



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.

28 July 2022

**Tekcapital plc**  
("Tekcapital", the "Company" or the "Group")  
**Unaudited Half-yearly Report for the period ending 31 May 2022**

***Company delivered record NAV (US\$77m) and NAV/share (US\$0.51)***

Tekcapital Plc (AIM: TEK), (OTCQB: TEKCF), the UK intellectual property investment group focused on transforming university technologies into valuable products that can improve people's lives, is pleased to announce its results for the six-month period ended 31 May 2022.

**Financial highlights**

- Net Assets increased 13% to US\$76.9m (30 November 2021: US\$68.1m).
- NAV per share increased 6% to US\$0.51 (30 November 2021: US\$0.48).
- Portfolio valuation increased 16% to US\$74.3m (30 November 2021: US\$63.9m).
- Total income was US\$8.0m (H1 2021: US\$14.5m), driven primarily by the net increase of US\$7.5m in the fair value of portfolio companies (H1 2021: US\$13.8m).
- Profit after tax: US\$6.7m (H1 2021: US\$13.0m).
- Completed US\$2.5m share placement during the period (H1 2021: US\$5.3m).

**Operational highlights: Portfolio Companies**

Belluscura® Plc ("Belluscura") [www.belluscura.com](http://www.belluscura.com)

- Awarded a Distribution and Pricing Agreement ("DAPA") from the United States Defense Logistics Agency ("DLA"), one of the largest buyers in the world, for the X-PLO2R®.
- Executed an agreement with InnoMax Medical Technology to manufacture its X-PLO2R® portable oxygen concentrator in China, which is expected to more than double its manufacturing capacity whilst accelerating its international expansion. Nearly 100 million people in China have chronic obstructive pulmonary disease ("COPD"). This cohort is 4X larger than the U.S. COPD population.
- Following the agreement, Belluscura completed placement for £5.7 million net of placing expenses to fund the purchase of raw material inventory and manufacturing non-recurring engineering costs in connection with the recently announced global manufacturing agreement in China.
- Tekcapital owns 14% of shares of Belluscura plc, valued at US\$18.9m as of 31 May 2022.

Lucyd® Ltd (“Lucyd”) [www.lucyd.co](http://www.lucyd.co)

- Innovative Eyewear has filed an S1 registration statement with the SEC and is seeking to effectuate an IPO to be traded on the NASDAQ under the ticker: LUCY, which it seeks to consummate as soon as practicable depending upon market conditions.
- Announced it has been approved by DICK'S Sporting Goods® to provide its Lucyd Lyte® smart eyewear on dickssportinggoods.com and by BestBuy.ca to place its products on Best Buy's Canadian ecommerce site.
- Sales growth of its smart eyewear by over 100% in Q1 2022 compared to Q1 2021<sup>1</sup>.
- Tekcapital owns 100% of shares of Lucyd Ltd, valued at US\$27.1m as of 31 May 2022. Lucyd Ltd owns approximately 81% of shares in Innovative Eyewear, Inc. its US operating subsidiary.

Guident Ltd (“Guident”) [www.guident.co](http://www.guident.co)

- Has been selected as a vendor by the Jacksonville Transportation Authority (JTA)'s Procurement Review Committee for JTA Proposal No. P-22-010 entitled “JTA Test Environment” to provide remote monitoring and control services for three years. This major project will commence in August 2022.
- Announced it is working with Airspan Networks (NYSE American: MIMO) to provide customers with connectivity and software solutions for autonomous vehicles for smart city applications, using CBRS (Citizens Broadband Radio Service) spectrum.
- Announced that it filed its 8th patent application covering improvements to its remote monitoring and control centre for AVs. The U.S. patent application #17/579,203 is entitled: "Near Real-Time Data and Video Streaming System for a Vehicle, Robot or Drone."
- Announced that its Regenerative Shock Absorber (“RSA”) prototypes have been fabricated and are being evaluated by independent test facilities to confirm their performance and capabilities. Guident is currently in discussions with potential customers and strategic partners to potentially manufacture and use their RSA's.
- Tekcapital owns 100% of shares of Guident Ltd, valued at US\$18.1m as of 31 May 2022. Guident owns approximately 91% of shares in Guident CORP, its US operating subsidiary.

