

2021

Annual Report & Accounts

RISK FACTORS AND FORWARD-LOOKING STATEMENTS

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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.

RISK FACTORS AND FORWARD-LOOKING STATEMENTS

Additionally, the current Coronavirus pandemic may produce negative economic activities which could reduce the company's economic performance and the performance of its portfolio companies in ways that are difficult to quantify at this juncture. It may cause a downturn in the markets in which the Company operates, reduce the Company's net asset values, revenue, cash flow, access to investment capital and other factors which could negatively impact the Company. As a result, the reader is cautioned not to place reliance on these statements or views and no responsibility is accepted by the Company or any of its directors, officers, employees or agents in respect thereof. The Company does not undertake to update any forward-looking statement or other information that is contained in this Report. Neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information contained in this Report or for any of the opinions contained herein, or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Report. Neither the issue of this Report nor any part of its contents is to be taken as any form of contract, commitment or recommendation on the part of the Company or the directors of the Company. In no circumstances will the Company be responsible for any costs, losses or expenses incurred in connection with any appraisal, analysis or investigation of the Company. This Report should not be considered a recommendation by the Company or any of its affiliates in relation to any prospective acquisition or disposition of shares in the Company. No undertaking, Report, warranty or other assurance, express or implied, is made or given by or on behalf of the Company or any of its affiliates, any of its directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this Report and no responsibility or liability is accepted for any such information or opinions or for any errors or omissions.

Intellectual Property Risk Factors

Tekcapital 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.

RISK FACTORS AND FORWARD-LOOKING STATEMENTS

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 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.

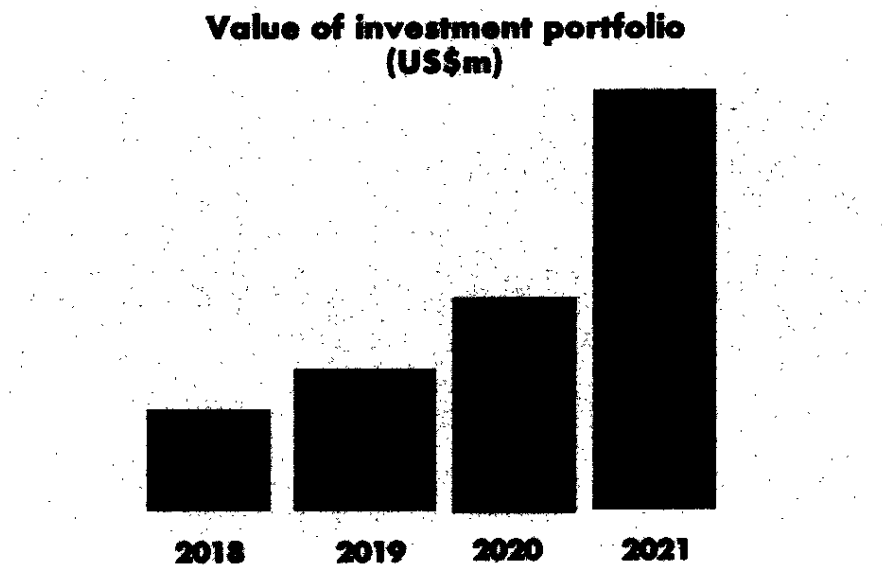
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TEKCAPITAL TRANSFORMS UNIVERSITY DISCOVERIES INTO VALUABLE PRODUCTS

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 the high value properties we have uncovered.



We believe that when you couple commercialisation 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.

INVESTMENT CASE & FINANCIAL PERFORMANCE



ACCESS TO ONE OF THE
WORLD'S LARGEST
NETWORKS OF UNIVERSITY IP



TECHNOLOGY REVIEW
CAPABILITY



NUMBER OF INDUSTRY
LEADERS RECRUITED BY
PORTFOLIO COMPANIES



NUMBER OF PORTFOLIO
COMPAINIES FACING \$1B+
MARKETS

Net Assets
U\$68.1m

Compound Annual Growth
Rate (CAGR) of Net Assets
over the past five years
45%

Return on Assets (ROA)

Return on Invested capital
(ROIC)
2%

Pre-tax Income
including fair value gains
\$29.2m

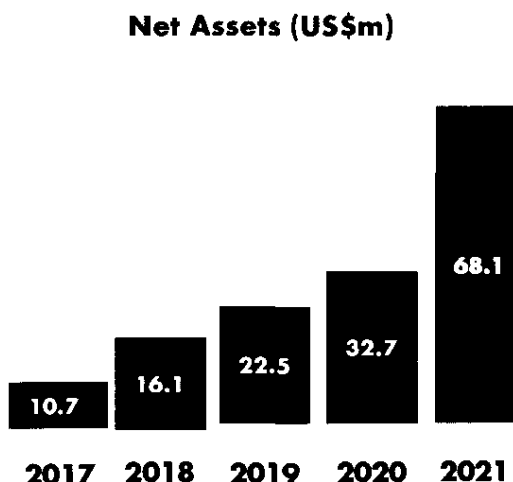
Profit after tax
\$26.4m

KEY HIGHLIGHTS

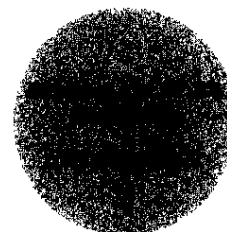
FINANCIAL

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. In 2021 we met this objective. It was the most productive year for value creation in the Group's history:

- ✓ Net Assets increased 108% to US\$68.0m, a record level (2020: US\$32.7m)
 - NAV per share increased 37% to US\$0.48 (2020: \$0.35)
- ✓ Portfolio valuation increased 105% to US\$62.5m (2020: US\$30.4m)
- ✓ Total income US\$29.2m (2020: US\$9.9m), primarily driven by the net increase of US\$28.1m (unrealised) in fair value of portfolio companies (2020: US\$8.7m)
- ✓ Profit after tax: US\$26.4m (2020: US\$7.7m)
- ✓ Share placings totaling US\$9.4m completed during the period (2020: US\$2.6m)



INVESTMENT PORTFOLIO



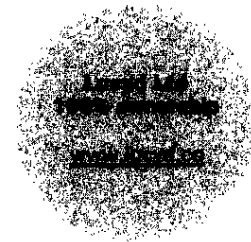
Investment Rationale:

The snack food industry is focused on developing and providing better-for-you products that both taste good and help reduce sodium intake. The reason for this is that excess sodium consumption contributes to cardiovascular disease, a leading cause of premature death globally. To help address this problem, Salaris has developed a patented process for producing micron sized salt crystals. Microsalt® has all the flavour of salt with roughly half the sodium for topical applications such as crisps, pretzels, nuts, popcorn and other salty snacks.

Recent developments:

- Expanded sales of its SaltMe® full flavor, low sodium chips brand in 2,200 Kroger stores. Kroger is the largest supermarket chain in the U.S. We believe this is the first national roll-out of full-flavour, low-sodium potato chips in the U.S. In addition to Kroger, SaltMe! crisps are now available at approximately 200 other retail purchase points.
- Awarded the most innovative sodium reduction food technology provider in 2021 by GHP Magazine.
- Winner of the Star Entrepreneur Award as the #1 start-up led by a P&G Alumni.
- Completed its Crowdfund successfully raising \$750,000 in December 2021.

KEY HIGHLIGHTS

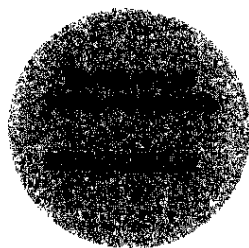


Investment Rationale:

In the U.S. pedestrian fatalities have increased by 60% from 2009 to 2019¹. Open ear audio found in Lucyd smart glasses can help pedestrians maintain situational awareness whilst walking running and cycling. Approximately 2/3rds 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. Since the speakers are open-ear, Lucyd e-glasses enables the wearer to stay connected to their digital life while maintaining situational and social awareness.

Recent developments:

- Innovative Eyewear Launched Lucyd® Lyte® in January 2021. Their smart sunglass and prescription eyewear is the perfect complement for active lifestyles. As of the date of this report Lucyd Lytes have received more than 600 5-star ratings on Amazon and Lucyd.co websites.
- Announced multiple new hires, including Frank Rescigna, Head of Global Sales, Ken Strominger, Director of Sports & Electronics Sales and Alex Rivera, Manager of Graphics and Photography.
- Signed a distribution agreement with D. Landstrom Associates, to build distribution of Lucyd Lyte™ Bluetooth® smart-glasses in big box retail stores in the U.S.
- It expanded its ecommerce sales channels with retail sales. Starting with none in June 2021, onboarded more than 200 retail stores as of the date of this report.
- Appointed Olivia "Dibby" Bartlett as a non-executive director. Dibby has served more than 30 years in the optical industry and is currently president of the Opticians Association of America. Appointed Kristen McLaughlin to its board as a non-executive director. Kristen has a distinguished career in the optical industry where she has served as director of marketing for Silhouette International and brand manager for Daniel Swarovski Crystal Eyewear.
- Submitted a draft registration statement with the U.S. Securities and Exchange Commission (the "SEC"), for a proposed initial public offering ("IPO") of shares of its common stock in the United States.



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. We believe remote human interaction will be needed to address these mishaps. Guident's remote monitoring and control centre will monitor vehicles and if necessary provide additional support such as calling first responders, taking over control of the vehicle to move it out of harm's way and providing real-time communication with passengers and pedestrians. Over time, we believe remote monitoring centres will be required in most jurisdictions where AV's operate.

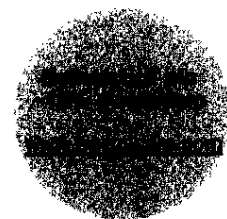
SOURCE

¹ <https://www.caranddriver.com/news/a31136893/pedestrian-deaths-increase-2019/>

KEY HIGHLIGHTS

Recent developments:

- Demonstrated its low-latency (~38msec), vehicle control software to power its Remote Monitoring and Control Centre (RMCC). This is expected to be used in their first RMCC for AVs, to be launched later this year in Boca Raton, Florida. The RMCC will be able to monitor multiple vehicles from a remote, secure monitoring centre, akin to air traffic control for ground-based vehicles.
- During 2021, the company defined its go to market strategy, engaged advisors with relevant industry experience and entered discussions with numerous prospective customers.
- the company announced the successful demonstration of its remote monitoring and control technology in Boca Raton, Florida.
- During 2021, the company has also progressed the engineering development of its prototype regenerative shock absorbers and completed their fabrication. Testing of the shocks are on-going.
- Multiple large OEM's have expressed an interest in evaluating Guident's regenerative shock absorbers as a tool for potential EV range extension.



Investment Rationale:

Worldwide, approximately 300m individuals suffer from COPD (chronic obstructive pulmonary disease). *Many of these patients 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, this means 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.

Recent Developments:

- Belluscura received FDA clearance in March 2021.
- In April 2021, Tekcapital converted its warrants and options held in Belluscura at an average exercise price of 21 pence for new ordinary shares in Belluscura, bringing total shares held to 17.1 million.
- On May 28, 2021, Belluscura consummated its IPO at 45 pence per share and commenced trading on the AIM Market of the London Stock Exchange.
- Post IPO, the Company continued to rapidly expand its sales and distribution capabilities in the US and development of its new products.
- On Nov 4, 2021 Belluscura announced that demand for its X-PLO2R™ portable oxygen concentrators significantly exceeded expectations.
- On Nov 29, 2021 Belluscura announced it has received reimbursement approval from U.S. Centers for Medicare & Medicaid Services, further expanding the potential market for these devices.
- As of 30 November 2021 Belluscura shares traded at 99 pence per share, valuing Tekcapital's holding at \$22.7m compared to \$2m as of 30 November 2020.

KEY HIGHLIGHTS

CORPORATE

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

- Tekcapital developed and delivered a successful webinar series "The Impact of Nanotechnology" to participants from the technology and innovation ecosystem in Latin America.
- Tekcapital was invited to participate at the 2021 Red TTO (Technology Transfer Offices) Mexico Event. The annual congress is where the innovation ecosystem of Mexico converges.
- Tekcapital participated as a sponsor and exhibitor at the 2021 Eastern, Central and Canadian Region Meetings hosted by the Association of University Technology Managers.
- In 2021, Tekcapital delivered more than 250 Invention Evaluator reports to universities worldwide, to help them assess the market potential of their new technologies and has added corporate clients including Hewlett Packard Enterprises, to its client roster. Additionally, the Vortechs Group, Tekcapital's executive search firm, won 15 executive search assignments in 2021.

Dr. Clifford Gross, Executive Chairman said:

KEY HIGHLIGHTS

POST PERIOD END PORTFOLIO COMPANY HIGHLIGHTS

- ✓ Executed an agreement with InnoMax Medical Technology to manufacture its X-PLO2R® portable oxygen concentrator in China, which is expected to more than double its manufacturing capacity whilst accelerating its international expansion. Nearly 100 million people in China have chronic obstructive pulmonary disease ("COPD"). This is 400% larger than the U.S. COPD population.
- ✓ Awarded a Distribution and Pricing Agreement ("DAPA") from the United States Defense Logistics Agency ("DLA") for the X-PLOR. The United States government is the largest buyer in the world.
- ✓ Announced that its sales in January and February of 2022 exceeded forecasts and surpassed 2021 total.

- ✓ In Q1 2022 SaltMe!® Chips have seen a 40-fold increase in sales compared to Q1 2021.
- ✓ Appointed Dan Emery as a non-executive member of its board of directors. Dan has more than 25 years of experience in the food industry, including 15 years as vice president of sales and marketing at Pilgrim's Pride, during which time sales grew from US\$970 million to US\$8.5 billion, with a balance between retail and food service.
- ✓ Appointed Rick Guiney as CEO. Rick has more than 35 years of experience in the food industry, including 30+ years as President & CEO of Classic Snacks, Inc., where he pioneered the ground-up development of the business and transformed it into a market-leading direct distribution company in the food industry. Classic Snacks was included on the Inc. 500 Fastest Growing Company List, and quickly became a nationwide snack food packager and distributor to airlines, restaurants, hotels, country clubs, bars, taverns, and retail private label customers.

- ✓ Announced it has filed a registration statement and is seeking to raise \$10m in an IPO to be traded on the NASDAQ under the ticker: LUCY, which it seeks to consummate as soon as practicable given current market conditions.
- ✓ Launched the Vyrb app, a voice social media program designed for Lucyd Lyte smart glasses and other hearables, for IOS and Android.
- ✓ Announced it has been approved by DICK's Sporting Goods® to provide its Lucyd Lyte® smart eyewear on dickssportinggoods.com and by BestBuy.ca to place its products on Best Buy's Canadian ecommerce site.

