TEKCAPITAL®

ANNUAL REPORT & ACCOUNTS

2019

Tekcapital's portfolio company Belluscura plc demonstrates their new portable oxygen concentrator

Tekcapital plc
Registration # 08873361
Stock Code: TEK

Risk Factors and Forward Looking Statements

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CONTENT

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TEKCAPITAL COMMERCIALISES UNIVERSITY IP AND PROVIDES IP SERVICES TO UNIVERSITIES AND CORPORATES

Tekcapital Group's goal is to improve the quality of life and create value from its ability to identify, acquire and commercialise promising new university IP

Using our proprietary global university network, we provide services to universities and companies to help them commercialize their innovations. Using these services, we have built a compelling group of portfolio companies to commercialize high value properties we have uncovered.

We believe that when you couple commercialization ready, compelling university IP with strong senior management, vibrant companies will emerge, returns on invested capital will outperform the sector and exits will occur faster. 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

WORLD'S LARGEST
NETWORK OF UNIVERSITY IP

4,500 UNIVERSITIES

SOLID, MULTI-SECTOR DUE DILIGENCE CAPABILITY

60 SCIENTISTS

NUMBER OF INDUSTRY LEADERS RECRUITED BY PORTFOLIO COMPANIES

8 INDUSTRY LEADERS

NUMBER OF PORTFOLIO COMPANIES ADDRESSING $1B+ MARKETS

4 PORTFOLIO COMPANIES

TEKCAPITAL®

Total revenue including fair value gains $7.7m

Profit after tax

$5.5m

Net assets

$22.5m

Compound Annual Growth Rate of Net Assets

90%

Return on Assets (ROA)

28%

Return on invested capital (ROIC)*

24%

*Since floatation in 2014

% of costs covered by service revenues

55%

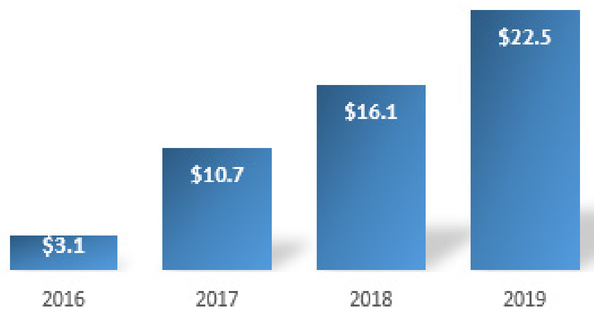
KEY HIGHLIGHTS

FINANCIAL

Our investment objective is to achieve long-term growth of net assets and returns on invested capital through the commercialisation of university discoveries. 2019 was the best year for value creation in the Group's short history:

- Net Assets increased 40% to US$22.25m, a record level (2018: US$16.13m)
- Net Assets per share $0.35 (2018: $0.30)
- Total revenue US$7.72m (2018: US$6.83m)
  - Revenue from services increased 15% to US$1.20m (2018: US$1.04m)
  - Net increase of US$6.52m in fair value of portfolio companies (2018: US$5.79m)
- Reduction of operating expenses by 7% to $1.59m (2018: US$1.72m) Service revenues cover approximately 55% of current cost base
- Profit before tax: $5.52m (2018: $4.55m)
- Placing to raise US$0.9m completed in July 2019.

Net Assets (US$m)



INVESTMENT PORTFOLIO

91.7% ownership

Salarius

www.salarius.co

www.saltme.com

- Completed successful production and launched sales of MicroSalt® with the first three commercial accounts. Approximately 25 companies are testing MicroSalt® for possible inclusion in their snack food products.
- Appointed Mike Marrotte, V.P. Sales. Top performing sales leader and revenue growth strategist
- Appointed Javier Contreras as COO to further its commercialization efforts. Javier has significant experience in developing supply chains with Clorox's food business and other companies.
- Completed development and consumer packaging of its SaltMe!(R) line of full flavour, reduced sodium potato chips in 4 flavors.
- Engaged a leading natural food wholesaler&food broker for retail placement of SaltMe!(R)
- Engaged two leading food ingredient brokers, Accurate Ingredients, Inc. and Hanks Brokerage Inc., to sell MicroSalt® to snack food companies throughout the U.S.
- Filed additional patent on coverage of MicroSalt® directed to improve low-sodium salt.

