TEKCAPITAL®

ANNUAL REPORT & ACCOUNTS 2023

Nothing is More Powerful than an Idea Whose Time has Come.
- Victor Hugo

CONTENTS

OVERVIEW

TEKCAPITAL TRANSFORMS UNIVERSITY DISCOVERIES INTO VALUABLE NEW PRODUCTS

- We find and invest in exciting new discoveries from our global university network that we believe can enhance people's lives.

- We also provide services to universities and companies to help them analyse and commercialise their innovations. Using these services, we have built a compelling group of portfolio companies to commercialise several of the high value properties we have uncovered.

- We believe that when you couple commercial ready, strong university IP with star power management, vibrant companies can emerge.

- When we realise exits, the Group's goal is to distribute a portion of the proceeds as a special dividend to our shareholders.

- In 2023 we had a productive year for long-term value creation, setting the foundation for meaningful growth in 2024 as evidenced by the successful floatation of Microsalt plc post year end. Our portfolio companies achieved significant milestones, however due to unrealized reductions in the end of period quoted valuations of Lucyd and Belluscura, our profitability, net assets and net assets per share were commensurately negatively impacted.

  Net Assets US$47.9m (2022: US$57.8m)
  NAV per share US$0.27 (2022: US$0.38)
  Portfolio valuation US$41.1m (2022: US$54.9m)
  Total loss after tax: US$15.7m, resulting primarily from unrealised fair value reduction of portfolio valuation US$14.2m (2022: loss of US$12.7m)
  Share placings totalling US$5m completed during the period (2022: US$2.5m)

  However, post end of period on 20 May 2024 our estimated portfolio valuation was approximately US$75m, recovering the entire fair value losses of 2023 and exceeding the $55m valuation reported in 2022 by ~36%.

- Our portfolio companies reached many milestones during 2023, some of which included:

  - ✓ Launch of Guident's best in class Remote Monitor and Control Centre (RMCC) and the securing, deployment, and invoicing of their first major customer, Jacksonville Transportation Authority.
  - ✓ Guident signed re-seller agreements with both Auvetech a leading Estonia autonomous minibus manufacturer and Adastec a leading AV software provider and with Adastec a leading AV software provider. Guident's RMCC software will be included in all Auvetech MiCa vehicles and as part of Adastec's autonomous software stack for deployments.
  - ✓ Guident successfully tested its new regenerative shock absorbers (RSA) with a leading tyre company, and that company has presented the RSAs to several leading OEMs for their consideration.

- ✓ Innovative Eyewear's launch of the first smart eyewear with ChatGPT and securing a multi-year, global licensing agreement with Authentic Brands Group (ABG) to make and sell Reebok® Smart Eyewear, following-on previously secured licenses with Eddie Bauer and Nautica brands from ABG.
- ✓ Microsalt's onboarding of two Fortune 500 customers for their proprietary low-sodium, full-flavour salt, whilst preparing for its Initial Public Offering which was finalized on 1st February 2024.
- ✓ Belluscura's receipt of orders for 6,500 of its next-generation DISCOV-R portable oxygen concentrator.
- ✓ The Hong Kong Department of Health has approved the distribution of the X-PLOR® portable oxygen concentrators.

MICROSALT®
Full Flavor, Less Sodium

Microsalt's patented, low-sodium salt delivers natural salt with approximately 50% less sodium.

HIGHLIGHTS

INVESTMENT PORTFOLIO

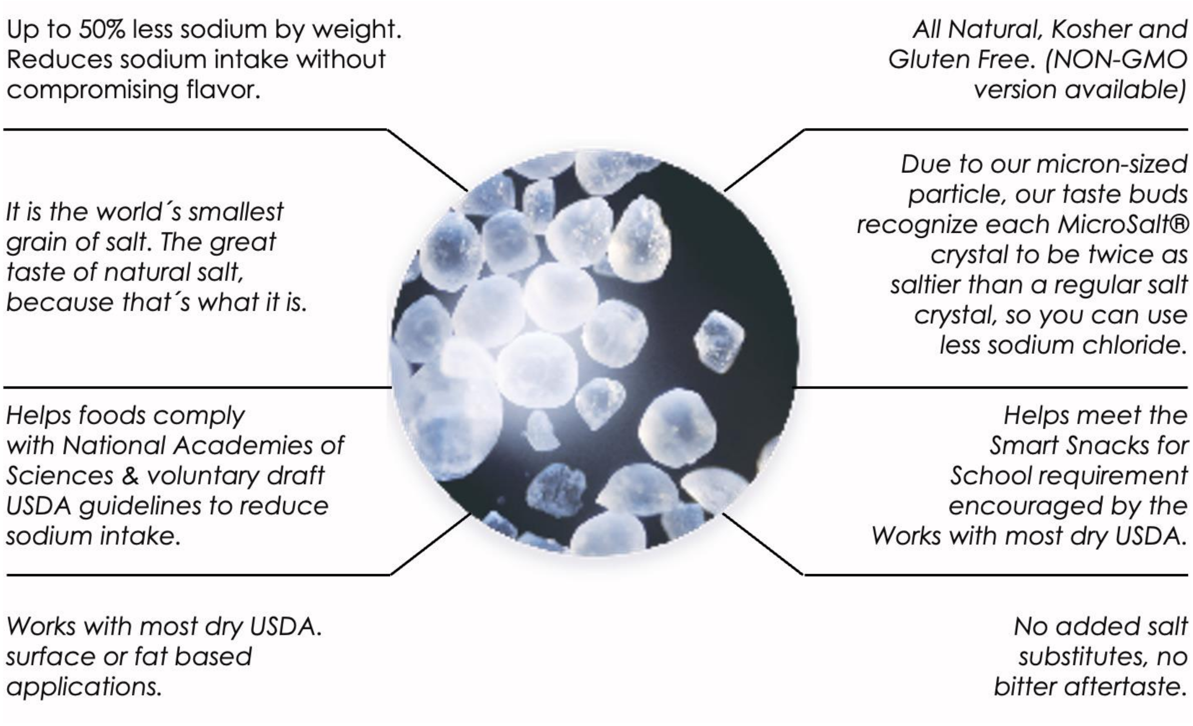
MicroSalt plc ("Microsalt") manufactures MicroSalt®, a new, patented, all natural, non-GMO, Kosher, low-sodium salt, that tastes great and has approximately half of the sodium of regular table salt.

MicroSalt plc
87% ownership at
31 December 2023
www.microsalt.co

INVESTMENT RATIONALE:
The snack food industry is focused on developing and providing better-for-you products that both taste good and help reduce sodium intake. Excess sodium consumption contributes to cardiovascular disease, a leading cause of premature death globally. The World Health Organization has indicated that reducing sodium consumption to 2,300 mg/day can save upwards of 2m lives per year. To help address this problem, MicroSalt provides a patented, low-sodium salt has all the flavour of salt with roughly half the sodium for topical applications such as crisps, pretzels, nuts, popcorn and other salty snacks, bakery products and precooked meals.

2023 DEVELOPMENTS:

- 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.
- 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.

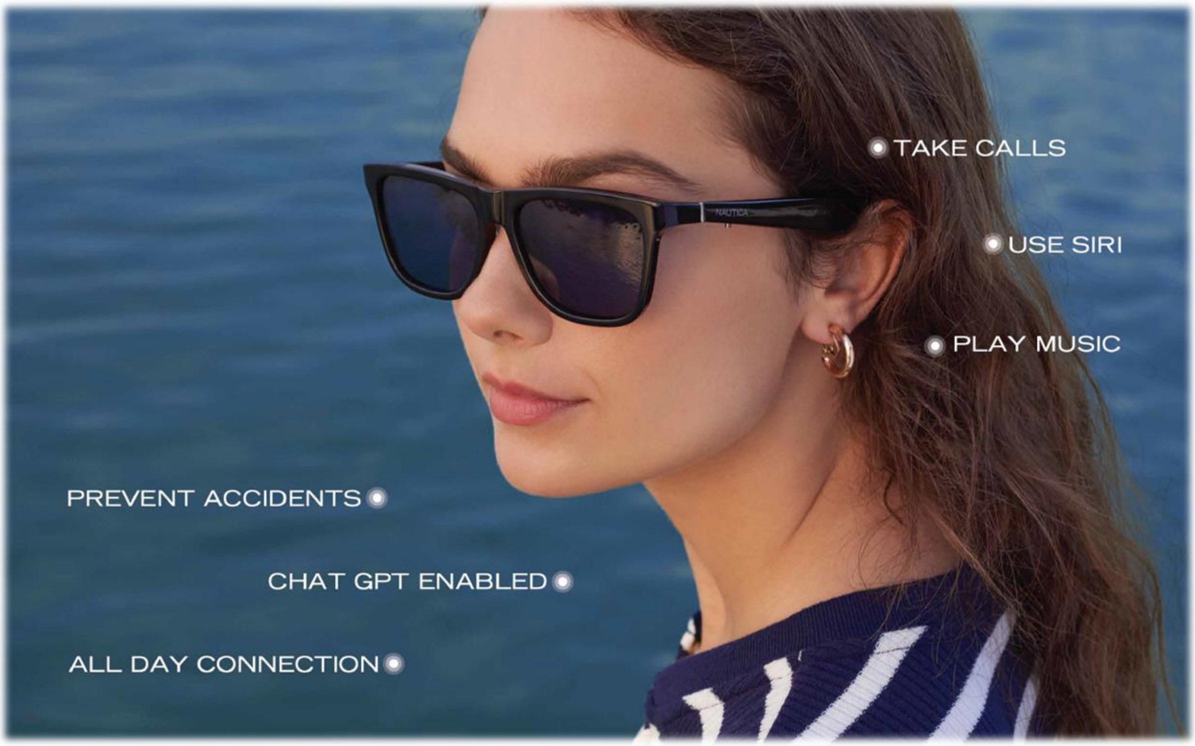


"OUR MICROSCOPIC SALT CRYSTAL TECHNOLOGY IS CREATING NEW OPPORTUNITIES FOR CONSUMERS TO LOWER THEIR SODIUM INTAKE WITHOUT SACRIFICING FLAVOR."

Rick Guiney
CEO of MicroSalt Inc.

Lucyd's vision is to Upgrade your eyewear® by providing tech-enhanced eyewear that makes it easier to stay connected to your digital life. Lucyd introduced the world's first smart eyewear with ChatGPT.

As of 31 December 2023, Tekcapital owned 100% of Lucyd Ltd, and Lucyd Ltd owned ~40% of NASDAQ quoted Innovative Eyewear Inc.



Lucyd® Limited ("Lucyd") is the developer of ChatGPT enabled smart eyewear under the Lucyd®, Nautica®, Eddie Bauer® and Reebok® brands. Innovative Eyewear, Inc ("Innovative Eyewear"), Lucyd's ~40% owned U.S. operating subsidiary, was the first Company to deliver prescription glasses with Bluetooth® technology in 2019. Their eyeglass frames help you stay connected safely and conveniently, by enabling many common smartphone tasks to be performed handsfree with Bluetooth® and voice assistants.

SOURCE: [1]https://www.ghsa.org/resources/news-releases/GHSA/Ped-Spotlight-Full-Report22#:~:text=WASHINGTON%2C%20D.C.%20%E2%80%93%20Drivers%20struck%20and,Highway%20Safety%20Association%20(GHSA).
[2]https://www.essilorusa.com/newsroom/vision-impact-institute-releases-study-on-corrective-lens-wearers-in-the-u-s

INVESTMENT RATIONALE:
In 2022, the National Highway Traffic Safety Administration (NHTSA) estimates that 7,522 pedestrians died in traffic crashes on public roads, which is a historic high. Open ear audio found in Lucyd smart glasses can help pedestrians maintain situational awareness whilst walking running and cycling. According to the Vision Institute[2], approximately 75% of the adult population need corrective lenses, and advancements in Bluetooth technology have enabled it to be incorporated into traditional eyeglass form factors. This combination created a new type of eyewear with built-in speakers, microphones and touch controls. Lucyd smart eyewear allows the wearer to forego headphones and use their glasses to listen to audio content and talk to others and digital assistant. Since the speakers are open-ear, Lucyd smart glasses enables the wearer to stay connected to their digital life whilst maintaining situational and social awareness.

2023 DEVELOPMENTS:

- Licensed sports culture brand, Reebok® for smart eyewear through an agreement with Authentic Brands Group.
- Launched Nautica Smart Eyewear Powered by Lucyd® and commenced go to market efforts with assistance from ABG’s extensive distribution network.

- 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:
    - Four speaker array
    - Improved audio input
    - Improved battery life with 12 hours of playback
    - The introduction of Bluetooth 5.2 amongst other innovations introduced by the company.
- Continued preparation for launches of its licensed brand products: Eddie Bauer and Reebok.
- Filed a patent application for a 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.

- 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.
- Continued its sales growth as exhibited by 77% increase in revenue in 2023 compared to 2022.

Guident Limited ("Guident") has developed and deployed remote monitoring and control software to improve safety of autonomous vehicles and land-based delivery devices. Guident's software will incorporate artificial intelligence and advanced network technologies to minimize signal latency and improve the safety of autonomous vehicles.

Guident developed state of the art, first fully functional remote monitoring and control software to improve the safety of autonomous vehicles and land-based delivery devices.

As at 31 December 2023, Tekcapital owned 100% of Guident Ltd, ~and 91% of Guident Corp, its US operating subsidiary.

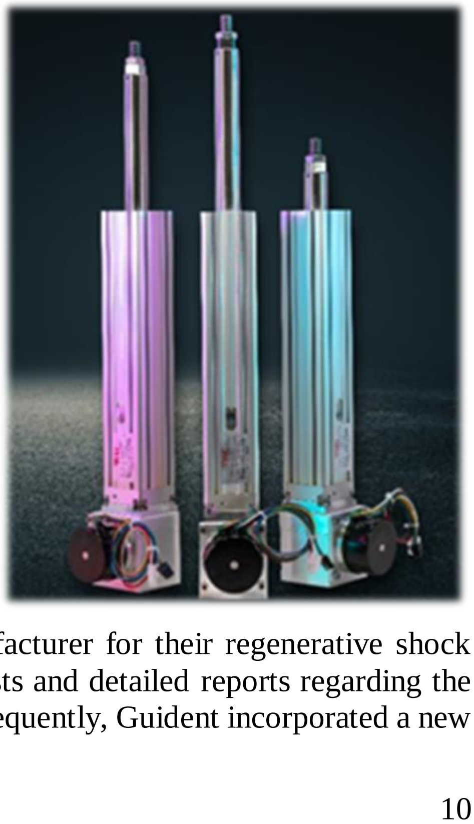
INVESTMENT RATIONALE:
Vehicles of all types are rapidly becoming electric and autonomous. Whilst Autonomous Vehicles ("AVs") are projected to be significantly safer than traditional vehicles, there will still be mishaps and in many instances there will be no vehicle operator present to help resolve these problems. Guident believes remote human interaction will be needed to address these mishaps. Guident's remote monitoring and control centre monitors vehicles and when necessary provide additional support such as calling first responders, taking over control of the vehicle to move it out of harm's way and can provide real-time communication with passengers and pedestrians. Over time, Guident believes remote monitoring centres will be required in most jurisdictions where AV's operate.

In addition to safety, a key variable in affecting the adoption of electric vehicles is the travel range between charges.

All commercial electric cars utilise regenerative braking to help extend the range by capturing the heat energy from braking and utilising it to power the vehicle or help charge the battery. Regenerative brakes work by reversing the electric motors that propel the vehicle. This works like a generator and directs energy back into the electric system to help extend the range and over time improve efficiency. Guident believes that in the next few years all electric vehicles will also have regenerative shock absorbers as these are also "green" and will extend the range the vehicle can be driven between charges. Guident's regenerative shock absorbers have the potential to assist electric vehicle manufacturers to improve the efficiency and range of their vehicles.

2023 DEVELOPMENTS:

- 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.
- 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.
- Additionally, Guident has announced progress with their regenerative shock absorbers (RSA). Guident has produced its first generation or prototype regenerative shock absorbers and is currently testing these new shocks with Tier-1 automotive companies. This technology will enable EVs to increase their range and have more available power for telemetric connection with the RMCC. The goal of this technology is to manufacture electromagnetic regenerative shock absorbers with energy densities that can recover a vehicle's vibration energy which is otherwise lost as heat, and in doing so extend their range between charges. In addition, this unique design utilising rotary mechanical motion rectifiers can be tuned to achieve better damping characteristics than existing shock absorbers. 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.

Belluscura plc 10% ownership at 31 December 2023
www.belluscura.com

Belluscura plc ("Belluscura") is a respiratory medical Device company that has developed and launched an improvedportable oxygen concentrator (POC) to provide on-the-go supplemental O_2. Belluscura believes its product is the first FDA cleared, modular POC with a user-replaceable filter cartridge. Belluscura aims to make POC's more affordable to those who need them.

