



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.

29 September 2023

Tekcapital plc

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

Unaudited Half-yearly Report for the period ending 30 June 2023

Tekcapital Plc (AIM: TEK), 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 30 June 2023.

Operational highlights: Portfolio Companies

Microsalt® Ltd ("Microsalt") www.microsalt.co

- Announced partnership with a Fortune 500 national retailer for the development and execution of low-sodium solutions across the retailer's extensive line of private branded snack offerings. This will lead to placement of several of their snacks using MicroSalt® in lieu of traditional salt, beginning with 800 stores in Q4 2023 and likely expanding across more than 7,000 store locations thereafter.
- Executed agreement with supermarket chain, Giant Food of Maryland LLC, ("Giant") one of the most respected food retailers in the mid-Atlantic United States, to carry MicroSalt's new saltshakers in its 160 stores.
- Continued its successful sales expansion of both its SaltMe! crisps and MicroSalt saltshakers with new placements in over 400 additional U.S. retail stores including [Brookshire Brothers](#), [Pete's Fresh Market](#), [Heinen's](#), [Dick's Fresh Market](#), [Zerbos](#), [Better Health Market](#), [Associated Supermarkets](#) and a number of other natural independent retailers across the country.
- Executed successful launch of its new Microsalt® shakers, placing the product in over 500 stores since Q4 2022.
- Executed an agreement with US Salt LLC ("US Salt") for the distribution and delivery of MicroSalt's low-sodium solutions.
- Partnered with Hanahreum Group ("H Mart"), one of the fastest growing retailers in United States to sell MicroSalt's SaltMe® branded crisps.
- Onboarded U.K. Celebrity Chef Jack Stein as brand ambassador for MicroSalt.

Tekcapital owns 97.2% ownership of Microsalt Ltd, valued at US\$17.1m as of 30 June 2023. Microsalt owns approximately 79% of shares in Microsalt Inc, its US operating subsidiary.

Belluscura® Plc ("Belluscura") www.belluscura.com

- Announced that Robert ("Bob") Fary has joined the Company as Senior Vice President of Global Sales. Bob has thirty years of experience in the respiratory industry where he has held leadership roles at major oxygen concentrator manufacturers and durable medical equipment companies. During the past two decades, Bob's industry leading team was directly responsible for or contributed to the sale of over one million portable oxygen concentrators ("POCs"), generating revenues in excess of US\$1 billion.
- Announced its X-PLOR portable oxygen concentrator ("POC") is now marketed in the US through GoodRx, Inc. www.goodrx.com
- Raised total of GBP 7.1m through combination of convertible loan notes and new placings
- Commenced the premarket launch of its DISCOV-R portable oxygen concentrator (POC), including a patient

usability study. The Company's patented technology allows the DISCOV-R to produce nearly three times as much oxygen by weight as comparative dual flow concentrators.

- Signed a distribution agreement with McKesson Medical-Surgical, a division of McKesson. McKesson delivers a third of all pharmaceuticals used in North America and operates the fourth-largest pharmacy chain in North America.

Tekcapital owns 11.2% of shares of Belluscura plc, valued at US\$6.4m as of 30 June 2023.

Innovative Eyewear Inc ("Lucyd") www.lucyd.co (NASDAQ: LUCY)

- Licensed sports culture brand, Reebok® for smart eyewear through an agreement with Authentic Brands Group.
- Released Lucyd App, an iOS/Android app that enables voice interface for ChatGPT on their smart eyewear.
- Launched Lucyd Lyte 2.0, a major upgrade to its flagship Lucyd Lyte audio eyewear platform that brings several advances to the company's core product, including a (a) four speaker array (b) improved audio input (c) improved battery life with 12 hours of playback (d) introduction of Bluetooth 5.2 amongst other innovations introduced by the company.
- Continued preparation for launches of its licensed brand products: Nautica, Eddie Bauer and Reebok.
- Released "On Air" a new feature for its Vyrb app that enables users to create real-time audio chatrooms.
- Filed patent application for software system that focuses on one or more smart devices, which may include smart glasses that operate with chatbots such as ChatGPT. The invention accomplishes this by using an innovative technique for choosing from and prioritizing data that may be drawn simultaneously from several different chatbots or AI language models.
- Partnered with PRIVATO Duty Free, a provider of travel luxury goods to sell Lucyd products in their Duty-Free stores.
- Raised approximately US\$4.7m at US\$1.05/share, in a follow-on offering, to accelerate the launch of its licensed branded products.