Salarius® Ltd (“Salarius”) [www.salarium.com](http://www.salarium.com)

- Appointed Rick Guiney as CEO. Rick has more than 35 years of experience in the food industry, including 30+ years as President & CEO of Classic Snacks, Inc., where he pioneered the ground-up development of the business and transformed it into a market-leading direct distribution company in the food industry. Classic Snacks quickly became a nationwide snack food packager and distributor to airlines, restaurants, hotels, country clubs, bars, taverns, and retail private label customers.
- Appointed Dan Emery as a non-executive member of its board of directors. Dan has more than 25 years of experience in the food industry, including 15 years as vice president of sales and marketing at Pilgrim's Pride, during which time sales grew from US\$970 million to US\$8.5 billion, with a balance between retail and food service.
- Successfully completed roll-out of SaltMe! crisps to Kroger Company, the United States largest supermarket by revenue.<sup>2</sup> The roll-out has been expanded from 1,800 stores to 2,200 stores.
- Received a VC seed investment of US\$400K at \$1.29/share, a 29% uplift over its prior period valuation.
- Tekcapital owns 97.2% ownership of Salarius Ltd, valued at US\$7.0m as of 31 May 2022. Salarius owns approximately 73% of shares in Microsalt Inc, its US operating subsidiary.

---

<sup>1</sup> [https://www.sec.gov/Archives/edgar/data/0001808377/000182912622012073/innovativeeye\\_s1a.htm](https://www.sec.gov/Archives/edgar/data/0001808377/000182912622012073/innovativeeye_s1a.htm)

<sup>2</sup> <https://www.supermarketnews.com/retail-financial/top-25-supermarket-operators-sales>

## **Operational highlights: Corporate**

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

- Tekcapital delivered the English webinar series " Technology Transfer: The Development of New Commercialization Paradigms". The webinar was delivered to more than 60 participants from USA, Canada and South Africa.
- Tekcapital delivered the Spanish webinar series "The Development of New Commercialization Paradigms In LATAM." The webinar was delivered to more than 80 participants from Colombia, Chile, Mexico and Peru.
- Tekcapital participated as a sponsor and exhibitor at the 2022 U.S. Central Region meeting held by the Association of University Technology Managers (AUTM).
- Tekcapital participated at several networking events held by PraxisAuril and LicenciArte, where key tech-transfer industry players connected.

## **Post period end highlights:**

- MicroSalt® announced that it has executed its first bulk B2B MicroSalt order in the US, placed its SaltMe™ brand of low-sodium potato chips into over 3,000 retail stores nationwide in the U.S., and begun test marketing the first MicroSalt® salt-shakers for food service, restaurants and retail sale.
- Salarius Ltd changed its name to MicroSalt Ltd, consistent with its global strategy to enhance brand recognition for MicroSalt as it accelerates the growth of its business.
- Belluscura announced the launch of its Bluetooth® enabled, next generation XPLORE® portable oxygen concentrator. The next generation X-PLOR provides more oxygen by weight than any portable oxygen concentrator in its class and with its new Nomad Health™ App, patients can connect other Bluetooth® devices such as their iPhone® or Android phone, Nonin® or Masimo® pulse oximeters, and Fitbit® wearables.
- Belluscura announced that in addition to selling its products through distributors it has commenced selling its X-PLOR oxygen concentrators direct to consumers from the following website: [www.xploroxxygen.com](http://www.xploroxxygen.com).

**Dr. Clifford M. Gross, Chairman said:** "We are glad to report solid half-year performance for the Group. Our key portfolio companies are all revenue generating, progressing well, have capable management, and should reach significant additional milestones by the end of 2022. We are excited about what we have achieved in the first half of 2022 and about our potential near-term growth and performance."

## **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](http://www.tekcapital.com).

**LEI: 213800GOJTOV19FIFZ85**

### **General Risk Factors and Forward-Looking Statements**

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, agreed 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's 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 be 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 commercialise 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 laboratory to market. In the first half of 2022, our key portfolio companies have made significant progress and as a result, our net assets and net assets per share 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 commercialisation 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 happen 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 current 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.saliarius.co](http://www.saliarius.co)), of which Tekcapital owns 97.2%, owns approximately 73% of Microsalt Inc., its US operating subsidiary, which owns a patented process for producing nano-particle salt crystals ("MicroSalt<sup>®</sup>"), 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. The global sodium reduction ingredient market is currently estimated to have a market value of US\$ 5.5bn in 2022 and is estimated to show an approximate CAGR of 5.8%, reaching a market value of USD 9.6bn by 2032<sup>3</sup>.
- **Lucyd Ltd** ([www.lucyd.co](http://www.lucyd.co)), which is wholly owned by Tekcapital, sells innovative Bluetooth enabled glasses, through its US subsidiary Innovative Eyewear, Inc. (81% ownership). Innovative Eyewear Inc. launched its first commercial product in January 2021 after test marketing several prototypes. The company owns 41 pending and granted, design and utility patents for its Bluetooth<sup>®</sup> 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<sup>®</sup>* with useful hands-free technology. In 2019, the largest number of pedestrian injuries were reported in the past 30 years<sup>4</sup> 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 has developed a voice-controlled app called Vyrb<sup>™</sup> which will enable its customers and others to respond to posts on Twitter with their voice, obviating the need to look at their phones or type responses. Lucyd products are positioned at the intersection of the eyewear, hearables and digital assistant markets. The U.S. eyewear market is projected to reach US\$29.4bn in 2022<sup>5</sup>.