INVESTMENT RATIONALE:
Worldwide, approximately 300m individuals suffer from COPD (chronic obstructive pulmonary disease). COPD is a progressive lung disease that includes emphysema and chronic bronchitis. POC's are also used to treat:
Interstitial lung disease (ILD): This is a group of lung diseases that cause scarring of the lungs.
Cystic fibrosis: This is a genetic disease that causes thick, sticky mucus to build up in the lungs, making it hard to breathe.
Sleep Apnea: This is a sleep disorder that causes breathing to repeatedly stop and start.
Pulmonary hypertension: This is high blood pressure in the lungs.
Heart failure: This is a condition that makes it hard for the heart to pump blood effectively.

Many patients suffering from the above disorders require supplemental oxygen. As there is no cure for COPD, over time patients require greater amounts of oxygen, and if they use a portable oxygen concentrator, they must often replace their devices with greater capacity models as their disease progresses. With Belluscura's new patented device, users can swap out the filter cartridges to enable higher capacity oxygen flow without having to buy a new device, like upgrading memory on a laptop. The result is more affordable oxygen therapy which increases the number of people who can avail themselves of these life-extending and life saving devices.

2023 DEVELOPMENTS:

- 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 year.
- 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.
- 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.
- 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

CORPORATE FINANCIAL PERFORMANCE

Our investment objective is to achieve long-term growth of net assets and deliver returns on invested capital through the commercialisation of university and other new discoveries that can make a positive impact on people's lives. In 2023 we had a productive year for long-term value creation, setting the foundation for meaningful growth in 2024 as evidenced by the successful floatation of Microsalt plc post year end. Our portfolio companies achieved significant milestones, however due to unrealized reductions in the end of period quoted valuations of Lucyd and Belluscura, our profitability, net assets and net assets per share were commensurately negatively impacted.

- Net Assets US$47.9m (2022: US$57.8m)
- NAV per share US$0.27 (2022: US$0.38)
- Portfolio valuation US$41.1m (2022: US$54.9m)
- Total loss after tax: US$15.7m, resulting primarily from unrealised fair value reduction of portfolio valuation US$14.2m (2022: loss of US$12.7m)
- Share placings totalling US$5m completed during the period (2022: US$2.5m)

Post end of period, using 20 May 2024 closing market prices, our estimated portfolio valuation was approximately US$75m (appx. US$0.37 per share), recovering the entire fair value losses of 2023 and exceeding the $55m valuation reported in 2022 by ~36%.

CORPORATE SERVICES ACTIVITY

- In 2023 our corporate services revenue from Invention Evaluator and Vortechs Group increased ~43%.
- Tekcapital delivered over 290 Invention Evaluator (IE) reports, a significant increase from the previous year. These reports help organizations worldwide evaluate the market potential of their technologies, indicating the company's growing influence and expertise in this field.

- 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. Tekcapital also added well known academic clients such as the University of Johannesburg, one of the largest, multi-campus, residential universities in South Africa.
- Vortechs, Tekcapital's executive search firm, secured more than 12 executive search assignments in 2023, demonstrating substantial growth compared to the previous year. Additionally, it expanded its list of academic clients to include prestigious institutions such as the Massachusetts Institute of Technology (MIT), indicating the firm's increasing reputation in talent acquisition within academia and beyond.
- Tekcapital played a significant 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 promote sustainable water solutions, showcasing Tekcapital's commitment to societal and environmental impact through innovation.

DR. CLIFFORD GROSS, EXECUTIVE CHAIRMAN SAID:

“The Group has made good progress during 2023. Our portfolio companies have demonstrated solid business growth, and we believe they should achieve additional significant milestones by the end of 2024.
Notably during the year, Innovative Eyewear Inc. launched the world’s first ChatGPT enabled eyewear.

Key 2023 milestones included:

Guident signed re-seller agreements with both Auvetech a leading Estonia autonomous minibus manufacturer and Adastec a leading AV software provider. Guident’s RMCC software will be included in all Auvetech MiCa vehicles and as part of Adastec’s autonomous software stack for future deployments.

Additionally, Guident has continued to improve and rigorously test its regenerative shock absorbers. Numerous Tier-1 companies are evaluating the shocks for potential inclusion in their electric vehicles.

We are also pleased to highlight Microsalt’s strong progress ending the year by growing its revenues, signing up additional customers and launching its low sodium saltshakers in approximately 400 supermarkets and engaging its advisory team for their AIM IPO which was completed on 1 Feb 2024.

Our financial results were negatively impacted by the reduction in the observable, closing share prices of both innovative Eyewear and Belluscura at the end of the period, which we believe were in large measure the result of exogenous macro-economic and capital market factors.

We remain steadfast and excited about the commercial progress of our portfolio companies in 2023 and for their future prospects for the remainder of 2024. As per our mission and investment objective, we believe that all of our key portfolio companies have the potential to make a positive impact on the lives of the customers they serve, as well as produce meaningful returns on invested capital for our shareholders over the long term.”

POST PERIOD END HIGHLIGHTS

Following Microsalt plc's introduction of its low-sodium saltshakers in the United Kingdom, the Company successfully completed its Initial Public Offering and commenced trading on the AIM market of the London Stock Exchange on February 1st, 2024. Tekcapital holds a 77.24% interest in MicroSalt after the IPO (at 1 February 2024), which at the listing price of 43p per ordinary share, was valued at approximately £14.3m on Admission.

Also following our year end, Guident announced that it will integrate its industry-leading AV remote monitoring, control, assistance, and passenger support services with the world's most compact and flexible level 4 autonomous shuttle, MiCa from Auve Tech. By working together, the groundbreaking MiCa shuttle will now incorporate Guident's teleoperation solution, further enhancing its safety and Auve Tech's leading, self-driving technology. For each vehicle outfitted with Guident's technology there will be a hardware fee and a recurring license fee.

On 15 May 2024 Microsalt has announced it has been granted an important patent protecting the IP of its micron-sized salt. This particular patent, entitled Low Sodium Salt Composition, is focused on how Microsalt's low-sodium salt adheres to food particles in a different way than traditional table salt. "We believe the grant of patent 11,992,034 is an important milestone for the Company as it further strengthens our IP position in the global low sodium market," said Rick Guiney, CEO of Microsalt.

On 19 Feb 2024 Guident hosted a grand opening for the first U.S. commercial Remote Monitor and Control Centre (depicted below) for enhancing AV safety.

Innovative Eyewear Inc announced a new partnership with Windsor Eyes, a leading eyewear manufacturing and distribution firm. Over the last 50 years, Windsor has become a leading manufacturer and supplier of fashion eyewear under the Bruno Magli, Sanctuary, Pier Martino, Adolfo, Eyecroxx, as well as private label options. Windsor Eyes products are distributed nationwide in leading optical chains and prominent optical shops. The partnership aims to forge a robust collaboration between Innovative Eyewear's unique, cutting-edge smart eyewear products and Windsor Eyes' well-established distribution network within the optical retail sector. Together, Innovative and Windsor intend to work closely to ensure extensive distribution of smart eyewear across the United States, targeting key large optical retail outlets.

Image courtesy of Innovative Eyewear, Inc.

Innovative Eyewear also announced a partnership with New Look Vision Group to distribute its smart eyewear in Canada. New Look Vision Group is the largest optical group in the eye care industry in Canada and has been rapidly expanding in the United States since its acquisition of Edward Beiner in March 2020, its partnership with Black Optical in 2021, and the acquisition of LOH in December 2021. New Look Vision Group has a network of 489 locations operating mainly under the Iris, New Look Eyewear, Vogue Optical, Greiche & Scaff and Edward Beiner banners and a laboratory facility using state-of-the-art technologies.

Innovative Eyewear Inc. also appointed Micah Richards as a brand ambassador. Micah is a former England International footballer, turned successful broadcaster, currently working for Sky Sports, CBS Sports and BBC Sport whilst he is also a co-host of "The Rest is Football" - a top ten UK podcast.

PORTFOLIO REVIEW

PATENTED, FULL-FLAVORED, LOW-SODIUM SALT

The food industry is focused on developing and providing better-for-you products that taste great and reduce sodium intake. The reason for this is that excess sodium consumption contributes to cardiovascular disease, a leading cause of premature death globally. To address this problem, Microsalt has developed a patented process for producing micron-sized salt crystals that provide all of the flavour of salt with roughly half of the sodium for topical food applications. Microsalt has developed what we believe to be the world's smallest edible salt crystals with its patented Microsalt®. With Microsalt®, companies can make full flavour snacks and prepared meals with the same saltiness as traditional foods yet with half of the sodium. Microsalt® dissolve faster, is all natural, non-GMO, Kosher and doesn't contain any of the additives or salt substitutes found in other sodium reduction products.

The global Sodium Reduction Ingredients Market is estimated to be worth US$5.5 billion in 2022 with a CAGR of 5.8% between 2022 and 2032[1]. Recently, Microsalt has secured two food brokers and the leading U.S. natural food distributor for its product in the United States and Mexico.

During 2023, Microsalt made significant progress in expanding its sales newly launched Microsalt shakers, which as of the date of this report have been on-boarded in several hundred supermarkets in the U.S, while significant progress was also made on their B2B pipeline including onboarding of two Fortunate 500 customers.

"I am absolutely delighted to be working with Microsalt to show how a true low-sodium salt can produce the same taste while providing significant benefits to health. As a chef, salt is the most important ingredient, and this product is game changing."

Jack Stein
Chef Director for Rick Stein
&Microsalt's brand ambassador

[1] https://www.futuremarketinsights.com/reports/sodium-reduction-ingredient-market
[2]https://resolvetosavelives.org/about/press/fda-4-year-delay-in-finalizing-sodium-reduction-targets-may-cause-265-000-deaths-over-14-years-study-says

PORTFOLIO REVIEW

INNOVATIVE EYEWEAR INC.
THE CLEAR CHOICE FOR SMART EYEWEAR

Lucyd and its subsidiary, Innovative Eyewear Inc. is seeking to Upgrade Your Eyewear® by producing designer eyewear with smart features at affordable prices. Lucyd was the first Company to deliver prescription glasses with Bluetooth® technology in 2019. Their frames help you stay connected safely and conveniently. With Lucyd frames, you can stay focused on the world while making calls, listening to music, and using voice assistants and ChatGPT.

Sitting at the intersection of Hearables, Digital Assistants and Online Eyewear markets, Lucyd is positioned to potentially become a leading player in smart eyewear by offering ChatGPT enabled, designer smart frames with Rx lenses at an unbeatable price.

Innovative Eyewear, Inc. owns the exclusive rights to the Lucyd® brand and has worldwide multi-year licenses to the Nautica, Eddie Bauer and Reebok brands for smart eyewear, from Authentic Brands Group.

Tekcapital ownership of Innovative Eyewear, Inc.

40%

Photos courtesy of Innovative Eyewear, Inc.

In January 2024, Innovative Eyewear launched the Nautica® Powered by Lucyd smart eyewear collection in eight different styles, along with various branded accessories including a power brick, cleaning cloth, and a slipcase adorned with the iconic Nautica sail logo.

Their current product offering consists of 29 different models, which offers a similar amount of style variety as many traditional eyewear collections. All styles are each available with 80+ different lens types, resulting in thousands of variations of products currently available. The Company currently has over 100 licensed patents and applications.

All of Lucyd's smart eyewear enables connection to the powerful ChatGPT, using a novel ergonomic voice interface. The Company believes the inclusion of this powerful feature with our eyewear will significantly enhance user adoption of Lucyd frames.

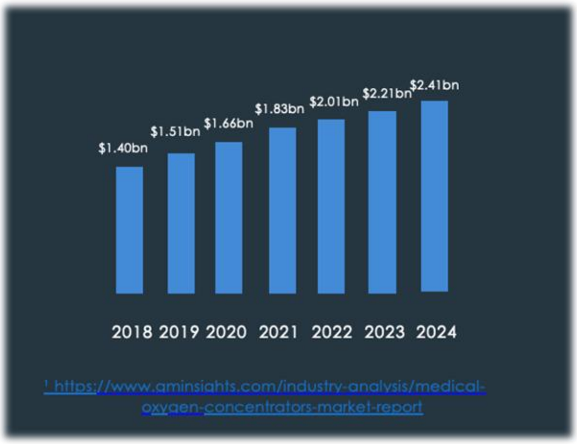
BELLUSCURA: DELIVERING INNOVATIVE OXYGEN TREATMENT DEVICES

- Unique medical device company that has developed an improved portable oxygen concentrator to provide on-the-go supplemental O_2 for COPD patients.

- The Company received FDA clearance for their X-PLO2R™ portable oxygen concentrator in March 2021 and completed its IPO on the AIM Market in May 2021. In 2022 it ramped up manufacturing and sales of its patented, portable oxygen concentrator.

- We believe their innovative device will be helpful in addressing COVID-related respiratory problems as well as COPD.

The medical portable O_2 market is expected to grow from U$2.2bn to US$2.4bn by 2024[1]

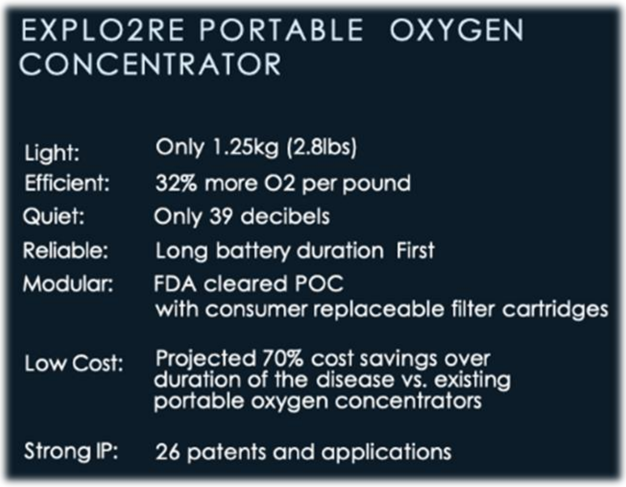


Tekcapital ownership ~10%

- Belluscura has field or licensed 30 patents to-date, covering devices and systems for treating people suffering from acute respiratory distress caused by COPD.

- Belluscura announced it received orders for 6,500 of its next-generation DISCOV-R portable oxygen concentrator. This would represent approximately US$15 million of potential revenue for them.

- 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.



GUIDENT: SOFTWARE PLATFORM FOR REMOTE MONITORING AND CONTROL OF AUTONOMOUS VEHICLES AND DELIVERY DEVICES

With its proprietary software, a world-class team, and portfolio of eight patents, Guident will be able to deliver competitive advantages for AV fleet operators by providing real-time passenger & delivery vehicle monitoring and control, for public and private mobility markets.
Guident has built and operates its first Remote Monitoring and Control Centre for ground-based delivery devices and AVs in Boca Raton, State of Florida. Recent state law requires back-up, human remote monitoring for AVs when a safety driver is not present in the vehicle. This is a critical path to enable the commercial introduction of driverless AVs in Florida and is likely to be required in other jurisdictions.

Guident has progressed with its B2B marketing program and seeks to develop partnerships with smart city operators, vehicle original equipment manufacturers and fleet operators to provide remote tele-monitoring and control centres for autonomous vehicles and fleet operatorsIn 2023 they successfully deployed their first contract to provide RMCC services to the Jacksonville Transportation Authority and the Company expects more deployments in 2024 and beyond.

According to Research and Markets[2], the global market for autonomous last mile delivery is projected to reach US$5.9 billion by 2030 at CAGR of 23.5%.

Guident also offers an additional patented technology enabling OEMs to increase the range of their electric vehicles with electromagnetic regenerative shock absorbers. This technology received the R&D 100 Award by R&D Magazine, for one of the 100 most significant technology innovations of the year from around the world. Guident has designed and manufactured the first generation of their regenerative shocks and is currently testing them with several Tier-1 automotive companies.

[2] https://www.businesswire.com/news/home/20230329005522/en/Global-Autonomous-Last-Mile-Delivery-Market-Report-2023-Sector-to-Reach-5.9-Billion-by-2030-at-a-CAGR-of-23.5---ResearchAndMarkets.com

STRATEGIC REPORT

CHAIRMAN'S SUMMARY

Tekcapital plc and subsidiaries ('Tekcapital') brings new scientific innovations from lab to market to enhance safety and health and improve the quality of life of the customers we serve. In the past year, thankfully, all of our portfolio companies have made significant advancements. Belluscura expanded production, distribution and sales of its portable O_2 concentrator, Innovative Eyewear launched the first ChatGPT enabled smart eyewear, and had record annual sales growth MicroSalt on-boarded two Fortune 500 B2B clients to use MicroSalt in their products and have expanded sales of their saltshakers to >400 retail locations throughout the US. Additionally, Guident has begun providing RMCC services to its first customer, the Jacksonville Transportation Authority, for its remote monitoring and control service and has built and continues to test their regenerative shock absorbers with Tier 1 companies for use with electric vehicles.

As a result, consistent with our mission, Tekcapital's portfolio companies are making a positive impact on the lives of the customers they serve.