- ✓ Has been selected as a vendor by JTA's Procurement Review Committee for JTA Proposal No. P-22-010 entitled "JTA Test Environment" to provide remote monitoring and control services for three years.
- ✓ Announced it is working with Airspan Networks NYSE American: MIMO) to provide customers with connectivity and software solutions for autonomous vehicles for smart city applications, using CBRS (Citizens Broadband Radio Service) spectrum.
- ✓ Announced that it filed their 8th patent application covering improvements to its remote monitoring and control centre for AVs. The U.S. patent application #17/579,203 is entitled: "Near Real-Time Data and Video Streaming System for a Vehicle, Robot or Drone".
- ✓ Announced that their Regenerative Shock Absorber prototypes have been fabricated and are being evaluated by independent test facilities to confirm their performance and capabilities. Guident is currently in discussions with potential customers and strategic partners to potentially manufacture and use their RSA's.



**"WE BELIEVE 2022 WILL BE A
BREAKTHROUGH YEAR FOR OUR
PORTFOLIO COMPANIES"**

DR CLIFFORD M. GROSS EXECUTIVE
CHAIRMAN

Q&A WITH OUR EXECUTIVE CHAIRMAN

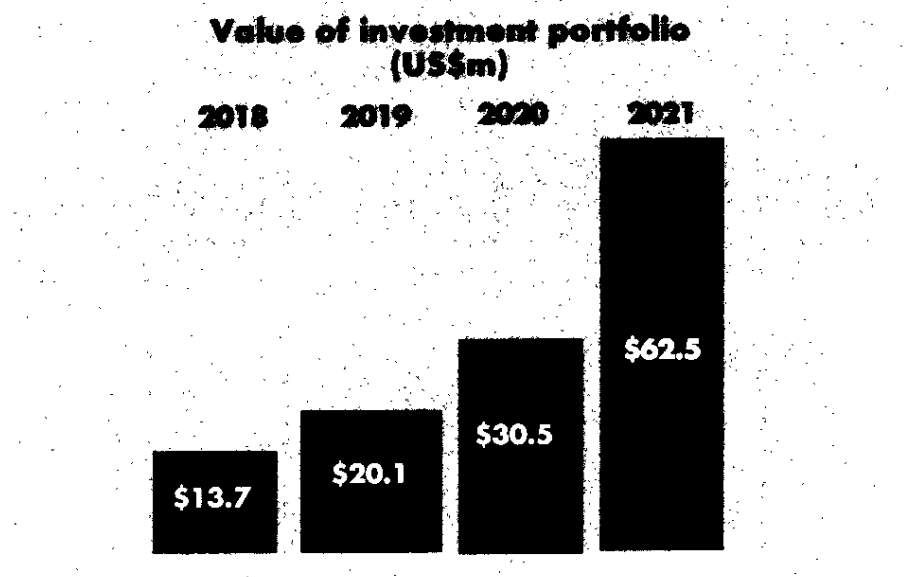
- Belluscura received FDA clearance for its portable oxygen concentrator and subsequently completed a successful IPO, raising approximately \$25m on the LSE's AIM market. Additionally, Belluscura onboarded five distributors and began manufacturing and selling of its unique, proprietary oxygen concentrator.
 - Salarius received a large order for its SaltMe crisps for national supermarket distribution in Kroger, the largest supermarket in the U.S.. Shipments of their chips are expected to total several million dollars in 2022, marking the first time a low-sodium, full flavor snack will be available for customers nationwide. Salarius' Microsalt subsidiary raised \$750,000 in an oversubscribed crowdfund.
 - Guident successfully demonstrated its remote monitoring and control centre in Boca Raton, Florida, with amongst the lowest latency for any such monitoring system. Additionally, Guident successfully designed and manufactured their first-generation regenerative shock absorbers.
 - Lucyd's portfolio company Innovative eyewear filed a registration statement for an IPO and a potential listing on the NASDAQ. Additionally, Innovative Eyewear launched more than a dozen new styles of smart eyewear, including the world's first titanium front-framed smart glasses, and launched retail distribution into 200 optical stores in addition to expanding its ecommerce distribution on Amazon, BestBuy.com and its in-house website lucyd.co. Lucyd also completed two crowdfunds, the first raising \$1m in an oversubscribed offering and the second raising ~\$150k in a top-up round at a \$20m pre-money valuation.
-
- A successful flotation of Innovative Eyewear, Inc.
 - Significant sales expansion of Microsalt and its SaltMe crisps.
 - Venture funding of Guident Corp. and the on-boarding of its first commercial customer.
 - The successful testing of Guident's regenerative shock absorbers.

We will continue to expand our portfolio with additional high value investments.

TEKCAPITAL AT A GLANCE

Tekcapital has built one of the largest university IP networks in the world, to help it find and review market-ready technologies. The Group provides universities and corporate clients with a range of technology transfer services while simultaneously identifying compelling technologies for its own portfolio, for subsequent commercialisation. We believe this unique combination provides a competitive advantage in the sector, as we both use and sell our IP investment services. This keeps us close to our technology suppliers and allows the company to have a vibrant pipeline of technologies at low cost.

TEKCAPITAL'S FORMULA OF COUPLING MARKET-READY IP WITH TALENTED MANAGEMENT, HELPS POSITION THE GROUP FOR LONG-TERM GROWTH, AND INCREASES THE PROBABILITY OF MEANINGFUL EXITS



WE HAVE VISIBILITY TO UNIVERSITY-DEVELOPED IP FROM 4,500+ RESEARCH INSTITUTIONS ACROSS 160 COUNTRIES

PORTFOLIO REVIEW

PATENTED LOW-SODIUM SALT

The snack 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, Salaris has developed a patented process for producing micron-sized salt crystals that provide all of the flavor of salt with roughly half of the sodium for topical food applications.

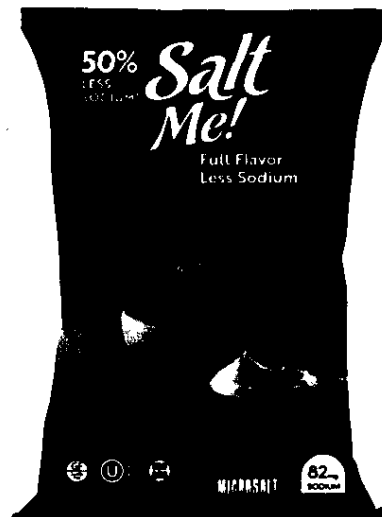
Microsalt® is a micron-sized sodium chloride crystal that dissolves faster, is all natural, non-GMO, Kosher and doesn't contain any of the additives found in other sodium reduction products.

Microsalt® uses micron-sized sodium chloride crystals that dissolve faster, is all natural, non-GMO, Kosher and doesn't contain any of the additives found in other sodium reduction products.

The global Sodium Reduction Ingredients Market is expected to reach US\$1.62 billion by 2024 with a CAGR of 7.3% from 2019 to 2024¹. Salty snack market was worth US\$26b in 2019 alone. Recently, Salaris has secured two food brokers and the leading U.S. natural food distributor for its product in the United States and Mexico.

Cardiovascular disease is the world's leading health problem causing 17.9 million pre-mature deaths annually and is related to high sodium consumption, especially in snacks and other prepared foods. According to the U.S. FDA, reducing daily sodium intake from 3,400 mg to 2,300 mg/day will reduce approximately 28,000–50,000 premature deaths per year in the U.S..

During 2021, the company made significant progress in expanding its sales of its SaltMe® full flavor, low sodium snack brand in more than 2,400 retail establishments, including the largest supermarket chain in the U.S..



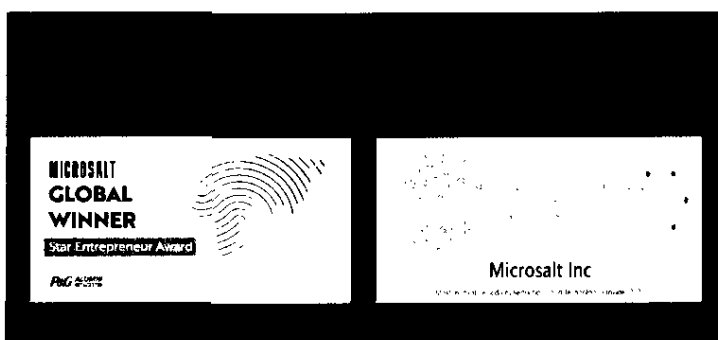
Tekcapital ownership of
Salaris Ltd



TOTAL ADDRESSABLE
MARKET



CAGR



¹ <https://www.futuremarketinsights.com/reports/sodium-reduction-ingredient-market>

² <https://www.marketdataforecast.com/market-reports/sodium-reduction-ingredients-market>

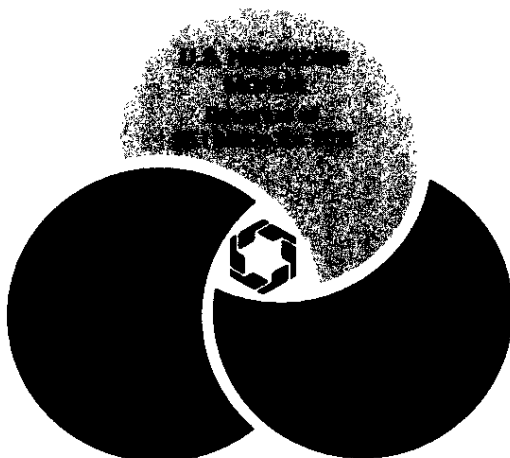
PORTFOLIO REVIEW

LUCYD: THE CLEAR CHOICE FOR TECH EYEWEAR

Lucyd 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.

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

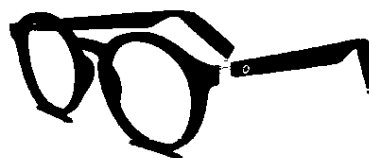


To provide a unique, new wearable experience, Lucyd has developed a voice-based social media app called Vyrb™. Vyrb will enhance Lucyd frames with social features, such as verbal posting and hashtagging. Lucyd has received a notice of allowance from the U.S. Patent and Trademark Office on several features of Vyrb, two utility patents regarding wearable tech, one of which has been granted a notice of allowance and 38 design patents either pending or issued.

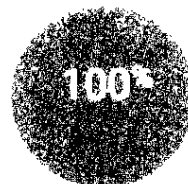
Backed by brand ambassadors Monique Billings (WNBA star), Chris Clark, (PGA golfer) and Hadar Adora (musician), we believe that Lucyd offers amongst the best and most affordable smart glasses in the market – in 20 fashion forward designs, designed for all-day wear and available in any prescription.

The Lucyd brand of smart glasses are now available in 200 optical stores, and on Amazon, BestBuy.com (both U.S. and Canada) and has been recently been accepted for listing on DicksSportingGoods.com, the largest sporting goods retailer in the U.S.

Innovative Eyewear, Inc. Lucyd's operating subsidiary has filed an S1 with the U.S. SEC for a potential IPO and NASDAQ listing, which it seeks to consummate as soon as practicable.



Tekcapital ownership
of Lucyd Ltd*



**In August, 2019, Lucyd Ltd incorporated Innovative Eyewear Inc to optimize its go to market strategy in the United States. Lucyd Ltd owns appx 80% of Innovative Eyewear Inc. as of March 1, 2022.*



PORTFOLIO REVIEW

DELIVERING INNOVATIVE OXYGEN TREATMENT DEVICES

Unique medical device company that has developed an improved portable oxygen concentrator to provide on-the-go supplemental O₂ for COPD patients.

The company received FDA clearance for their X-PL02R™ portable oxygen concentrator in March 2021.

We believe their innovative device will be helpful in addressing COVID-related respiratory problems as well as COPD. Belluscura recently filed a patent application covering devices and systems for treating people suffering from acute respiratory distress (ARDS) caused by the Coronavirus. Beyond their current POC, Belluscura is working to design and develop an improved, portable ECMO technology to treat ARDS patients.

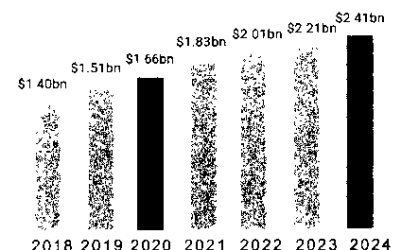
Capable & highly experienced management: Bob Rauker, CEO (previously Boston Scientific), Dr Raymond Bray, VP (previously St. Jude Medical), Keith Cook, V.P. Operations (previously Inogen).

Belluscura completed its IPO on the AIM on May 28, 2021, to finance and accelerate the manufacture and sale of their portable oxygen concentrators to meet current market demand.

Belluscura has filed or licensed 26 patents to-date, covering devices and systems for treating people suffering from acute respiratory distress caused by COPD or the Coronavirus.

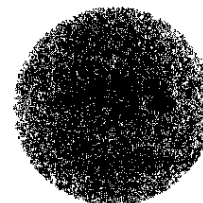
To-date they have onboarded 10 distributors and are accelerating unit sales of their portable oxygen concentrator, which began in Sept. 2021.

The medical portable O₂ market is expected to grow from US\$1.4bn this year to US\$2.4bn by 2024¹



¹ <https://www.omnigraphics.com/industry-analysis/medical-oxygen-concentrators-market-report>

Tekcapital ownership



EXPLO2RE PORTABLE OXYGEN CONCENTRATOR

Light:	Only 1.25kg (2.8lbs)
Efficient:	32% more O2 per pound
Quiet:	Only 39 decibels
Reliable:	Long battery duration
Modular:	First FDA cleared POC with consumer replaceable filter cartridges
Low Cost:	Projected 70% cost savings over duration of the disease vs. existing portable oxygen concentrators
Strong IP:	26 patents and applications



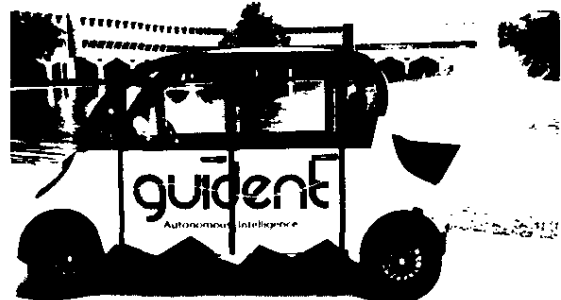
PORTFOLIO REVIEW

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

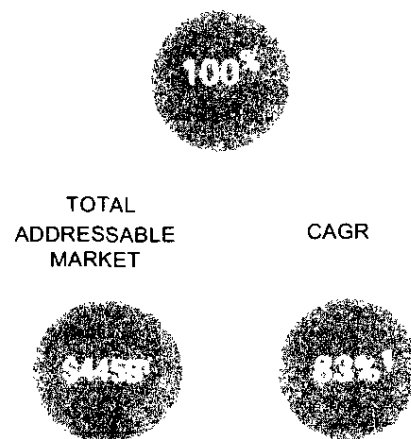
With its proprietary software, a world-class team, and portfolio of seven patents, Guident will be able to deliver competitive advantages for AV fleet operators by providing real-time passenger & delivery vehicle monitoring and control, for public and private mobility markets.