Tekcapital owns 100% of the shares of Lucyd Ltd, valued at US\$4.6m as of 30 June 2023. Lucyd Ltd owns approximately 40% of shares in Innovative Eyewear, Inc.

Guident Ltd ("Guident") www.guident.co

- Secured and fulfilled its first purchase order from Jacksonville Transportation Authority (JTA) for JTA project to provide remote monitoring and control services.
- Received Space Florida grant for a groundbreaking project under the Florida-Israel Innovation Partnership program, together with its valued Israeli partner, NOVELSAT. This integration of NOVELSAT's satellite-based space connectivity technologies and Guident's human-in-the-loop AI technologies will provide the first LEO satellite back-up monitoring and control of an autonomous vehicle with reliable and high-speed bi-directional connectivity. This connectivity enables continuous, high-quality video streaming to remotely monitor autonomous systems and, when necessary, to enable remote control of the vehicles and devices to help resolve navigation edge cases. Additionally, the connectivity will provide real-time audio and video communication with passengers, pedestrians, or first responders, ensuring the highest level of safety for autonomous systems, which is a crucial factor in the deployment and management of autonomous vehicle fleets.
- Executed letter of intent with Auve Tech OÜ ("Auve Tech") to provide remote monitoring and control services for Auve Tech's autonomous vehicles. By combining Auve Tech's advanced Level 4 autonomous vehicles with Guident's RMCC software, the two companies will bring an enhanced level of safety to self-driving technology. Guident's patented software provides human-in-the-loop supervision, adding an extra layer of security to Auve Tech's new autonomous shuttle.
- Received Notice of Allowance from USPTO for patent for "Systems and Methods for Remote Monitoring of a Vehicle, Robot or Drone", which reinforces its DNA of innovation, it also significantly expands its patent portfolio in the secure and safe operation of autonomous vehicles with the human-in-the-loop concept.

Tekcapital owns 100% of the shares of Guident Ltd, valued at US\$18.1m as of 30 June 2023. Guident owns approximately 91% of shares in Guident Corp, its US operating subsidiary.

Operational highlights: Corporate

- Tekcapital successfully delivered over 170 Invention Evaluator (IE) reports to universities, research centers, and companies across the globe in H1 2023 (90 IE reports in H1 2022). The reports assisted organizations in evaluating the market potential of their technologies. Notably, Tekcapital expanded its client base to include industry giants such as Vale S.A., the world's largest producer of iron ore and nickel.
- The Vortechs Group, Tekcapital's executive search firm, secured 10 executive search assignments in H1 2023 (6 search assignments in H1 2022) and has expanded its list of academic clients to include additional prestigious

institutions such as Massachusetts Institute of Technology (MIT), known worldwide for its contributions to technology development and innovation.

- Tekcapital played a pivotal role in sponsoring the 'Innovation for Sustainable Water USA-MEX' open innovation hub in collaboration with Grupo Rotoplas, the Tijuana Development Council, and the United States-Mexico Foundation for Science. This initiative aimed to foster sustainable water solutions.
- Tekcapital hosted an informative webinar series titled 'The Challenges for the Commercialization of University Technology.' This series provided valuable insights to the innovation communities in both the United States and Mexico.
- To underscore its commitment to technology transfer, Tekcapital co-sponsored and exhibited at the 2023 U.S. Eastern Region Meeting organized by the Association of University Technology Managers (AUTM).

Financial highlights

- Net Assets at US\$53.1m (31 December 2022: US\$57.8m).
- NAV per share at US\$0.32 (31 December 2022: US\$0.38).
- Portfolio valuation at US\$46.2m (31 December 2022: US\$56.2m).
- H1 2023 professional services revenue increased 33% to US\$0.4m (H1 2022: \$0.3m).
- H1 2023 Loss after tax US\$ 10.1m (H1 2022 Profit: US\$6.18m), primarily due to unrealised decrease of US\$ 9.3m in the fair value of our portfolio companies.
- H1 2023 share placements US\$ 5.2m (H1 2022 share placements: US\$ 2.5m). Proceeds were used to accelerate the commercial progress and IPO readiness of MicroSalt and fuel the further fabrication and testing of Guident's regenerative shock absorbers coupled with building Guident's new remote monitoring and control centre in Boca Raton, Florida. This contributed to a corresponding increase in the Group's portfolio company investments during the period.
- We ended the period with a solid balance sheet of ~ US\$ 53m in net assets, US\$2.2m in cash, US\$2.4m in receivables, modest current payables and zero debt.