CURRENT TRADING AND OUTLOOK

We are enthusiastic about the development of Tekcapital's portfolio companies, their performance to-date and their prospects to significantly expand in 2024. The Board is confident that continued investment in our non-quoted portfolio companies remains the right approach for potential long-term value creation. Additionally, we are currently exploring adding a fifth portfolio company focused on the commercialisation of generative artificial intelligence.

Whilst Tekcapital Group is progressing well, investors should note that net asset values will fluctuate from period to period due to individual portfolio company performance, valuations and changes in market conditions and macro-economic financial conditions, and that material changes in the value of our portfolio companies can have a significant impact on our NAV, operating result and future prospects.

KEY PORTFOLIO COMPANIES

Leveraging our proprietary global university network, we provide services to universities and companies to help them assess and commercialise their innovations. Utilising these services, we have built a valuable group of portfolio companies to commercialise select intellectual properties that if successfully commercialised could make a positive impact on people's lives. Our model is simple, we seek to couple commercialisation ready, compelling university IP with visionary management. We then invest our own capital and introduce exogenous sources of capital to help these companies grow. When we realise exits through trade sales or IPOs, the Group's goal is to distribute a portion of the proceeds as a special dividend to our shareholders.

Our current portfolio companies were all started by Tekcapital. Whilst few in number, they are diverse and span multiple sectors including food tech, autonomous vehicles, smart eyewear and respiratory medical devices. All of our portfolio companies have in our view, compelling intellectual properties, capable and inspired management and address $Billion+, fast growing markets. The entire team at Tekcapital is committed to helping these companies grow to achieve their full potential and value.

Microsalt is a food tech business that owns a patented process to produce micron sized salt.

Microsalt has made significant progress in 2023, including receipt of purchase orders from two Fortune 500 customers for Mirosalt as an ingredient. In addition to its focus on B2B sales of MicroSalt® to snack food companies where the Company has made substantial progress, Microsalt has launched its own snack food brand called SaltMe!™. Additionally, MicroSalt has launched its low sodium salt in saltshakers during 2023. Approximately 400 supermarkets now carry theses better-for-you saltshakers.

Tekcapital owed approximately 87% of MicroSalt Ltd as of 31 December 2023.

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

In 2023, Guident Secured and fulfilled its first purchase order from Jacksonville Transportation Authority (JTA) for JTA a project to provide remote monitoring and control services. The company also 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 satellite back-up monitoring and control of an autonomous vehicle with reliable and high-speed bi-directional connectivity.

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.

Tekcapital owned 100% of Guident Ltd and 90% of its U.S. subsidiary Guident Corporation as of 31 December 2023.

Lucyd has built a smart eyewear business that combines technology with traditional eyewear.

In 2023, the Company licensed sports culture brand, Reebok® for smart eyewear through an agreement with Authentic Brands Group. The Company demonstrated quarterly sales growth in 2023 while also continuing preparation for launch of its remaining branded products including Nautica and Eddie Bauer. In another milestone achievement, the Company released Lucyd App, an iOS/Android app that enables voice interface for ChatGPT on their smart eyewear.

As at 31 December 2023, Tekcapital owns, via it's 100% interest in Lucyd Limited, 40% of the share capital of Innovative Eyewear, Inc. Innovative Eyewear shares are listed on the NASDAQ under ticker: LUCY.

Belluscura has developed and sells an improved portable oxygen concentrator to provide on-the-go supplemental O_2 (oxygen), with user replaceable filter cartridges.

When a patient's disease progresses, they now can upgrade the filter cartridge to provide more liters of O_2 per minute, like adding memory on a laptop, rather than having to replace an expensive medical device. These cost savings will be beneficial to patients and insurance companies and should help make portable respiratory devices more affordable which is core to Belluscura's mission. Belluscura filed for and received clearance from the Hong Kong Department of Health has received approval for the distribution of the X-PLOR® portable oxygen concentrators. China has almost 100 million people living with chronic obstructive pulmonary disease (COPD) and accounts for almost 25% of all COPD cases globally[3].

Financial performance

- Net Assets US$47.89m (2022: US$57.8m)
- NAV per share US$0.27 (2022: US$0.38)
- Portfolio valuation US$41.1m (2022: US$54.9m)
- Total loss after tax: US$15.7m, resulting primarily from net unrealised fair value reduction of US$14.23m (2022: loss of US$12.7m).

Fundraisings during the period

In 2023 we closed share placements totaling US$ 5.2m. (2022: US$ 2.5m), excluding expenses. 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The specific financial risks are discussed in the notes to the financial statements. Other risks are as follows:

We believe the principal financial risks and benefits of the business relate to the value and performance of the Group's portfolio companies. We believe that the fair value of each portfolio Company is a time dependent valuation that may become impaired if the business does not achieve it milestones, growth trajectory, product development goals, market acceptance, capital raises or other key performance metrics. Individually and as a group our portfolio companies have a material impact on our financial performance.

- The risk of individual portfolio company negative performance, in the future, may be ameliorated, as our portfolio becomes more mature, and when our portfolio companies develop significant capital reserves, predictable revenues and have demonstrated significant increases in value. Management's strategy of early detection and remediation includes continuous monitoring of sales performance, expenses and capital requirements as well as ongoing assistance in strategic planning and fundraising activities, amongst others.
- The principal operational risk of the business is management's ability to assist our portfolio companies in achieving their goals and ultimate exits whilst having a small team and an additional goal of increasing our service revenues. Management's strategy of early detection and remediation includes continuous monitoring of sales performance and expenses, intellectual property position and strategic direction, as well as ongoing assistance in executive and board recruitment, IP acquisition and fundraising activities, amongst others.

[3] https://www.who.int/news-room/feature-stories/detail/advancing-copd-care-in-china-through-a-comprehensive-approach#:~:text=China%20has%20almost%20100%20million,of%20all%20COPD%20cases%20globally.

- The current barbaric and senseless Russian invasion of Ukraine, as well as Israel/Gaza conflict over time may contribute to inflation of energy costs and supply chain disruption which could increase the cost and complexity of sourcing components for some of our portfolio companies. Additionally, due to the conflict and the uncertainty it has introduced to the capital markets, whilst large cap stocks have progressed well, small cap stocks worldwide are still feeling the pinch, and this can be seen in Belluscura's and Innovative Eyewear's share prices at the end of the period.

We are grateful for the patience and support of our shareholders. We are also sincerely appreciative of our dedicated, creative and incredibly hardworking teams at portfolio companies and our corporate team, without whom, none of the results reported herein would be possible.

SECTION 172 (1) STATEMENT

Our Board (please also see Board of Directors page for information on Directors) ensures that all decisions are taken for the long term, and collectively and individually aims to always uphold the highest standard of conduct. Similarly, our Board acknowledges that the business can only grow and prosper over the long-term if it understands and respects the views and needs of the Company's investors, customers, employees, suppliers and other stakeholders to whom we are accountable, as well as the environment we operate within. When making decisions, each director ensures that they act in the way that would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following matters:

a) The likely consequences of any decision in the long term
In line with our strategy, Tekcapital plc's purpose is to find and invest in exciting new discoveries from our global university network that can enhance people's lives. We believe that when you couple commercialisation ready, compelling university IP with strong senior management, vibrant companies will likely emerge. When we realise exits the Group's goal is to distribute a portion of the proceeds as a special dividend to our shareholders.

With this in mind, we apply the same high standards of responsible stewardship to our businesses as if we were to own them forever, and it is this approach to decision making that requires the Directors to have regard to the likely consequences of decisions in the long-term.
The long term decision making and strategy also considers consequences of climate change, such as changes in extreme and unpredictable weather. The Board considers the potential impacts of the climate change related disruptions on business operations of Tekcapital Group and its portfolio companies as they relate to supply chain, customer demand and business operations as these risks may affect future investment decisions.

b) The interests of the Group's employees
The Board strives to maintain and develop a culture where everyone feels valued and included. The Board also considers the health, safety and wellbeing of all Tekcapital employees in every day decisions. Feedback from employees is actively encouraged and is considered a key driver in developing our business activities, processes and workplace environment. Initiatives to encourage wellbeing are well established and continue to evolve and are strongly influenced by the workforce. Professional and personal development of employees is viewed as fundamental to the continued success of the Company.

c) The need to foster the Group's business relationships with suppliers, customers and others

The Board ensures that the Group's mission is focused on improving the world with university discoveries, and focuses on innovations that, if successful, can improve the quality of life of customers we serve.

The Board recognises that it is crucial that we deliver a reliable service to our customers and maintain excellent relationships with suppliers.

d) The impact of the Group's operations on the community and the environment

In their decision making, the Directors need to have regard the impact of the Company's operations on the community and environment. The Board plays a constructive role in tackling issues through engagement and making sure the Group's investments focus on improving quality of life and attempt to solve significant health and safety problems facing communities. The Board also considers impact of Group's investment decisions on the environment as part of screening process.

e) The desirability of the Group maintaining a reputation for high standards of business conduct

The Board recognises that culture, values, and standards are key contributors to how the Group creates and sustains value over the longer term, and to enable it to maintain a reputation for high standards of business conduct. High standards of business conduct guide and assist in the Board's decision making, and in doing so, help promote the Group's success, recognising, amongst other things, the likely consequences of any decision in the long-term and wider stakeholder considerations. The standards set by the Board mandate certain requirements and behaviour with regards to the activities of the Directors, the Group's employees and others associated with the Group.

f) The need to act fairly as between members of the Group

The Company has one class of ordinary shares, which have the same rights as regards voting, distributions and on a liquidation. Management are also significant shareholders in the Group, holding approximately 6% of the register, together putting them in the top 3 shareholders of the Group. On this basis the Board feels that the executive Directors are fully aligned with shareholders.

g) MicroSalt Ltd ('Microsalt') listing

As at 31 December 2023, we had initiated the process for listing of Microsalt Ltd's shares to enhance its ability to raise capital and compete effectively in the sodium reduction market. The listing, if successful, will enhance the Microsalt's ability to recruit experienced managers by being able to offer associates stock options grants with a near-term path towards monetisation.

h) Fundraising activities

During the course of the year, Tekcapital plc consummated two fundraises for dual reason of continued investment in our portfolio companies and to increase our available working capital. The former reason is consistent with board policies mentioned in our current report.

We are enthusiastic about the development of Tekcapital's portfolio companies, their performance to-date and their prospects to significantly expand in 2024. The Board is confident that continued investment in our portfolio companies remains the right approach for potential long-term value creation. Additionally, we are currently exploring early-stage venture funding for Guident to accelerate growth further.

STRATEGIC REPORT: FINANCIAL REVIEW & KEY PERFORMANCE INDICATORS

THE KEY PERFORMANCE INDICATORS (KPIs) FOR THE GROUP

The Key Performance Indicators (KPIs) listed below represent those that are typically applied to companies that seek to commercialise university technologies and serve as a starting point for evaluating the Group's performance:

KPI	DESCRIPTION	2023	2022
FAIR VALUE OF THE PORTFOLIO	Updated value of portfolio companies using costs, independent valuations or observed third party investments	$41.1m	$54.9m
TOTAL INCOME	Total income including revenue from services, fair value gains, and other income	($13.0m)	($10.0m)
(LOSS)/PROFIT	After tax (loss)/profit	($15.7m)	($12.7m)
NET ASSETS PER SHARE	Total assets minus total liabilities per share	$0.27	$0.38

Key Performance Indicators showed slight deterioration in 2023, with vast majority of the changes attributable to capital market fluctuations in the price of Innovative Eyewear and Belluscura publicly listed shares. The Group's cash position at the end of the period is US$0.6m (2022: US$0.6m) with modest liabilities as costs have been settled without delay using available funds and post period fundraise of GBP 2m completed in February 2024. The Group had no debt as of 31 December 2023 (2022: US$nil).

Directors do not believe there are any material environmental issues that need to be reflected in our KPIs for 2023.

The Strategic Report was approved by the Board of Directors on 21 May 2024.

Clifford M. Gross, Ph.D.
Chairman and CEO

21 May 2024

BOARD OF DIRECTORS

Cliff Gross is a successful executive with more than 25 years of leadership experience in academia and business. He is passionate about commercialization of university discoveries to improve the quality of life. He founded three companies (Biomechanics Corp., UTEK & Tekcapital) which subsequently listed, where he served as CEO and Chairman and co-founded numerous private companies including HumanCAD, Microsalt, Belluscura, Lucyd and Guident. Previously he was President and CEO of Innovacorp, the provincial venture capital fund of Nova Scotia. Cliff was Acting Director of the graduate program in Biomechanics and Ergonomics at New York University, Chairman of the Nelson Rockefeller Department of Biomechanics at the New York Institute of Technology and Research Professor at the University of South Florida. He has authored several books including Too Good to Fail: Creating Marketplace Value from the World's Brightest Minds and is a named inventor on more than 30 issued patents. A number of the ergonomic products he has developed became significant commercial successes including the DeWalt Cordless Drill for Black & Decker, The Parachute Chair for Knoll, the ergonomic mouse for Logitech, HumanCAD, the first PC-based human CAD software, and the flexible back belt, which is used to reduce back stress for individuals worldwide. Several of his products were included in a Smithsonian exhibit on ergonomic design. Cliff is a Fellow of the National Academy of Inventors. He received his Ph.D. from New York University and an executive MBA from Oxford University.

Robert Miller practiced at the Mayo Clinic for twenty years, serving as a Physician-Executive before retiring as an Emeritus Professor in 2019. He served as Vice Chair of the national Mayo Clinic Cancer Center Practice Committee, overseeing cancer care delivery at all of Mayo's national sites, and was Medical Director Particle Therapy at Mayo Clinic Florida where America's first carbon ion radiotherapy facility is being built. He also previously served as Vice Chairman of the Board of Trustees of the Mayo Clinic Health System – Albert Lea and Austin. He is the author of over 190 peer-reviewed papers. Robert has successfully led a series of national, NIH funded Phase III clinical trials searching for new pharmaceutical solutions to reduce symptoms of cancer therapy. He is currently Director of Radiation Oncology at the University of Tennessee in Knoxville, Tennessee. Robert began his scientific career as a medical physicist at the University of Kentucky, before going on to graduate from medical school at the University of Kentucky. Robert also received an MBA from Oxford University. He recently served as Director of Radiation Oncology at the University of Tennessee in Knoxville, Tennessee.

The Rt Hon Lord Willetts FRS is Chair of the UK Space Agency's Board, President of the Resolution Foundation and former Minister for Universities and Science. He served as the Member of Parliament for Havant (1992-2015), and previously worked at HM Treasury and the No. 10 Policy Unit. Lord Willetts is a visiting Professor at King's College London, Governor of the Ditchley Foundation, former Chair of the British Science Association and a member of the Council of the Institute for Fiscal Studies. He is also an Honorary Fellow of Nuffield College, Oxford. Lord Willetts has written widely on economic and social policy. One of his books 'The Pinch', which focused on intergenerational equity, was published in 2010, and he recently published 'A University Education'. Lord Willetts is a graduate of Oxford University and has been awarded numerous honorary doctorates.

Louis Castro has over 30 years' experience in investment banking and broking both in the UK and overseas. He is currently Executive Chairman of Orosur Mining Inc, an AIM and TSXVlisted exploration company. Previously he was Chief Executive of Northland Capital Partners in London and before this was Head of Corporate Finance at Matrix Corporate Capital and at Insinger de Beaufort. He started his career by qualifying as a Chartered Accountant with Coopers & Lybrand (now PWC). Louis chairs the Audit Committee and is a member of the Remuneration Committee. He is a Fellow of the Institute of Chartered Accountants In England and Wales and has a Double Degree in Engineering Production & Economics from Birmingham University.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

PRINCIPAL ACTIVITIES

The principal activity of the Group and the parent Company is that of an investment entity.

RESULTS AND DIVIDENDS

The results for the period are set out in the consolidated statement of comprehensive income on page 45. No dividend was declared or paid during the period ended 31 December 2023 (2022: $nil).

DIRECTORS

The following Directors held office during the period:
Clifford M Gross, Ph.D.
Robert Miller, M.D.
Louis Castro, FCA
The RT Hon Lord David Willetts FRS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable laws and regulations.

Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted in the United Kingdom ("UK adopted IFRS") and have also chosen to prepare the Company financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Parent Company and of their profit or loss for that period.

.In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Each of the current Directors, whose names are listed in the Directors' report on this page of the financial statements confirm that, to the best of each person's knowledge and belief:

- the Group financial statements, prepared in accordance with UK-adopted IFRS, give a true and fair view of the assets, liabilities, financial position and profit (or loss) of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, give a true and fair view of the Company's assets, liabilities and financial position of the Company; and
- the chairman's statement contained in the annual financial statements includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website www.tekcapital.com. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GOING CONCERN

The Group meets its day-to-day working capital requirements through its service offerings, cash at bank, monies raised in follow-on offerings and realisation of its investments. The Group's forecasts and projections indicate that the Group has sufficient cash reserves to operate within the level of its current facilities.

