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17 February 2025

**Tekcapital plc**  
("Tekcapital", the "Company" or the "Group")  
**2024 Review - Year End Portfolio Update**

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 a review of 2024 and its unaudited, 2024 year-end portfolio valuation.

**Highlights**

- Investment Portfolio holdings valued at US 64.2m, an increase of 38% over the previous year
- Two of our Investment Portfolio companies (MicroSalt plc & GenIP) floated on AIM in 2025 and as a result four out of five portfolio companies are now public
- Guident, the remaining private company, preparing to float on NASDAQ in 2025
- Commercial success at the Investment Portfolio level driven by their strategic positioning and relevance to addressing pressing global needs

**Dr. Clifford M. Gross, Chairman said:**

"We are excited to provide this 2024 summary report which describes a few of our portfolio company achievements and their contribution to our profitability and growth. In 2024 our unaudited net assets reached US 65.1m, an increase of ~36%, over the previous year, with an NAV per share of US\$0.31 or £0.25.

"Our performance reflects strong commercial progress through the completion of two AIM listings (MicroSalt plc & GenIP plc) which we are keen to hold. As a result of this progress, four of our five portfolio companies are now listed. Additionally, we observed significant commercial traction for Innovative Eyewear Inc. as they achieved several new product and go-to-market milestones. We were also pleased to note Microsalt has received new and follow-on B2B orders from a major snack food manufacturer. Further, we believe that Guident Corp's commercial advancements coupled with improving market conditions in the autonomous vehicle industry, have created the ideal opportunity for Tekcapital to further crystallise its balance sheet in 2025.

"This year in review offers a snapshot of Tekcapital plc's 2024 performance. The story is one of profitability, strategic foresight, and a portfolio well suited in our view to helping address several pressing global needs. Tekcapital's success in 2024 is a testament to its portfolio companies' strategic positioning and relevance.

"Tekcapital's core business objective is to grow its net assets and return material levels of capital generated from its portfolio companies' successes to shareholders via special dividends. As ever, we remain committed to this objective, and our portfolio companies' progress in 2024 means we have taken strides forward in delivering on our long-term strategy.

**2024: A Year of Exceptional Performance**

Tekcapital plc's exceptional 2024 performance represents a compelling narrative of innovation and strategic foresight. The Company's ~36% increase in net assets to US 65.1m demonstrates its ability to execute effectively in challenging market conditions. This performance is particularly noteworthy when compared to similar IP commercialization and technology

investment companies and, at some level, is reflected in the 2024 Share Price Performance Comparison against other indices.

- Tekcapital plc: +27% (London Stock Exchange, n.d.)
- AIM All-Share Index: -5.5% (London Stock Exchange, n.d.)
- FTSE 250: +5.69% (London Stock Exchange, n.d.)

This outperformance validates Tekcapital's differentiated approach of identifying and nurturing groundbreaking university technologies that have the potential to improve the quality of life of the customers we serve.

In our view Tekcapital's year-end share price discount to NAV of ~64% appears unwarranted given the company's strong execution and portfolio maturation. According to Morningstar, the average market cap discount to NAV for UK closed-end funds (a close analogue) in 2024 was 16.6%. By peer comparison:

- Molten Ventures plc trades at a 52% discount to NAV (Molten Ventures plc, 2024)
- IP Group plc trades at a 45% discount to NAV (IP Group plc, 2024)
- Frontier IP Group plc trades at a 35% discount to NAV (Frontier IP Group plc, 2024)
- Mercia Asset Management plc trades at a 25% discount to NAV (Mercia Asset Management plc, 2024).

With four of five portfolio companies now publicly listed and demonstrating commercial traction, we believe there is a strong probability that Tekcapital's valuation gap may narrow, particularly if its fifth portfolio company achieves a public listing or one of the other portfolio companies achieves noteworthy commercial milestones.

Tekcapital's strengthened financial position, combined with its strategic portfolio of companies operating in high-growth, globally relevant sectors like sodium reduction (MicroSalt), respiratory care (Belluscura), autonomous vehicle safety (Guident), smart eyewear (Innovative Eyewear) and AI-driven innovation (GenIP), positions the company for continued growth in the value of our investment portfolio. Each portfolio company addresses critical market needs and has demonstrated meaningful commercial progress in 2024.

Tekcapital's future outlook is supported by:

- A proven ability to identify and commercialize university technologies
- Strong portfolio company execution and public market validation
- Operating leverage from our efficient corporate structure
- Multiple potential catalysts for value creation in 2025

Tekcapital has the lowest operating cost structure among its peers, with 2024 administrative expenses of just US 2.2m, compared to IP Group plc, Molten Ventures plc, Mercia Asset Management plc or Frontier IP Group plc. We believe that this is partly due to the selectivity and small number of our portfolio companies.

We are thankful to our steadfast shareholders for their unwavering support and to our portfolio company management teams which have punched significantly above their weight.