lucyd® upgrade your eyewear

www.lucyd.co

100% ownership

- Launched sales of Lucyd Loud 3.0 audio glasses, proper prescription glasses that can be used to listen to music, answer your mobile phone or talk to Siri®.
- On track to launch Lucyd Loud Lyte in H2 2020. Lucyd Lyte is the first prescription Bluetooth glasses that looks like traditional glasses in terms of style and form factor.
- Filed additional patent protection on Lucyd modular eyewear and trademark protection on Glasses as a Service (GaaS).
- Lucyd's brand ambassador participated in the 2020 Superbowl as part of the San Francisco 49'rs division champions.

KEY HIGHLIGHTS

TEKCAPITAL®

guident

www.guident.co

100% ownership

- On 29 April 2019 Guident filed a new patent application for controlling autonomous vehicles after an accident (patent was allowed by the USPTO post period end).
- On 25 June 2019 Guident exclusively licensed a patent application from Michigan State University for an AV communication and safety network. The patent enables AV's to "see" not only through its sensors but also information from the sensors of nearby AV's and objects.
- On 27 June 2019, Guident exclusively licensed patent # 9,964,948 from FIU which enables remote control of an AV by a human operator when necessary.
- Begun its B2B marketing program to develop partnerships with vehicle OEM's to provide remote tele monitoring and control centre IP & technology for autonomous vehicles and land based delivery drones, amongst other services.

18.9% ownership

belluscura

www.belluscura.com

- Continued progress with its unique and patented portable oxygen concentrator programme
- Belluscura raised US $2.7m in 2019 at 15p to continue with its FDA clearance and go to market strategy. Post money valuation ~US $9m for the entire business.
- Belluscura anticipates receiving 510(K) clearance from the US FDA in H1 2020
- Post end of period, Belluscura filed an additional patent application covering devices and systems for treating people suffering from acute respiratory distress caused by the Coronavirus. Belluscura and Separation Design are designing and developing next generation, cost-effective, portable ECMO technology to treat ARDS patients.

CORPORATE

- Strengthened the board of directors with the appointments of Lord David Willets and Mr. Louis Castro:

  The Rt Hon Lord Willetts FRS is President of the Resolution Foundation and former U.K. 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, 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.

  Louis Castro is a highly experienced and well qualified Director and Chartered Accountant with some thirty years spent in industry and in financial services , including positions as Chief Executive, Finance Director and Non-Executive Director of several AIM listed companies. He was previously the CFO at Eland Oil & Gas plc where he had full executive responsibility for finance, legal, corporate finance and a budget of over $150m. He has held numerous board positions with both quoted public and private businesses as either a Partner or Director. Previously he worked in financial services, in corporate finance and capital markets, with particular specialism in the funding and advising of small and mid-cap companies across many sectors. Louis currently serves as a director of Green Park Oil and Gas and a non-executive director of Stanley Gibbons Group plc, Jangada Mines plc and Orosur Mining Inc..

- Continued growth of technology transfer services. Invention Evaluator continues to develop and has released a new version of the Invention Evaluator's tri-lingual website to facilitate expansion of its service offerings throughout Latin America. Vortechs Group also has continued to perform well with its technology-transfer executive placement assignments.

KEY HIGHLIGHTS

POST PERIOD END PORTFOLIO COMPANY HIGHLIGHTS

On December 12, 2019, Salarius Ltd secured national food ingredient broker for Microsalt®. Accurate Ingredients provides network of experienced sales representatives on east and west coast of the United States.

On 24 January 2020, Salarius Ltd secured additional food ingredient broker partner for sales of Microsalt®. The agreement with Hanks Brokerage Inc. covers primarily snack food companies in the southwestern United States.