Guident's initial goal is to build and operate its first Remote Monitoring and Control Centre for ground-based delivery devices and AVs in the 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. In 2021 they successfully demonstrated the operation of their RMCC with industry leading glass-to glass latency of ~38 msec.

Guident also offers an additional patented technology enabling OEM's 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 for power generation and durability. Multiple electric vehicle companies have expressed an interest in testing the shock absorbers.



Tekcapital ownership of Guident Ltd



Guident's remote monitoring and control of AV's covered by multiple issued and pending patents.

SOURCE

* Global Market Monitor Report : " Global Self-Driving and Driverless Cars Market Professional Research Report 2015-2027

PORTFOLIO REVIEW

GUIDENT APPOINTED HARALD BRAUN AS ITS CHAIRMAN & CEO. MR. BRAUN HAS SERVED AS CEO OF SIEMENS NETWORK USA (NYSE: SI) AND AVIAT NETWORKS (NASDAQ: AVNW). HE SERVED ALSO AS A SENIOR EXECUTIVE AT NOKIA SIEMENS NETWORKS, NORTH AMERICA.



ON 6TH DECEMBER 2018 GUIDENT LTD APPOINTED JOHAN DE NYSSCHEN AS A DIRECTOR. JOHAN PREVIOUSLY SERVED AS EXECUTIVE VICE PRESIDENT OF GENERAL MOTORS AND PRESIDENT OF THE CADILLAC MOTOR DIVISION, PRESIDENT OF INFINITI MOTOR COMPANY LTD, PRESIDENT OF AUDI OF AMERICA INC., AND PRESIDENT OF AUDI JAPAN.

ON 14TH JANUARY, 2019 GUIDENT LTD APPOINTED DANIEL GROSSMAN AS A DIRECTOR. HE RECENTLY SERVED AS CEO OF CHARIOT. PREVIOUSLY, DAN HELPED CREATE GENERAL MOTORS' MOBILITY DIVISION, "MAVEN", AND LED ALL OPERATIONS AS COO, AND WAS A VICE PRESIDENT AT ZIPCAR, WHERE HE HELPED PIONEER THE BRAND GLOBALLY. ZIPCAR WAS SUBSEQUENTLY SOLD TO AVIS-BUDGET FOR ~ \$500M.



STRATEGIC REPORT

Chairman's Summary

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 and our strong returns on invested capital continue and net asset growth has followed in lock step.

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.

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

These small crystals dissolve faster on the tongue, so you need to use less salt, whilst still having the same salty taste. Less salt means about 50% less sodium for most applications. Less sodium means a reduced likelihood of developing high blood pressure and heart disease, the world's number one cause of premature death.

In addition to its focus on B2B sales of Microsalt® to snack food companies, Salarius has launched its own snack food brand called SaltMe!™. Beginning in August 2020 they started shipping their first product, SaltMe!™ potato chips. The product is now in more than 2,400 stores throughout the U.S.. The low sodium ingredient market is estimated to reach US\$2b¹ by 2027. Tekcapital owns 97.15% of Salarius and ~80% of its U.S. subsidiary Microsalt Inc. as of the date of this report.

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

In January 2021, Lucyd's US subsidiary Innovative Eyewear Inc launched Lucyd Lyte™, their most advanced and compelling Bluetooth® eyewear. This product combines proper prescription, designer glasses with Bluetooth technology that you can use to answer your phone, listen to music, and talk with Siri® or Alexa® or Google Voice. The product has initially been very well received and is available on multiple ecommerce sites and in 200 retail optical stores. Lucyd has developed and filed 41 U.S. utility and design patents covering their products. Innovative Eyewear Inc., a U.S. subsidiary of its portfolio company Lucyd Ltd, filed a registration statement on Form S-1 with the U.S. Securities and Exchange Commission for a proposed initial public offering of shares of its common stock in the United States. Tekcapital currently owns 100% of the share capital of Lucyd Ltd and approximately 80% of the share capital of Innovative Eyewear, Inc.

Innovative Eyewear intends to commence the sale of its securities in the IPO following completion of the SEC review process, subject to market and other conditions. A copy of the registration statement is available on www.sec.gov. The Company intends the shares to be listed on the NASDAQ under ticker: LUCY.

SOURCE

¹ <https://thetalkingdemocrat.com/news/97310/global-sodium-reduction-ingredient-market-is-projected-to-reach-around-us-2158-7-million-by-the-end-of-2027-at-a-cagr-of-12-2-business-segmentation-by-revenue-and-structure-forecast-2027-cambria/>

² <https://www.statista.com/outlook/12000000/109/eyewear/united-states#market-onlineRevenueShare>

STRATEGIC REPORT

Guident has demonstrated its beta remote monitoring and control system (RMCC) with ~38 msec latency which is believed to be amongst the lowest in the industry.

Guident has progressed with its B2B marketing program and seeks to develop partnerships smart city operators, vehicle OEM's and fleet operators to provide remote tele-monitoring and control centres for autonomous vehicles and fleet operators. Additionally, Guident has fabricated its regenerative shock absorbers and commenced testing.

According to Allied Market Research¹, the global market for autonomous last mile delivery is projected to reach US\$12.9 billion in 2021. Additionally, Guident has acquired an exciting, new regenerative shock absorber technology, to help extend the range of electric vehicles. Guident has executed NDA's with two listed OEM's to test these new shocks for potential use in their electric vehicles and has fabricated prototypes for testing. Tekcapital owns 100% of Guident and 96% of its U.S. subsidiary Guident Corporation as of 30 November 2021.

supplemental) O₂ (oxygen), with user replaceable filter cartridges.

When a patient's disease progresses, they now can upgrade the filter cartridge to provide more liters of O₂ 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 device more affordable which is core to Belluscura's mission. Belluscura filed for and received 510(K) clearance from the US FDA in March 2021.

On 28th May 2021 Belluscura successfully floated on the AIM to finance and accelerate the manufacture and distribution of their portable oxygen concentrators. They are performing well and are manufacturing and delivering units in excess of their anticipation. According to Global Market Insights, the medical portable O₂ market is currently \$1.4bn² a year and growing by more than US\$100m/year². Belluscura has 18 patents filed or licensed to-date covering devices and systems for treating people suffering from acute respiratory distress caused by COPD or the Coronavirus. Tekcapital owns approximately 15% of Belluscura as of the date of this report.

FINANCIAL PERFORMANCE

In 2021, despite the global COVID 19 pandemic and the related social and economic hardship, we are fortunate that our team is healthy, all of our active portfolio companies made significant progress and the value of our portfolio holdings increased by 105%. This increase was driven primarily by:

- increase in the fair value of our Group's holding in Belluscura (increase of US\$18.8m), as a result of the successful LSE AIM flotation on 28 May 2021 coupled with commercial progress
- increase in the fair value of our Group's shares in Lucyd Ltd (increase of US\$12.5m) driven by commercial progress and a REG CF crowdfund conducted at a \$20m pre-money valuation.
- increase in the fair value of our Group's shares in Salarius Ltd (increase of US\$0.7m) driven by commercial progress and an oversubscribed REG CF crowdfund conducted at a \$5m pre-money valuation.

The Group also recorded a US\$3.9m fair value loss from its investment in Guident Ltd, after updating the valuation methodology to the price agreed between Guident CORP and by investors in the most recent Private Placement offering at \$1 a share.

As a result, for 2021, our net assets increased by approximately 108% to US\$68.1m, a record level for our Group. Total income increased 195% to \$29.2m with unrealised profit on the revaluation of investments driving that increase by \$28.1m (2020: \$8.7m). Our after-tax profit increased by 243% to \$26.4m (2020: \$7.7m).

Fundraisings during the period

Early-stage businesses facing large market opportunities need talent, technology and capital to succeed. To help address this we completed the following fundraises in 2021.

SOURCE

¹ <https://www.alliedmarketresearch.com/autonomous-last-mile-delivery-market>

²Global Market Insights: Oxygen Cylinders Market Size and Competitive Market Share & Forecast, 2017 –2024

STRATEGIC REPORT

On 18 March 2021, the Group announced it had completed a fundraising of £3.8m (US \$5.4m) before expenses, through the issue of, in aggregate 38,000,000 Placing Shares at 10 pence per New Ordinary Share. On 3 November 2021 the Group announced it had completed a fundraising of £3.0m (US\$4.3m) before expenses, through the issue of, in aggregate 10,714,286 placing shares at 28 pence per New Ordinary Share.

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 its 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.
- The Group is dependent on its executive team and directors for its operations and ultimate success and there can be no assurance that it will be able to retain the services of these key personnel in the future. Management's strategy includes regular review of performance and compensation strategy to help improve retention of talent along with executive requirement to expand the depth of our management bench.
- The COVID-19 epidemic may produce negative economic activities which could reduce the Group's economic performance as a result of supply chain disruptions. Further, until the Group covers all of its operating costs from service revenue and/or portfolio company exits, it will seek to raise additional capital to fund operations and provide follow-on investments in portfolio companies. The weighted average cost of capital may increase as a result of geo-political disruptions and knock-on effects of the COVID pandemic in the equity markets. Management's strategy of early detection and remediation includes continuous monitoring of supply chain needs, establishment of alternative sources of production for key components and ingredients as well as ongoing fundraising activities when necessary, amongst others.
- The current barbaric and senseless Russian invasion of Ukraine has not had a material impact on our business to-date, as far as we can discern at this early juncture, as we do not have direct business exposure to either Russia or the Ukraine. However, over time the conflict 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, we had delayed our proposed IPO of Innovative Eyewear as we are seeking to effectuate the transaction in a somewhat more stable market environment as soon as practicable. Management's mitigation measures include regular evaluation of potential supply chain bottlenecks and the identification of potential redundant suppliers or substitute suppliers for each portfolio company. We will seek to estimate the potential impact on costs and margins, monitoring distributor and customer pricing as well as continuous assistance in fundraising, including need for diversification of funding strategies to include private as well as public sources of capital.

SOURCE

¹ <https://www.alliedmarketresearch.com/autonomous-last-mile-delivery-market>

² Global Market Insights: Oxygen Cylinders Market Size and Competitive Market Share & Forecast, 2017 –2024

STRATEGIC REPORT

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 2022. 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 a number of our portfolio companies, to accelerate growth for these companies.

Whilst the Company is progressing very 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, including recent Coronavirus pandemic, and that changes in the value of our portfolio companies can have a significant impact on our NAV, revenue, income and future prospects.

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

Section 172 (1) statement

Our Board 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'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.

b) The interests of the Company'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 Company's business relationships with suppliers, customers and others

The Board ensures that the Company'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. The Board also considered near-term demand and how customers' priorities might change over a longer period of time, including effect of the COVID-19 pandemic.

d) The impact of the company'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 Company's investments focus on improving quality of life and attempt to solve significant health and safety problems facing communities.

STRATEGIC REPORT

e) The desirability of the Company maintaining a reputation for high standards of business conduct
The Board recognises that culture, values and standards are key contributors to how a company 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 Company'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 behavior 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 Company
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 Company, holding approximately 6% of the register, together putting them in the top 3 shareholders of the Company. On this basis the Board feels that the executive Directors are fully aligned with shareholders.

g) Belluscura plc listing
Consistent with the Board's policy to seek exits, when practicable, for our portfolio companies either through trade sales or public listings we supported Belluscura's listing and exercised all our options and warrants pre-IPO.

h) Innovative Eyewear Inc listing
We have initiated the process for listing of Lucyd's US operating company, Innovative Eyewear Inc.'s shares to enhance its ability to raise capital and compete effectively in the rapidly developing smart eyewear market. The listing if successful will also increase the company's ability to recruit experienced managers by being able to offer associates stock options grants with a near-term path towards monetisation.

i) Fundraising activities
During the course of the period, Tekcapital 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 2020 report.

We are enthusiastic about the development of Tekcapital's portfolio companies, their performance to-date and their prospects to significantly expand in 2022. 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 a number of our portfolio companies, to accelerate growth for these companies.

j) COVID-19
For our US operations we required all associates to be vaccinated to enable them to work in our corporate office. Further we followed the CDC guidelines with regard to social distancing, mask utilisation and quarantines for those that tested positive for COVID 19 or have COVID 19 like symptoms. For our UK associates we encouraged them to follow NHS guidelines. All UK associates work remotely.

k) Ukraine crisis
The current Russian invasion of Ukraine has not had a material impact on our business to-date, as far as we can discern at this early juncture, as we do not have direct business exposure to either Russia or the Ukraine. However, over time the conflict 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, we have delayed our proposed IPO of Innovative Eyewear Inc and seek to effectuate the transaction in a slightly more stable market environment as soon as practicable.

l) Brexit
United Kingdom's withdrawal from the EU and entering into the Trade and Cooperative Agreement with the EU is not expected to have a significant impact on our business, although in future periods it may increase our costs to secure intellectual properties.

STRATEGIC REPORT

m) Greenhouse Gas Emissions

The 2018 Regulations introduced requirements under Part 15 of the Companies Act 2006 for an enhanced group of companies, which are defined as large by the Companies Act 2006, to disclose their annual energy use and greenhouse gas emissions, and related information. The group is not currently defined as large, but it has chosen to apply the 2018 Regulations. Tekcapital plc itself consumes less than 40MWh and therefore is a low energy user, which negates the need to make detailed disclosures of its energy and carbon information. Furthermore and taking account of this, it has applied the option permitted by the 2018 Regulations to exclude any energy and carbon information relating to its subsidiaries where the subsidiary would not itself be obliged to include if reporting on its own account; this applies to all subsidiaries within the group.