Post period end highlights:

- Microsalt Ltd announced a partnership with Weijohn Farms Group, a multi-faceted organization that includes Sorbatto Fresh and Washington Organic Hazelnuts. Weijohn Farms Group will be using MicroSalt on its Sorbatto Fresh line of hazelnuts. The North American hazelnut market was US\$ 1.8 billion in 2022 and is projected to grow to US\$ 3.2 billion by 2030 with a CAGR of 7.6%. This serves as a practical example of the multitude of vertical applications for MicroSalt®.
- Microsalt Ltd filed a new patent application (# 63/580,590) entitled "Compositions and methods for reduced leavening time and sodium content in doughs comprising micron-sized salt particles adhered to a carrier," to improve baked goods. MicroSalt is very excited about its invention which they believe enables the production of baked goods quicker, less expensively, and with reduced sodium. The bread market is extremely compelling, with global volumes expected to reach 216.7bn kg by 2028.
- Belluscura announced it received orders for 6,500 of its next-generation DISCOV-R portable oxygen concentrator. This represents approximately US\$15 million of potential revenue to the Company, with initial production of the DISCOV-R expected to begin by the end of this quarter.
- Belluscura announced it has entered into an Exclusive License, Marketing and Distribution Agreement ("Agreement") with its global manufacturing partner InnoMax Medical Technology Ltd. Minimum cumulative royalties over the term of the Agreement will therefore range from US\$27.5m if the license is converted to non-exclusive from year 6 and up to US\$55m in cumulative royalties if the license remains exclusive for the entire term.
- In a significant step forward, Guident secured a paid proof of concept agreement with a tier-1 tyre manufacturer for their regenerative shock absorber. This collaboration resulted in successful tests and detailed reports regarding the performance of the regenerative shock absorber. Subsequently, Guident incorporated a new subsidiary, Revive Energy Solutions Ltd, to commercialise its regenerative shock absorber technology. Guident believes that in the next few years all electric vehicles will have both regenerative braking and regenerative shock absorbers to enhance range and comfort.
- Guident's partnership with the JTA, the largest transportation authority in the U.S. has resulted in monthly recurring purchases of its teleoperation software solution. Guident is executing a successful integration for JTA with one of their AVs at JTA's Armsdale Test and Learn Center.
- Innovative Eyewear announced the launch of a new transitional blue light blocking lens designed to maximize utility, eye protection and user satisfaction of Lucyd eyewear, an important enhancement for all-day wearability, allowing the user to seamlessly shift from blocking harmful blue light during computer and phone use, to enjoying driving and outdoor activities comfortably in high sunlight.

- Innovative Eyewear has filed a patent on a key product innovation, flexible spring hinges for smart eyewear, with the Company's belief that it will enable each style to be worn by a wider array of users and will also increase the durability of the frames by reducing stress points on the temples caused by extended wear.
- Innovative Eyewear launched an important upgrade to its Lucyd ChatGPT app. The 2.0 update delivers several new features and usability improvements to the app's iOS version, with the same updates planned for the Android version later in 2023.
- In subsequent periods, Tekcapital intends to invest in Generative AI startups spun-out of universities that have the near-term potential to increase the productivity of existing specific businesses. To assist us with technical insight in this rapidly evolving area, we have expanded our science advisory board with two leading AI scientists:
 - Dr. Russ Salakhutdinov, the [former director of AI at Apple](#) Russ is a Professor of Computer Science in the Department of Machine Learning at Carnegie Mellon University (CMU). He received his PhD in computer science from the University of Toronto. After spending two post-doctoral years at MIT, he joined the University of Toronto and later moved to CMU. He has authored/co-authored over 150 research papers and he is an Alfred P. Sloan Research Fellow, Microsoft Research Faculty Fellow, a recipient of the Early Researcher Award, Google Faculty Award, and Nvidia's Pioneers of AI award and,
 - Alexander Mordvintsev who currently serves as a Senior research scientist at Google and [inventor of Deep Dream](#). Alexander is one of the world's leading scientists in AI and computer graphics.