On 10 February 2020, Belluscura has filed an additional patent application (17 patents filed or licensed to-date) entitled "Improved Extracorporeal Membrane Oxygenation Device, System and Related Methods," covering devices and systems for treating people suffering from acute respiratory distress caused by the Coronavirus.

In February 2020, Salarius Ltd's executives exercised stock options resulting in Tekcapital's ownership being reduced from 97.5% to 91.7%.

On 2 March 2020, Salarius Ltd announced North American distribution agreement for launch of SaltMe!® snacks. This agreement represents an important milestone for Salarius' new potato chip snack line, enabling unprecedented reach of SaltMe!® products into consumer outlets of every size in North America.

On 4 March 2020, Salarius Ltd announced sales partnership agreement with iLevel Brands Inc as part of its launch of North America sales of SaltMe!®. This agreement, combined with their previously announced distribution agreement on 2 March 2020, will expand Salarius' market penetration and brand awareness for its new potato chip snack line with retail brand placements across the entire East Coast, Midwest and Southwest geographic areas of the United States.

On 16 March 2020, Belluscura plc announced the filing of a patent application on a modular, portable oxygen enrichment ventilation system for treating patients suffering from COPD and ARDS brought on by such diseases as COVID-19.

On 24 March 2020, Salarius Ltd announced it has received an order from one of its distribution partners to launch sales of its new SaltMe!(R) full flavor-low sodium snacks in 71 stores beginning in May 2020.

On 26 March 2020, Lucyd Ltd announced it has filed patent and trademark on its forthcoming Vyrb(TM) app. Vyrb users will be able to active a world of smartphone actions with their voice in just moments, including social media posting. The app is designed to improve utility of Lucyd Bluetooth(R) glasses and wireless hearables.

On 8 April 2020, Guident Ltd announced significant management additions including appointment of Harald Braun as Company's CEO and appointment of Daniel Grossman as the company's Chief Revenue Officer. The company also appointed Michael Trank as VP Software Development and Dr. Gabriel Castenada as Lead Architect, Artificial Intelligence Software. Guident has also announced that it has received a Notice of Allowance from the United States Patent and Trademark Office for its patent application # 16/386,530 entitled "Methods and Systems for Emergency Handoff of an Autonomous Vehicle" and has filed an additional patent entitled, "Intelligent Remote Monitoring and Control of Autonomous Vehicles".

On 24 April 2020, Lucyd Ltd announced launch of its Bluetooth(R)-enabled glasses on the website of US superstore chain Walmart Inc.

"WE BELIEVE IN 2020 THERE WILL BE SIGNIFICANT PROGRESS IN THE DEVELOPMENT OF OUR PORTFOLIO."

DR CLIFFORD M. GROSS
EXECUTIVE CHAIRMAN

Q&A WITH OUR EXECUTIVE CHAIRMAN

Q: What do you consider the most important milestone reached by Tekcapital this year?

A: 2019 was a great year for the company and our portfolio investments; Lucyd developed Loud 3, its latest and advanced generation of Bluetooth glasses, Salarius initiated production of MicroSalt® and secured the first three commercial customers and signed up a B2B food ingredient distributor, Belluscura made good progress with its new portable O_2 concentrator and filed additional intellectual property protection, and Guident has acquired two new intellectual prpoperties and developed a third one rounding out its IP position. As a result our net assets increased significantly over 2018.

Q: What are the main goals for each portfolio company in 2020?

A: For Lucyd to expand their product distribution with additional major online retailers, for Salarius to grow their B2B sales of MicroSalt® and launch their SaltMe(R) line of full flavour, low sodium chips, for Belluscura to receive 510 K clearance for its portable O_2 concentrator from the US FDA and for Guident to develop a business collaboration with an OEM or tech company in the autonomous vehicle space for the remote monitoring and control of AV's or one of the other technologies.

Q: How does Tekcapital's offering compare to its competitors?