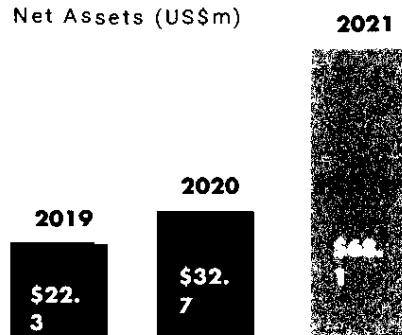
On the basis of the above, the members of the Board consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 30 November 2021.

INDICATORS

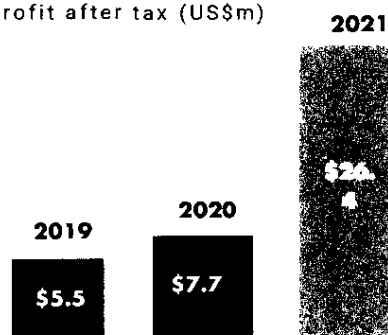
The Key Performance Indicators (KPIs) listed below represent those that are typically applied to companies that seek to commercialise university technologies and serve as a starting point for evaluating the Group's performance:

KPI	DESCRIPTION	2021	2020	% change
FAIR VALUE OF THE PORTFOLIO	Updated value of portfolio companies using costs, independent valuations or observed third party investments	\$32.5m	\$30.5m	105%
TOTAL INCOME	Total income including revenue from services, fair value gains, and other income	\$9.9m	\$9.9m	195%
PROFIT	After tax profit	\$7.7m	\$7.7m	243%
NET ASSETS PER SHARE	Total assets minus total liabilities per share	\$0.35	\$0.35	37%
ROIC	Returns on invested capital	23%	23%	83%

Net Assets (US\$m)



Profit after tax (US\$m)



All five Key Performance Indicators showed improvement in 2021. The Group has now demonstrated five consecutive years of growth in Net Assets. The Group's cash position at the end of the period is US\$3.5m (2020: US\$0.5m) with modest liabilities as costs have been settled without delay using available funds. The Group had no debt as of 30 November 2021 (2020: US\$nil).

Directors do not believe there are any material environmental issues that need to be reflected in our KPIs for 2021.

The Group has received a R&D Tax Relief Credit of US\$90,928 (2020: US\$89,050) in connection to the following R&D activities:

- The design and development of a unique and first of a kind Innovation Discovery Network solution, developed to facilitate an improved university technology search engine
- The Report Builder to develop and test new invention report templates and revamp the invention evaluator bespoke software
- The Invention Evaluator migration and integration with bespoke customer portal.

The Strategic Report was approved by the Board of Directors on 5 May 2022.

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

5 May 2022

BOARD OF DIRECTORS



Cliff is a successful executive with more than 25 years of leadership experience in academia and business. He is passionate about commercialisation 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, Salarius, 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 and serves on the board of the State University of New York at Empire State College. He received his Ph.D. from New York University and an MBA from Oxford University.

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Robert 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 is currently Director of Radiation Oncology at the University of Tennessee in Knoxville, Tennessee.

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Nominated Adviser and Broker
SP Angel Corporate Finance
LLP
Price Frederick House
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London W1S 2PP



The Rt Hon Lord Willetts FRS is 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. His book '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.

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Louis Castro has over 30 years' experience in investment banking and broking both in the UK and overseas. Most recently he was the Chief Financial Officer at Eland Oil & Gas, a mid-cap quoted 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 30 NOVEMBER 2021

Directors

The following Directors held office during the period:

Clifford M Gross, Ph.D.

Robert Miller, M.D.

Louis Castro

The RT Hon Lord David Willets FRS

The Group has chosen to set out in the groups strategic report information required to be contained in the directors' report. It has done so in respect of future developments. The principal activity of the parent company is that of an investment entity.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards adopted by the Companies Act 2006 ("IFRS") and those parts of the Companies Act 2006 relevant to companies which apply IFRS. 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 Company and of the profit or loss of the Company for that year. 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit (or Loss) of the Group and 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 and monies raised in follow-on offerings. The Group's forecasts and projections indicate that the Group has sufficient cash reserves to operate within the level of its current facilities. Whilst it is the Group's intention to rely on the available cash reserves, future income generated from its growing service offerings and reductions in its cost base, a negative variance in the forecasts and projections would make the Group's ability to continue as going concern dependent on an additional fund raise or monetization of certain assets.

DIRECTORS' REPORT FOR THE YEAR-ENDED 30 NOVEMBER 2021

The Group has access to equity markets if it seeks additional funds. Whilst the COVID-19 epidemic is contributing to uncertainty in the markets and the full impact is difficult to measure, 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.

Information has been included in the strategic report in relation to disclosures under S414C(11) of the Companies Act 2006.

Dividends

No dividend was paid or was proposed during the year ended 30 November 2021 (2020: \$nil).

Audit Committee

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.

Remuneration Committee

The Board has delegated to its Remuneration Committee, chaired by Dr 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.

Directors' Emoluments

	Salary & fees US \$	Benefits in kind US \$	Bonus US \$	2021 Total US \$	2020 Total US \$
Clifford M Gross	191,825	24,098	189,000	404,923	368,985
M J Malcolm Groat	-	-	-	-	10,247
R W "Bill" Payne	-	-	-	-	3,802
Robert Miller	25,183	-	-	25,183	21,600
Louis Castro	41,312	-	-	41,312	37,146
Lord David Willets	33,049	-	-	33,049	28,218
	291,369	24,098	189,000	504,467	469,998

Director's proportion of the stock option expense is below US\$20,000. The Group did not make any contributions to a pension scheme in the year ended 30 November 2021 (2020: Nil). Directors' beneficial interests in shares

	2021 No of Shares	2020 No of Shares	2021 No of Options	2020 No of Options
Clifford M Gross	8,657,500	8,657,500	3,000,000	3,000,000
Lord David Willets	-	-	200,000	100,000
Robert Miller	2,664	2,664	300,000	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 30 November 2021 are as follows:

DIRECTORS' REPORT FOR THE YEAR-ENDED 30 NOVEMBER 2021

	No of Options	Exercise Price	Grant Date	Date from which exercisable	Life
Clifford M Gross	3,000,000	£0.12	28-Aug-20	Special Conditions*	5 Years
Robert Miller	100,000	£0.375	29-Jun-16	Special Conditions*	5 Years
	100,000	£0.081	30-Aug-19	Special Conditions**	5 Years
	100,000	0.19	16-Jun-21	Special Conditions**	5 Years
Lord David Willets	100,000	£0.053	6-Jan-20	Special Conditions**	5 Years
	100,000	0.19	16-Jun-21	Special Conditions**	5 Years

*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.

Principal Risks and Uncertainties

Please refer to strategic report.

Post Balance Sheet Events

For further details, please refer to note 27 in the notes to the accounts. Information has been included in the strategic report under S414C(11).

For activities in field of research and development, please refer to Strategic report.

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

DIRECTORS' REPORT FOR THE YEAR-ENDED 30 NOVEMBER 2021

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 2021, all directors attended all quarterly meetings either in person or by conference call. 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.
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.

DIRECTORS' REPORT FOR THE YEAR-ENDED 30 NOVEMBER 2021

CORPORATE GOVERNANCE

No	QCA principle	Tekcapital adoption
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 22 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. They have developed a strong and detailed understanding of the business, and are prepared and able to intervene and challenge the executive director.
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.
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.

DIRECTORS' REPORT FOR THE YEAR-ENDED 30 NOVEMBER 2021

No	QCA principle	Tekcapital adoption
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.

Independent auditors

HW Fisher LLP resigned as auditors and MacIntyre Hudson LLP were appointed as auditor to the Group and the Company and in accordance with section 485 of the Companies Act 2006.

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

5 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

Independent auditors' report to the members of Tekcapital plc

For the purpose of this report, the terms "we" and "our" denote MHA MacIntyre Hudson 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 pages 36 to 37 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA MacIntyre Hudson. 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. The relevant legislation governing the parent company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Our opinion

We have audited the financial statements of Tekcapital plc for the year ended 30 November 2021.

The financial statements that we have audited comprise:

- Consolidated statement of comprehensive income
- Consolidated and company statements of financial position
- Consolidated and company statements of changes in the equity
- Consolidated statement of cash flows
- Notes to the consolidated financial statements, notes to the parent company financial statements, including the accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is International Financial Reporting Standards adopted by the Companies Act 2006 ("IFRS") and those parts of the Companies Act 2006 relevant to companies which apply IFRS. 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 FRS101 "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 30 November 2021 and the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards adopted by the Companies Act 2006 ("IFRS") and those parts of the Companies Act 2006 relevant to companies which apply IFRS;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the group and 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 and administrative expenses, 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 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 COVID-19 and the potential impact of the Ukraine / Russia conflict (including economic sanctions) 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 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

Materiality	2021	2020	
Group	\$400,000	\$227,000	1% of gross assets calculated prior to any proposed uplift in the fair value of investments in the current year (2020 1% of gross assets)
Parent	\$160,000	\$86,000	1% of gross assets calculated prior to any proposed uplift in the fair value of investments in the current year (2020 1% of gross assets)
Key Audit Matters			
Group	• Revenue recognition • Valuation of investments in unquoted companies		

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

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 period 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 and, as required for public interest entities, our results from those procedures. 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	58% of the Group's total assets (by value) is held in investments where no quoted market price is available. Unquoted Investments are measured at fair value. Valuing unquoted investments is by nature judgemental and we therefore consider this to be an area of significant audit risk and focus.
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following: • We reviewed the appropriateness of the Group's disclosures within the financial statements in relation to valuation methodology, key valuation inputs and valuation uncertainty. • We re-performed the calculations to ensure numerical accuracy. • We audited management's valuation assessment, interrogating both assumptions used, the valuation methodology and the mechanics of the model. This included involving an auditor's expert to review the client's valuation model and assess the reasonableness of inputs in the valuation. • 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 involved third party valuation experts to critically assess management's valuation methodology. • We reviewed documentation related to the crowdfunding activities of the relevant subsidiary entities of the investment entities to ascertain any observable transactions and their relevance to the valuations. • We considered the impact of deferred tax on the fair value gains recognised on the IP held in the investments and considered these amounts within the valuations. • We reconciled the fair value movements to the financial statements. • We assessed the critical accounting judgement disclosure at note 4 to the financial statements in respect of the directors' determination of the Group as an investment entity.
Key observations	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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

Revenue recognition

Key audit matter description	The group generates revenue primarily from - the provision of reports to customers, via the group's Invention Evaluator services or IP Acquisition Opportunities services - recruitment services to companies under the companies Tech transfer recruitment services We considered there to be a significant audit risk arising from inappropriate or incorrect revenue recognition The key audit matters related to revenue recognition are as follows - The risk of material misstatement in relation to revenue recognition around the year-end. The group's Invention Evaluator and services and IP Acquisition Opportunities require the provision of reports onto customer accounts in order to recognise revenue. The group's Tech transfer recruitment services require evidence of placement of an executive in order to recognise revenue. This provides evidence of delivery to the customer in relation to the respective revenue stream's contractual performance obligation - There is also a risk that all revenue streams have not been recognised in line with the revenue recognition policy
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following - We evaluated the sales controls system in place to determine the controls surrounding the income - We performed detailed substantive sample testing on revenue recognised in the period, corroborating revenue recognised with supporting evidence - We also completed checks on deferred and accrued income, no material misstatements were identified in respect of the deferred income not recognised - We reviewed the revenue recognition accounting policy at note 2.20 of the financial statements to ensure the application was consistent - We assessed the group's revenue recognition policy for each revenue stream and assessed whether the policies comply with IFRS 15 - Revenue from Contracts with Customers
Key observations	Based on our audit work detailed above, we confirm that we have nothing material to report, and do not 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

Materiality in respect of the Group was set at \$400,000 (2020: \$227,000) which was determined based on 1% of Gross Assets calculated prior to any proposed uplift in the fair value of investments in the current year. Gross assets were deemed to be the most appropriate metric for materiality as this is primarily what the users of the financial statements are concerned with. We have stripped out any proposed uplift in the fair value of assets in the current year in our calculations as these considerably inflate the group's gross assets and as at the planning stage of our audit these fair value uplifts had yet to be audited and verified.

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 (2020: \$181,600) which represents 70% (2020: 80%) 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. Materiality in respect of the parent was set at \$160,000 (2020: \$86,000) which was determined based on 1% of Gross Assets calculated prior to any proposed uplift in the fair value of assets in the current year (2020: 1% of Gross Assets). Performance materiality for the parent company was set at \$112,000 (2020: \$68,800) which represents 70% (2020: 80%) of the above materiality levels.

We agreed to report any corrected or uncorrected adjustments exceeding \$20,000 to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

The scope of our audit

Our group audit was scoped by obtaining an understanding of the group 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.

The group consists of three reporting components. Tekcapital plc and Tekcapital Europe Limited were considered to be significant components of the Group and were subjected to full scope audits for the purposes of our audit report on the group financial statements. The final reporting component, Tekcapital LLC, was not considered to be a significant component of the group and thus specified procedures on all balances in excess of component materiality were undertaken.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

Opinions on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 financial statements of the parent company 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 the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the audit of 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the group operates in, focusing on those laws and regulations that had a direct effect on the financial statements. The key laws and regulations we considered in this context included the reporting framework, rules of the London Stock Exchange for companies trading securities on AIM, the Companies Act 2006 and applicable tax legislation.
- We obtained an understanding of how the group is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by meeting with group management to understand where they considered there was a susceptibility to fraud and to identify any instances of known or suspected instances of fraud;
- Our audit planning identified fraud risks in relation to management override, valuation of unquoted equity investments and inappropriate or incorrect recognition of revenue (valuation of unquoted equity investments and revenue recognition are assessed as a Key Audit Matters above). We obtained and understanding of the processes and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors that processes and controls;
- With regards to the fraud risk in management override, our testing included journal transaction testing, with a focus on large or unusual transactions, evaluating the business rationale of these transactions. We also performed an assessment on the appropriateness of key judgements and estimates, which are subject to management's judgement and estimation, and could be subject to potential bias; and
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

Use of our report

This report is made solely to the 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 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 Company and the 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 MacIntyre Hudson
London United Kingdom

5 May 2022

CONSOLIDATED STATEMENT OF 30 NOVEMBER 2021

Group	Note	A
Assets		
Non-current assets		
Intangible assets	13	
Financial assets at fair value through profit and loss	12	
Property, plant and equipment	14	
Current assets		
Trade and other receivables	15	
Cash and cash equivalents	16	
Total assets		
Current liabilities		
Trade and other payables	19	
Deferred revenue	20	
Total liabilities		
Net assets		
Equity attributable to owners of the Parent		
Ordinary shares	18	
Share premium	18	
Retained earnings		
Translation reserve		
Other Reserve		
Total equity		

The notes on pages 45 to 77 are an integral part of these financial statements.