Dr. Clifford M. Gross, Chairman said: "We are glad to report continued significant development of the Group's portfolio companies, all of which were built in-house. Whilst capital markets have been choppy in 2023 and this has resulted in unrealised depreciations in our portfolio, the view from the bridge is bullish, as we clearly see the potential for significant growth and performance of our unique and rapidly developing portfolio companies."

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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.

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General Risk Factors and Forward-Looking Statements

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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 2023, our key portfolio companies continued to make significant progress. We commercialise university intellectual property, a process known as technology transfer, both for our own portfolio and as a service for client companies and universities.

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 over time and exits, if they occur, should happen faster. When we realise material exits, the Group's goal is to distribute a portion of the 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 when appropriate invest in these operations. A common theme across our portfolio companies is that they have proprietary intellectual property, capable management, and if successful, can improve the quality of life for the customers they serve. The Company's key investments include:

Microsalt Ltd (www.microsalt.co)

MicroSalt® manufactures a new patented salt that tastes great, can be used just about everywhere traditional salt is used, yet delivers full flavour with approximately half the sodium of regular salt.

Investment Rationale

The food industry is focused on developing and providing *better-for-you* products that taste good but enable reduced sodium consumption. The reason for this is that excess sodium consumption contributes to cardiovascular disease, a leading cause of premature death globally. According to the WHO, "Almost all populations are consuming too much sodium. The global mean intake of adults is 4310 mg/day sodium (equivalent to 10.78 g/day salt). This is more than double the World Health Organization recommendation for adults of less than 2000 mg/day sodium (equivalent to < 5 g/day salt). The primary health effect associated with diets high in sodium is raised blood pressure, increasing the risk of cardiovascular diseases, gastric cancer, obesity, osteoporosis, Meniere's disease, and kidney disease. An estimated 1.89 million deaths each year are associated with consuming too much sodium. Reducing sodium intake is one of the most cost-effective measures to improve health and reduce the burden of non-communicable diseases: for every US\$ 1 invested in scaling up sodium reduction interventions, there will be a return of at least US\$ 12."^[1]

Lucyd Ltd (www.lucyd.co)

LUCYD and its U.S. subsidiary Innovative Eyewear Inc. is seeking to UPGRADE YOUR EYEWEAR® by producing designer eyewear with smart features at affordable prices. Their frames help you stay connected safely,

ergonomically and with designer styling.

Investment Rationale

Pedestrian fatalities are at a 40 year high^[2]. This is due primarily because drivers and pedestrians alike are distracted with their smartphones. Approximately 2/3 of the population wear corrective lenses. Bluetooth technology has evolved, enabling it to be incorporated into traditionally sized designer eyewear. This enables eyeglass wearers to remain connected to their digital lives such as when taking calls and listening to music while maintaining situational awareness. Individuals can keep their phones in their pocket and no ear buds are required, as the eyeglass frames contain miniature speakers and microphones. Much as the smart watch business has begun to eclipse the traditional watch business, we believe smart eyewear will follow suit.

Guident Ltd (www.guident.co)

Guident Ltd seeks to improve the safety and efficiency of autonomous vehicles and land-based delivery drones with a software platform that enables the remote monitoring and control of these vehicles and in case of a mishap to rapidly help resolve the situation.

Investment Rationale

Vehicles of all types are rapidly becoming electric and autonomous. While AV's are projected to be significantly safer than traditional vehicles, there will still be mishaps and in many instances there will be no vehicle operator present to help resolve these problems. Guident's remote monitoring and control centre will monitor vehicles and if necessary, provide additional support such as call a first responder, take over control of the vehicle to move it out of harm's way and provide real-time communication with passengers or pedestrians.

Additionally, Guident seeks to commercialize its regenerative shock absorber technology to extend the range of electric vehicles between charges. The Edison Electric Institute Projects 26.4 million electric vehicles will be on U.S. roads in 2030. According to the International Energy Agency, worldwide, 350 million electric vehicles are projected to be on the road by 2030. All these electric vehicles will have regenerative braking. We believe in the near future, most commercial electric vehicles will also have regenerative shock absorbers. This will extend the driving range between charges and provide power to active suspension to improve ride characteristics and comfort.

