service offerings and monies raised in follow-on offerings. The Group's forecasts and projections indicate that the Group has sufficient cash reserves to operate within the level of its current facilities. If the Group forecasts are not achieved the Directors are confident that additional funds could be raised through equity issues if required. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Group therefore continues to adopt the going concern basis in preparing both its consolidated financial statements and for these interim financial statements.

5. Taxation

Immaterial charge of US\$94 has arisen in the six-month period ended 31 May 2021 (31 May 2020: US\$2,090).

6. Earnings 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.

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the sum of weighted average number of (1) Ordinary Shares outstanding during the period and (2) Ordinary Shares to be issued assuming exercise of outstanding stock options with intrinsic value above \$0 at 31 May 2021:

	Six months ended 31 May 2021 US\$	Six months ended 31 May 2020 US\$	Year ended 30 November 2020 US\$
Profit attributable to equity holders of the Company	12,957,160	1,897,629	7,679,918
Weighted average number of Ordinary Shares in issue:			
Basic	108,363,954	72,332,693	58,010,322
Diluted	115,363,954	76,081,339	58,918,289
Basic profit (loss) per share (\$)	0.120	0.026	0.095
Diluted profit (loss) per share (\$)	0.117	0.025	0.094

7. Financial Assets at Fair Value through Profit or Loss

Group's investments in portfolio companies are listed below and classified as equity instruments. The principal place of business for portfolio companies listed below is England and Wales.

	31 May 2020	1 December 2020	Additions	Exchange difference	Fair value gain/(loss)	31 May 2021
	US \$	US \$	US \$	US \$	US \$	US \$
Guident Limited	15,511,631	22,029,834		28,475		22,058,309
Lucyd Ltd	3,431,001	2,699,331			5,210,705	7,910,036
Belluscura Limited	1,939,653	2,081,027	1,771,901	353,753	8,569,718	12,776,400
Salarius Ltd	1,833,426	3,638,304				3,638,304
Smart Food Tek Limited	43,162	43,161				43,161
Total Balance	22,758,873	30,491,657	1,771,901	382,229	13,780,423	46,426,210

The valuation techniques used fall under, Level 2 – Observable techniques, other than quoted prices, and Level 3- Other techniques as defined by IFRS 13. There have been no transfers between Level 3 and Level 2 for Group's investment in Lucyd Ltd during the period. Fair value measurement hierarchy for financial assets as at 31 May 2021 with comparative amounts as of 30 November 2020:

	Date of Valuation	Significant		
		observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
		Total US \$	US \$	US \$
Guident and others	31 May 2021	33,649,810	-	33,649,810
Belluscura	31 May 2021	12,776,400	12,776,400	-
Total Balance	31 May 2021	46,426,210	12,776,400	33,649,810
Guident and others	30 Nov 2020	28,410,630	-	28,410,630
Belluscura Limited	30 Nov 2020	2,081,027	2,081,027	-
Total Balance		30,491,657	2,081,027	28,410,630

Guident (Nil Gain / Nil loss)

The total fair value remains unchanged from 30 November 2020 adjusted for adjusted for fluctuation of foreign exchange differences. The Group relied on the external valuation prepared by an independent patent valuation expert for Guident's IP portfolio performed as of 30 November 2020. Upon review of assumptions used in the 30 November 2020 valuation as well as business updates in H1 2021, the management noted no material events necessitating revisions. The management will obtain an update to the valuation report as of 30 November 2021, absent of any market transactions where quoted prices can be obtained.

Salarius (Nil Gain / Nil loss)

The total fair value remains unchanged from 30 November 2020. The Group relied on the external valuation prepared by an independent patent valuation expert for the Salarius' IP portfolio performed as of 30 November 2020. Upon review of assumptions used in the 30 November 2020 valuation as well as business updates in H1 2021, the management noted no material events necessitating revisions. The

management will obtain an update to the valuation report as of 30 November 2021, absent of any market transactions where quoted prices can be obtained.

Lucyd Ltd (\$5.2m gain)

The total fair value increased by US\$5.2m from 30 November 2020. The Group relied on the external valuation prepared by an independent patent valuation expert for Lucyd's business as of 31 May 2021. The update by the valuation expert was prepared due to material developments in Lucyd's business during the reporting period, reflected in updated management's projections. The projections were updated compared to 30 November 2020 valuation considering:

- Agreement on terms and conditions of the distribution agreement with 8 Points Inc, a fully owned subsidiary of Marca Group Eyewear Inc as of 31 May 2021. The agreement sets out a minimum purchase agreement of US\$4.6m over 30 months, to maintain retail distribution exclusivity in Canada. If minimums are not achieved, the company may cancel the agreement or convert to a non-exclusive distribution agreement. If the agreement is terminated by the distributor, the contractual liability would exist for all minimum for all periods. Management notes previous projections did not include international sales. The distributor signed signals other potential international markets to be addressed. Although the agreement was not signed until July 2021, the agreement was substantially progressed as of 31 May 2021.
- Significant, previously unaccounted advancement of the US sales pipeline including progression of discussions with multiple national US optical chains, independent optical stores, sporting goods stores and big box retail stores during the period.

No deferred tax was recorded on the increase in the fair value of the company which contributed to the increase in the valuation during the period.

This progress was also reflected in the pre-money valuation of Innovative Eyewear, Inc of US\$20,000,000 as set by StartEngine LLC for the purpose of additional fundraising to be undertaken by the company post period end.

Belluscura (\$8.8m gain)

The Group exercised the warrant and options held for shares of Belluscura in March and April of 2021 for the total of US\$ 1,815,144 for:

- 1,273,078 ordinary shares at 16p per share
- 600,000 ordinary shares at 15p per share
- 4,761,905 ordinary shares at 21p per share

On May 28 2021, Belluscura plc consummated its IPO and commenced trading on the AIM Market of the London Stock Exchange. Using quoted price of 53p as of the last trading day of H1 2021, adjusted for cost addition of US\$1.8m, fair value gain of US\$8.8m was recorded.

Other investments (Nil Gain / Nil loss)

Given early stage of commercialisation, fair value of remaining Smart Food TEK was recorded based on the cost of acquired IP, as their carrying amounts represent a reasonable approximation of fair value.

Under level 3 unobservable inputs. In the absence of observable inputs, the directors have considered the entities own data to determine the fair value, which equates to the original funds invested. They do not consider that any other available information would materially change or give a more reliable

representation of the value.

This is the only category of financial instruments measured and re-measured at fair value.

8. Share Capital

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

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.

Issued and fully paid	Shares Number	Share capital US\$	Share premium US\$
Ordinary shares of £0.004 each			
At 1 December 2019	63,728,042	372,984	10,993,546
Shares issued in further public offering	24,050,000	121,877	1,792,815
As at 31 May 2020	87,778,042	494,861	12,786,361
At 1 December 2019	63,728,042	372,984	10,993,546
Shares issued in further public offering	28,800,000	147,298	2,450,245
Cost of shares issued			(262,252)
Shares issued through share options exercise	300,000	1,548	29,805
As at 30 November 2020	92,828,042	521,830	13,211,344
Shares issued in further public offering	38,000,000	213,795	5,082,394
Cost of shares issued			(301,254)
As at 31 May 2021	130,828,042	735,625	17,992,484

9. Related party transactions

The Group has taken advantage of the exemption in IAS 24 "related parties" not to disclose transactions with other Group companies. During the period the Group did not employ any services of non-Group companies meeting the definition of related parties.

10. Interim results

The interim results for the six months ended 31 May 2021 will not be sent to shareholders but will be available from the Company's website at <http://tekcapital.com/investors/>.

- Ends -