The financial statements on pages 41 to 77 were approved by the Directors on 5 May 2022 and were signed on its behalf.

Louis Castro

Louis Castro
Director

Dr Clifford
Chairman

Tekcapital PLC
registered number
08873361

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2021

Group	Note	Year ended 30 November 2021 US \$	Year ended 30 November 2020 US \$
Continuing Operations			
Revenue from services	6	815,989	942,566
Changes in fair value on financial assets at fair value through profit or loss	12	28,096,340	8,688,111
Interest from financial assets at fair value through profit or loss*		142,399	95,946
Operating expenses	7	(2,845,339)	(2,201,369)
Other income**	6.1	161,094	156,740
Operating profit and profit before tax		26,370,483	7,681,994
Income tax expense	9	(1,813)	(2,076)
Profit after tax for the year		26,368,670	7,679,918
Other comprehensive income***			
Translation of foreign operations		16,726	92,949
Total other comprehensive income		16,726	92,949
Total comprehensive income for the year		26,385,396	7,772,867
Earnings per share			
Basic earnings per share	10	0.22	0.10
Diluted earnings per share	10	0.21	0.09

*Amounts relating to convertible loan note interest income previously included within Revenue from services were reclassified in 2021 to Interest from financial assets at fair value through profit or loss (including presentation of prior year balances).

**Amounts relating to R&D relief and government grants (see note 6.1) previously included under Revenue from services, were reclassified in 2021 to Other income (including presentation of prior year balances).

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

The notes on pages 45 to 77 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 NOVEMBER 2021

Group	Note	As at 30 November 2021 US\$	As at 30 November 2020 US\$
Assets			
Non-current assets			
Intangible assets	13	364,401	838,770
Financial assets at fair value through profit and loss	12	63,865,432	31,079,826
Property, plant and equipment	14	6,603	9,622
		64,236,436	31,928,218
Current assets			
Trade and other receivables	15	689,003	647,436
Cash and cash equivalents	16	3,543,762	538,473
		4,232,765	1,185,909
Total assets		68,469,201	33,114,127
Current liabilities			
Trade and other payables	19	237,651	247,942
Deferred revenue	20	169,283	154,721
		406,934	402,663
Total liabilities		406,934	402,663
Net assets		68,062,267	32,711,464
Equity attributable to owners of the Parent			
Ordinary shares	18	793,792	521,830
Share premium	18	21,793,644	13,211,344
Retained earnings		45,259,827	18,780,012
Translation reserve		287,173	270,447
Other Reserve		(72,169)	(72,169)
Total equity		68,062,267	32,711,464

The notes on pages 45 to 77 are an integral part of these financial statements.

The financial statements on pages 41 to 77 were approved and authorised for issue by the Board of Directors on 5 May 2022 and were signed on its behalf.



Louis Castro
Director

Dr Clifford M Gross
Chairman and CEO

Tekcapital PLC
registered number
08873361

CONSOLIDATED STATEMENT OF CHANGES IN THE EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2021

Group	Note	Attributable to equity holders of the parent company					Total Equity US \$
		Ordinary Shares US \$	Share Premium US \$	Translation Reserve US \$	Other Reserve US \$	Retained Earnings US \$	
Balance as at 30 November 2019		372,984	10,993,546	177,498	(72,169)	11,055,821	22,527,680
Profit for the year						7,679,918	7,679,918
Other comprehensive loss				92,949			92,949
Total comprehensive income for the year		372,984	10,993,546	270,447	(72,169)	18,735,739	30,300,547
Transactions with owners, recorded directly in equity							
Share issue	18	147,298	2,450,245				2,597,543
Share options exercised	18	1,548	29,805				31,353
Cost of share issue	18		(262,252)				(262,252)
Share based payments	25					44,273	44,273
Total transactions with owners		148,846	2,217,798	-	-	44,273	2,410,917
At 30 November 2020		521,830	13,211,344	270,447	(72,169)	18,780,012	32,711,464
Profit for the year						26,368,670	26,368,670
Other comprehensive income				16,726			16,726
Total comprehensive income for the year		-	-	16,726	-	26,368,670	26,385,396
Transactions with owners, recorded directly in equity							
Share issue	18	271,962	9,144,593				9,416,555
Cost of share issue	18		(562,293)				(562,293)
Share based payments	25					111,145	111,145
Total transactions with owners		271,962	8,582,300	-	-	111,145	8,965,407
At 30 November 2021		793,792	21,793,644	287,173	(72,169)	45,259,827	68,062,267

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 45 to 77 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 NOVEMBER 2021

Group		For the year ended 30 November 2021 US \$	For the year ended 30 November 2020 US \$
	Note		
Cash flows from operating activities			
Cash outflows from operations	23	(1,812,288)	(948,166)
Tax paid		(1,813)	(2,076)
Net cash outflows from operating activities		(1,814,101)	(950,242)
Cash flows from investing activities			
Additions to financial assets at fair value through profit and loss	12	(3,968,339)	(1,345,679)
Purchases of property, plant and equipment	14	(2,389)	(950)
Net cash outflows investing activities		(3,970,728)	(1,346,629)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	18	9,416,593	2,628,896
Costs of raising finance	18	(562,293)	(262,252)
Net cash inflows from financing activities		8,854,300	2,366,644
Net increase in cash and cash equivalents		3,069,471	69,773
Cash and cash equivalents at beginning of year	16	538,473	472,899
Exchange (losses) on cash and cash equivalents		(64,183)	(4,199)
Cash and cash equivalents at end of year	16	3,543,762	538,473

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 27 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.

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

2. Accounting policies

2.1 Statement of compliance

The consolidated financial statements of Tekcapital PLC Group have been prepared in accordance with International Financial Reporting Standards adopted by the Companies Act 2006 ("IFRS") and those parts of *the Companies Act 2006 relevant to companies which apply 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 conformity with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.1.1 Going concern

The Group and the Company meets its day to day working capital requirements through its service offerings and monies raised through the issues of equity. The Group's forecasts and projections indicate that the Group and the Company have sufficient cash reserves to operate within the level of its current facilities. Whilst it is the Group's and the Company's intention to rely on the available cash reserves, future income generated from its growing service offerings and reductions in its cost base, a negative variance in the forecasts and projections would make the Group's ability to continue as a going concern dependent on monetisation of quoted equity stakes or an additional fund raise.

If the Group's forecasts are not achieved, the Directors would seek to raise the additional funds through monetisations of the portfolio or equity issues. Whilst the COVID-19 epidemic is contributing to uncertainty in the markets, at the time of approving the accounts after making enquiries, the Directors are satisfied that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. The Group and the Company therefore continue to adopt the going concern basis in preparing both its consolidated financial statements and for its own financial statements.

NOTES TO THE FINANCIAL STATEMENTS

2.1.2 Changes in accounting policy and disclosures

New standards, interpretations and amendments not yet adopted

The Group adopted early the following amendments to standards which are not yet mandatory.

Amendments to IAS 16 Property, Plant and Equipment (issued in May 2020)

The amendments require any proceeds from selling items produced (and related production costs) in the course of bringing an item property, plant and equipment into operation to be recognised in profit or loss clarifying that such items are not reflected in the cost of the asset.

The amendment is effective for financial years beginning on or after 1 January 2022 and is not yet endorsed for use under in UK adopted IFRS under the Companies Act 2006.

The Group does not expect a material impact on its consolidated financial statements from these amendments.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (issued in May 2020)

The amendments clarify that the cost of fulfilling a contract are costs that relate directly to that contract. Such costs can be the incremental costs of fulfilling that contract or an allocation of other costs directly related to fulfilling that contract.

The amendment is effective for financial years beginning on or after 1 January 2022 and is not yet endorsed for use in UK adopted IFRS under the Companies Act 2006.

The Group does not expect a material impact on its consolidated financial statements from these amendments.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued January 2020)

The amendments clarify that the classification of a liability as current or non-current is based only on rights existing at the end of the reporting period and the classification is not affected by expectations about whether rights to settle or defer a liability will be exercised. Further, the amendments clarify that the settlement of a liability refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. This amendment only affects presentation.

The amendment is effective for financial years beginning on or after 1 January 2023 and is not yet endorsed for use in UK adopted IFRS under the Companies Act 2006.

The Group does not expect a material impact on its consolidated financial statements from these amendments.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies (issued in February 2021)

The amendments enhance the disclosure requirements relating to an entity's accounting policies and clarify that the notes to a complete set of financial statements are required to include material accounting policy information. Material accounting policy information, when considered with other information included in the financial statements, can reasonably be expected to influence decisions that the primary users of financial statements make on the basis of the financial statements. The amendments help preparers determine what constitutes material accounting policy information and notes that accounting policy information which focuses on how IFRS has been applied to its own circumstances is more useful for users of financial statements than standardised information or information duplicating the requirements of IFRS.

NOTES TO THE FINANCIAL STATEMENTS

The amendment also states that immaterial accounting policy information need not be disclosed but when it is disclosed it shall not obscure material accounting policy information. Further, if accounting policy information is not deemed material this does not affect the materiality of related disclosure requirements of IFRS.

The disclosure of judgements made in applying accounting policies should reflect those that have had the most significant effect on items recognised in the financial statements.

The amendment is effective for financial years beginning on or after 1 January 2023 and is not yet endorsed for use under in UK adopted IFRS under the Companies Act 2006.

Amendments to IAS 8 Definition of Accounting Estimates (issued in February 2021)

The amendments define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. An accounting policy may require an item in financial statements to be measured at a monetary amount that cannot be observed directly so that in order to achieve the objective of an accounting policy, an estimation is required.

The amendments state that the development of an accounting estimate requires the use of judgement or assumptions based on the latest available reliable information and involve the use of measurement techniques and inputs. Accounting estimates might then need to change as a result of new information, new developments or more experience.

A change in input or measurement technique is a change in accounting estimate which is applied prospectively unless the change results from the correction of prior period errors.

The amendment is effective for financial years beginning on or after 1 January 2023 and is not yet endorsed for use in UK adopted IFRS under the Companies Act 2006.

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued 7 May 2021)

The amendments specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability.

The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted and is not yet endorsed for use in UK adopted IFRS under the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS

2.1.2 Changes in accounting policy and disclosures

2.2 Business combinations

Tekcapital PLC was incorporated on 3 February 2014 and on 18 February 2014 entered into an agreement to acquire the issued share capital of Tekcapital Europe Limited by way of share issue. On 19 February 2014 it acquired the issued share capital of Tekcapital LLC also by share issue. This has been accounted for as a common control transaction under IFRS 3 using the pooling of interest method by using the nominal value of shares exchanged in the business combination and no fair value adjustment.

The consolidated financial statements are accounted for using the 'pooling of interests' method', which treats the Group as if it had been combined throughout the current and comparative accounting periods.

The consolidated financial statements comprise the financial statements of Tekcapital PLC and all subsidiaries controlled by it.

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 income statement within 'finance income or costs'.

(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:

NOTES TO THE FINANCIAL STATEMENTS

- (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 recognised in other comprehensive income.

2.4 Investment in subsidiaries

Investments in subsidiaries including Tekcapital Europe Ltd and Tekcapital LLC are recognised initially at cost. The cost of the investment includes transactions costs. The carrying amounts are reviewed at each reporting date to determine whether there is any indication of impairment.

2.5 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 30 November 2021:

- 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 2.9.3.

2.6 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	3 years
Computer equipment	3 years
Leasehold improvements	5 years

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 'Other gains / (losses) - net' in the income statement. When re-valued assets are sold, the amounts included in other reserves are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

2.7 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 directors had previously assessed that the Invention Evaluator intangible asset had an indefinite useful economic life. The directors have reconsidered this assessment during the year under audit and determined the intangible asset has a finite life of 10 years over which amortisation is to be charged on a straight line basis. The amortisation charge for the year includes accumulated amortisation charges for prior periods. The directors are satisfied the adjustment is not material.

(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 are available; and
- (i) 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) Licences

Costs associated with the acquisition of Licences for technologies with the express purpose of developing them further for a commercial market are recognised as an intangible asset when they meet the criteria for capitalisation. That is, they are separately identifiable and measurable and it is probable that economic benefit will flow to the entity.

Further development costs attributable to the licensed technology and recognised as an intangible asset when the following criteria are met:

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

NOTES TO THE FINANCIAL STATEMENTS

- (v) adequate technical, financial and other resources to complete the development and to use or sell the technology are available; and
- (vi) the expenditure attributable to the technology during its development can be reliably measured.

Licences and their associated development costs are amortised over the life of the licence or the underlying patents, whichever is shorter.

(d) 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. 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 directors had previously assessed that the Vortechs Group intangible asset had an indefinite useful economic life. The directors have reconsidered this assessment during the year under audit and determined the intangible asset has a finite life of 10 years over which amortisation is to be charged on a straight line basis. The amortisation charge for the year includes accumulated amortisation charges for prior periods. The directors are satisfied the adjustment is not material.

2.8 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 recognised 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 (other than goodwill) are reviewed for possible reversal at each reporting date.

2.9 Financial instruments

2.9.1 Classification

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 directors had previously assessed the convertible loan notes as measured at amortised cost. The directors have reconsidered this assessment during the year under audit and determined that based upon the contractual terms the financial asset should be reclassified as fair value through profit and loss. The convertible loan note includes a conversion feature allowing the holder to convert the note into equity on a financing event, sale or listing at market price at the date of the event. The directors have assessed the conversion feature and are satisfied the fair value of this feature is not material. These financial assets have therefore been reclassified. The directors are satisfied that the resulting change in valuation method does not result in a material adjustment. These financial assets continue to be classified as non-current assets.

The Group also has receivables carried at amortized 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 cost, the Group does not hold any long-term financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

2.9.2 Recognition and measurement

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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. Short term financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.9.3 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 newly adopted 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.

2.10 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.

2.11 Impairment of financial assets

Impairment provisions for current and non-current 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. 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 cost of sales 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.

NOTES TO THE FINANCIAL STATEMENTS

2.12 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.

2.13 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.

2.14 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.

2.15 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); and
- 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.

NOTES TO THE FINANCIAL STATEMENTS

2.16 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.