---

<sup>3</sup> <https://www.futuremarketinsights.com/reports/sodium-reduction-ingredient-market>

<sup>4</sup> <https://www.caranddriver.com/news/a31136893/pedestrian-deaths-increase-2019/>

<sup>5</sup> <https://www.statista.com/outlook/cmo/eyewear/united-states>

- **Guident Ltd** ([www.guident.co](http://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 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 many other jurisdictions. We believe ,that in the future, most territories with AV’s will require remote monitoring and control. The autonomous vehicle market is expected to reach US \$65.3 billion by 2027<sup>6</sup>.
- **Belluscura plc** ([www.belluscura.com](http://www.belluscura.com)), of which Tekcapital owns approximately 14%, has developed an improved portable oxygen concentrator (POC) to provide on-the-go supplemental oxygen. 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 Food and Drug Administration (“FDA”) and Belluscura commenced sales in 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 2030<sup>7</sup>. This large, anticipated growth may have a positive impact on portfolio company Belluscura.

### **Financial performance**

Despite headwinds in the global economy and capital markets, in H1 2022 Tekcapital continued to create value and increased its net assets. This was largely due to enhancement of the values of both MicroSalt and Lucyd. The Group has now demonstrated 5 + years of consistent growth of Net Assets.

### **Fundraisings**

On 30 May 2022, the Group announced that it had completed a fundraising of £2million (approx.. US\$2.5 million) gross proceeds through the placing of 8,000,000 new ordinary shares with new and existing investors at a price of 25 pence per share. These funds are being utilised to further accelerate 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. 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 and some achieve meaningful exits, which we hope to see in the next 12 months. Whilst it is clear that the Company is progressing very well, please note that our net asset values and revenues 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 and the Russian invasion of Ukraine. We are grateful for the patience and support of our shareholders through these challenging events. 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**  
 28 July 2022

---

<sup>6</sup> <https://www.statista.com/statistics/428692/projected-size-of-global-autonomous-vehicle-market-by-vehicle-type/>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 May 2022

	Notes	Six months ended 31 May 2022 Unaudited US\$	Six months ended 31 May 2021 Unaudited US\$	Year ended 30 November 2021 Audited US\$
<b>Continuing Operations</b>				
Revenue from services		368,928	646,770	815,989
Changes in fair value on financial assets at fair value through profit or loss	7	7,478,419	13,780,423	28,096,340
Interest from financial assets at fair value through profit or loss		186,012	-	142,399
Operating expenses		(1,349,646)	(1,538,923)	(2,845,339)
Other income	7	-	68,982	161,094
<b>Operating profit and profit before tax</b>		<b>6,683,713</b>	<b>12,957,252</b>	<b>26,370,483</b>
Income tax expense	5	(892)	(93)	(1,813)
<b>Profit after tax for the period</b>		<b>6,682,821</b>	<b>12,957,159</b>	<b>26,368,670</b>
<b>Other comprehensive income</b>				
Translation of foreign operations		(272,756)	430,914	16,276
<b>Total other comprehensive income/(loss)</b>		<b>(272,756)</b>	<b>430,914</b>	<b>16,276</b>
<b>Total comprehensive income for the period</b>		<b>6,410,065</b>	<b>13,388,073</b>	<b>26,384,946</b>
<b>Earnings per share</b>				
Basic earnings per share	6	0.05	0.12	0.22
Diluted earnings per share		0.05	0.12	0.21