The Group has access to equity markets if it seeks additional funds. At the time of approving the accounts after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

See Note 2.1.1 for additional information on Going Concern.

FUTURE DEVELOPMENTS

No changes in the nature of the business is expected in the foreseeable future.
Information has been included in the strategic report in relation to disclosures under S414C(11) of the Companies Act 2006.

AUDIT COMMITTEE REPORT

The Board operates an Audit Committee, chaired by Louis Castro. This Committee carries out duties as set out in the AIM Admission Document, supervising the financial and reporting arrangements of the Group. During the period, no issues arose that the Directors consider appropriate to disclose in their Report. The audit committee met 3 times during the period.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS' EMOLUMENTS

	Salary & fees US $	Benefits in kind US $	Bonus US $	2023 Total US $	2022 Total US $
Clifford M Gross	254,096	27,846	-	**281,942**	530,722
Robert Miller	23,261	-	-	**23,261**	23,261
Louis Castro	44,779	-	-	**44,779**	44,804
Lord David Willetts	36,694	-	-	**36,694**	36,714
	358,830	27,846	-	**386,676**	635,501

The Director's proportion of the share option expense was US$1,362 (2022: US$62,747). The Group did not make any contributions to a pension scheme in the year ended 31 December 2023 (2022: Nil). The Directors' beneficial interests in shares is set out below:

	2023 No of Shares	2022 No of Shares	2023 No of Options	2022 No of Options
Clifford M Gross	**8,657,500**	**8,657,500**	3,000,000	3,000,000
Lord David Willetts	-	-	200,000	200,000
Robert Miller	**2,664**	**2,664**	200,000	200,000

Please note the above figure for Clifford M Gross does not include 100,000 shares held by both of Dr. Gross's adult children who are not considered a PCA as defined in the Article 3(1)(26) of the UK Market Abuse Regulation.

The details of the options held by each director at 31 December 2023 are as follows:

	No of Options	Exercise Price	Grant Date	Date from which exercisable	Life
Clifford M Gross	3,000,000	£0.12	27-Aug-20	Special Conditions*	5 Years
Robert Miller	100,000	£0.081	30-Aug-19	Special Conditions**	5 Years
	100,000	£0.19	16-Jun-21	Special Conditions**	5 Years
Lord David Willetts	100,000	£0.0525	6-Jan-20	Special Conditions**	5 Years
	100,000	0.19	16-Jun-21	Special Conditions**	5 Years

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS' EMOLUMENTS (CONTINUED)

* The options vest in three equal annual instalments from the date of grant and there is a special condition which means the options will vest when the closing price for a share has been traded at more than 50 pence (sterling) for ten consecutive trading days.
** The options shall vest when the net asset value, as stated in the annual consolidated accounts, meets, or exceeds USD$20.53m during the 36 months after the grant date. The threshold shall be re-tested when each set of accounts published during the 36 months are finalised.
An additional 525,000 options were held by Harrison Gross, family member of Dr. Clifford Gross.

Total of key management personnel compensation including short term benefits and share based payments is disclosed in Note 8 of the accounts below.

DIRECTORS' INDEMNITY ARRANGEMENTS

The Group has made qualifying third-party indemnity provisions for the benefit of the Directors, which were made during the period and remain in force at the date of this report.

The Group has purchased and maintained throughout the period Directors & Officers liability insurance in respect of itself and its Directors.

PRINCIPAL RISKS & UNCERTAINTIES

Please refer to strategic report.

RESEARCH & DEVELOPMENT ACTIVITIES

The Group conducted research and development activities pertinent to incorporation of Generative AI technology to Invention Evaluator and Vortechs services.

POST BALANCE SHEET EVENTS

For further details, please refer to note 26 in the notes to the accounts. Information has been included in the strategic report under S414C(11).

For financial instruments risks, please refer to Note 3.1 of the Notes to the Financial Statements.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 ON CORPORATE GOVERNANCE

The Tekcapital board is committed to maintaining high standards of corporate governance. In accordance with AIM Rule 26, AIM quoted companies are required to adopt and give details of the corporate governance code which they have adopted and to show how they are following it. The board has adopted the Quoted Companies Alliance's (QCA) Corporate Governance Code for small and mid-size quoted companies (the "QCA Code").

Of the recognized codes generally adhered to by AIM companies, the QCA Code has been drafted with smaller businesses in mind, with a pragmatic and principles-based approach. It was therefore deemed by the board to be the most suitable.

Solid corporate governance is the foundation on which the business is managed, and this is supported by the range of talents of the directors. Biographies of the directors appear on page 27 and demonstrate a range of experience and caliber to bring the right level of independent judgment to Tekcapital's business. Ensuring financial strength alongside the growth of portfolio businesses are key guiding principles, supported by an effort to ensure solid communication with shareholders.

The chairman is responsible for leading the board and for its overall effectiveness in directing the group. They ensure that the board implements, maintains and communicates effective corporate governance processes and promotes a culture of openness and debate designed to foster a positive governance culture throughout the group.

The board is responsible for the group's system of internal control and for reviewing its effectiveness. Such a system can only provide reasonable, but not absolute, assurance against material misstatement or loss. The board believes that the group has internal control systems in place appropriate to the size and nature of its business. The board is satisfied that the scale of the group's activities does not warrant the establishment of an internal audit function.
The board is also responsible for identifying the major business risks faced by the group and for determining the appropriate course of action to manage those risks. Formal meetings are held quarterly to review strategy, management and performance of the group, with additional meetings between those dates convened as necessary. During 2023, there were 6 Board meetings. The QCA Code identifies ten principles that focus on the pursuit of medium- to long-term value for shareholders without stifling entrepreneurial spirit. Tekcapital's adoption of the QCA principles is summarized in the table below. Further details are made available on our website at https://www.tekcapital.com/investors/#section-ecc78d7-5.

No	QCA principle	Tekcapital adoption
1	Establish a strategy and business model which promote long-term value for shareholders	Tekcapital's mission is to transform university discoveries into valuable products. Our investment objective is to achieve long-term growth of net assets and returns on invested capital through the commercialisation of university discoveries that can make a positive impact on people's lives. We believe the combination of these factors will maximize long-term value for shareholders.

		The Board also considers long term impact of climate change and related violent climate events' impact on different business verticals during investment decision process. The Board also considers factors such as impact of supply chain, manufacturing, CO2 emission, health implications of each potential investee's product/service on the environment and society as a whole as part of investment screening process.
2	Seek to understand and meet shareholder needs and expectations	The board engages with shareholders and the broader investment community via a variety of channels and activities including the annual general meeting, updates to shareholders via reporting and the regulatory news service, and institutional presentations. The Chairman and CEO are the primary contacts for investor interaction alongside SP Angel.
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	Tekcapital's culture is very open and this includes reaching out and seeking feedback and insights from our various stakeholders. In addition to the investor outreach described above, key practical elements of this philosophy for other stakeholders include having a flat organization with few tiers of management, meeting regularly; all-hands communications via web-meetings; engagement with portfolio companies through regular meetings, satisfaction surveys.
4	Embed effective risk management, considering both opportunities and threats, throughout the organization	The board is responsible for identifying the major business risks faced by the group and for determining the appropriate course of action to manage those risks. The board has adopted a framework for the effective identification, assessment, and management of risks to the achievement of corporate objectives. The risks that the board consider to be principal risks to the group's business and how they are mitigated are set out on page 23 of the Strategic Report.
5	Maintain the board as a well-functioning, balanced team led by the chair	The QCA Code requires that boards have an appropriate balance between executive and non-executive directors and that each board should have at least two independent directors. The board is made up of one executive director and three non-executive directors. The non-executive directors are mature, experienced and independent persons who have each succeeded in their own businesses and are not dependent upon income from the group, and they include: Louis Castro, FCA (attend 6 Board

		meetings during 2023), Lt Hon Lord David Willets (4) and Robert Miller (5). They have developed a strong and detailed understanding of the business, and are prepared and able to intervene and challenge the executive director. Clifford Gross attended 6 Board of Directors meetings in 2023.
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	Details of the background and experience of the directors of the Company are set out on page 27 of this report. These demonstrate that our team collectively has the necessary skills and experiences, as well as the required caliber, to carry out the group's strategy and business model effectively. The non-executive directors comprise an investment specialist, a professor and pharmaceuticals specialist, and a former minister for universities and science. All three have experience of working in a public Company environment. Each Director maintains his skillset by participating in industry events, online trainings as well as experience on other boards seats they occupy.
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	A board self-evaluation process led by the chairman takes place every three years, using a QCA-sponsored questionnaire and process. Low scoring or divergent scoring responses are discussed, with gaps and actions for improvement identified.
8	Promote a corporate culture that is based on ethical values and behaviours	Tekcapital's core values statement and guiding principles, developed by the extended management team, support the group's culture with a strong footing in ethical values. These are reinforced in the staff handbook and the staff appraisal and development process, which formally embeds cultural and ethical considerations as part of each employee's self-evaluation.
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	Formal board meetings are held quarterly to review strategy, management and performance of the group, with additional meetings between those dates convened as necessary. We have two board committees, the Audit Committee and the Remuneration Committee.
10	Communicate how the Company is governed and is performing by maintaining a dialog with shareholders and other relevant stakeholders	The group's approach to investor and shareholder engagement is described under Principle 2 above. Annual reports, Annual General Meeting notices, regulatory announcements, trading updates and other governance-related are available from the group's website.

Directors' Remuneration report

The Board has delegated to its Remuneration Committee, chaired by Robert Miller, certain responsibilities in respect of the remuneration of senior executives. During the period, no issues arose that the Directors consider appropriate to disclose in their Report. The remuneration committee meets at least 2 times during the calendar year.

INDEPENDENT AUDITORS

MHA were appointed as auditor to the Group and the Company and in accordance with section 485 of the Companies Act 2006. Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

Statement of disclosure of information to auditors

Each of the persons who was a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the Board of Directors and signed on behalf of the Board

Louis Castro
Director
21 May 2024

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EC4A 1JP

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6th Floor
2 London Wall Place
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Banks
HSBC plc Canada Place
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Tekcapital plc. For the purposes of the table on page 39 that sets out the key audit matter and how our audit addressed the key audit matter, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Tekcapital plc and its subsidiaries (the "Group"). The "Parent Company" is defined as Tekcapital plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Tekcapital plc for the year ended 31 December 2023 which comprise:

- the Consolidated Statement of Comprehensive Income
- the Consolidated Statement of Financial Position
- the Consolidated Statement of Changes in Equity
- the Consolidated Statement of Cash Flows
- Notes to the consolidated financial statements, including significant accounting policies
- the Company Statement of Financial Position
- the Company Statement of Changes in Equity and
- Notes to the company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Financial Reporting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Financial Reporting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the group and parent company's operations and specifically its business model and the evaluation of how those risks might impact on the Group and Parent Company's available financial resources.
- Evaluating the directors' assessment of the group's ability to continue as a going concern, including an examination of cash flow forecasts, challenging the underlying data and key assumptions in those forecasts, being the level of sales, operating expenses and planned funding for investments, used to make the assessment and comparing these to historical performance and post year-end information.
- Examining management's budgets and forecasts and their basis of preparation, including review and assessment of the model's appropriateness, mechanical accuracy and the reasonableness of assumptions included within, including sensitivity analysis on key cash changes from movements in key assumptions.
- Consideration of availability of funds (including fund-raising post year-end) required to settle obligations, as they fall due, during the going concern review period. Assessing the reasonableness and practicality of the mitigation measures identified by management in their conservative case scenario and considered by them in arriving at their conclusions about the existence of any uncertainties in respect of going concern.
- Additionally, we reviewed and challenged management's budgets and forecasts to assess the reasonableness of the economic assumptions in light of the impact of the current macro-economic environment, including impending elections in the UK & US, and the effects on the group's solvency and liquidity position.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

Materiality	**2023**	**2022**	
Group	$400k	$420k	0.8% of total assets (2022: 0.7% of total assets).
Parent Company	$200k	$188k	0.9% of total assets (2022: 0.7% of total assets).

Key audit matters	
Recurring	• Valuation of investments in unquoted companies

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in unquoted companies	
Key audit matter description	*Refer to Note 2 – Accounting policies and Note 12 – Financial Assets at fair value through profit and loss.* As at 31 December 2023, the Group held investments in two unquoted companies: Microsalt Limited and Guident Limited. These investments make up 71% of the Group's total assets, by value, as at that date. The unquoted investments are held by Tekcapital Europe Limited, the Parent Company's wholly owned subsidiary. Unquoted investments are measured at fair value, which involves judgement. Due to the level of judgement involved in quantifying the value of unquoted investments, we determined this to be a key audit matter.
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following: • We assessed the appropriateness of the directors' accounting policy in respect of unquoted investments, in

	line with the requirements of the applicable accounting standards. • We reconciled management's valuation methodology to the accounting policies and to the requirements of IFRS 13 'Fair Value Measurement'. • We involved third party valuation experts to critically assess management's valuation methodology. • We audited management's valuation assessment, interrogating both assumptions used, the valuation methodology and the mechanics of the model. • We re-performed calculations to ensure numerical accuracy. • We performed a review of the valuations sensitivity to the discount rates and other key areas of estimation and reviewed the sensitivity disclosure calculations. • We reviewed documentation related to the raising of capital of the relevant investment entities, to ascertain existence of any observable transactions and understand their relevance to the valuations. • We reconciled the fair value movements to the financial statements. • We reviewed the appropriateness of the Group's disclosures within the financial statements in relation to critical accounting judgements, valuation methodology, key valuation inputs and valuation uncertainty.
Key observations communicated to the Audit Committee	Based on our audit work detailed above, we confirm that we have nothing material to report, and or draw attention to in respect of these matters.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at $400,000 (2022: $420,000) which was determined on the basis of 0.8% of the Group's total assets (2022: 0.7% of the Group's total assets). Materiality in respect of the Parent Company was set at $200,000 (2022: $188,000), determined on the basis of 0.9% of the Group's total assets (2022: 0.7% of the Group's total assets). Total assets were deemed to be the most appropriate benchmark to set materiality. The Group's assets are principally made up of investments in portfolio companies. The potential future earnings of the investee entities is best reflected in the carrying value of investments, which we deem to be the primary metric that the users of the financial statements are interested in.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at $280,000 (2022: $294,000) and at $140,000 (2022: $131,600) for the Parent Company which represents 70% (2022: 70%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding $20,000 and $10,000 in respect of the Group and Parent Company respectively (2022: $21,000 and $9,400 respectively) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements we identified all 3 components in the UK and USA as representing the principal business units within the Group.

Full scope audits - Full scope audits of the complete financial information for each of the 3 components (Tekcapital PLC, Tekcapital Europe Limited and Tekcapital LLC) were undertaken. The procedures cover 100% of the group's revenue, loss before tax and total assets.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received by branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud
The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, listing rules and tax legislation.
- We enquired of the directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
    - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks related to management bias in accounting estimates, particularly in determining the valuation of investments in unquoted companies, or posting inappropriate journal entries to increase revenue or reduce costs.

Audit response to risks identified
In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's audit committee meetings and board meetings;

- audit procedures performed by the engagement team in connection with the risks identified included:
    - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
    - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
    - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
    - enquiry of management around actual and potential litigation and claims.
    - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the valuation of investments in unquoted companies as reported in the key audit matter section of our report; and
    - obtaining confirmations from third parties to confirm existence of balances.
- the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Gandell FCA (Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
21 May 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Note	Year ended 31 December 2023 US $	Period ended 31 December 2022 US $
Continuing operations			
Revenue from services	6	**735,265**	615,214
Cost of sales		**(314,083)**	(222,361)
Changes in fair value on financial assets at fair value though profit or loss	12	**(14,229,009)**	(10,978,372)
Interest from financial assets at fair value through profit or loss	12	**455,096**	286,583
Operating expenses	7	**(2,353,704)**	(2,524,496)
Other income	6.1	**20,384**	79,638
Operating loss and loss before tax		**(15,686,051)**	(12,743,794)
Income tax expense	9	**(2,266)**	(1,714)
Loss after tax for the year/period		**(15,688,317)**	(12,745,507)
Other comprehensive income*			
Translation of foreign operations		**900,722**	(212,803)
Total other comprehensive income/(expense)		**900,722**	(212,803)
Total comprehensive loss for the year/period		**(14,787,595)**	(12,958,311)
Earnings per share			
Basic losses per share	10	**(0.09)**	(0.09)
Diluted losses per share	10	**(0.09)**	(0.09)

* May be reclassified to profit or loss in future years.
All comprehensive income as presented above belongs to the owners of the Group.
The notes on pages 50 to 80 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

Group	**Note**	**As at 31 December 2023 US$**	As at 31 December 2022 US$
Assets			
Non-current assets			
Intangible assets	13	**218,158**	242,940
Financial assets at fair value through profit and loss	12	**46,653,995**	56,184,146
Property, plant and equipment	14	**14,271**	9,969
		46,886,424	56,437,055
Current assets			
Trade and other receivables	15	**1,114,753**	1,088,043
Cash and cash equivalents	16	**620,248**	628,640
		1,735,001	1,716,683
Total assets		**48,621,425**	58,153,738
Current liabilities			
Trade and other payables	19	**517,154**	215,998
Deferred revenue	20	**217,391**	172,610
		734,545	388,608
Total liabilities		**734,545**	388,608
Net assets		**47,886,880**	57,765,130
Equity attributable to owners of the Parent			
Ordinary shares	18	**973,329**	839,723
Share premium		**28,937,011**	24,240,930
Retained earnings		**17,073,617**	32,682,276
Translation reserve		**975,092**	74,370
Other reserve		**(72,169)**	(72,169)
Total equity		**47,886,880**	57,765,130

The notes on pages 50 to 80 are an integral part of these financial statements.