As always, we remind investors that our net asset values and revenues will fluctuate from period to period, sometimes significantly, due to individual portfolio company performance, valuations and changes in market conditions and macro-economic financial conditions. Additionally, the preliminary financial information discussed herein are subject to audit review and may be adjusted.

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#### **About Tekcapital plc**

Tekcapital creates value from investing in new, university-developed discoveries that can enhance

people's lives. 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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## Overview of Investment Portfolio Companies

### MicroSalt PLC: Pioneering Global Health Through Sodium Reduction - Responding to Regulatory Shifts and Health Crises.

- **Investment Thesis:** To become the global leader in low-sodium salt, proactively addressing the massive and rapidly growing market demand for healthier food options. This demand is now further accelerated by global regulatory changes like the FDA's proposed front-of-package labeling for sodium, empowering consumers to make healthier choices and directly impacting food industry practices. Moreover, MicroSalt addresses the broader global health imperative of reducing sodium intake to combat hypertension and cardiovascular diseases, one of the leading and largely preventable cause of death and a growing concern for health organizations worldwide.
- **AIM Admission:** Listing on the AIM market was a pivotal strategic move, providing MicroSalt with enhanced visibility and access to the capital necessary for rapid expansion and accelerating its global market penetration just as the regulatory and consumer landscape is shifting in its favour.
- **Product & B2B Expansion:** Increased product placements and secured B2B orders are strong indicators of growing market traction and robust demand for MicroSalt's innovative low-sodium solutions, clearly validating their market fit and the global need for their products, now further amplified by regulatory tailwinds and increasing consumer awareness.

On 30 October 2024 MicroSalt announced it had received several new bulk purchase orders including from a new B2B customer.

- Customer C is one of the world's largest food, soft drink and snack manufacturers. Following a lengthy testing period across multiple product lines, MicroSalt has received an initial purchase order for approximately 50,000 lbs with customer production using MicroSalt expected in November. MicroSalt® is to be used in one of the customer's category leading food product lines. Annualized projections discussed with the customer exceed 200,000 lbs. The Company also anticipates additional purchase orders for Microsalt® in two more product lines, including a globally distributed cereal brand and energy bars in the first quarter of 2025.
- Customer B is the Mexican business of Customer C and one of MicroSalt's longest standing B2B customers. Customer B has placed further orders for 63,860 lbs of MicroSalt® for delivery in January 2025. The Company expects this volume to annualize at approximately 640,000 lbs.
- A new B2B customer ordered approximately 3,000 lbs from one of the world's largest spice and ingredient companies to be used in their production of a lower sodium seasoning.
- **Intellectual Property:** Continued IP development and a rapidly growing IP portfolio reinforces MicroSalt's competitive advantage and will help to firmly secure its position as a recognized leader in this increasingly critical health-focused market.

### Guident Ltd.: Ensuring Safety of the Autonomous Vehicle Revolution - Addressing Edge Cases.

- **Investment Thesis:** To become the recognized leading provider of remote monitoring and control center (RMCC) software solutions specifically designed for autonomous vehicles. This directly addresses the critical safety, operational efficiency, and regulatory compliance needs of the rapidly expanding autonomous vehicle industry and the broader smart mobility sector, particularly essential as autonomous vehicles navigate complex "edge cases" and require human oversight for safe and reliable operation.
- **Strategic Partnerships & Grant Funding:** Expanding strategic partnerships with key players in the automotive and technology sectors and securing significant grant funding from Space Florida to integrate

automotive and technology sectors and securing significant grant funding from Space Florida to integrate satellite monitoring into its RMCC helped to actively fuel Guident's rapid growth within the autonomous vehicle safety sector. This also serves as strong industry validation of their crucial role in the safe and scalable deployment of autonomous technologies, at a time when public trust and regulatory frameworks for autonomous vehicles are still developing.

- **Security Robot market:** Guident Corp also announced a Strategic Partnership agreement with Star Robotics, a leading Spanish company, which is revolutionizing the robotics industry with its visionary approach to offering robotic products and services tailored for operation in real human environments. This marks Guident's entrance into the security robot market, expanding use cases and the addressable market for its RMCC services.
- **Patent Portfolio Growth:** Consistent IP portfolio enhancements underscore Guident's progress and market leadership within teleoperations, further positioning themselves as a critical enabler of safe and reliable autonomous vehicle deployment to help address a core need for the autonomous vehicle industry's maturation.
- **Sales Pipeline:** Guident has a significant sales pipeline of both municipal and corporate clients for its RMCC service business.