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 May 2022

	Notes	As at 31 May 2022 Unaudited US\$	As at 31 May 2021 Unaudited US\$	As at 30 November 2021 Audited US\$
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		322,463	838,770	364,401
Financial assets at fair value through profit and loss	7	74,286,140	48,204,492	63,865,432
Property, plant and equipment		17,004	11,317	6,603
		<u>74,625,607</u>	<u>49,054,579</u>	<u>64,236,436</u>
<b>Current assets</b>				
Trade and other receivables		1,865,111	236,446	689,003
Cash and cash equivalents		1,148,375	2,456,493	3,543,762
		<u>3,013,486</u>	<u>2,692,939</u>	<u>4,232,765</u>
<b>Total assets</b>		<u><u>77,639,093</u></u>	<u><u>51,747,518</u></u>	<u><u>68,469,201</u></u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		539,146	443,194	237,651
Deferred Revenue		169,283	155,221	169,283
<b>Total liabilities</b>		<u>708,429</u>	<u>598,415</u>	<u>406,934</u>
<b>Net assets</b>		<u><u>76,930,664</u></u>	<u><u>51,149,103</u></u>	<u><u>68,062,267</u></u>
<b>Equity</b>				
Ordinary shares		834,549	735,625	793,792
Share premium		24,160,000	17,992,484	21,793,644
Retained earnings		51,993,867	31,791,802	45,259,827
Translation reserve		14,417	701,361	287,173
Other reserve		(72,169)	(72,169)	(72,169)
<b>Total equity</b>		<u><u>76,930,664</u></u>	<u><u>51,149,103</u></u>	<u><u>68,062,267</u></u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 May 2022

Group	Note	Attributable to equity holders of the parent company					Total Equity US \$
		Ordinary Shares US \$	Share Premium US \$	Translation Reserve US \$	Other Reserve US \$	Retained Earnings US \$	
<b>Balance as at 30 November 2021</b>		<b>793,792</b>	<b>21,793,644</b>	<b>287,173</b>	<b>(72,169)</b>	<b>45,259,827</b>	<b>68,062,267</b>
Profit for the year		-	-	-	-	6,682,821	6,682,821
Other comprehensive loss		-	-	(272,756)	-	-	(272,756)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(272,756)</b>	<b>-</b>	<b>6,682,821</b>	<b>6,410,065</b>
<b>Transactions with owners, recorded directly in equity</b>							
Share issue		40,486	2,489,878	-	-	-	2,530,364
Share options exercised		271	4,135	-	-	-	4,406
Cost of share issue		-	(127,657)	-	-	-	(127,657)
Share based payments		-	-	-	-	51,219	51,219
<b>Total transactions with owners</b>		<b>40,757</b>	<b>2,366,356</b>	<b>-</b>	<b>-</b>	<b>51,219</b>	<b>2,458,332</b>
<b>At 31 May 2022 (unaudited)</b>		<b>834,549</b>	<b>24,160,000</b>	<b>14,417</b>	<b>(72,169)</b>	<b>51,993,867</b>	<b>76,930,664</b>
<b>Balance as at 30 November 2020</b>		<b>521,830</b>	<b>13,211,344</b>	<b>270,447</b>	<b>(72,169)</b>	<b>18,780,012</b>	<b>32,711,464</b>
Profit for the year		-	-	-	-	12,957,159	12,957,159
Other comprehensive income		-	-	430,914	-	-	430,914
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>430,914</b>	<b>-</b>	<b>12,957,159</b>	<b>13,388,073</b>
<b>Transactions with owners, recorded directly in equity</b>							
Share issue		213,795	5,082,394	-	-	-	5,296,189
Cost of share issue		-	(301,254)	-	-	-	(301,254)
Share based payments		-	-	-	-	54,631	54,631
<b>Total transactions with owners</b>		<b>213,795</b>	<b>4,781,140</b>	<b>-</b>	<b>-</b>	<b>54,631</b>	<b>5,049,566</b>
<b>At 31 May 2021 (unaudited)</b>		<b>735,625</b>	<b>17,992,484</b>	<b>701,361</b>	<b>(72,169)</b>	<b>31,791,802</b>	<b>51,149,103</b>

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.

Translation reserve – foreign exchange differences recognised in other comprehensive income.

Other reserve – historic other reserve outside of share premium and translation reserve.

