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5 October 2023

**Tekcapital Plc**  
("Tekcapital")

#### **Portfolio Company Update: Belluscura plc**

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 provide a comprehensive overview of Belluscura plc's ("Belluscura") recent significant developments.

#### **Highlights:**

- Belluscura has reached agreement which could potentially secure circa £8m growth capital to meet the demands of recent orders and licensing royalty agreements totalling up to potentially US\$85m
- Interest in DISCOV-R™ portable oxygen concentrator now exceeds 10,000 units with a potential sales value guidance of over US\$30m
- Exclusive License, Marketing and Distribution Agreement signed with its manufacturing partner, Innomax Medical Device Technologies ("InnoMax"). If minimum sales quantities set out in the agreement are achieved the cumulative royalties will be worth US\$55m over ten years
- Simon Neicheril has been appointed as CFO, bringing extensive experience in manufacturing
- The Hong Kong Department of Health - Medical Device Division has approved the distribution of the X-PLOR® portable oxygen concentrator
- Belluscura has received the first purchase order from a Hong Kong based distributor

#### **Dr Clifford Gross, CEO of Tekcapital, commented:**

"We are very pleased to see the significant progress of Belluscura with enhancements to their balance sheet, regulatory approvals, personnel, and sales pipeline. Together we view these recent developments as transformative for Belluscura."

#### **Orders of over 6,500 DISCOV-R™ received**

On 16 August 2023, Belluscura announced that it had received 6,500 preliminary purchase orders for its DISCOV-R™ portable oxygen concentrator representing approximately \$15 million of potential revenue to Belluscura. Further to the initial preliminary purchase order announced 16 August, on 3 October, Belluscura announced it had now received interest exceeding 10,000 units with a potential sales value of over \$30 million.

#### **Exclusive licence, marketing and distribution agreement**

On 30 August 2023, Belluscura announced it had entered into a ten-year exclusive License, Marketing and Distribution Agreement with its global manufacturing partner, InnoMax Medical Technology covering China, Hong Kong, Macau and Singapore. The InnoMax Agreement will range from \$27.5m if the license is converted to non-exclusive from year six and up to \$55m in cumulative royalties if the license remains exclusive for the entire ten-year term. Belluscura will receive increasing minimum royalty payments over the life of the agreement and a share of net profits on sales of accessories.

In September 2023, Belluscura received its first approval for the distribution of X-PLOR® portable oxygen concentrator from the Hong Kong Department of Health - Medical Device Division, and received its first purchase order from a Hong Kong distributor.

To facilitate Belluscura's delivery on these opportunities and developments, they have reached agreements that could potentially secure a total funding package worth circa £8m as detailed below.

#### **Growth Capital Funding Package**

Belluscura has raised circa £8m growth capital by means of a conditional equity placing, a conditional issue of 10% Unsecured Convertible Loan Notes and a proposed share-for-share offer for TMT Acquisition plc ("TMT Acquisition"). TMT Acquisition is listed on the Main Market of the London Stock Exchange.

Belluscura and TMT Acquisition announced 3 October that they have reached an agreement on the key terms of a possible share-for-share offer for TMT Acquisition by Belluscura. TMT Acquisition has cash and near cash of approximately £4.7 million on its balance sheet. Belluscura will deploy the cash to enhance manufacturing operations and for working capital.

The proposed terms of the Possible Offer comprise the issuance of 15 new ordinary shares of Belluscura in exchange for every 22 ordinary shares of TMT Acquisition equalling 18,750,000 Belluscura Shares. The agreement implies a valuation of

21.82 pence for each TMT Acquisition Share and a 24.7% premium to the three-month volume weighted average price for TMT Acquisition Shares calculated for the period ending on 2nd October 2023.

#### **Unsecured Convertible Loan Notes & Equity Placing**

On 3 October, Belluscura raised approximately \$4.02 million (£3.32 million) through the conditional issue of approximately £2.72 million (approximately \$3.29 million) of 10% Unsecured Convertible Loan Notes 2026 and the conditional issue of approximately £0.60 million new ordinary shares of 1 penny each at an Issue Price of 32 pence per Belluscura share.

#### **CFO Appointment**

To align Belluscura's financial base with future operations, Simon Neicheril has been appointed Belluscura's Chief Financial Officer (CFO) and will be based at Belluscura's U.S. headquarters in Texas. Simon brings extensive experience in large-scale manufacturing operations having joined from Pace Industries LLC, a \$600m revenue manufacturing company with nine locations across the US and Mexico. He previously held the role of CFO at GlobalStep, a high growth global software testing company with operations in Canada, the United Kingdom, Romania, and India.

Tekcapital owns 15,138,767 shares of Belluscura plc (representing approximately 11.0% of the issued share capital of Belluscura).

#### **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).

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