A: We believe our portfolio companies are quite unique and diversified and the calibre of their management will enable them to punch above their weight.

Q: How are the changes in the IP industry and the economy impacting Tekcapital's business?

A: The focus and current trend for university IP commercialization is to build spin-out companies to de-risk the technology and demonstrate initial market traction. This coincides with Tekcapital's focus as a business.

Q: Should we expect any new investments or portfolio companies started in 2020?

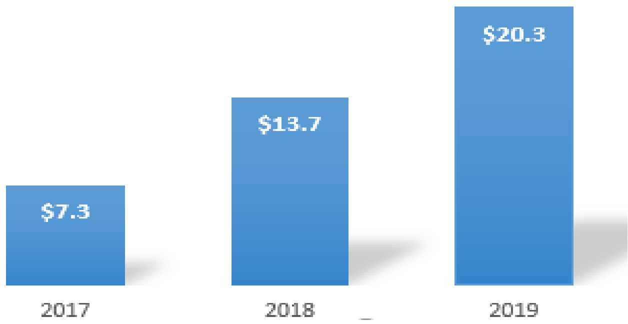
A: We are not planning to announce any new portfolio companies in 2020 but rather we are focusing on strengthening our existing investments with additional IP and follow-on investments. We think this approach will result in enhanced returns on investment capital for our shareholders.

TEKCAPITAL AT GLANCE

Tekcapital has built the largest university IP network in the world, coupled with a high-caliber team responsible for market-ready technology selection. The Group provides universities and corporate clients with a wide range of technology transfer services while simultaneously selecting compelling technologies for its own portfolio, for subsequent commercialization. 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 reduce its operating expenses.

TEKCAPITAL'S FORMULA OF MARKET READY IP COMBINED WITH LEADING TALENT POSITIONS THE GROUP FOR LONG-TERM GROWTH AND INCREASES THE PROBABILITY OF MEANINGFUL EXITS

Value of investment portfolio (US$m)



WORLD'S LARGEST NETWORK OF UNIVERSITY IP. WE CAPTURE APPROXIMATELY 80% OF WORLD'S UNIVERSITY-DEVELOPED IP FROM 4,500 RESEARCH INSTITUTIONS ACROSS 160 COUNTRIES

PATENTED LOW-SODIUM SALT

- Salarius is taking the lead in the industry bringing the best low-sodium salt solution based on a mechanical transformation of the salt grain itself. This solution is the only one that delivers the exact salt flavor, because it is salt. The technology breaks the salt grains into a size that is one hundred times smaller than a typical grain, delivering a powerful saltiness as the micro-grains dissolve in mouth with appx. 50% less salt consumption.

- Independent taste testing indicates MicroSalt® delivers all of the flavour of salt with roughly half the sodium

- Salarius announced it launched production and secured its first commercial client for MicroSalt® (May 2019)

- Salarius announced it has received a follow-on order (13 June 2019) and signed-up a Mexican seafood company (24 June 2019)

- Salarius signs third customer, a diversified snack food company (16 October 2019)

The company has continued to significantly ramp up its sales and distribution channels during the post period end period:

- signed Hanks Brokerage Inc., to assist in the sale of Microsalt® to snack food companies in the southwestern United States (Jan. 2020).

- signed Accurate Ingredients Inc. a food broker, to sell MicroSalt® to snack food companies (Dec. 2019)

- signed an agreement with iLevel Brands Inc as part of its North American launch of its new innovative SaltMe!® snack line (March 2020)

- signed a North American Distribution Agreement for Launch of SaltMe!® snacks in the United States in May 2020.

The low sodium ingredient market is estimated to reach US$1.76bn by 2025 according to Future Market Insights[1].

Tekcapital owns - 91.7%* of Salarius Ltd

91.7%

* In February 2020, Salarius executives exercised stock options resulting in Tekcapital's ownership being reduced from 97.5% to 91.7%.