Retained earnings – cumulative net gains and losses recognised in the consolidated statement of comprehensive income, net of dividends paid.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 May 2022

Group	Note	Six months ended 31 May 2022 US \$ Unaudited	Six months ended 31 May 2021 US \$ Unaudited	For the year ended 30 Nov 2021 US \$
<b>Cash flows from operating activities</b>				
Cash outflows from operations		(2,690,356)	(1,306,438)	(1,812,288)
Taxation paid		(892)	(94)	(1,813)
<b>Net cash outflows from operating activities</b>				
		(2,691,248)	(1,306,532)	(1,814,101)
<b>Cash flows from investing activities</b>				
Purchase of financial assets at fair value through profit and loss		(1,058,317)	(1,771,901)	(3,968,339)
Purchases of property, plant and equipment		-	-	(2,389)
<b>Net cash outflows from investing activities</b>				
		(1,058,317)	(1,771,901)	(3,970,728)
<b>Cash flows from financing activities</b>				
Proceeds from issuance of ordinary shares		1,396,067	5,296,189	9,416,593
Costs of raising finance		(127,657)	(301,252)	(562,293)
<b>Net cash inflows from financing activities</b>				
		1,268,410	4,994,937	8,854,300
<b>Net (decrease)/increase in cash and cash equivalents</b>				
Cash and cash equivalents at beginning of period/year		(2,481,155)	1,916,504	3,069,471
Exchange gain/(loss) on cash and cash equivalents		3,543,762	538,473	538,473
		85,768	1,516	(64,182)
<b>Cash and cash equivalents at end of the period/year</b>				
		1,148,375	2,456,493	3,543,762

During the period Tekcapital plc issued new ordinary shares with a total value of US\$2,530,364. During the period US\$1,391,661 was received in cash and US\$1,138,703 included in debtors as at 31 May 2022. Proceeds from the exercise of share options were US\$4,406, giving a total 'Proceeds from issuance of ordinary shares' in the consolidated statement of cash flows of US\$1,396,067.

## 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 has been quoted on the AIM market of the London Stock Exchange since 2014.

The principal accounting policies applied in the preparation of this consolidated financial information 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 2022 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 2021.

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 2021 accounts. The estimates that changed since then are disclosed in Note 7.

### 4. Going concern

The Group and the Company meets its day to day working capital requirements through its service offerings and monies raised through the issues of equity. The Group's forecasts and projections indicate that the Group and the Company have sufficient cash reserves to operate within the level of its current facilities. Whilst it is the Group's and the Company's intention to rely on the available cash reserves, future income generated from its growing service offerings and reductions in its cost base, a negative variance in the forecasts and projections would make the Group's ability to continue as a going concern dependent on monetisation of quoted equity stakes or an additional fund raise. If the Group's forecasts are not achieved, the Directors would seek to raise the additional funds through monetisation of the portfolio or equity issuances. Whilst the COVID-19 epidemic is contributing to uncertainty in the markets, at the time of approving the accounts after making enquiries, the Directors are satisfied that the Group and the Company have adequate resources to continue in operational existence for the foreseeable

future. The Group and the Company therefore continue to adopt the going concern basis in preparing both its consolidated financial statements and its own financial statements.

The Group therefore continues to adopt the going concern basis for these interim financial statements.

## 5. Taxation

Immaterial charge of US\$892 has arisen in the six-month period ended 31 May 2022 (31 May 2021: US\$94).

## 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 2022:

	<b>Six months ended 31 May 2022 US\$</b>	<b>Six months ended 31 May 2021 US\$</b>	<b>Year ended 30 November 2021 US\$</b>
Profit attributable to equity holders of the Company	6,682,821	12,957,160	26,368,670
Weighted average number of Ordinary Shares in issue:			
Basic	141,542,328	108,363,954	120,128,629
Diluted	144,775,661	115,363,954	127,169,725
Basic profit per share (\$)	0.05	0.12	0.22
Diluted profit per share (\$)	0.05	0.12	0.21

## 7. Financial Assets at Fair Value through Profit or Loss

The Group's financial assets at fair value through profit and loss consist of equity investments (2022: US\$ 71,060,393, 30 November 2021: US\$62,523,658) and convertible loan notes (2022: US\$3,225,747, 30 November 2021: US\$1,341,774) totaling US\$74,286,140 (30 November 2021: US\$63,865,432).

	31 May 2021 US \$	1 December 2021 US \$	Additions US \$	Exchange difference US \$	Fair value gain/(loss) US \$	31 May 2022 US \$
Guident Limited	22,058,309	18,083,264	-	-		18,083,264
Lucyd Ltd	7,910,036	17,345,195	-	-	9,726,438	27,071,633
Belluscura Limited	12,776,400	22,695,518	-	-	(3,818,321)	18,877,197
Salarius Ltd	3,638,304	4,356,520	1,058,315	-	1,570,303	6,985,138
Smart Food Tek Limited	43,161	43,161	-	-	-	43,161
<b>Total Balance</b>	<b>46,426,210</b>	<b>62,523,658</b>	<b>1,058,315</b>	<b>-</b>	<b>7,478,420</b>	<b>71,060,393</b>

The valuation techniques used fall under, Level 1 – Observable inputs, such as quoted prices, and Level 3- Other techniques as defined by IFRS 13. These techniques were deemed to be the best evidence of fair values considering early stage of portfolio companies.