Belluscura plc (www.belluscura.com)

Respiratory medical device company that has developed an improved portable oxygen concentrator (POC) to provide on-the-go supplemental O₂. The company's products are the first FDA cleared devices that enable the user to upgrade the filter cartridge to provide a greater flow of oxygen as a patient's disease progresses, thereby obviating the need to purchase a new POC.

Investment Rationale

Approximately 300m individuals suffer from COPD. Many of these patients require supplemental oxygen to perform activities of daily living. According to the WHO, COPD is the third leading cause of death in the world causing 3.23 million premature deaths per year.^[3] As there is no cure for COPD, over time patients require greater amounts of oxygen, and if they use a portable oxygen concentrator, this means they must replace their devices with devices with greater capacity as their disease progresses. With Belluscura's new patented device, users can exchange the filter cartridges to enable higher capacity oxygen flow without having to change the device they are using. Like upgrading memory on a laptop. The result is the potential to reduce the cost and increase the availability of oxygen therapy for patients that need POC's.

Financial performance

In the first half of 2023 we reported unrealized depreciations in our portfolio totaling \$9.2m due to the reduction in the publicly quoted values of Belluscura and Innovative Eyewear at the end of the period. In our view these reductions are overdone and primarily the result of choppy, risk off capital markets in both the UK and US. We believe firmly in the future potential of both companies. MicroSalt has increased in value and Guident has remained relatively constant in value since the last reporting period. Our professional service revenue, whilst still modest, increased ~30% compared to the prior period, demonstrating the continued need and value of our services. We ended the period with a healthy balance sheet of about US\$ 53m in net assets, \$2.2m in cash, \$2.4m in receivables, modest current payables and zero debt.

Fundraisings

In H1 2023 we closed share placements totaling US\$ 5.2m. Proceeds were used primarily to accelerate the commercial progress and IPO readiness of Microsalt and fuel the further fabrication and testing of Guident's regenerative shock absorbers coupled with building Guident's new remote monitoring and control centre in Boca Raton, Florida. This contributed to a corresponding increase in the Group's portfolio company investments during the period and was helpful in enabling both MicroSalt and Guident to maintain their growth and accelerate their market traction.

Current Trading and Outlook

Having continued to develop and expand Tekcapital's existing business, the Board is confident that continued investment in select 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 achieve meaningful milestones, which we hope to see in the next year. Whilst 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. Certainly, we have seen this in H1 2023. We are grateful for the patience and support of our shareholders through these challenging events. We are also sincerely appreciative of our dedicated, and incredibly hardworking team without which none of the results reported herein would be possible.

Additionally, going forward, the Company is seeking to make one or more select investments in Generative AI startups that have the near-term potential to increase the productivity of existing businesses in specific verticals. The Company will inform the market in due course when it closes its first investment in this area. To assist us with technical insight into this rapidly evolving area, we have expanded our science advisory board with two additional scientists:

Dr. Russ Salakhutdinov, the former director of AI at Apple. Russ is a Professor of Computer Science in the Department of Machine Learning at Carnegie Mellon University (CMU). He received his PhD in computer science from the University of Toronto. After spending two post-doctoral years at MIT, he joined the University of Toronto and later moved to CMU. He has authored/co-authored over 150 research papers and he is an Alfred P. Sloan Research Fellow, Microsoft Research Faculty Fellow, a recipient of the Early Researcher Award, Google Faculty Award, and Nvidia's Pioneers of AI award and Alexander Mordvintsev who currently serves as a Senior research scientist at Google and inventor of [Deep Dream](#). Alexander is one of the world's leading scientists in AI and computer graphics.

Dr Clifford M Gross

Chairman and CEO

29 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Notes	Six months ended 30 June 2023 Unaudited US\$	Six months ended 30 June 2022 Unaudited US\$	Year ended 31 December 2022 Audited US\$
Continuing operations				
Revenue from services		349,515	263,328	615,214
Cost of sales		(81,777)	(93,692)	(222,361)
Changes in fair value on financial assets at fair value through profit or loss	7	(9,253,282)	7,051,816	(10,978,372)
Interest from financial assets at fair value through profit or loss		209,197	166,988	286,583
Operating expenses		(1,361,471)	(1,210,166)	(2,524,496)
Other income		37,382	481	79,638
Operating (loss)/profit and (loss)/profit before tax		(10,100,436)	6,178,755	(12,743,794)
Income tax expense	5	(1,675)	(1,089)	(1,714)
(Loss)/profit after tax for the		(10,102,111)	6,177,666	(12,745,508)