The financial statements on pages 45 to 80 were approved and authorised for issue by the Board of Directors on 21 May 2024 and were signed on its behalf.

Louis Castro
Director

Dr Clifford M Gross
Chairman and CEO

Tekcapital PLC
registered number
08873361

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2023

		Attributable to equity holders of the parent company					
Group	**Note**	**Ordinary Shares US $**	**Share Premium US $**	**Translation Reserve US $**	**Other Reserve US $**	**Retained Earnings US $**	**Total Equity US $**
At 30 November 2021		**793,792**	**21,793,644**	**287,173**	**(72,169)**	**45,259,827**	**68,062,267**
Profit for the year		-	-	-	-	(12,745,508)	(12,745,508)
Other comprehensive income		-	-	(212,803)	-		(212,803)
Total comprehensive income for the year		**-**	**-**	**(212,803)**	**-**	**(12,745,508)**	**(12,958,311)**
Transactions with owners, recorded directly in equity							
Share issue	18	40,486	2,489,878	-	-	-	2,530,364
Cost of share issue		-	(142,839)	-	-	-	(142,839)
Share issue in share option exercise	18	5,445	100,247				105,692
Share based payments	24	-	-	-	-	167,957	167,957
Total transactions with owners		**45,931**	**2,447,286**	**-**	**-**	**167,957**	**2,661,174**
At 31 December 2022		**839,723**	**24,240,930**	**74,370**	**(72,169)**	**32,682,276**	**57,765,130**
Loss for the period						(15,688,317)	(15,688,317)
Other comprehensive loss				900,722			900,722
Total comprehensive loss for the period		**-**	**-**	**900,722**	**-**	**(15,688,317)**	**(14,787,595)**
Transactions with owners, recorded directly in equity							-
Share issue	18	133,606	5,045,893	-	-	-	5,179,499
Cost of share issue		-	(349,812)	-	-	-	(349,812)

Share issue in share option exercise	18	-	-	-	-	-	-
Share based payments	24	-	-	-	-	79,658	79,658
Total transactions with owners		**133,606**	**4,696,081**	**-**	**-**	**79,658**	**4,909,345**
At 31 December 2023		**973,329**	**28,937,011**	**975,092**	**(72,169)**	**17,073,617**	**47,886,880**

Share premium - amount subscribed for share capital in excess of nominal value, net of directly attributable costs.

Translation reserve - foreign exchange differences recognized in other comprehensive income.

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

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

The notes on pages 50 to 80 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023 US $	Period ended 31 December 2022 US $
Cash flows from operating activities			
Loss after income tax		**(15,688,317)**	(12,745,508)
Adjustments for			
- Impairment Loss		**-**	37,584
- Depreciation		**2,523**	6,553
- Amortisation		**83,786**	83,877
- Share based payment expense		**79,658**	167,957
- Management services income		**(455,777)**	(419,697)
- Interest from financial assets at FVTP&L		**(455,096)**	(286,583)
- Unrealised (gains)/losses on foreign exchange		**620,843**	(220,080)
- Fair value (gain)/losses on financial assets at FVTP&L		**14,229,009**	11,014,609
Movement in working capital:			
- Movement in trade and other receivables		**(26,710)**	(399,040)
- Deferred revenue movement		**44,781**	3,326
- Movement in trade and other payables		**301,156**	(21,653)
Net cash outflows from operating activities		**(1,264,144)**	(2,778,655)
Cash flows from investing activities			
Additions to financial assets at fair value through profit and loss	12	**(3,999,072)**	(3,970,900)
Proceeds from disposals of financial assets at fair value through profit and loss	12	**478,008**	1,073,792
Purchases of intangibles	13	**(59,004)**	-
Purchases of property, plant and equipment	14	**(6,825)**	(9,919)
Net cash outflows investing activities		**(3,586,893)**	(2,907,027)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	18	**5,179,498**	2,636,056
Costs of raising finance	18	**(349,812)**	(142,839)
Net cash inflows from financing activities		**4,829,686**	2,493,217
Net (decrease)/increase in cash and cash equivalents		**271,543**	(3,192,465)
Cash and cash equivalents at beginning of year	16	**628,640**	3,543,762
Exchange gains/(losses) on cash and cash equivalents		**12,961**	277,343
Cash and cash equivalents at end of period/year	16	**620,248**	628,640

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Tekcapital PLC (Companies House registration number: 08873361) is a Company incorporated in England and Wales and domiciled in the UK. The address of the registered office is detailed on page 32 of these financial statements. The Company is a public limited company limited by shares, which listed on the AIM market of the London Stock Exchange in 2014. The principal activity of the Group is to provide universities and corporate clients with valuable technology transfer services. The Group also acquires exclusive licences to university technologies that it believes can positively impact people's lives, for subsequent commercialisation.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. During the previous period, the Group and the Company changed their accounting reference date from 30 November to 31 December to follow the accounting periods of portfolio companies. As a result, the consolidated financial statements of Tekcapital PLC have been prepared for the 12 month period to 31 December 2023. Comparative amounts presented in the Group and Company financial statements are for the 13 months ended 31 December 2022, and as such the amounts presented are not entirely comparable.

Amounts presented in this report are rounded to nearest US$1.

2. MATERIAL ACCOUNTING POLICIES
2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements of Tekcapital have been prepared in accordance with International Financial Reporting Standards as adopted in the United Kingdom ("UK adopted IFRS") UK-adopted International Financial Reporting Standard ("UK adopted IFRS") and those parts of the Companies Act 2006 that are relevant to companies which report in accordance with UK adopted IFRS. The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements comprise the financial statements of Tekcapital plc and its subsidiaries, Tekcapital Europe Ltd and Tekcapital LLC.

The preparation of financial statements in accordance with UK-adopted International Financial Reporting Standards 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.

2.1.1 GOING CONCERN

The financial statements have been prepared on a going concern basis.

The Group and Company meet their day to day working capital requirements through service offerings, monetisation of quoted equity stakes and monies raised through issues of equity. As disclosed in note 26, the Group announced a placing to raise £2,000,000 in February 2024. This has resulted in an increase in the Group's cash balance since the year end.

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 forecasts and projections included assumptions and estimation uncertainties related to Group's service revenues, cost of goods sold and operating expenses, as determined by impact to the cash runway of the Group and the Company. The Group has no third party debt facilities.

The Directors have prepared detailed cash flow projections for the period to 30 May 2025 ("going concern assessment period"). The cash flow projections have been subjected to sensitivity analysis which demonstrate 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 the financial statements on a going concern basis.

2.1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

Standards and Interpretations not yet effective

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

• IFRS 17 Insurance Contracts;

• Definition of Accounting Estimates – amendments to IAS 8;

• International Tax Reform – Pillar Tow Model Rules – amendments to IAS 12;

• Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12; and

• Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective in future accounting periods that the Group has decided not to adopt early as they will not have a significant impact on the presentation of the Group financial statements.

2.2 CONSOLIDATION

The consolidated financial statements comprise the financial statements of Tekcapital PLC and all subsidiaries controlled by it, except from indirect subsidiaries

Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group has the power to govern the financial and operating policies of an entity so as to obtain economic benefit from its activities. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated when necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

2.3 FOREIGN CURRENCIES

(a) Functional and presentation currency

These consolidated financial statements are presented in US Dollars which is the presentation currency of the Group. The Directors consider this to be the most appropriate presentational currency. Each subsidiary within the Group has its own functional currency which is dependent on the primary economic environment in which that subsidiary operates. The functional currency of Tekcapital Plc is UK sterling as this is the currency the entity undertakes its primary economic activity.

(b) Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated statement of comprehensive income statement within ‘operating expenses’.

(c) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Monetary assets and liabilities for each balance sheet presented are translated at the closing exchange rates at the date of that balance sheet.

(ii) Income and expense for each income statement are translated at the average rates of exchange during the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions)

(iii) All resulting exchange differences are recognized in other comprehensive income.

2.4 INVESTMENT IN PORTFOLIO COMPANIES

Investments in portfolio companies are held at fair value through the profit and loss. Directors’ judgment was exercised in determination that the Group meets the following criteria and should be recognized as an investment entity under IFRS 10 par. 27. Directors re-evaluated the below criteria and concluded they were met as at 31 December 2023:

- Obtains funds from one or more investors for the purpose of providing clients with investment management services
- Commits to its investors that its business purpose is to invest funds solely for return from capital appreciation, investment income or both
- Measures and evaluate the performance of substantially all of its investments on a fair value basis.

Tekcapital’s IP search and technology transfer investment services represent investment advisory services, and therefore Tekcapital Europe Limited and Tekcapital LLC continue to be treated as subsidiaries and are consolidated in the Group financial statements. These services may be provided to investors, clients and third parties. The Board considers that the criteria are met in the group's current circumstances.

The Board envisages that Tekcapital's shareholder returns will derive primarily from mid to long-term capital appreciation of a portion of its intellectual property investments, as well as from providing IP investment services to clients. Consequently, the Group's portfolio companies are measured at fair value in accordance with IFRS 9 as disclosed in Note 2.8.3.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Depreciation of assets are calculated to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over the estimated useful economic lives as follows:

Furniture	3years
Computer equipment	3years
Leasehold improvements	5years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The asset's carrying amount is written down immediately to its recoverable amount if the assets carrying value is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within 'Operating expenses' in the income statement.

2.6 INTANGIBLE ASSETS

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the administrative expenses in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

(a) INVENTION EVALUATOR

This is an intangible asset and a piece of computer software acquired for use by one of the subsidiaries of the Group.

The estimated useful life of the Invention Evaluator intangible asset is 10 years. The useful life is estimated based upon management's best estimate of the expected life of the asset. The useful life is reconsidered if circumstances relating to the asset change or if there is an indication that the initial estimate requires revision.

The intangible asset has a finite life of 10 years over which amortisation is charged on a straight line basis.

(b) COMPUTER SOFTWARE AND WEBSITE DEVELOPMENT

Costs associated with maintaining computer software programmes and the Company website are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

(i) it is technically feasible to complete the software product so that it will be available for use;
(ii) management intends to complete the software product and use or sell it;
(iii) there is an ability to use or sell the software product;
(iv) it can be demonstrated how the software product will generate probable future economic benefits;
(v) adequate technical, financial and other resources to complete the development and to use or sell the
software product is available; and
(vi) the expenditure attributable to the software product during its development can be reliably measured.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed four years.

(c) VORTECHS GROUP

This is an intangible asset acquired for use by one of the subsidiaries of the Group. The estimated useful life of the Vortechs Group intangible asset is 10 years over which amoritsation is charged on a straightline basis. The useful life is estimated based upon management's best estimate of the expected life of the asset. The useful life is reconsidered if circumstances relating to the asset change or if there is an indication that the initial estimate requires revision.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows, (CGUs). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

2.8 FINANCIAL INSTRUMENTS

2.8.1 CLASSIFICATION AND MEASUREMENT

The Group classifies its financial assets depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

During the financial year the Group held investments in portfolio companies classified as equity investments. They are included in non-current assets and are measured at fair value through profit and loss in accordance with IFRS 9.

The Group has convertible loan note receivables. These financial assets are classified and measured at fair value through profit and loss in accordance with IFRS 9.

The Group also has receivables carried at amortised cost. They are included in current assets. The Group's service income receivables comprise 'trade and other receivables' in the balance sheet, also held at amortised cost. The Group also has cash and cash equivalents.

All short-term liabilities are measured at amortised cost, the Group does not hold any long-term financial liabilities.

2.8.2 DERECOGNITION

Loans and receivables are recognised and carried at amortised cost. Financial assets are derecognised when the rights to receive cash flows from the loans or receivables have been collected, expired or transferred and the Group has subsequently transferred substantially all risks and rewards of ownership.

2.8.3 FAIR VALUE

Financial instruments are measured at fair value including investments in portfolio companies, cash and cash equivalents, trade and other receivables, trade and other payables, and convertible loan note receivables. This measurement policy does not apply to subsequent measurement at amortised cost of short term financial liabilities and trade receivables.

The Group measures portfolio companies using valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Our fair value valuation policy is as follows:

The fair value of new portfolio companies is estimated at the cost of the acquired IP or equity plus associated expenses to facilitate the acquisition.

Existing portfolio companies are valued as follows:

- If a market transaction such as third-party funding has occurred during the past 12 months, we will value our ownership in the portfolio Company at this observed valuation, taking account of any observed material changes during the period, including quoted prices in active markets (Level 1 input).
- In the absence of a recent market transaction, fair value will be estimated by alternative methods and where appropriate by an external, qualified valuation expert. The valuation techniques fall under Level 2 – Observable techniques other quoted prices and Level 3 - other techniques as defined by IFRS 13.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their fair value.

2.9 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is the intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.10 IMPAIRMENT OF FINANCIAL ASSETS

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-

payment of the trade receivables is assessed, including forward-looking information on customers standing and macroeconomic information including sector specific circumstances This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within operating expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.
Financial assets held at amortised cost comprise trade and other receivables, and cash and cash equivalents in the consolidated statements of financial position.

2.11 CASH AND CASH EQUIVALENTS
In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with other banks, other short term highly liquid investments with maturities of three months or less from inception.

2.12 SHARE CAPITAL
Ordinary Shares
Ordinary Shares are classified as equity.

Share premium
The share premium account has been established to represent the excess of proceeds over the nominal value for all share issues, including the excess of the exercise share price over the nominal value of the shares on the exercise of share options as and when they occur. Incremental costs directly attributable to the issue of new ordinary shares and new shares options are shown in equity as a deduction, net of tax, from the proceeds.

2.13 TRADE PAYABLES
Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of business if longer). If not, they are presented as non-current liabilities.
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.14 SHARE BASED PAYMENTS
The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period);
- excluding the impact of any non-vesting conditions (for example the requirement of the employees to save).

Assumptions about the number of options that are expected to vest include consideration of non-market vesting conditions. The total expense is recognised over the vesting period, which is the

period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to the original estimates, if any, in the income statement, with a corresponding adjustment to equity.
When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transactions costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.15 CURRENT AND DEFERRED TAX
The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in full in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle balances on a net basis.

2.16 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the services supplied, stated net of discounts, and value added taxes. The Group recognises revenue when the contract is identified, performance obligation is determined, transaction price (as defined for each service below) is determined and allocated to performance obligation in accordance with IFRS 15.

Provision of services

The Group provides following lines of services:

- Invention Evaluator services: provision of reports assessing potential of any new technology. Revenue is recognised upon delivery of a complete report, when the report is made available to each customer. Upon access to the report delivered via online portal, customers consume the benefits of the contractual obligation, and the performance obligation is met. Directors consider transaction price to be clearly determined upon payment of fixed fee for each report prior to report’s delivery. Directors considered uncertainty of cash flows from sales to be limited, considering prepayment is made for each report prior to report’s delivery.
- Tech transfer recruitment services (Vortechs Group): recruitment services specialising in technology transfer executives. Revenue is recognised upon placement of an executive, when hire is made by Tekcapital’s customer and the performance obligation is met. Directors consider transaction price to be clearly determined when both parties agree to placement fee for each successful hire. Directors considered uncertainty of cash flows from sales to be limited, considering payments are made by universities with excellent track record of payments and clear definition of performance obligation upon which such payment is made.
- Management services: accounting, tax, legal and other services provided to portfolio companies. Revenue is recognized upon delivery of services to each portfolio Company and performance obligation is met as defined in the management service contract. Directors considering transaction price to be clearly determined by amounts specified in the management service agreements. Directors considered uncertainty of cash flows from sales to be limited, considering payments are made by companies with excellent track record of payments and clear definition of performance obligation upon which such payment is made.

For breakdown of revenue from services recognised over time and at point of time, please refer to Note 6 to Financial Statements.

2.17 OTHER INCOME

The Group recognizes research and development (R&D) relief under other income.

2.18 INTEREST INCOME

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (10%).

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

(a) Portfolio risk/investment management

Investment into portfolio companies held by the Group requires long-term commitment with no certainty of return.

The fair value of each portfolio Company represents the best estimate at a point in time and may be impaired if the business does not perform as well as expected, directly impacting the Group's value and profitability. This risk is mitigated as the size of the portfolio increases. The Group performed sensitivity analysis with regards to assumptions used in determination of fair value of the portfolio in Note 12.