2.17 Provisions

Provisions and any other anticipated foreseen liabilities are recognised: when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties, and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering a class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

NOTES TO THE FINANCIAL STATEMENTS

2.18 Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Company's estimate of the amount expected to be payable under a residual value guarantee; or the Company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

2.20 Other income

Tekcapital LLC was granted a loan from TD Bank, in the aggregate amount of \$70,166 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Group currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, given similar loan was forgiven in 2020. In accordance with IAS 20, considering the forgiveness criteria being met, the company recognized the grant in the income statement as revenue.

The Group also recognised \$90,928 from R&D relief under other income.

2.21 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.

NOTES TO THE FINANCIAL STATEMENTS

(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 Group's maximum exposure to credit risk for the components of financial position at 30 November 2021 and 2020 is the carrying amount of its current trade and other receivables as illustrated in Note 15.

The Group monitors credit risk related to performance of portfolio companies, including considerations related to recoverability of convertible loan notes issued. Progress is monitored and regular discussions are held with management of portfolio companies to assess commercial progress and financial information provided. The Group also monitors credit risk related to creditor amounts due from portfolio companies.

(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. At the reporting date the Group held bank balances of US \$3,550,917. 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 \$28,620.

(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. If the exchange rate weakened by 10 percent then the effect on the gain before tax would decrease by US\$2,523,579 and equity would decrease by US\$6,477,104.

(g) Impact of the COVID-19 pandemic

The current Coronavirus epidemic may produce negative economic activities which could reduce the company's economic performance and the performance of its portfolio companies in ways that are difficult to quantify at this juncture. It may cause a recession in the markets in which the Group operates or significant inflation, reduce the Group's net asset values, revenue, cash flow, access to investment capital and other factors which could negatively impact the Group.

(h) Interest rate risk

The Group has no borrowings.

NOTES TO THE FINANCIAL STATEMENTS

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 has no external borrowings.

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 monetize 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 referenc e for sensitiv y analysis
Valuation of unquoted equity investments	In applying valuation techniques to determine the fair value of unquoted equity investments the Group and the Company make estimates and assumptions regarding the future potential of the investments. The policy of the Group and the Company 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

NOTES TO THE FINANCIAL STATEMENTS

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	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 eyewear unit sales for company's e-commerce channels as well as number of retail stores to determine projected sales, and a discount factor applied for the net present value of future cashflows from the platform. The fair value of Salarius Limited reflects input in the form of value of Salarius Ltd's shares in its US subsidiary (Microsalt Inc) as determined by recent market transactions of these shares. 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 profits including eyewear unit sales for company's e-commerce channels as well as number of retail stores to determine projected sales, and a discount factor applied for the net present value of future cashflows from the platform. The fair value of Lucyd Limited reflects input in the form of value of Lucyd Ltd's shares in its US subsidiary (Innovative Eyewear Inc) as determined by recent market transactions of these shares. This input was corroborated by Innovative Eyewear'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 eyewear unit sales for company's e-commerce channels as well as number of retail stores to determine projected sales, and a discount factor applied for the net present value of future cashflows from the platform.	Yes	Yes	Note 12
Deferred Tax	Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. The Group did not recognize deferred tax liability on fair value gains associated with the revaluation of shares in its portfolio companies due to availability of the substantial shareholdings exemption. This is considered a permanent difference and not a temporary difference.	Yes	Yes	Note 21

NOTES TO THE FINANCIAL STATEMENTS

Key estimate/ judgment area	Key assumption	Potential impact within the next financial year	Potential impact in the longer term	Note reference for sensitivity analysis
Share based payment	The estimate of share based payment requires the Director to select an appropriate valuation model and make decisions about various inputs into the model including the volatility of its own share price, the probable life of options and the risk free interest rate.	Yes	Yes	Note 25

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.

2021 Consolidated income statement	Professional Services US \$	Licensing and Investment US \$	TOTAL US \$
Net Revenue	815,989	28,096,340	28,912,329
Cost of Sales	(263,923)		(263,923)
Interest Income		142,399	142,399
Administrative Expenses	(1,069,355)	(1,503,217)	(2,572,572)
Depreciation and Amortization	(2,211)	(6,633)	(8,844)
Other Income	161,094		161,094
Group operating profit	(358,406)	26,728,889	26,370,483
Profit on ordinary activities before inc	(358,406)	26,728,889	26,370,483
Income tax expense	(453)	(1,360)	(1,813)
Profit after tax	(358,859)	26,727,529	26,368,670

2020 Consolidated income statement	Professional Services US \$	Licensing and Investment US \$	TOTAL US \$
Net Revenue	942,566	8,688,111	9,630,677
Cost of Sales	(458,728)		(458,728)
Interest Income		95,946	95,946
Administrative Expenses	(528,722)	(1,204,482)	(1,733,204)
Depreciation and Amortization	(2,359)	(7,078)	(9,437)
Other Income	156,740		156,740
Group operating profit/(loss)	109,497	7,572,497	7,681,994
Profit on ordinary activities before inc	109,497	7,572,497	7,681,994
Income tax expense	(519)	(1,557)	(2,076)
Profit/(Loss) after tax	108,978	7,570,940	7,679,918

NOTES TO THE FINANCIAL STATEMENTS

Segment assets and liabilities

2021 Consolidated statement of financial position	Professional Services US \$	Licensing and Investment US \$	TOTAL US \$
Assets	4,603,769	63,865,432	68,469,201
Liabilities	(406,934)		(406,934)
Net Assets	4,196,835	63,865,432	68,062,267

2020 Consolidated statement of financial position	Professional Services US \$	Licensing and Investment US \$	TOTAL US \$
Assets	2,034,302	31,079,825	33,114,127
Liabilities	(402,663)		(402,663)
Net Assets	1,631,639	31,079,825	32,711,464

	2021 US \$	2020 US \$
United Kingdom	28,329,667	8,873,107
United States	886,155	1,010,256
Total Income	29,215,822	9,883,363

	2021 US \$	2020 US \$
United Kingdom		
Assets	63,865,432	31,079,825
Liabilities	-	-
United States		
Assets	4,603,769	2,034,302
Liabilities	(406,934)	(402,663)
Total Net Assets	68,062,267	32,711,464

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 2021 US \$	Transferred at a point in time	Transferred over time	Total 2020 US \$
Major service lines:						
- Sales of Invention Evaluator	(78,196)		(78,196)	(174,904)		(174,904)
- Tech transfer recruitment	(365,114)		(365,114)	(261,311)		(261,311)
- Management services		(372,679)	(372,679)		(506,351)	(506,351)
Total Revenue from Services	(457,872)	(372,679)	(815,989)	(436,215)	(506,351)	(942,566)

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 satisfied in the current period.

NOTES TO THE FINANCIAL STATEMENTS

6.1 Other Income

	Total 2021	Total 2020
R&D relief	90,928	89,050
Government grants	70,166	67,690
	161,094	156,740

7. Operating expenses

7.1 Expenses by nature

Group	2021 US \$	2020 US \$
Cost of goods related to services	263,923	458,728
Depreciation of property plant and equipment	8,843	9,437
Research and development expenses	388,691	417,569
Amortisation of intangible assets	437,140	-
Other administration expenses	1,283,733	1,319,202
Foreign exchange movements	463,009	(3,567)
Total expenses	2,845,339	2,201,369

7.2 Auditor remuneration

Group	2021 US \$	2020 US \$
Fees payable to the group's auditor and its associates for the audit of the Group and Company financial statements	97,212	90,919
Fees payable to the Company's auditor and its associates for other services		
- The audit of company's subsidiaries	13,082	10,247
	110,294	101,166

8. Employees

8.1 Director's emoluments

Group	2021 US \$	2020 US \$
Directors emoluments	519,660	469,998
Directors portion of Share Based Payments	31,493	10,465
Total	551,153	480,463

The highest paid Director received a salary of US\$191,825 (2020: \$191,865) and benefits of US\$24,098 (2020: US\$22,745). The highest paid Director received a bonus of US\$191,825 (2020: US\$154,375). The highest paid Director did not exercise any share options. The share-based payments associated with the highest paid Director amounted to US\$28,117. No termination benefits, post-employment benefits were provided to Directors. Total of short-term benefits in kind of US\$22,745 were provided during the year. The amounts in the table above do not include Employers NI in the amount of US\$22,500.

Key management personnel (including Directors and Group Financial Controller) received salary of US\$669,660, excluding Stock Base Compensation disclosed in Directors Remuneration Report. Please also refer to Director's Report.

NOTES TO THE FINANCIAL STATEMENTS

8.2 Employee benefit expenses

Group	2021	2020
	US \$	US \$
Wages and salaries including restructuring costs and other termination benefits	440,694	281,248
Social security costs	62,907	48,032
Share options granted to directors and employees	111,145	44,273
	614,746	373,553

8.3 Average number of people employed

Group	2021	2020
Number of employees		
Average number of people (including executive directors) employed		
Operations	4	4
Management	2	2
Total average headcount	6	6

Average number of employees with the Company in 2021 and 2020 was six, of which two were Management. 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.

9. Income tax expense

Group	2021	2020
	US \$	US \$
Current tax		
Current tax on profits for the year	1,813	2,076
Total current tax	1,813	2,076
Income tax expense	1,813	2,076
Group	2021	2020
	US \$	US \$
Profit before tax	26,370,483	7,681,994
Tax calculated at domestic tax rates applicable to profits	5,010,392	1,459,579
Tax effects of:		
- Expenses not deductible for tax purposes	32,864	22,712
- Income not taxable	(5,338,305)	(1,650,744)
- capital allowances in excess of depreciation	1,680	1,793
- Unrelieved tax losses and other deductions	295,192	168,736
Total income tax expense	1,823	2,076

The weighted average applicable tax rate was 19% (2020: 19%).

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.

Future UK corporate income tax rate of 25% will be applicable for the financial year beginning 1 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

10. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the sum of weighted average number of (1) Ordinary Shares outstanding during the period and (2) any dilutive potential Ordinary Shares outstanding at 30 November 2021:

	2021	2020
	US \$	US \$
Earnings attributable to equity holders of the Group	26,368,670	7,679,918
Weighted average number of ordinary shares in issue:		
Basic	120,128,629	80,713,247
Diluted	127,169,725	81,335,979
Basic earning per share	0.220	0.095
Diluted earning per share	0.207	0.094

The Group completed placements of total of 48,714,286 new ordinary shares during the financial year.

11. Investments in subsidiaries

Company	Share capital	Loans to Subsidiaries	Total US \$
Cost and net book value			
As at 1 December 2020	79,426	1,875,789	1,955,215
Additions during the period	-	-	-
Impairments during the period	-	(1,103,550)	(1,103,550)
Foreign currency translation differences	-	-	-
Balance at 30 November 2021	79,426	772,239	851,665

Subsidiaries name (consolidated)	Nature of business	Capital and reserves	Net Profit/(Loss)
Direct		\$	\$
Tekcapital Europe Limited	England and Wales 100% Provision of Intellectual property research services	35,066,544	8,899,574
Tekcapital LLC	USA 100% Provision of Intellectual property research services	(3,326,707)	(883,774)

During the year the directors determined a provision for impairment was required for Company's investments in Tekcapital LLC.

NOTES TO THE FINANCIAL STATEMENTS

Indirect (not consolidated)				Capital and reserves	Net Profit/(Loss)
The following are under ownership of Tekcapital Europe Limited					
Lucyd Limited	England and Wales	100%	Provider of high-tech eyewear	17,342,195	12,643,625
Innovative Eyewear Inc ⁽¹⁾	United States of America	81%	Provider of high-tech eyewear	207,516	(3,244,506)
Salarius Limited	England and Wales	98%	Developer of low sodium salt and snack foods	5,074,703	718,217
Microsalt Inc ⁽²⁾	United States of America	80%	Developer of low sodium salt and snack foods	(369,561)	(971,576)
Guident Limited	England and Wales	100%	Developer of autonomous vehicle software safety solutions	17,387,274	(3,913,892)
Guident CORP ⁽³⁾	United States of America	91%	Developer of autonomous vehicle software safety solutions	(721,168)	(285,832)
Smart Food Tek Limited	England and Wales	100%	Developer for baked food coating to reduce fat	(116,114)	0

(1) owned by Lucyd Limited
(2) owned by Salarius 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.

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, Salarius Limited and Guident Limited, as well as has provided working capital assistance to Salarius Limited and Guident Limited through convertible loan note financing (see also Note 15). The Group also assists the entities with their fundraising activities.

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

NOTES TO THE FINANCIAL STATEMENTS

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 (2021:US \$62,523,638, 2020:US \$ 30,491,657) and convertible loan notes (2021:US\$1,341,774, 2020:US \$588,169) totalling US \$63,865,432 (2020:US \$31,079,826).

12.1 Equity Investments

The Group's investments in portfolio companies in the years ended 30 November 2021 and 30 November 2020 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	1 Dec 2020	Additions	Disposal	FX reval	Fair Value change	30 Nov 2021
		US \$	US \$	US \$	US \$	US \$	US \$
Guident Limited	100.00%	22,029,834	-	-	(32,678)	(3,913,892)	18,083,264
Lucyd Limited	100.00%	2,699,331	2,179,773	-	-	12,466,091	17,345,195
Salarius Limited	97.50%	3,638,303	-	-	-	718,217	4,356,520
Belluscura Limited	15.13%	2,081,028	1,788,566	-	-	18,825,924	22,695,518
Smart Food Tek Limited	100.00%	43,161	-	-	-	-	43,161
Total Balance		30,491,657	3,968,339	-	(32,678)	28,096,340	62,523,658

Company	Proportion of ordinary shares	1 Dec 2020	Additions	Disposal	FX reval	Fair Value change	30 Nov 2021
		US \$	US \$	US \$	US \$	US \$	US \$
Belluscura Limited	15.13%	2,081,028	1,788,566	-	0	18,825,924	22,695,518
Total Balance		2,081,028	1,788,566	-	0	18,825,924	22,695,518

Group	Proportion of ordinary shares	1 Dec 2020	Additions	Disposal	FX reval	Fair Value change	30 Nov 2020
		US \$	US \$	US \$	US \$	US \$	US \$
Guident Limited	100.00%	15,526,195	-	-	45,294	6,457,345	22,029,834
Lucyd Limited	100.00%	1,129,022	-	-	-	1,570,309	2,699,331
Salarius Limited	97.15%	1,833,426	1,121,516	-	22,905	660,457	3,638,303
Belluscura Limited	17.82%	1,804,121	224,163	-	52,743	-	2,081,028
Smart Food Tek Limited	100.00%	43,161	-	-	-	-	43,161
Total Balance		20,335,925	1,345,679	-	120,942	8,688,111	30,491,657

Company	Proportion of ordinary shares	1 Dec 2020	Additions	Disposal	FX reval	Fair Value change	30 Nov 2020
		US \$	US \$	US \$	US \$	US \$	US \$
Belluscura Limited	17.82%	1,804,121	224,163	-	52,743	-	2,081,028
Total Balance		1,804,121	224,163	-	52,743	-	2,081,028

Total fair value gain of US \$28.1m for the year reflects uplift in value of shares of Belluscura, Lucyd and Salarius, offset partially by reduction in fair value of Guident. Considering early stage of commercialisation, fair value of Smart Food Tek was recorded based on the cost of acquired IP, as their carrying amounts represent a reasonable approximation of fair value.