period/year			
Other comprehensive income/(loss)*			
Translation of foreign operations	556,760	511,734	(212,803)
Total other comprehensive income/(loss)	556,760	511,734	(212,803)
Total comprehensive income/(loss) for the period/year	(9,545,351)	6,689,400	(12,958,311)
Earnings per share			
	6		
Basic earnings per share	(0.06)	0.05	(0.09)
Diluted earnings per share	(0.06)	0.05	(0.08)

*May be reclassified to profit or loss in future years.

All comprehensive income as presented above belongs to the owners of the Group.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Notes	As at 30 June 2023 Unaudited US\$	As at 30 June 2022 Unaudited US\$	As at 31 December 2022 Audited US\$
Assets				
Non-current assets				
Intangible assets		242,940	322,463	242,940
Financial assets at fair value through profit and loss	7	48,649,780	74,062,299	56,184,146
Property, plant and equipment		15,965	16,523	9,969
		<u>49,908,685</u>	<u>74,401,285</u>	<u>56,437,055</u>
Current assets				
Trade and other receivables		2,442,368	577,017	1,088,043
Cash and cash equivalents		2,249,058	1,520,085	628,640
		<u>4,691,426</u>	<u>2,097,102</u>	<u>1,716,683</u>
Total assets		<u>53,600,611</u>	<u>76,498,387</u>	<u>58,153,738</u>
Liabilities				
Current liabilities				
Trade and other payables		338,538	248,904	215,998
Deferred revenue		173,109	169,284	172,609
Total liabilities		<u>511,647</u>	<u>418,188</u>	<u>388,607</u>
Net assets		<u>53,088,964</u>	<u>76,080,199</u>	<u>57,765,131</u>
Equity attributable to owners of the parent				
Ordinary shares		973,329	834,277	839,724
Share premium		28,937,011	24,140,683	24,240,930
Retained earnings		22,619,663	50,937,139	32,682,276
Translation reserve		631,130	240,269	74,370
Other reserve		(72,169)	(72,169)	(72,169)
Total equity		<u>53,088,964</u>	<u>76,080,199</u>	<u>57,765,131</u>
Net Asset Per Share		0.30	0.41	0.38

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

Group	Note	Attributable to equity holders of the parent company				
		Ordinary Shares US \$	Share Premium US \$	Translation Reserve US \$	Other Reserve US \$	Retained Earnings US \$
Balance as at 31 December 2021		793,792	21,793,644	(291,054)	(72,169)	44,708,254
Income for the period		-	-	-	-	6,177,666
Other comprehensive income		-	-	531,323	-	-
Total comprehensive loss for the period		-	-	531,323	-	6,177,666
Transactions with owners, recorded directly in equity						
Share issue		40,485	2,489,878	-	-	-
Cost of share issue		-	(142,839)	-	-	-
Share based payments		-	-	-	-	51,219
Total transactions with owners		40,485	2,347,039	-	-	51,219
At 30 June 2022 (unaudited)		834,277	24,140,683	240,269	(72,169)	50,937,139
Balance as at 31 December 2022		839,724	24,240,930	74,370	(72,169)	32,682,276
Loss for the period		-	-	-	-	(10,102,111)
Other comprehensive income		-	-	556,760	-	-
Total comprehensive income/(loss) for the period		-	-	556,760	-	(10,102,111)
Transactions with owners, recorded directly in equity						
Share issue		133,606	5,045,893	-	-	-
Cost of share issue		-	(349,812)	-	-	-
Share based payments		-	-	-	-	39,498
Total transactions with owners		133,606	4,696,081	-	-	39,498
At 30 June 2023 (unaudited)		973,329	28,937,011	631,130	(72,169)	22,619,663