The Group also regularly monitors portfolio companies' liquidity required for returns to occur.

(b) Credit risk management

Credit risk is managed on a Group basis. In order to minimise this risk, the Group endeavours to only deal with companies that are demonstrable creditworthy, and the Directors continuously monitor the exposure. The Directors determine the default as lack of payment after more than 180 days and or counter party's bankruptcy filings. The Group's maximum exposure to credit risk for the components of financial position at 31 December 2023 and 31 December 2022 is the carrying amount of its current trade and other receivables as illustrated in Note 15.

While IFRS 9 does not require expected credit loss allowance on assets held at fair value through profit and loss, the Group monitors credit risk related to performance of portfolio companies, including considerations related to recoverability of convertible loan notes held as carrying amount of notes represent the maximum exposure to credit risk. Progress is monitored and regular discussions are held with management of portfolio companies to assess commercial progress and financial information provided.

IFRS9 requires the Company to assess expected credit losses on assets classified as held at amortised cost, under a forward-looking model approach. For the Group accounts this includes Receivables from related parties and other immaterial receivables. For the Company accounts this includes Receivables from Group Companies.

The Group also monitors credit risk from balances with banks and institutions.

(**c) Liquidity risk management**

Cash flow forecasting is performed on a Group basis. The Directors monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Post period end, the Group announced placing to raise GBP 2,000,000 on 29 February 2024. At the reporting date the Group held bank balances of US$620,248. All amounts shown in the consolidated statement of financial position under current assets and current liabilities mature for payment within one year, with Trade and Other Receivables exceeding Trade and Other Payables by US US$1,275,482.

(d) Financial risk management

The Company's Directors review the financial risk of the Group. Due to the early stage of its operations the Group has not entered into any form of financial instruments to assist in the management of risk during the period under review.

(**e) Market risk management**

Due to low value and number of financial transactions that involve foreign currency and the fact that the Group has no borrowings to manage, the Directors have not entered into any arrangements, adopted or approved the use of derivative financial instruments to assist in the management of the exposure of these risks. It is their view that any exchange risks on such transactions are negligible.

The Group also regularly monitors risk related to fair value of financial instruments held such as convertible loan notes held.

(f) Foreign exchange risk management

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency, with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

A sensitivity analysis has been performed to assess the exposure of the Group to foreign exchange movements. The Group only has exposure to movements of the US dollar against UK Sterling. As at 31 December 2023, the Group's UK Sterling net exposure relating to cash, receivables and payables denominated in UK Sterling totals $27,279. A 20% strengthening or weakening of the US dollar against the UK Sterling would have an immaterial impact on the consolidated results and equity.

(g) Interest rate risk management

The Group has no borrowings.

3.2 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to adjust or maintain the capital structure, the Group may adjust the level of dividends paid to its shareholders, return capital to shareholders, issue new shares or sell assets to reduce borrowings. The Group has no external borrowings. This policy is periodically reviewed by the Directors, and the Group's strategy remains unchanged for the foreseeable future.

The capital structure of the Group consists of cash and bank balances and equity consisting of issued share capital, reserves and retained losses of the Group. The Directors regularly review the capital structure of the Company and consider the cost of capital and the associated risks with each class of capital.

The Company's historic cost of capital has been the cost of securing equity financings, which have averaged around 10%. the Company's long-term financial goal is to optimise its returns on invested capital (ROIC) in excess of our weighted average cost of capital (WACC) and as such create value for our shareholders. The method the Company seeks to employ for achieving this is to utilise its structural intellectual capital developed through its Discovery Search Network, its Invention Evaluator service and its Vortechs Group Service to mitigate selection bias and improve returns on invested capital. Ultimately, management will seek to monetise these returns with exits from its investments in portfolio companies.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors made the following judgements:

- determination as to the classification of the Group as an investment entity as discussed in Note 2.4
- determination of operating segments as disclosed in Note 5
- determination of reliance of the Group's portfolio companies on funding to achieve their fair values discussed in Note 12.

The Directors also make estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of the assets and liabilities within the next financial year are detailed below.

Key estimate/ judgment area	Key assumption	Potential impact within the next financial year	Potential impact in the longer term	Note reference for sensitivity analysis
Valuation of unquoted equity investments	In applying valuation techniques to determine the fair value of unquoted equity investments the Group makes estimates and assumptions regarding the future potential of the investments. The policy of the Group is to value new portfolio companies at cost of the acquired IP or equity plus associated expenses to facilitate the acquisition. Existing portfolio companies are valued using either a market transaction such as third-party funding or, in the absence of a recent market transaction, by alternative methods and where appropriate by an external, qualified valuation expert. The fair value of Guident Limited reflects input in the form of value of Guident Ltd's shares in its US subsidiary (Guident Corp) as determined by recent market transactions of these shares.	Yes	Yes	Note 12

Valuation of unquoted equity investments	This input was corroborated by Guident's enterprise valuation by estimating the net present value of future cashflows associated with its business. Key assumptions used in estimating future cash flows are projected profits including remote monitor and control centre and shock absorber sales and a discount factor applied for the net present value of future cashflows from the platform. The fair value of Microsalt plc reflects input in the form of value of Microsalt Ltd's shares in its US subsidiary (Microsalt Inc) as determined by pre money valuation determined by the bankers as part of Company's pre IPO procedures. This input was corroborated by Microsalt's enterprise valuation by estimating the net present value of future cashflows associated with its business. Key assumptions used in estimating future cash flows are projected sales of Microsalt® and a discount factor applied for the net present value of future cashflows from the platform.	Yes	Yes	Note 12
Valuation of convertible loan notes	In applying valuation techniques to determine the fair value of convertible loan notes the Group and Company make estimates and assumptions regarding the future potential of the investments, including discount factor applied for the net present value of future cashflows from the loan.	Yes	Yes	Note 12

5. SEGMENTAL REPORTING

The Directors consider the business to have two segments for reporting purposes under IFRS 8 which are:

- professional services, including the provision of recruitment services via Vortechs Group, provision of invention evaluator services, as well as R&D tax relief credits and provision of management services to its portfolio companies. The activities grouped under this segment share similar economic characteristics of provision of intellectual property services to third party services;

- licensing and investment activities, including acquiring licences for technologies, portfolio Company investment, development and commercialisation. The activities share the goal of increasing the fair value of investments made into portfolio companies by the Group.

Year ended 31 December 2023 **Consolidated income statement**	**Professional Services** **US $**	**Licensing and Investment** **US $**	**TOTAL** **US $**
Revenue from Services	735,265	-	735,265
Changes in fair value on financial assets at fair value though profit or loss	-	(14,229,009)	(14,229,009)
Cost of Sales	(314,083)	-	(314,083)
Interest Income	-	455,096	455,096
Administrative Expenses	(592,315)	(1,675,081)	(2,267,396)
Depreciation and Amortization	(21,577)	(64,732)	(86,309)
Other Income	20,384	-	20,384
Group operating loss	(172,325)	(15,513,726)	(15,686,051)
Loss on ordinary activities before income tax	(172,325)	(15,513,726)	(15,686,051)
Income tax expense	(566)	(1,699)	(2,265)
Loss after tax	(172,891)	(15,515,425)	(15,688,316)

Period ended 31 December 2022 **Consolidated income statement**	**Professional Services** **US $**	**Licensing and Investment** **US $**	**TOTAL** **US $**
Revenue from Services	615,214	-	615,214
Changes in fair value on financial assets at fair value though profit or loss	-	(10,978,372)	(10,978,372)
Cost of Sales	(222,361)	-	(222,361)
Interest Income	-	286,583	286,583
Administrative Expenses	(895,517)	(1,622,426)	(2,517,943)
Depreciation and Amortization	(1,638)	(4,915)	(6,553)
Other Income	79,638	-	79,638
Group operating (loss)/profit	(424,664)	(12,319,130)	(12,743,794)
(Loss)/profit on ordinary activities before income tax	(424,664)	(12,319,130)	(12,743,794)
Income tax expense	(429)	(1,285)	(1,714)
(Loss)/profit after tax	(425,093)	(12,320,415)	(12,745,508)

Segment assets and liabilities 2023 Consolidated statement of financial position	Professional Services US $	Licensing and Investment US $	TOTAL US $
Assets	1,967,430	46,653,995	48,621,425
Liabilities	(734,545)	-	(734,545)
Net Assets	1,232,885	46,653,995	47,886,880

2022 Consolidated statement of financial position	Professional Services US $	Licensing and Investment US $	TOTAL US $
Assets	1,969,592	56,184,146	58,153,738
Liabilities	(388,608)	-	(388,608)
Net Assets	1,580,984	56,184,146	57,765,130

	Year ended 31 December 2023 US $	Period ended 31 December 2022 US $
United Kingdom		
Changes in fair value on financial assets at fair value though profit or loss	(13,753,529)	(10,612,151)
United States		
Revenue from Services	735,265	615,214
Total revenue	(13,018,264)	(9,996,937)

	2023 US $	2022 US $
United Kingdom		
Assets	46,653,995	56,184,146
Liabilities	-	-
United States		
Assets	1,967,430	1,969,592
Liabilities	(734,545)	(388,608)
Total Net Assets	47,886,880	57,765,130

6. REVENUE FROM SERVICES

The below table discloses disaggregated revenue from services by their nature/categories as well as timing of the revenue. Please refer to Note 12 for disaggregation of Group's Unrealised profit on the revaluation of investments.

Group	Transferred at a point in time	Transferred over time	Total 2023 US $	Transferred at a point in time	Transferred over time	Total 2022 US $
Major service lines:						
- Sales of Invention Evaluator reports	178,488	-	**178,488**	156,517	-	**156,517**
- Tech transfer recruitment services	101,000	-	**101,000**	39,000	-	**39,000**
- Management services	-	455,777	**455,777**	-	419,697	**419,697**
Total Revenue from Services	279,488	455,777	**735,265**	195,517	419,697	**615,214**

All of the Group's major service lines are sold directly to consumers and not through intermediaries. All revenue recognised in the reporting period represent performance obligations satisified in the current period. For services transferred over time, output method was used as measure of fulfillment of the performance obligation. Considering the nature of the accounting, tax, legal and other services being provided under the agreements, this method most faithfully depicts the transfer of the services to the customer. Payment is typically due on a Net 30 basis.

6.1 OTHER INCOME

	Total 2023 US $	Total 2022 US $
R&D expenditure credit	-	79,638
Other	2,781	-
Dividends earned	17,603	-
	20,384	**79,638**

7. OPERATING EXPENSES AND COST OF GOODS SOLD

Group	**2023** **US $**	2022 US $
Cost of goods related to services	**314,083**	222,361
Depreciation of property plant and equipment	**2,523**	6,553
Research and development expenses	**155,094**	433,166
Amortisation of intangible assets	**83,786**	121,461
Marketing and PR	**96,575**	149,169
IT&Software	**26,925**	72,495
Audit and accounting	**182,145**	216,285
Share based payments	**79,658**	167,957
Nominated Advisor and other exchange listing expenses	**139,261**	175,888
Director emoluments	**409,681**	662,052
Other administration expenses including salaries	**639,374**	648,646
Foreign exchange movements	**538,682**	(129,176)
Total expenses	**2,667,787**	2,746,857

7.2 AUDITOR REMUNERATION

Group	**2023** **US $**	2022 US $
Fees payable to the group's auditor and its associates for the audit of the Group and Company financial statements	**107,335**	121,408
Audit of company's subsidiaries	**37,316**	13,379
	144,651	134,787

8. EMPLOYEES

8.1 DIRECTOR'S EMOLUMENTS

Group	2023 US $	2022 US $
Directors emoluments	**386,677***	662,052
Directors portion of Share Based Payments	**1,362**	62,747
Total	**388,039**	724,799

*excludes Directors NI of US$23,004 (2022:US$26,551).

The highest paid Director received a salary of US$254,096 (2022: $250,889) and benefits of US$27,846 (2022: US$29,833). The highest paid Director received a bonus of US$ Nil (2022: US$250,000). The highest paid Director did not exercise any share options. The share-based payments associated with the highest paid Director amounted to US$1,362 (2022: US$60,948).

Key management personnel (including Directors and Group Chief Financial Officer) received salary of US$509,681 (2022: US$820,557), excluding Employers National Insurance, Benefits in Kind and Share Base Compensation disclosed in Directors Remuneration Report. Please also refer to Director's Report. No Directors exercised their share options during the year. No post-employment benefits or other long-term benefits are applicable for Directors.

8.2 EMPLOYEE BENEFIT EXPENSES

Group	2023 US $	2022 US $
Wages and salaries including restructuring costs and other termination benefits	**405,898**	459,435
Directors remuneration	**358,830**	605,668
Social security costs	**62,338**	70,511
Pension costs	**-**	-
Share options granted to directors and employees	**79,658**	167,957
	906,725	1,303,571

8.3 AVERAGE NUMBER OF PEOPLE EMPLOYED

To enhance flexibility and improve cost control, the Group utilises consultants for scientific review, administrative and operations support, software development and other knowledge-intensive services.

Group Number of employees	2023	2022
Average number of people (including executive directors) employed		
Operations	4	4
Management	2	2
Total average headcount	6	6

9. INCOME TAX EXPENSE

Group	2023 US $	2022 US $
Current tax		
Current tax on profits for the year	**2,265**	1,714
Total current tax	**2,265**	1,714
Income tax expense	**2,265**	1,714

Group	2023 US $	2022 US $
Profit before tax	**(15,686,051)**	(12,743,794)
Tax calculated at domestic tax rates applicable to profits	**(2,980,350)**	(2,421,321)
Tax effects of:		
- Expenses not deductible for tax purposes	**19,604**	39,103
- Income not taxable	**2,703,512**	2,085,891
- Capital allowances in excess of depreciation	**16,413**	24,323
- Unrelieved tax losses and other deductions	**243,086**	273,718
Total income tax expense	**2,265**	1,714

The weighted average applicable tax rate was 19% (2022: 19%).

Unused tax losses of US$2,099,550 for which no deferred tax assets have been recognised is attributable to the uncertainty over the recoverability of those losses through future profits.

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

10. EARNINGS PER SHARE (EPS)

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.

	2023 US $	2022 US $
Earnings attributable to equity holders of the Group (US$)	**(15,688,317)**	(12,745,508)
Weighted average number of ordinary shares in issue:		
Basic	**172,214,589**	146,043,720
Diluted	**176,681,255**	150,483,172
Basic earning per share	**(0.091)**	(0.087)
Diluted earning per share	**(0.091)**	(0.087)

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) any dilutive potential Ordinary Shares outstanding at 31 December 2023.

Diluted EPS includes impact of vested Employees Share Option Awards whose strike price was below Tekcapital's share price as quoted on the AIM market, which would have dilutive impact of 4,466,667 shares.

The Group completed placements of total of 27,395,934 new ordinary shares during the financial year.

11. INVESTMENTS OF THE GROUP

Entity name	Country of incorporation	Proportion of ordinary shares directly and indirectly held	Nature of business	Capital and reserves as at 31 Dec 2023	Net Profit/(Loss) for year ended 31 Dec 2023
The following are under ownership of Tekcapital Europe Limited				US$	US$
Lucyd Limited	England and Wales	100%	Provider of high-tech eyewear	(895,147)	(5,998,918)
Innovative Eyewear Inc[1]	United States of America	40%	Provider of high-tech eyewear	5,558,826	(6,663,428)
Microsalt Limited	England and Wales	87%	Developer of low sodium salt and snack foods	(1,996,000)	(3,473,000)
Microsalt Inc[2]	United States of America	80%	Developer of low sodium salt and snack foods	(265,077)	(2,057,852)
Guident Limited	England and Wales	100%	Developer of autonomous vehicle software safety solutions	17,387,274	-
Guident CORP[3]	United States of America	90%	Developer of autonomous vehicle software safety solutions	(2,703,683)	(1,183,396)
Smart Food Tek Limited	England and Wales	100%	Developer for baked food coating to reduce fat	(116,114)	-
Belluscura plc	England and Wales	10%	Portable oxygen concentrator producer	N/A	N/A

(1) owned by Lucyd Limited
(2) owned by Microsalt Limited
(3) owned by Guident Limited

As at the year end, the Group has no interest in the ownership of any other entities or exerts any significant influence over or provides funding which constitutes an "unconsolidated structured entity".

All UK subsidiaries are exempt from the requirement to file audited accounts by virtue of section 479A of the Companies Act 2006.

Tekcapital Europe Ltd (registered address 12 New Fetter Lane, London, United Kingdom, EC4A 1JP) and Tekcapital LLC (registered address 11900 Biscayne Blvd, Suite 630, Miami, Florida, 33181, United States) are consolidated by Tekcapital plc because they continue to provide advisory services in IP search and technology transfer. Tekcapital plc owns 100% of both entities.