#### **GenIP: Revolutionizing Innovation Investment with the Power of AI as the pace of innovation quickens.**

- **Investment Thesis:** To leverage the transformative power of cutting-edge Generative AI (GenAI) to fundamentally transform the landscape of intellectual property early staged technology assessment and strategic investment. This aims to provide a uniquely powerful and efficient tool to identify, evaluate, and capitalize on promising innovations with unprecedented speed, accuracy, and scalability, crucial in a world experiencing an explosion of innovation and intellectual property creation. Choosing winners has never been more difficult or important.
- **Spin-Out & AIM Listing:** The strategic spin-out and successful AIM listing of GenIP to capitalize on the disruptive potential of GenAI was a bold and forward-thinking move. This has already yielded significant portfolio revaluation gains and strategically positions GenIP at the forefront of AI-driven investment analysis and financing, at a time when AI is rapidly reshaping industries and investment strategies.

#### **Business Development**

- GenIP announced they have received an order for 30 Invention Evaluator GenAI analytical assessments ("IE Reports") from a leading Fortune 100 technology company client, the largest single order since the launch of Generative AI enhanced services on 1<sup>st</sup> September 2024.
- GenIP also announced it has signed a commercial agreement with a leading Saudi Arabian research institution, GenIP's first client in the Kingdom.

#### **Innovative Eyewear Inc.: Redefining Eyewear Through Seamless Technology Integration -Addressing Distracted Pedestrian Concerns and Enhancing Urban and Workplace Safety.**

- **Investment Thesis:** To fundamentally revolutionize the eyewear market by seamlessly integrating cutting-edge technology into stylish and functional frames. This aims to support an entirely new category of smart eyewear that enhances daily life, caters directly to the burgeoning wearable technology trend, and merges fashion with advanced functionality, while also offering solutions to emerging safety concerns like the increase in pedestrian fatalities, partially attributed to distracted walking and distracted drivers. Innovative Eyewear's open-ear audio technology provides a safer alternative to in-ear headsets, allowing users to stay aware of their surroundings while enjoying audio, directly addressing a growing urban safety challenge.
- **Addressing Safety Concerns:** Innovative Eyewear's open-ear audio directly tackles the problem of distracted pedestrians (and drivers) by allowing users to listen to music or take calls while maintaining situational awareness, a crucial feature as pedestrian fatalities rise in urban environments, particularly in the US. Additionally, its new smart safety eyewear provides this open ear audio with advanced worker connectivity with the first walkie smart eyewear incorporating ANSI certified safety lens.
- **Technological Advantage:** The open-ear audio, combined with stylish eyewear, positions Innovative Eyewear as a device of choice for those seeking both technological convenience and enhanced safety in

eyewear as a device of choice for those seeking both technological convenience and enhanced safety in urban and workplace environments, offering a compelling alternative to traditional headsets that can isolate users from their surroundings. Basically, combining glasses with a blue tooth head set at the same price as proper prescription glasses.

#### **Business Development**

- Innovative Eyewear announced that its Lucyd Lyte frames are now being sold on Target.com.
- Innovative Eyewear launched Armor, an American National Standards Institute (ANSI) certified smart safety eyewear in Q4 2024. Combined with steady revenue growth from its already existing, diverse smart eyewear product offering, we believe this represents a significant additional sales opportunity for the Company in many different markets including industrial, logistics and medical.
- Innovative Eyewear announced a new partnership with Windsor Eyes, a leading 50 year old eyewear manufacturing and distribution firm in Q2 2024 with strong relationships with big box stores throughout the U.S. as the Company has oriented its focus on product placement with large national retailers.

#### **Belluscura PLC: Transforming Affordable Respiratory Care with Advanced Portable Oxygen Technology.**

- **Investment Thesis:** To revolutionize the portable oxygen concentrator (POC) market by developing and commercializing a new generation of significantly smaller, lighter, and more efficient devices. This directly addresses the critical limitations of existing POC technology and directly responds to the rapidly growing global need for improved, patient-centric, cost-effective (e.g., modular) oxygen therapy solutions, a need exacerbated by the rise in respiratory illnesses worldwide, potentially linked to factors like air pollution, ageing of the population and the long-term effects of respiratory infections.
- **Addressing a Critical Need:** Belluscura is focused on creating POCs that dramatically improve patient mobility and quality of life. Their innovative designs aim to overcome the bulk and limitations of traditional devices, making oxygen therapy more convenient, accessible and affordable for a growing patient population.
- **Global Market Opportunity:** The market for portable oxygen concentrators is substantial and expanding due to aging global populations and the increasing prevalence of respiratory conditions. Belluscura is strategically positioned to capture a share of this market by offering superior yet cost-effective technology and patient-focused designs, at a time when respiratory health is becoming an even greater global concern.
- **Innovation in Design & Technology:** Belluscura is committed to continuous innovation in POC technology, focusing on advancements in size reduction, weight minimization, battery efficiency, and overall device performance as well as additional products that can leverage their core technology in areas such as wound care. This dedication to technological advancement whilst maintaining value pricing is key in our view to their competitive advantage and long-term success.

#### **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 regulations, 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.

Further, the results presented herein are preliminary and are subject to audit and potential adjustment. All of the above-listed risks can have a material, negative effect on our net asset value, revenue, performance and the success of our business and the portfolio companies we have invested in.

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