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 30 June 2023

Group	Six months ended 30 June 2023	Six months ended 30 June 2022	For the year ended 31 December 2022
	US \$ Unaudited	US \$ Unaudited	US \$
Net cash outflows from operating activities			
Cash outflows from operations	(1,484,929)	(2,130,374)	(2,776,941)
Taxation paid	(1,675)	(1,089)	(1,714)
Net cash outflows from operating activities	(1,486,604)	(2,131,463)	(2,778,655)
Cash flows from investing activities			
Purchase of financial assets at fair value through profit and loss	(1,764,274)	(1,058,317)	(3,970,900)
Proceeds from disposals of financial assets	-	-	1,073,792
Purchases of property, plant and equipment	(6,087)	(5,873)	(9,919)
Net cash outflows from investing activities	(1,770,361)	(1,064,190)	(2,907,027)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	5,179,499	2,530,363	2,636,056
Costs of raising finance	(349,812)	(142,839)	(142,839)
Net cash inflows from financing activities	4,829,687	2,387,524	2,493,217
Net (decrease)/increase in cash and cash equivalents	1,572,721	(808,130)	(3,192,465)
Cash and cash equivalents at beginning of period/year	628,640	2,092,292	3,543,762
Exchange gain/(loss) on cash and cash equivalents	47,697	235,923	277,343
Cash and cash equivalents at end of the	2,249,058	1,520,085	628,640

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 30 June 2023 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 ("\$") and is rounded to the nearest dollar.

3. Accounting policies

3.1 Statement of compliance

The accounting policies applied by the Group and its subsidiaries in these unaudited half year results are consistent with those applied in the annual financial statements for the year ended 31 December 2022.

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 United Kingdom and the Companies Act 2006. 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 2022 accounts. The estimates that changed since then are disclosed in Note 7.

4. Going concern

The 2023 interim financial information has been prepared on a going concern basis.

The Group and Company meet its day to day working capital requirements through its service offerings, monetisation of quoted equity stakes and monies raised through issues of equity.

The Group's forecasts and projections indicate that the Group and Company have sufficient cash reserves to operate within the level of its current funds. The Group has no third party debt facilities.

The Directors have prepared detailed cash flow projections for the period to 30 September 2024 ("going concern assessment period"). The cash flow projections have been subjected to sensitivity analysis which demonstrates that the Group and Company will maintain a positive cash balance through the going concern

assessment period.

The Directors have also considered the geo-political environment, including rising inflation, and whilst the impact on the Group is currently deemed minimal, the Directors remain vigilant.

On this basis, the Directors have therefore concluded that it is appropriate to prepare this financial information on a going concern basis.

5. Taxation

Immaterial charge of US\$1,675 has arisen in the six-month period ended 30 June 2023 (30 June 2022: US\$1,089).

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 30 June 2023:

	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022
	US\$	US\$	US\$
Profit/(Loss) attributable to equity holders of the Company	(10,102,111)	6,177,666	(12,745,794)
Weighted average number of Ordinary Shares in issue:			
Basic	166,243,663	141,542,328	146,043,720
Diluted	170,660,330	144,775,661	150,483,172
Basic profit per share (\$)	(0.06)	0.05	(0.09)
Diluted profit per share (\$)	(0.06)	0.05	(0.08)

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 (2023: US\$ 46,212,012, 31 December 2022: US\$54,878,609) and convertible loan notes (2023: US\$2,437,768, 31 December 2022: US\$1,305,537) totaling US\$48,649,780 (31 December 2022: US\$56,184,146).

Equity investments

	30 June 2022	31 December 2022	Additions	Other	Fair value gain/(loss)	30 June 2023
	US \$	US \$	US \$	US \$	US \$	US \$
		US \$				
Guident Limited	18,083,264	18,083,264	-	-	-	18,083,264
Lucyd Limited	27,071,633	8,175,403	-	-	(3,531,172)	4,644,231
Belluscura Limited	18,877,197	12,072,826	-	-	(5,722,110)	6,350,716
Microsalt Limited	6,985,138	16,508,694	586,685	-	-	17,095,379
Smart Food Tek Limited	43,161	38,422	-	-	-	38,422
Total Balance	71,060,393	54,878,609	586,685	-	(9,253,282)	46,212,012

The valuation techniques used fall under, Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets, and Level 3- Other techniques as defined by IFRS 13. These techniques were deemed to be the best evidence of fair values considering the early stage of portfolio companies.