All other entities are measured at fair value through profit and loss based in IFRS 10 as referenced in Note 2.4. The Group provides management service support to Lucyd Limited, Microsalt Limited and Guident Limited, as well as has provided working capital assistance to Microsalt Limited and Guident Limited through convertible loan note financing (see also Note 12). The Group also assists the entities with their fundraising activities.

Registered office of all four directly owned subsidiaries owned by Tekcapital Europe Limited: Acre House, 11-15 William Road, London, England, NW1 3ER.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The Group's financial assets at fair value through profit and loss consist of equity investments (2023:US $41,125,568, 2022:US $54,878,609) and convertible loan notes (2023:US$5,528,427, 2022:US $1,305,537) totalling US $46,653,995 (2022:US $56,184,146).

12.1 EQUITY INVESTMENTS

The Group's investments in portfolio companies in the years ended 31 December 2023 and 31 December 2022 are listed below. The principal place of business for portfolio companies listed below is the UK and in the U.S.

Group	Proportion of ordinary shares as at 31 Dec 2022	1 Jan 2023	Additions	Disposal	Other adjustments	Fair Value change	31 Dec 2023
		US $	US $	US $	US $	US $	US $
Guident Limited	100.00%	18,083,264	-	-	-	-	18,083,264
Lucyd Limited	100.00%	8,175,403	-	-	-	(5,985,609)	2,189,794
Microsalt Limited	87.24%	16,508,694	500,000	-	882,546	(1,220,093)	16,671,147
Belluscura Plc	10.28%	12,072,826	-	(272,514)	(634,065)	(7,023,307)	4,142,940
Smart Food Tek Limited	100.00%	38,422	-	-	-	-	38,422
Total Balance		**54,878,609**	**500,000**	**(272,514)**	**248,481**	**(14,229,009)**	**41,125,567**

Other adjustments relate primarily to foreign exchange movements on translation of investments into the Group's presentational currency.

Group	Proportion of ordinary shares as at 31 Dec 2022	1 Dec 2021	Additions	Disposal	Other adjustments	Fair Value change	31 Dec 2022
		US $	US $	US $	US $	US $	US $
Guident Limited	100.00%	18,083,264	-	-	-	-	18,083,264
Lucyd Limited	100.00%	17,345,195	2,002,275	-	-	(11,172,067)	8,175,403
Microsalt Limited	97.15%	4,356,520	2,409,579	-	-	9,742,595	16,508,694
Belluscura Plc	11%	22,695,518	-	(1,073,792)	-	(9,548,900)	12,072,826
Smart Food Tek Limited	100.00%	43,161	-	-	(4,739)	-	38,422
Total Balance		**62,523,658**	**4,411,854**	**(1,073,792)**	**(4,739)**	**(10,978,372)**	**54,878,609**

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 31 December 2023. Fair value measurement hierarchy for financial assets as at 31 December 2023 with comparative amounts as of 31 December 2022:

	Total	Level 1	Level 2	Level 3
31 December 2023	US$	US$	US$	US$
Belluscura Plc	4,142,940	4,142,940	-	-
Lucyd Limited	2,189,794	-	2,189,794	-
Guident Limited	18,083,264	-	-	18,083,264
Microsalt Limited	16,671,147	-	-	16,671,147
Smart Food Tek Limited	38,422	-	-	38,422
Total Balance	**41,125,567**	**4,142,940**	**2,189,794**	**34,792,833**

31 December 2022	Total	Level 1	Level 2	Level 3
	US$	US$	US$	US$
Belluscura Plc	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**

BELLUSCURA PLC (US $7.7M LOSS)

The fair value of the holding decreased by US$7.7m during the year due to the movement in Company's share price at AIM market of London Stock Exchange, and closing price of 23p as of 31 December 2023. With 15,138,767 shares held by Tekcapital plc, a fair value of US$4,142,940 was arrived at as of 31 December 2023.

LUCYD (US $11.2M LOSS)

The fair value of the holding decreased by US$6.0m during the year due to the movement in the Company's share price at NASDAQ market, and closing price of US$0.42 as of 31 December 2023, compared to $1.37 as of 31 December 2022. With 5,189,085 shares held by Tekcapital plc, a fair value of US$2,189,794 was arrived at as of 31 December 2023.

MICROSALT (US$1.2M LOSS)

The total fair value of US$16,671,147 is based on valuation of 30,747,609 shares held in Microsalt Ltd, 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 H2 2023, management noted no material events necessitating revisions. Addition of $500,000 was recorded due to conversion of part of the existing convertible loan note in April 2023. This proposed valuation of shares to be sold in the initial public offering was corroborated to management prepared discounted cash flow workings using management projections and the price per share at which Tekcapital converted it's convertible loan note in May 2022.

Key assumptions used in management's discounted cash flow valuation are:
- Compound annual growth rates over a 5 year forecast period of 113%
- 15% discount rate used to discount forecasted free cash flows

The discounted cash-flow method did not provide an indication that the valuation at year end was materially misstated.

GUIDENT LTD (NIL GAIN / NIL LOSS)

The fair value of Guident remain unchanged compared to previous period as the Company continued to receive investment at US$1 per share as specified in the 2021 Private Placement Memorandum offering.

In August 2021, Guident CORP entered into Private Placement Memorandum outlining offering of securities at US$1 per unit, with each unit consisting of one share of Class A Convertible Preferred Stock and a Warrant to acquire a share of common stock (also at US$1 per unit). While Guident has not received funding from the offering until after the reporting date, the management considers the exit price (of securities offered in the private placement) negotiated with the investment bank as "privately negotiated acquisition of the equity instruments" as defined under IFRS 13. The Offering was facilitated by Dawson James Securities Inc. Dawson James is a broker-dealer registered with the SEC as a broker dealer and is a member of FINRA. FINRA is currently the only such registered national securities association in the U.S.

This input was corroborated by Guident CORP's enterprise valuation by estimating the net present value of future cashflows associated with its business as of 31 December 2023.

Key assumptions used in management's discounted cash flow valuation are:
- Compound annual growth rates over a 5 year forecast period of 122%
- 24% discount rate used to discount forecasted free cash flows

The discounted cash-flow method did not provide an indication that the valuation at year end was materially misstated.

SMART FOOD TEK (NIL GAIN / NIL LOSS)

Considering early commercialisation stage, the Group records its investment in Smart Food Tek at cost. The directors do not consider that any other available information would materially change or give a more reliable representation of the value.

The Group exercised judgment in determination of sufficiency of portfolio companies' cash reserves, forecasts and ability to raise money to achieve their fair values. Directors reviewed and questioned the forecasts used, standing liquidity and working capital balances, as well as discussed capability and plans to raise money in the future with directors or management of portfolio companies. Based on the review, the Group made a positive determination as to portfolio companies' likely ability to achieve fair values considering liquidity factors.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2023 are shown as below. No sensitivities have been disclosed on immaterial, non-listed investments as the fair value equates to cost.as the fair value equates to cost.

Investment	Valuation Technique	Significant unobservable input	Estimate applied	Sensitivity of the input to fair value
Guident	Income Approach Royalty Relief Method	Discount to Future Cash Flows	24%	5% increase in the discount factor would decrease the Guident valuation by US$4.3m, a 5% decrease in the discount factor would increase the value by US$6.4m.
		CAGR	91%	A 50% increase in the compound annual growth rate of sales projections would increase the Guident valuation by US$40.2m. A 50% decrease in the compound annual growth rate of sales projections would decrease the Guident valuation by US$15.8m.
Microsalt	Income Approach Royalty Relief Method	Discount to Future Cash Flows	15%	5% increase in the discount factor would decrease the Microsalt valuation by US$5.1m, a 5% decrease in the discount factor would increase the value by US$10.4m,
		CAGR	53%	A 50% increase in the compound annual growth rate of sales projections would increase the Microsalt valuation by US$25.4m. A 50% decrease in the compound annual growth rate of sales projections would decrease the Microsalt valuation by US$12.6m

12.2 CONVERTIBLE LOAN NOTES

During the year, 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 matured on December 1, 2023 with no amounts outstanding.

- Convertible note issued by Guident Ltd for the total of US$3,000,000, 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$3,000,000 note originated in September 2023 or can be converted into Guident’s equity upon occurrence of certain conversion events. No conversions occurred during the period. As of 31 December 2023, US$3,000,000 was outstanding.

- Convertible loan note instruments in favour of Microsalt Inc were constituted on 21 September 2020 (2020 CLN) and 1 June 2022 (2022 CLN). The principal amounts of convertible loan notes under the 2020 CLN and the 2022 CLN was each limited to US$2,000,000. The convertible loan notes under the 2020 CLN and the 2022 CLN each carry interest at the rate of 10 per cent. per annum. As of 31 December 2023, US$2,000,000 was outstanding on the convertible loan notes.

- A convertible loan note instrument in favour of Tek Europe was constituted by the Company on 1 March 2023. The principal amount of convertible loan notes was limited to US$2,000,000. The convertible loan notes carry interest at the rate of 10 per cent. per annum. A convertible loan note instrument in favour of Tek Europe, as assignee of Tekcapital, was constituted by the Company on 7 November 2023. The principal amount of convertible loan notes was limited to US$2,000,000. The convertible loan notes carry interest at the rate of 10 per cent. per annum. . As of 31 December 2023, US$528,427 was outstanding on the convertible loan notes.

The Group's investments in convertible notes in the years ended 31 December 2023 and 31 December 2022, as well as their fair value hierarchy, are listed in tables below:

Group	**31 Dec 2022**	**Additions**	**Disposal**	**FX reval**	**Fair Value change**	**31 Dec 2023**
	US $	**US $**	**US $**	**US $**	**US $**	**US $**
Innovative Eyewear	147,375	37,757	(190,983)	5,851	-	-
Guident Corp	1,000,000	1,999,562		438	-	3,000,000
Microsalt Inc	158,162	2,872,626	(514,511)	12,150	-	2,528,427
Total Balance	**1,305,537**	**4,909,945**	**(705,494)**	**18,439**	**-**	**5,528,427**

Included in additions are non-cash movements, in relation to management services income of US$455,777 and interest income of US$ 455,096.

	Total	**Level 1**	**Level 2**	**Level 3**
31 December 2023	**US $**	**US $**	**US $**	**US $**
Innovative Eyewear	-	-	-	-
Guident Corp	3,000,000	-	-	3,000,000
Microsalt Inc	2,528,427	-	-	2,528,427
Total Balance	**5,528,427**	**-**	**-**	**5,528,427**

31 December 2022	**Total**	**Level 1**	**Level 2**	**Level 3**
	US $	**US $**	**US $**	**US $**
Innovative Eyewear, Inc	147,375	-	-	147,375
Guident Corp	1,000,000	-	-	1,000,000
Microsalt Inc	158,162	-	-	158,162
Total Balance	**1,305,537**	**-**	**-**	**1,305,537**

The fair value of the convertible loans issued by Guident Corp and Microsalt has been calculated using a Discounted Cash Flow Analysis. The significant unobservable input used in the fair value assessment is the discount rate of 10%. Increasing the discount rate by 2% used would result in:

- a $139k decrease in the fair value of the asset for Guident and
- a $84k decrease in the fair value of the asset for Microsalt

A 2% decrease in the discount rate would result in:

- a $153k increase in the fair value of the asset for Guident
- a $92k increase in the fair value of the asset for Microsalt.

12.3 INTEREST FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The Group earned following interest income from its portfolio companies during the period:

	31/12/2023	**31/12/2022**
Innovative Eyewear Inc	12,281	140,689
Microsalt Inc	139,421	72,159
Guident Corp	303,394	73,736
Total Balance	**455,096**	**286,583**

13. INTANGIBLE ASSETS

The Directors have undertaken an impairment review based on the future cash flow projections of the Vortechs Group intangible asset and consider the recoverable amount to be higher than the carrying value and have therefore recorded no impairment.

Remaining amortisation period of each asset with remaining amortisation:

- Vortechs: 5 years
- Invention Evaluator: 2 years

Group	**Vortechs**	**Website development**	**Invention Evaluator**	**Total**
	US $	**US $**	**US $**	**US $**
Cost				
As at 31 December 2022	500,000	28,121	338,770	866,891
Addition	-	-	59,004	59,004
As at 31 December 2023	**500,000**	**28,121**	**397,774**	**925,895**
Accumulated amortisation				
As at 31 December 2022	(324,813)	(28,121)	(271,017)	(623,951)
Amortisation	(50,000)	-	(33,786)	(83,786)
As at 31 December 2023	**(374,813)**	**(28,121)**	**(304,803)**	**(707,737)**
Net Book Value				
As at 31 December 2022	175,187	-	67,753	242,940
As at 31 December 2023	**125,187**	**-**	**92,971**	**218,158**

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold Improvements US $	Office equipment US $	Computer Equipment US $	Total US $
Closing cost 30 November 2021	**13,775**	**25,980**	**29,377**	**69,132**
Additions	3,766	5,000	1,153	9,919
Closing cost 31 December 2022	**17,541**	**30,980**	**30,530**	**79,051**
Additions	-	6,087	738	6,825
Closing cost 31 December 2023	**17,541**	**37,067**	**31,268**	**85,876**
Accumulated depreciation and impairment				
Accumulated depreciation at 30 November 2021	**(13,775)**	**(20,175)**	**(28,579)**	**(62,529)**
Depreciation charge	-	(5,620)	(933)	(6,553)
Accumulated depreciation at 31 December 2022	**(13,775)**	**(25,795)**	**(29,512)**	**(69,082)**
Depreciation charge	-	(1,687)	(836)	(2,523)
Accumulated depreciation at 31 December 2023	**(13,775)**	**(27,482)**	**(30,348)**	**(71,605)**
Closing net book value 31 December 2022	3,766	5,184	1,018	9,969
Closing net book value 31 December 2023	**3,766**	**9,584**	**920**	**14,271**

15. TRADE AND OTHER RECEIVABLES

	2023 US $	2022 US $
Trade receivables	**101,608**	9,831
Trade receivables – net	**101,608**	9,831
Vat recoverable	**36,675**	21,951
Prepayments and other debtors	**25,817**	27,604
Receivables from related parties	**950,653**	1,028,657
Total trade and other receivables	**1,114,753**	1,088,043

The fair value of trade and other receivables are not materially different to those disclosed above. The credit loss allowance was assessed for the Group as at 31 December 2023 and there was no increase/decrease in the expected credit loss allowance (2022: $nil). Group's exposure to credit risk related to trade receivables is detailed in Note 3 to the consolidated financial statements.

The Group had outstanding receivables from its portfolio companies as at 31 December 2023 in the amount of:

- US$74,170 due to Lucyd Ltd (2022:US$ 54,466)
- US$63,418 due from Smart Food Tek Ltd (2022: US$63,418)
- US$259,390 due from Guident Ltd (2022: US$951,098)
- US$6,039 due from Innovative Eyewear Inc (2022: US$13,410)
- US$629,000 owed from Microsalt plc (2022: US$958).

16. CASH AND CASH EQUIVALENTS

GROUP	2023 US $	2022 US $
Cash at bank and in hand	**620,248**	628,640
Total cash and cash equivalents	**620,248**	628,640

17. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

GROUP	2023 US $	2022 US $
Financial assets at fair value through profit and loss	**46,653,995**	56,184,146
Financial assets at amortised cost	**1,052,261**	1,088,043
Cash and equivalents at amortised cost	**620,248**	628,640
	48,326,504	57,851,274
Financial liabilities		
Trade and other payables at amortised cost	**504,784**	203,886

18. SHARE CAPITAL

Group and Company	Number of shares	Ordinary Share US$	Total US $
Issued and fully paid up			
As at 30 November 2021	**141,542,328**	**793,792**	**793,792**
Shares issued through share option exercise	**1,150,000**	**5,445**	**5,445**
Shares issued in further public offering	8,000,000	40,486	40,486
As at 31 December 2022	**150,692,328**	**839,723**	**839,723**
Shares issued in further public offering	27,395,934	133,606	133,606
As at 31 December 2023	**178,088,262**	**973,329**	**973,329**

The shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption. The following shares were issued during the year:

- February 2023: 14,062,500 shares were issued in the placing of new ordinary shares at £0.16p. Total proceeds of US$2,640,909 were netted against cost of raising finance in the amount of US$179,371
- April 2023: 13,333,334 shares issued in the placing of new ordinary shares at £0.15p. Total proceeds of US$2,404,984 were netted against cost of raising finance in the amount of US$170,441

The Company has authorised share capital of 178,088,162 with a nominal value of £0.004. Of these shares, 178,088,162 were issued and fully paid up.

19. TRADE AND OTHER PAYABLES

The fair values of trade and other payables are not materially different to those disclosed above.

The Group's exposure to currency and liquidity risk related to trade and other payables is detailed in note 3 to the accounts.