The valuation techniques used fall under, Level 2 – Observable inputs, such as quoted price in an active market, and Level 3- Other techniques as defined by IFRS 13. These techniques were deemed to be the best evidence of fair values considering early stage of portfolio companies.

Fair value measurement hierarchy for financial assets as at 30 November 2021 with comparative amounts as of 30 November 2020:

NOTES TO THE FINANCIAL STATEMENTS

30 November 2021	Total US \$	Level 1 US \$	Level 2 US \$	Level 3 US \$
Belluscura	22,695,518	22,695,518	-	-
Lucyd Limited	17,345,195	-	-	17,345,195
Guident Limited	18,083,264	-	-	18,083,264
Salaris Limited	4,356,520	-	-	4,356,520
Smart Food Tek Limited	43,161	-	-	43,161
Total Balance	62,523,658	22,695,518	-	39,828,140

30 November 2020	Total US \$	Level 1 US \$	Level 2 US \$	Level 3 US \$
Belluscura	2,081,028	-	2,081,028	-
Lucyd Limited	2,699,331	-	-	2,699,331
Guident Limited	22,029,834	-	-	22,029,834
Salaris Limited	3,638,303	-	-	3,638,303
Smart Food Tek Limited	43,161	-	-	43,161
Total Balance	30,491,657	-	2,081,028	28,410,629

Transfer of investment in Belluscura from Level 2 to Level 1 occurred during the period as the company's shares commenced trading on AIM market of London Stock Exchange, providing quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Belluscura (US \$18.8m gain)

The fair value of the holding increased by US\$18.8m during the year due to Company's listing at AIM market of London Stock Exchange, and closing price of 94p as of 30 November 2021. With 17,138,767 shares held by Tekcapital plc, a fair value of \$22,695,518 was arrived at as of 30 November 2021.

Lucyd (US \$12.5m gain)

The fair value of the holding increased by US\$12.5m during the year as a result of:

- Valuation of 4,922,115 shares held in Innovative Eyewear, as determined by the price paid by investors in the most recent Regulation Crowdfund offering (\$3.56 per share, or \$20m pre money valuation), at \$17,522,729
- Net book value of other assets and liabilities of (\$177,534).

In July 2021, the Company launched its second Crowdfunded offering of common stock in which it raised \$149,480, amounting to 45,355 shares. Innovative Eyewear received funding using REG CF crowdfunding that allows the companies to sell stock to third-party, arms-length, independent investors. As such, valuing Lucyd Ltd's ownership in Innovative Eyewear based on the share price paid by REG CF investors appears to fall within company's policy of valuing its investments based on recent third-party funding.

This input was corroborated by Innovative Eyewear'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 of \$46.7m through 2026 including eyewear unit sales for company's e-commerce channels
- Corporate income tax rate of 21% applied to net profit of \$46.7m
- 13% discount rate used to discount proceeds as determined by opportunity cost (6%), inflation rate (5%) and technology risk (2%).

The management believes the valuation using discounted cash flow method as of 30 November 2021 of \$23.1m approximates the REG CF observed valuation of \$20m, therefore \$3.56 per shares is reasonable fair value estimate of its shares in Innovative Eyewear Inc.

NOTES TO THE FINANCIAL STATEMENTS

Adjusted for Net Book Value of (\$177,534) of other assets and liabilities held by Lucyd Ltd as of 30 November 2021, the fair value of Lucyd Ltd shares held by Tekcapital Europe was estimated at \$17,345,195, compared to \$2,699,331 as of 30 November 2020.

Salarius (US \$0.7m gain)

The fair value of the holding increased by US\$0.7m during the year as a result of:

- Valuation of 4,356,521 shares held in Microsalt Inc, as determined by the price paid by investors in the most recent Regulation Crowdfund offering (\$1 per share, or \$5m pre money valuation), at \$4,356,520.

In December 2020, the Company launched its second Crowdfunded offering of common stock in which it raised \$749,978, amounting to 749,978 shares. Microsalt Inc received funding using REG CF crowdfunding that allows the companies to sell stock to third-party, arms-length, independent investors. As such, valuing Salarius Ltd's ownership in Innovative Eyewear based on the share price paid by REG CF investors appears to fall within company's policy of valuing its investments based on recent third-party funding.

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 profits of \$12.9m through 2026 including sales of Microsalt® and SaltMe® crisps.
- Corporate income tax rate of 21% applied to net profit of \$12.9m
- 13% discount rate used to discount proceeds as determined by opportunity cost (6%), inflation rate (5%) and technology risk (2%) .

The management of Salarius Ltd believes the valuation using discounted cash flow method as of 30 November 2021 of \$6.1m approximates the REG CF observed valuation of \$20m, therefore \$1 per shares is reasonable fair value estimate of its shares in Microsalt Inc.

Adjusted for Net Book Value of (\$0) of other assets and liabilities held by Salarius Ltd as of 30 November 2021, the fair value of Salarius Ltd shares held by Tekcapital Europe was estimated at \$4,356,521, compared to \$3,638,304 as of 30 November 2020.

Guident Ltd (US \$3.9m loss)

The fair value of the holding decreased by US\$3.9m during the year as a result of:

- Net Book Value of Guident Ltd of \$18,083,264 as of 30 November 2021 consists of Valuation of 18,115,942 shares held in Guident CORP, as determined by the price agreed between Guident CORP and by investors in the most recent Private Placement Memorandum offering at \$1 per share.

In August 2021, Guident CORP entered into Private Placement Memorandum outlining offering of securities at \$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 \$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 has 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. Key assumptions used in estimating future cash flows are:

NOTES TO THE FINANCIAL STATEMENTS

- projected profits of \$41m through 2026 including teleoperation software sales across ground delivery devices, transportation services and commercial fleets.
- Corporate income tax rate of 21% applied to net profit of \$41m
- 13% discount rate used to discount proceeds as determined by opportunity cost (5%), inflation rate (5%) and technology risk (3%) .

The enterprise valuation calculated using Discounted Cash Flow method as of 30 November 2021 was \$20m. The management believes the valuation using discounted cash flow method as of 30 November 2021 of \$20m approximates the negotiated valuation of US\$24m, therefore \$1 per shares is reasonable fair value estimate of its shares in Guident Corp.

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 30 November 2021 are shown as below. No sensitivities have been included on the other investments not listed in the table below as their fair value equates to cost.

Investment	Valuation Technique	Significant unobservable input	Estimate applied	Sensitivity of the input to fair value
Lucyd	Income Approach	Discount to Future Cash Flows	13%	2% increase in the discount factor would decrease the Lucyd valuation by \$1.5m, a 2% decrease in the discount factor would increase the value by \$1.6m
		Net profit	\$26.9m	A 20% increase in net profit would increase the Lucyd valuation by \$4.6m. A 20% decrease in net profit would decrease the Lucyd valuation by \$4.6m
Guident	Income Approach	Discount to Future Cash Flows	13%	2% increase in the discount factor would decrease the Guident valuation by \$1.3m, a 2% decrease in the discount factor would increase the value by \$1.4m
		Net profit	\$32.3m	A 20% increase in the net profit would increase the Guident valuation by \$3m. A 20% decrease would decrease the Guident valuation by \$3m
Salaris	Income Approach	Discount to Future Cash Flows	13%	2% increase in the discount factor would decrease the Salaris valuation by \$0.6m, a 2% decrease in the discount factor would increase the value by \$0.6m
		Net profit	\$12.9m	A 20% increase in the net profit would increase the Salanus valuation by \$1.6m. A 20% decrease in the net profit would decrease the Salanus valuation by \$1.6m

NOTES TO THE FINANCIAL STATEMENTS

12.2 Convertible loan notes

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

- Convertible note issued by Innovative Eyewear Inc. for the total of US\$2,000,000 that bears interest at 10% per annum, which includes the option to convert the debt into the Company's common stock at market price. The note can be converted into shares of common stock of the Company upon occurrence of certain conversion events, as defined.

On June 1, 2021, Innovative Eyewear converted related party borrowings totaling \$778,500 into 778,500 shares of common stock at \$1 each.

On September 5, 2021, Innovative Eyewear converted related party borrowings totaling \$500,002 into 140,449 shares of common stock at \$3.56 each.

On November 1, 2021, Innovative Eyewear executed an addendum for its December 1, 2020, convertible note agreement with Parent and Affiliates, increasing the amount of available financing from \$2,000,000 to \$3,000,000.

On November 16, 2021, Innovative Eyewear converted related party borrowings totaling \$901,271 into 253,166 shares of common stock at \$3.56 per share.

Consequently, the Company presented the amount of US\$2,179,773 under additions to "Financial Assets Held at Fair Value" as at 30 November 2021 (see Note 12). As of 30 November 2021, US\$3,643 was outstanding as the convertible note receivable.

- Convertible note issued by Guident Ltd for the total of US\$1,000,000, issued at 10% coupon rate including option to convert the debt into shares at market price (no discount against future equity placements offered). The note can be converted into Guident's equity upon occurrence of certain conversion events. The US\$1,000,000 note originated in March 2020 or can be converted into Guident's equity upon occurrence of certain conversion events. US\$1,088,131 was drawn as at 30 November 2021. No conversions occurred during the period. As of 30 November 2021, US\$660,413 was outstanding as the convertible note receivable.
- Convertible note issued by its portfolio company, Microsalt Inc, for the total of US\$250,000, issued at 10% coupon rate including option to convert the debt into shares at market price (no discount against future equity placements offered). The note can be converted into Microsalt's equity upon occurrence of certain conversion events. The US\$ 250,000 note originated in September 2020 is payable in September 2023 or can be converted into Microsalt's equity upon occurrence of certain conversion events. US\$677,718 was drawn and outstanding as of 30 November 2021. No conversions occurred during the period.

The Group has previously recognised convertible note loan balances at cost under non-current assets. The accounting policy has been updated from the prior year to measure the balances at fair value. The resulting adjustment was not material to Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

13. Intangible assets

Group	Vortechs US \$	Website development US \$	Invention Evaluator US \$	Total US \$
As at 30 November 2020 and 30 November 2021	500,000	28,121	338,770	866,891
Accumulated amortisation and impairment				
As at 30 November 2020	-	(28,121)	-	(28,121)
Amortisation	(200,000)	-	(237,140)	(437,140)
Impairment loss	(37,229)	-	-	(37,229)
As at 30 November 2021	(237,229)	(28,121)	(237,140)	(502,490)
Net Book Value				
As at 30 November 2020	500,000	-	338,770	838,770
As at 30 November 2021	262,771	-	101,630	364,401

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 \$37,229 lower than the carrying value and have therefore recorded an impairment.

NOTES TO THE FINANCIAL STATEMENTS

14. Property, plant and equipment

GROUP	Leasehold Improvements US \$	Office equipment US \$	Computer Equipment US \$	Total US \$
Closing cost 30 November 2019	13,775	24,286	27,732	65,793
Exchange differences				-
Additions			950	950
Closing cost 30 November 2020	13,775	24,286	28,682	66,743
Exchange differences				-
Additions		1,694	695	2,389
Closing cost 30 November 2021	13,775	25,980	29,377	69,132
Accumulated depreciation and impairment				
Accumulated depreciation at 30 November 2019	(13,775)	(10,981)	(23,683)	(48,439)
Depreciation charge		(4,526)	(4,232)	(8,758)
Exchange differences		76		76
Accumulated depreciation at 30 November 2020	(13,775)	(15,431)	(27,915)	(57,121)
Depreciation charge		(4,744)	(4,099)	(8,843)
Exchange differences			3,435	3,435
Accumulated depreciation at 30 November 2021	(13,775)	(20,175)	(28,579)	(62,529)
Closing net book value 30 November 2020	-	8,855	767	9,622
Closing net book value 30 November 2021	-	5,804	798	6,603

15. Trade and other receivables

GROUP	2021 US \$	2020 US \$
Trade receivables	39,976	54,014
Less provision for impairment of trade receivable	-	-
Trade receivables - net	39,976	54,014
Vat recoverable	19,228	(934)
Prepayments and other debtors	43,787	15,267
Receivables from related parties	586,012	579,089
Total trade and other receivables	689,003	647,436

The fair value of trade and other receivables are not materially different to those disclosed above. The 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 30 November 2021 in the amount of:

- US\$85,391 due from Lucyd Ltd
- US\$104,912 due from Smart Food Tek Ltd
- US\$392,252 due from Guident Ltd.

NOTES TO THE FINANCIAL STATEMENTS

16. Cash and cashequivalents

GROUP	2021 US \$	2020 US \$
Cash at bank and in hand	3,543,762	538,473
Total cash and cash equivalents	3,543,762	538,473

17. Categories of financial assets and financial liabilities

GROUP	2021 US \$	2020 US \$
Financial assets at fair value through profit and loss	63,865,432	31,079,826
Financial assets at amorised cost	689,003	647,436
Cash and equivalents at amortised cost	3,543,762	538,473
	68,098,197	32,265,735
Financial liabilities		
Trade and other payables at amortised cost	237,151	239,228

18. Share capital

Group and Company	Number of shares	Ordinary Share US\$
Issued and fully paid up		
As at 30 November 2019	63,728,042	372,984
Shares issued in further public offering	28,800,000	147,298
Shares issued through share option exercise	300,000	1,548
As at 30 November 2020	92,828,042	521,830
Shares issued in further public offering	48,714,286	271,962
As at 30 November 2021	141,542,328	793,792

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:

- March 2021: 38,000,000 shares were issued in the placing of new ordinary shares at £0.10p. Total proceeds of US\$5,432,322 were netted against cost of raising finance in the amount of US\$301,253
- November 2021: 10,714,286 shares were issued in the placing of new ordinary shares at £0.28p. Total proceeds of US\$4,274,564 were netted against cost of raising finance in the amount of US\$261,040

The Company has authorised share capital of 141,592,328, with a nominal value of £0.004. Of these shares, 141,549,328 were issued and fully paid up.