Lucyd Ltd's Innovative Eyewear Inc commenced trading on the NASDAQ market in H2 2022. Due to Innovative's secondary offering in June 2023, Lucyd Ltd became a minority shareholder and thus the control premium applied in the Group's valuation of the investment in Lucyd as at 31 December 2022 has been removed. As

such, the Group's investment in Lucyd Ltd has been re-classified under Level 2 as of 30 June 2023. Fair value measurement hierarchy for financial assets as at 30 June 2023 with comparative amounts as of 31 December 2022:

	Total	Level 1	Level 2	Level 3
	US\$	US\$	US\$	US\$
30 June 2023				
Belluscura	6,350,716	6,350,716	-	-
Lucyd Limited	4,644,231	-	4,644,231	-
Guident Limited	18,321,027	-	-	18,321,027
Microsalt Limited	17,095,378	-	-	17,095,378
Smart Food Tek Limited	38,422	-	-	38,422
Total Balance	46,449,775	6,350,716	4,644,231	35,454,828
31 December 2022	US\$	US\$	US\$	US\$
Belluscura	12,072,826	12,072,826	-	-
Lucyd Limited	8,175,403	-	-	8,175,403
Guident Limited	18,083,264	-	-	18,083,264
Microsalt Limited	16,508,694	-	-	16,508,694
Smart Food Tek Limited	38,422	-	-	38,422
Total Balance	54,878,609	12,072,826	-	42,805,783

Guident (Nil Gain / Nil loss)

The total fair value remains unchanged from 31 December 2022 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 2023, management noted no material events necessitating revisions.

Microsalt (Nil Gain / Nil loss)

The total fair value of US\$17,095,378 is based on valuation of 6,216,501 shares held in Microsalt Inc, as determined by the price range agreed upon between Company's bankers and the Company as part of its IPO process. Upon review of business updates in H1 2023, management noted no material events necessitating revisions. Addition of \$586,685 was recorded due to conversion of part of the existing convertible loan note in April 2023.

Lucyd Ltd (\$3.5m loss)

The fair value of the holding decreased by US\$3.5m during the period due to the movement in the Company's share price at NASDAQ market and the observed closing price of US\$0.9 as of 30 June 2023. With 5,189,085 shares held by Tekcapital plc, a fair value of US\$4,644,231 was arrived at as of 30 June 2023.

Belluscura (\$5.7m loss)

The fair value of the holding decreased by US\$5.7m during the period due to the movement in Company's share price at AIM market of London Stock Exchange and closing price of 33p as of 30 June 2023. With 15,138,767 shares held by Tekcapital plc, a fair value of US\$6,350,717 was arrived at as of 30 June 2023.

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\$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. The note can be converted into shares of common stock of the Company upon occurrence of certain conversion events including future share placements. As of 30 June 2023, no balance was outstanding.
- Convertible note issued by Guident Ltd for the total of US\$1,000,000, issued at 10% coupon rate including option to convert the debt into shares at market price (no discount against future equity placements offered). The note can be converted into Guident's equity upon occurrence of certain conversion events

including future share placements. The US\$1,000,000 note originated in March 2020 and can be converted into Guident's equity upon occurrence of certain conversion events. No conversions occurred during the period. As of 30 June 2023, US\$1,000,000 was outstanding.

- Convertible note issued by its portfolio Company, Microsalt Inc, for the total of US\$2,000,000, issued at 10% coupon rate including option to convert the debt into shares at market price (no discount against future equity placements offered). The note can be converted into Microsalt's equity upon occurrence of certain conversion events. The US\$2,000,000 note originated in September 2020 is payable in September 2023 or can be converted into Microsalt's equity upon occurrence of certain conversion events including future share placements. In April 2023, Microsalt Inc converted related party borrowings totaling US\$500,000 into 181,819 shares of common stock at US\$2.75each. As of 30 June 2023, US\$1,437,768 was outstanding.

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 30 June 2023 will not be sent to shareholders but will be available from the Company's website at <http://tekcapital.com/investors/>.

- Ends -

[1] <https://www.who.int/news-room/fact-sheets/detail/salt-reduction>

[2] <https://www.npr.org/2023/06/26/1184034017/us-pedestrian-deaths-high-traffic-car>

[3] [https://www.who.int/news-room/fact-sheets/detail/chronic-obstructive-pulmonary-disease-\(copd\)](https://www.who.int/news-room/fact-sheets/detail/chronic-obstructive-pulmonary-disease-(copd))



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