Group	**2023** **US $**	2022 US $
Trade creditors	**250,218**	77,263
Amounts due to related parties	**109,344**	-
Social security and other taxes	**12,371**	12,111
Accruals and other creditors	**145,221**	126,624
	517,154	215,998

20. DEFERRED REVENUE

The Group's deferred revenue balance of US$172,610 as of 31 December 2022 was adjusted for:

- receipt of Invention Evaluator payments in the amount of US$68,078 to be delivered after 31 December 2023, recognized as addition to the balance of deferred revenue during the year ended 31 December 2023
- recognition of US$23,297 of revenue deferred as of 31 December 2022 for reports delivered during the financial year 2023 bringing the total outstanding balance of Deferred Revenue as at 31 December 2023 to US$217,391.

21. DEFERRED INCOME TAX

Unused tax losses for which no deferred tax assets have been recognised is attributable to the uncertainty over the recoverability of those losses through future profits. A tax rate of 25% has been used to calculate the potential deferred tax.

Deferred tax	**2023** **US $**	2022 US $
Accelerated capital allowances	**(16,413)**	(24,323)
Short term timing difference		
Tax losses	**(2,115,963)**	(2,356,784)
Unprovided deferred tax asset	**2,132,376**	2,381,107
	-	-

22. DIVIDENDS

No dividend has been recommended for the period ended 31 December 2023 (2022: Nil) and no dividend was paid during the year (2022: Nil).

23. COMMITMENTS

Capital commitments
The Group entered into multiple convertible loan note agreements with its portfolio companies. Please see note 15 for details regarding outstanding commitments.

Lease commitments
The Group did not have any material contracts withing the scope of IFRS 16. Consequently, the Group did not recognise any right-of-use assets and lease liabilities during the period.

24. SHARE BASED PAYMENTS

The Group operates an approved Enterprise management scheme and an unapproved share option scheme.

The fair value of the equity settled options granted is expensed over the vesting period and is arrived at using the Black-Scholes model. The assumptions inherent in the use of this model are as follows:

Attribute	Input
No. of options granted	10,690,000
Share price at date of grant	£0.052-£0.31
Exercise price	£0.052-£0.33
Options life in years	3-5
Risk free rate	0.1%-1.75%
Expected volatility	48%-94%
Expected dividend yield	0
Fair value of options	£0.02-£0.12

The weighted average fair value of options outstanding was £0.06p. Volatility was calculated using Group's historical share price performance since 2017. The share-based payment expense for the year was $79,658 (2022: $167,957). Details of the number of share options and the weighted average exercise price outstanding during the year as follows:

Group and Company	**Av. Exercise price per share £**	**Options (Number)**	Av. Exercise price per share £	Options (Number)
As at 1 January 2023	**0.2746**	**8,865,000**	0.2110	8,200,000
Granted			0.3250	1,990,000
Exercised			0.0783	(1,100,000)
Forfeited/expired			0.3034	(225,000)
As at 31 December 2023	**0.2746**	**8,865,000**	0.2746	8,865,000
Exercisable as at period end		**5,900,000**		4,750,000*

*The weighted average exercise price for the options exercisable as at 31 December 2023 and 31 December 2022 was £0.11p and £0.11p respectively.

The weighted average remaining contractual life is 3.0 years (2022: 3.0 years). The weighted average fair value of options granted during the year was £0.06p (2022: £0.12p). The range of exercise prices for options outstanding at the end of the year was £0.052p - £0.325p (2022: £0.052p - £0.325p).

25. RELATED PARTY TRANSACTIONS

Details of Directors' remuneration and grant of options are given in the Directors' report. Please also refer to Note 8.1 for payments related to key management personnel.

525,000 options were held by Harrison Gross, family member of Dr. Clifford Gross (2022: 525,000).
Please refer to tables below for detail of relationships and transactions between The Group and its subsidiaries.

Convertible note receivable

Group	**2023 US $**	2022 US $
Guident Corp	**3,000,000**	1,000,000
Microsalt Inc	**2,528,427**	158,161
Innovative Eyewear Inc	**-**	147,375
	5,528,427	1,305,536

Intercompany receivable

Group	**2023 US $**	2022 US $
Guident Corp	**209,184**	951,098
Smart Food TEK	**66,681**	63,418
Lucyd Ltd	**(74,170)**	54,466
Innovative Eyewear Inc	**6,039**	13,410
Microsalt plc	**629,000**	(958)
Other	**3,573**	-
	840,307	1,081,434

Management fees

Group	**2023 US $**	2022 US $
Guident Corp	**176,301**	140,227
Microsalt Inc	**139,788**	141,332
Lucyd Ltd	-	-
Innovative Eyewear Inc	**139,687**	138,138
	455,776	419,697

Interest Income

Group	**2022 US $**	2022 US $
Guident Corp	**303,394**	73,736

Microsalt Inc	**139,421**	72,159
Innovative Eyewear Inc	**12,281**	140,688
	455,096	286,583

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions and are made only if such terms can be substantiated.

26. EVENTS AFTER THE REPORTING PERIOD

Post period end, Microsalt successfully completed its Initial Public Offering and commenced trading on the AIM market of the London Stock Exchange on February 1st, 2024.

Post period end, Group announced placings to raise GBP 2,000,000 before expenses on 29 February 2024.

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

Company	**Note**	**31 December 2023 US$**	31 December 2022 US$
Assets			
Non-current assets			
Investment in subsidiaries	C.4	**851,665**	851,665
Financial assets at fair value through profit and loss	C.5	**4,171,972**	12,072,827
Non current receivables	C.6	**11,998,392**	9,330,391
		17,022,029	22,254,883
Current assets			
Trade and other receivables	C.7	**3,874,618**	2,586,963
Cash and cash equivalents	C.8	**255,440**	248,869
		4,130,058	2,835,832
Total assets		**21,152,087**	25,090,715
Current liabilities			
Trade and other payables	C.11	**175,966**	129,874
		175,966	129,874
Total liabilities		**175,966**	129,874
Net Assets		**20,976,121**	24,960,841
Equity attributable to the owners of the parent			
Ordinary shares	C.10	**973,329**	839,723
Share premium		**28,937,011**	24,240,930
Retained earnings		**(8,128,037)**	365,728
Translation reserve		**(806,182)**	(485,540)
Total equity		**20,976,121**	24,960,841

The Company's loss after tax for the year ended 31 December 2023 was US$8,493,765 (loss after tax for the period ended 31 December 2022: US$11,166,674). The Company has used the exemption under S408 CA 2006 not to disclose the Company income as primary statement. The notes on pages 83 to 86 are an integral part of these financial statements.

The financial statements on pages 81 to 86 were approved and authorised for issue by the Board of Directors on 21 May 2024 and were signed on its behalfits behalf.

Louis Castro
Director

Dr Clifford M Gross
Chairman and CEO

Tekcapital PLC
registered number
08873361

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

		Attributable to owners of the parent company				
Company	**Note**	**Ordinary Shares US $**	**Share Premium US $**	**Translation Reserve US $**	**Retained (Deficit)/Earnings US $**	**Total Equity US $**
Balance as at 30 November 2021		**793,792**	**21,793,644**	**(177,860)**	**11,364,445**	**33,774,021**
Loss for the period					(11,166,674)	(11,166,674)
Other comprehensive income				(307,680)		(307,680)
Total comprehensive income for the year		**-**	**-**	**(307,680)**	**(11,166,674)**	**(11,474,354)**
Transactions with owners, recorded directly in equity						
Share issue	18	40,486	2,489,878			2,530,364
Cost of share issue			(142,839)			(142,839)
Share issue in share option exercise	18	5,445	100,247			105,692
Share based payments	24				167,957	167,957
Total transactions with owners		**45,931**	**2,447,286**	**-**	**167,957**	**2,661,174**
Balance as at 31 December 2022		**839,723**	**24,240,930**	**(485,540)**	**365,728**	**24,960,841**
Loss for the year					(8,573,423)	(8,573,423)
Other comprehensive loss				(320,642)		(320,642)
Total comprehensive loss for the period		**-**	**-**	**(320,642)**	**(8,573,423)**	**(8,894,065)**
Transactions with owners, recorded directly in equity						
Share issue	18	133,606	5,045,893			5,179,499
Cost of share issue			(349,812)			(349,812)
Share issue in share option exercise	18					-
Share based payments	24				79,658	79,658
Total transactions with owners		**133,606**	**4,696,081**	**-**	**79,658**	**4,909,345**
Balance as at 31 December 2023		**973,329**	**28,937,011**	**(806,182)**	**(8,128,037)**	**20,976,121**

Share premium – amount subscribed for share capital in excess of nominal value, net of directly attributable issue costs.
Translation reserve – foreign exchange differences recognized in other comprehensive income.
Retained earnings – cumulative net gains and losses recognized in the consolidated financial statements of comprehensive income.
The notes on pages 83 to 86 are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

C.1. GENERAL INFORMATION

Tekcapital PLC (Companies House registration number: 08873361) is a Company incorporated in England and Wales and domiciled in the UK. The address of the registered office is detailed on page 28 of these financial statements. the Company is a public limited Company limited by shares, which listed on the AIM market of the London Stock Exchange in 2014. The principal activity of the Company is that of investment in portfolio companies. the Company also acquires exclusive licences to university technologies that it believes can positively impact people's lives, for subsequent commercialisation.

The Company had no employees during the period.

C.2 STATEMENT OF COMPLIANCE

The financial statements of the parent company have been prepared in accordance with Financial Reporting Standard 101 "Reduced disclosure framework" ('FRS 101'). the Company will continue to prepare its financial statements in accordance with FRS101 on an ongoing basis until such time as it notifies shareholders of any change to its chosen accounting framework.

The principal accounting policies applied in the preparation of these financial statements are set out in Note 2 of the consolidated financial statements.

Exemptions

The Company financial statements have been prepared using the historical cost convention except where other measurement basis are required to be applied and in accordance with IFRS under FRS 101. In accordance with FRS101, the Company has taken advantage of the following exemptions:

- Statement of Cash Flows
- Financial instrument disclosures.
- Capital management disclosures.
- Additional comparative information.
- A reconciliation of share options in the year
- Related party disclosures with wholly owned subsidiaries.

Changes in accounting policy and disclosures

All changes to accounting standards are explained in note 2 to the consolidated financial statements.

C.3 PROFIT/(LOSS) FOR THE YEAR

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. The auditor's remuneration for audit and other services are disclosed in note 7 to the consolidated financial statements.

C.4 INVESTMENT IN SUBSIDIARIES

	Shares in subsidiaries	Loans to Subsidiaries	Total US $
Net Book Value			
As at 1 January 2023	79,426	772,239	851,665
Balance at 31 December 2023	**79,426**	**772,239**	**851,665**

The Net Book Value is stated at cost less any adjustment for impairment. As at 31st December 2023 the total impairment recognised on investment in subsidiaries was US$1,103,550 (2022: US$1,103,550).

Subsidiaries name (consolidated)		Proportion of ordinary shares directly held	Nature of business	Capital and reserves as at 31 Dec 2023	Net Profit/(Loss) for year ended 31 Dec 2023
Direct					
Tekcapital Europe Limited	England and Wales	100%	Provision of Intellectual property research services	26,985,802	(5,445,453)
Tekcapital LLC	USA	100%	Provision of Intellectual property research services	(5,262,405)	(1,038,190)

* As at the year end, the Company has no interest in the ownership of any other entities or exerts any significant influence over or provides funding which constitutes an "unconsolidated structured entity".
All UK subsidiaries are exempt from the requirement to file audited accounts by virtue of section 479A of the Companies Act 2006.
Tekcapital Europe Ltd (registered address 12 New Fetter Lane, London, United Kingdom, EC4A 1JP) and Tekcapital LLC (registered address 11900 Biscayne Blvd, Suite 630, Miami, Florida, 33181, United States) are consolidated by Tekcapital plc because they continue to provide advisory services in IP search and technology transfer.

C.5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The Company 's investment in Belluscura plc in the period ended 31 December 2023 and 31 December 2022 is listed below and classified as equity instruments. The principal place of business for Belluscura plc is England and Wales.

Company	Proportion of ordinary shares as at 31 Dec 2023	1 Jan 2023	Additions	Disposal	Other adjustments	Fair Value change	31 Dec 2023
Belluscura Plc	7.70%	12,072,826	-	(272,514)	(634,065)	(7,023,307)	4,142,940
Total Balance		**12,072,826**	**-**	**(272,514)**	**(634,065)**	**(7,023,307)**	**4,142,940**

The valuation technique used falls under, Level 1 – Observable techniques, other than quoted prices.

The fair value of the holding decreased by US$7.7m during the year due to market movement in Company's shares listed at AIM market of London Stock Exchange, and closing price of 23p as of

31 December 2023. With 15,138,767 shares held by Tekcapital plc, a fair value of US$4,142,940 was arrived at as of 31 December 2023.

C.6 NON CURRENT RECEIVABLES

As at 31st December 2023, the Company was owed a total of US$17,259,355 (2022: US$13,507,967) from one of it's subsidiaries (Tekcapital LLC), which an IFRS9 Expected Credit Loss provision totaling US$5,265,819 (2022: US$4,177,576) has been provided for. The net receivable due from Tekcapital LLC at 31st December 20233 of US$11,993,535 (2022: US$9,330,391) will be recovered in greater than one year.

C.7 TRADE AND OTHER RECEIVABLES

Company	**2023 US $**	2022 US $
Receivables from Group companies	**3,834,888**	2,540,557
VAT	**32,678**	29,620
Prepayments	**7,052**	16,786
Total trade and other receivables	**3,874,618**	2,586,963

The credit loss allowance on Trade and Other Receivables was assessed as at 31 December 2023 and there was no increase/decrease in the expected credit loss allowance (2022: $nil).

C.8 CASH AND CASH EQUIVALENTS

Company	**2023 US $**	2022 US $
Cash at bank and in hand	**255,440**	248,869
Total cash and cash equivalents	**255,440**	248,869

C.9 CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Company	**2023 US $**	2022 US $
Financial assets at fair value through profit and loss	**4,462,437**	12,072,827
Financial assets at amortised cost	**15,815,338**	12,904,198
Cash and equivalents at amortised cost	**255,440**	248,869
	20,533,215	25,225,894
Financial liabilities		
Trade and other payables at amortised cost	**175,966**	129,874

C.10 SHARE CAPITAL

Group and Company	Number of shares	Ordinary Share US$	Total US $
Issued and fully paid up			
As at 30 November 2021	**141,542,328**	**793,792**	**793,792**
Shares issued through share option exercise	**1,150,000**	**5,445**	**5,445**
Shares issued in further public offering	8,000,000	40,486	40,486
As at 31 December 2022	**150,692,328**	**839,723**	**839,723**
Shares issued in further public offering	27,395,934	133,606	133,606
As at 31 December 2023	**178,088,262**	**973,329**	**973,329**

The shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption. The following shares were issued during the year:

- February 2023: 14,062,500 shares were issued in the placing of new ordinary shares at £0.16p. Total proceeds of US$2,640,909 were netted against cost of raising finance in the amount of US$179,371
- April 2023: 13,333,334 shares issued in the placing of new ordinary shares at £0.15p. Total proceeds of US$2,404,984 were netted against cost of raising finance in the amount of US$170,441

The Company has authorised share capital of 178,088,162 with a nominal value of £0.004. Of these shares, 178,088,162 were issued and fully paid up.

C.11 TRADE AND OTHER PAYABLES

Company	2023 US $	2022 US $
Accruals and other creditors	**145,236**	127,902
Accounts payable	**30,729**	1,972
	175,965	129,874

C.12 DEFERRED INCOME TAX

Unused tax losses for which no deferred tax assets have been recognised is attributable to the uncertainty over the recoverability of those losses through future profits. A tax rate of 25% has been used to calculate the potential deferred tax.

C.13 DIVIDENDS

No dividend has been recommended for the year ended 31 December 2023 (2022: Nil) and no dividend was paid during the year (2022: Nil).

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, agree and will comply with the contents of this notice. The securities mentioned herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under any U.S. State securities laws, and may not be offered or sold in the United States of America or its territories or possessions (the "United States") unless they are registered under the Securities Act or pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. This Report is not being made available to persons in Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or any other jurisdiction in which it may be unlawful to do so, and it should not be delivered or distributed, directly or indirectly, into or within any such jurisdictions.

Investors must rely on their own examination of the legal, taxation, financial and other consequences of an investment in the Company, including the merits of investing and the risks involved. Prospective investors should not treat the contents of this Report as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers concerning any acquisition of shares in the Company. Certain 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 the 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 macroeconomic. Changes in net asset values can have a significant impact on revenue and earnings of the Company and its future prospects.

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 plc'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 defence 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 the ability of our portfolio companies to successfully market and commercialize their products and services. Claims by other companies may infringe the intellectual property rights on which our portfolio companies rely, and if such rights are deemed to be invalid it could adversely affect our portfolio companies and ourselves as investors in these companies.

From time to time, companies may assert, patent, copyright and other intellectual proprietary rights against our portfolio Company 's products or technologies. These claims can result e in lawsuits being brought against our portfolio companies or their holding Company in the future. 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 and this may have a negative impact on their financial performance.

All of the 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 invested in.

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