NOTES TO THE FINANCIAL STATEMENTS

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.

	2021	2020
Group	US \$	US \$
Trade creditors	45,473	103,882
Social security and other taxes	8,554	8,015
Accruals and other creditors	183,124	135,545
	237,151	247,442

20. Deferred Revenue

The Group's deferred revenue balance of US\$154,721 as of 30 November 2020 was adjusted for:

- receipt of Invention Evaluator payments in the amount of US\$37,854 to be delivered after 30 November 2021, recognized as addition to the balance deferred revenue during the year ended 30 November 2021
- recognition of US\$23,292 of revenue deferred as of 30 November 2020 for reports delivered during the financial year 2021 bringing the total outstanding balance of Deferred Revenue as at 30 November 2021 to US\$169,287.

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 19% has been used to calculate the potential deferred tax.

	2021	2020
Deferred tax	US \$	US \$
Accelerated capital allowances	(1,680)	(1,793)
Short term timing difference	-	-
Tax losses	(2,084,779)	(1,958,070)
Unprovided deferred tax asset	2,086,459	1,959,863
	-	-

22. Dividends

No dividend has been recommended for the year ended 30 November 2021 (2020: Nil) and no dividend was paid during the year (2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS

23. Cash used from operations

	2021	2020
Group	US \$	US \$
Profit before income tax	26,370,483	7,681,994
Adjustments for		
- Impairment Loss	37,229	-
- Depreciation	8,843	9,437
- Amortisation	437,139	
- Share based payment expense	111,145	44,273
- Movement in foreign exchange	77,435	96,392
- Movement in trade and other receivables	(41,565)	56,383
- Financial assets at fair value through the profit or loss	(28,817,268)	(8,810,053)
- Deferred revenue movement	14,562	36,126
- Trade and other payables	(10,291)	(62,718)
Cash used from operations	(1,812,288)	(948,166)

24. 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 within the scope of IFRS 16. Consequently, the Group did not recognise any right-of-use assets and lease liabilities during the period.

25. 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	8,700,000
Share price at date of grant	£0.052-£0.31
Exercise price	£0.052-£0.31
Options life in years	3-5
Risk free rate	0.1%-0.75%
Expected volatility	48-94%
Expected dividend yield	0
Fair value of options	£0.02-£0.03

The weighted average fair value of options outstanding was £0.03p. Volatility was calculated using Group's historical share price performance since 2017. The share-based payment expense for the year was \$111,145 (2020: \$44,273). Details of the number of share options and the weighted average exercise price outstanding during the year as follows:

NOTES TO THE FINANCIAL STATEMENTS

	2021		2020	
	Av. Exercise price per share £	Options (Number)	Av. Exercise price per share £	Options (Number)
Group and Company				
As at 1 December	0.2351	7,450,000	0.2110	5,785,000
Granted	0.0781	1,000,000	0.1193	4,450,000
Exercised	-	-	0.0810	300,000
Forfeited/expired	0.0783	250,000	0.3551	2,485,000
As at 30 November	0.2110	8,200,000	0.2351	7,450,000
Exercisable as at 30 November		3,441,667*		1,575,000*

*The weighted average exercise price for the options exercisable as at 30 November 2021 and 30 November 2020 was £0.19p and £0.19p respectively.

The weighted average remaining contractual life is 2.9 years (2020: 4.2 years). The weighted average fair value of options granted during the year was £0.03p (2020: £0.03p). The range of exercise prices for options outstanding at the end of the year was £0.052p - £0.31p (2020: £0.065p - £0.46p).

26. 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 (2020: 525,000).

Please refer to tables below for detail of relationships and transactions between The Group and its subsidiaries.

Convertible note receivable

	2021	2020
Group	US \$	US \$
Guident Corp	660,413	528,169
Microsoft Inc	677,718	60,000
Innovative Eyewear Inc	3,643	-
	1,341,774	588,169

Intercompany receivable

	2021	2020
Group	US \$	US \$
Guident Corp	392,252	-
Smart Food TEK	104,912	103,092
Lucyd Ltd	85,402	288,176
Innovative Eyewear Inc	-	184,376
Other	3,446	3,446
	586,012	579,090

NOTES TO THE FINANCIAL STATEMENTS

Management fees		
	2021	2020
Group	US \$	US \$
Guident Ltd	139,560	138,441
Salanus Ltd	-	140,282
Microsalt Inc	99,685	-
Lucyd Ltd	30,135	128,743
Innovative Eyewear Inc	103,299	-
Smart Food TEK	-	98,886
	372,679	506,352

Interest Income		
	2021	2020
Group	US \$	US \$
Guident Ltd	-	27,717
Guident Corp	62,385	-
Salanus Ltd	-	68,229
Microsalt Inc	35,267	-
Lucyd Ltd	-	-
Innovative Eyewear Inc	44,748	-
	142,400	95,946

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

27. Events after the reporting period

Post period end, following amounts were drawn for existing convertible notes:

- US\$628,405 for Microsalt Inc
- US\$262,546 for Guident CORP
- US\$1,431,068 for Innovative Eyewear Inc

The senseless Russian invasion of Ukraine has not had a material impact on our business to-date, as far as we can discern at this early juncture, as we do not have direct business exposure to either Russia or the Ukraine. However, over time the conflict 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.

COMPANY STATEMENT OF FINANCIAL POSITION AT 30 NOVEMBER 2021

Company		30 November 2021 US\$	30 November 2020 US\$
	Note		
Assets			
Non-current assets			
Investment in subsidiaries	C.4	851,665	1,955,215
Financial assets at fair value through profit and loss	C.5	22,653,494	2,669,196
		23,505,159	4,624,411
Current assets			
Trade and other receivables	C.6	7,454,773	3,560,188
Cash and cash equivalents	C.7	3,011,916	239,991
		10,466,689	3,800,179
Total assets		33,971,848	8,424,590
Current liabilities			
Trade and other payables	C.10	197,827	79,249
		197,827	79,249
Total liabilities		197,827	79,249
Net Assets		33,774,021	8,345,341
Equity attributable to the owners of the parent			
Ordinary shares	C.9	793,792	521,830
Share premium		21,793,644	13,211,344
Retained earnings		11,364,445	(5,351,695)
Translation reserve		(177,860)	(36,138)
Total equity		33,774,021	8,345,341

The Company's profit after tax for the year ended 30 November 2021 was US\$16,604,995 (loss after tax for the year ended 2020: US\$316,239).

The Company has used the exemption under S408 CA 2006 not to disclose the Company income as primary statement.

The notes on pages 80 to 83 are an integral part of these financial statements.

The financial statements on pages 78 to 83 were approved and authorised for issue by the Board of Directors on 5 May 2022 and were signed on its behalf.



Louis Castro
Director

Dr Clifford M Gross
Chairman and CEO

Tekcapital PLC
registered number
08873361

COMPANY STATEMENT OF CHANGES IN THE EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2021

Company	Note	Attributable to owners of the parent company				Total Equity US \$
		Ordinary Shares US \$	Share Premium US \$	Translation Reserve US \$	Retained (Deficit)/Earnings US \$	
Balance as at 30 November 2019		372,984	10,993,546	(98,086)	(5,079,729)	6,188,715
Loss for the year					(316,239)	(316,239)
Other comprehensive income				61,948		61,948
Total comprehensive income for the year		372,984	10,993,546	(36,138)	(5,395,968)	5,934,424
Transactions with owners, recorded directly in equity						
Share issue	18	147,298	2,450,245			2,597,543
Cost of share issue	18		(262,252)			(262,252)
Share options exercised	18	1,548	29,805			31,353
Share based payments	25				44,273	44,273
Total transactions with owners		148,846	2,217,798	-	44,273	2,410,917
Balance as at 30 November 2020		521,830	13,211,344	(36,138)	(5,351,695)	8,345,341
Profit for the year					16,604,995	16,604,995
Other comprehensive income				(141,722)		(141,722)
Total comprehensive income for the year		-	-	(141,722)	16,604,995	16,463,273
Transactions with owners, recorded directly in equity						
Share issue	18	271,962	9,144,593			9,416,555
Cost of share issue	18		(562,293)			(562,293)
Share based payments	25				111,145	111,145
Total transactions with owners		271,962	8,582,300	-	111,145	8,965,407
Balance as at 30 November 2021		793,792	21,793,644	(177,860)	11,364,445	33,774,021

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 80 to 83 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 is disclosed in note 7 to the consolidated financial statements.

C.4 Investment in subsidiaries.

Company	Share capital	Loans to Subsidiaries	Total US \$
Cost and net book value			
As at 1 December 2020	79,426	1,875,789	1,955,215
Additions during the period	-	-	-
Impairments during the period	-	(1,103,550)	(1,103,550)
Foreign currency translation differences	-	-	-
Balance at 30 November 2021	79,426	772,239	851,665

Investments in subsidiaries are stated at cost less any adjustment for impairment. The Company recorded US\$1,103,550 in impairment charge related to its investment in Tekcapital LLC.

NOTES TO THE COMPANY FINANCIAL STATEMENT

The Company recorded a historical US\$2,500,000 provision against its receivable from one its subsidiary Tekcapital LLC. The remaining receivable due from Tekcapital LLC will be recovered in greater than 12 months.

C.7 Cash and cash equivalents

Company	2021 US \$	2020 US \$
Cash at bank and in hand	3,011,916	239,991
Total cash and cash equivalents	3,011,916	239,991

C.8 Categories of financial assets and financial liabilities

Company	2021 US \$	2020 US \$
Financial assets at fair value through profit and loss	22,653,494	2,081,027
Financial assets at amortised cost	7,454,773	4,148,357
Cash and equivalents at amortised cost	3,011,916	239,991
Investment in subsidiaries at amortised cost	1,955,215	1,955,214
	35,075,398	8,424,589
Financial liabilities		
Trade and other payables at amortised cost	197,827	79,249

C.9 Share capital

Group and Company	Number of shares	Ordinary Share US\$
Issued and fully paid up		
As at 30 November 2019	63,728,042	372,984
Shares issued in further public offering	28,800,000	147,298
Shares issued through share option exercise	300,000	1,548
As at 30 November 2020	92,828,042	521,830
Shares issued in further public offering	48,714,286	271,962
As at 30 November 2021	141,542,328	793,792

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Subsidiaries name (consolidated)	Proportion of ordinary shares directly held	Nature of business	Capital and reserves	Net Profit/(Loss)
Direct				
Tekcapital Europe Limited	England and Wales 100%	Provision of intellectual property research services	35,066,544	8,899,574
Tekcapital LLC	USA 100%	Provision of intellectual property research services	(3,326,707)	(883,774)

* 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

Company's investment in Belluscura plc in the years ended 30 November 2021 and 30 November 2020 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	1 Dec 2020	Additions	Disposal	FX reval	Fair Value change	30 Nov 2021
Belluscura Limited	15.13%	2,081,028	1,788,566	-	0	18,825,924	22,695,518
Total Balance		2,081,028	1,788,566	-	0	18,825,924	22,695,518

The valuation technique used falls under, Level 2 – Observable techniques, other than quoted prices.

The fair value of the holding increased by US\$19.4m during the year due to Company's listing at AIM market of London Stock Exchange, and closing price of 94p as of 30 November 2021. With 17,138,767 shares held by Tekcapital plc, a fair value of \$22,695,519 was arrived at as of 30 November 2021.

C.6 Trade and other receivables

Company	2021 US \$	2020 US \$
Receivables from Group companies	7,415,412	3,544,286
VAT	24,165	2,500
Prepayments	15,196	13,602
Total trade and other receivables	7,454,773	3,560,388

NOTES TO THE COMPANY FINANCIAL STATEMENTS

The Company recorded a historical US\$2,500,000 provision against its receivable from one its subsidiaries, Tekcapital LLC. The remaining receivable due from Tekcapital LLC will be recovered in greater than one year.

C.7 Cash and cash equivalents

Company	2021 US \$	2020 US \$
Cash at bank and in hand	3,011,916	239,991
Total cash and cash equivalents	3,011,916	239,991

C.8 Categories of financial assets and financial liabilities

Company	2021 US \$	2020 US \$
Financial assets at fair value through profit and loss	22,653,494	2,081,027
Financial assets at amortised cost	7,454,773	4,148,357
Cash and equivalents at amortised cost	3,011,916	239,991
Investment in subsidiaries at amortised cost	1,955,215	1,955,214
	35,075,398	8,424,589
Financial liabilities		
Trade and other payables at amortised cost	197,827	79,249

C.9 Share capital

Group and Company	Number of shares	Ordinary Share US\$
Issued and fully paid up		
As at 30 November 2019	63,728,042	372,984
Shares issued in further public offering	28,800,000	147,298
Shares issued through share option exercise	300,000	1,548
As at 30 November 2020	92,828,042	521,830
Shares issued in further public offering	48,714,286	271,962
As at 30 November 2021	141,542,328	793,792

NOTES TO THE COMPANY FINANCIAL STATEMENTS

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:

- March 2021: 38,000,000 shares were issued in the placing of new ordinary shares at £0.10p. Total proceeds of US\$5,432,322 were netted against cost of raising finance in the amount of US\$301,253
- November 2021: 10,714,286 shares were issued in the placing of new ordinary shares at £0.28p. Total proceeds of US\$4,274,564 were netted against cost of raising finance in the amount of US\$261,040

The Company has authorised share capital of 141,592,328, with a nominal value of £0.004. Of these shares, 141,592,328 were issued and fully paid up.

C.10 Trade and other payables

	2021	2020
Company	US \$	US \$
Accruals and other creditors	184,518	-
Accounts payable	13,309	79,249
	197,827	79,249

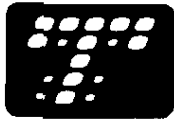
C.11 Deferred income tax

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 19% has been used to calculate the potential deferred tax.

	2021	2020
Deferred tax	US \$	US \$
Accelerated capital allowances	-	-
Short term timing difference	-	-
Tax losses	(620,182)	(563,069)
Unprovided deferred tax asset	620,182	563,069
	-	-

C.12 Dividends

No dividend has been recommended for the year ended 30 November 2021 (2020: Nil) and no dividend was paid during the year (2020: Nil).



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