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 2022 with comparative amounts as of 30 November 2021:

	Total	Level 1	Level 2	Level 3
	US\$	US\$	US\$	US\$
31 May 2022				
Belluscura	18,877,197	18,877,197	-	-
Lucyd Limited	27,071,633	-	-	27,071,633
Guident Limited	18,083,264	-	-	18,083,264
Salarius Limited	6,985,138	-	-	6,985,138
Smart Food Tek Limited	43,161	-	-	43,161
<b>Total Balance</b>	<b>71,060,393</b>	<b>18,877,197</b>	<b>-</b>	<b>52,183,196</b>
30 November 2021	US\$	US\$	US\$	US\$
Belluscura	22,695,518	22,695,518	-	-
Lucyd Limited	17,345,195	-	-	17,345,195
Guident Limited	18,083,264	-	-	18,083,264
Salarius Limited	4,356,520	-	-	4,356,520
Smart Food Tek Limited	43,161	-	-	43,161
<b>Total Balance</b>	<b>62,523,658</b>	<b>22,695,518</b>	<b>-</b>	<b>39,828,140</b>

### Guident (Nil Gain / Nil loss)

The total fair value remains unchanged from 30 November 2021 and is based on a Private Placement Memorandum outlining offering of securities at \$1 per unit, with 18,115,942 shares held. Upon review of business updates in H1 2022, management noted no material events necessitating revisions.

### Salarius (US\$1.6m gain)

In January 2022, Tekcapital Europe converted \$1,058,317 of convertible loans for 1,058,317 shares at \$1 resulting in the addition of \$1,058,317 to the cost basis of its holding in Microsalt Inc.

In June 2022, Microsalt Inc received an investment of US\$400,000 at \$1.29 per share. As a result, the group recorded fair value gain of US\$1,570,303 as of 31 May 2022, to reflect the movement from the previous valuation at \$1 to the current valuation at \$1.29 per share.

**Lucyd Ltd (\$9.7m gain)**

The total fair value increased by US\$9.7m from 30 November 2021. In January 2022, Innovative Eyewear Inc. submitted a draft registration statement with the U.S. Securities and Exchange Commission (the "SEC"), for a proposed initial public offering ("IPO") of shares of its common stock in the United States. The agreed upon pricing range of \$5.50-\$7.50 was determined by the sole bookrunner of the offering. As such, the management deemed it appropriate and prudent to use the lower end of the range (\$5.50 per share) to value the Group's 4,922,115 shares held in the company through Lucyd Ltd.

**Belluscura (\$3.8m loss)**

The Group recorded a loss on its holdings in Belluscura, driven by change in the AIM market listed price of 98p as of 30 November 2021 to 89p as of 31 May 2022.

**Other investments (Nil Gain / Nil loss)**

Given early stage of commercialisation, the fair value of Smart Food TEK was recorded based on the cost of acquired IP, as the 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.

**Convertible loan notes**

The Group also held multiple convertible loans issued by its portfolio companies, including:

- Convertible note issued by Innovative Eyewear Inc, for the total of US\$3,000,000 that bears interest at 10% per annum, which includes the option to convert the debt into the Company's common stock at market price. As of May 31, 2022, US\$1,801,240 was outstanding as the convertible note receivable. No conversions occurred during the period.
- Convertible note issued by Guident Ltd, for the total of US\$1,000,000 that bears interest at 10% per annum, which includes the option to convert the debt into the Company's common stock at market price. As of May 31, 2022, US\$972,037 was outstanding as the convertible note receivable. No conversions occurred during the period.
- Convertible note issued by Microsalt Inc, for the total of US\$2,000,000 that bears interest at 10% per annum, which includes the option to convert the debt into the Company's common stock at market price. As of May 31, 2022, US\$456,091 was outstanding as the convertible note receivable. During the period, Microsalt Inc converted related party borrowings totaling \$1,058,317 into 1,058,317 shares of common stock at \$1 each.

**8. 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.

**9. Interim results**

The interim results for the six months ended 31 May 2022 will not be sent to shareholders but will be available from the Company’s website at <http://tekcapital.com/investors/>.

- Ends -