SOURCE
[1] https://www.futuremarketinsights.com/reports/sodium-reduction-ingredient-market

PORTFOLIO REVIEW

LUCYD: THE CLEAR CHOICE FOR TECH EYEWEAR

- Provides online prescription eyewear with Bluetooth technology so customers can remain connected.
- Jan. 2020 launched Loud 3.0 upgraded tech eyewear in two styles, with Blue tooth® 5.0
- Dec. 2019 Lucyd announces forthcoming introduction of modular Bluetooth eyewear in late H1
- Dec. 2018 appointed Richard Sherman an American football star, as its Chief Brand Officer and brand ambassador.
- Strong IP: Lucyd has filed 20 patents covering its products
- The current online market for eyewear is US$3.8b according to Statista[1].

Goal: Develop a successful global eShop providing prescription eyewear with advanced Bluetooth® technology

Tekcapital owns - 100% of Lucyd ltd

100%

ON 3 DECEMBER 2018 LUCYD LTD APPOINTED RICHARD SHERMAN, AMERICAN FOOTBALL STAR AS CHIEF BRAND OFFICER AND BRAND AMBASSADOR

Photo courtesy of Creative Agency: Zaki Rose, Photographer: Carlos Cruz.

SOURCES

[1] Statista.com - US Eyewear Market, Online Revenue Share

PORTFOLIO REVIEW

belluscura

PREMIUM MEDICAL DEVICES AT VALUE PRICES

- Unique medical device company that has developed an improved portable oxygen concentrator to provide on-the-go supplemental X-PLO2R™

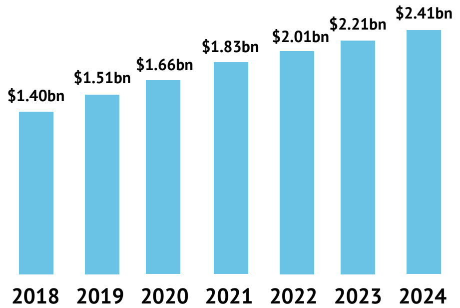
- Capable & highly experienced management: Bob Rauker, CEO (previously Boston Scientific) & Dr Raymond Bray, VP (previously St. Jude Medical).

- Post period end, filed a patent application covering devices and systems for treating people suffering from acute respiratory distress caused by the Coronavirus. Belluscura and Separation Design are designing and developing next generation, cost-effective, portable ECMO technology to treat ARDS patients.

- According to Grandview Market Research, the portable O_2 market is expected to grow to 580,000 units shipped per year by 2026[1].

Goal: Receive FDA clearance for the X-PLO2R™ portable oxygen concentrator in H1 2020

The medical portable O_2 market is expected to grow from $1.4bn this year to $2.4bn by 2024[1]



[1] https://www.gminsights.com/industry-analysis/medical-oxygen-concentrators-market-report

Tekcapital owns ~ 18.9% of Belluscura

18.9%

EXPLO2RE PORTABLE OXYGEN CONCENTRATOR

Lightest:	Only 1.25kg (2.8lbs)
Most Efficient:	32% more O_2 per pound
Quiet:	Only 39 dB
Reliable:	Long battery duration
Modular:	Only expandable POC with consumer replaceable filter cartridges
Low Cost:	Projected 70% cost savings over duration of the disease
Strong IP:	17 patents and applications

SOURCES

[1] https://drive.google.com/file/d/1s5Ou0UQWwjUfWAZ4TNc

PORTFOLIO REVIEW

AUTONOMOUS VEHICLE VALET

- Acquisition of exclusive license to U.S. Patent #9,429,943 from FMAU that enables the development of software apps for controlling autonomous vehicles ("AV") using artificial intelligence.

- On 29 April 2019 Guident filed a new patent application for controlling autonomous vehicles after an accident

- On 25 June 2019 Guident exclusively licensed a patent application from Michigan State University for an AV communication and safety network. The patent enables AV's to "see" not only through its sensors but also information from the sensors of nearby AV's

- On 27 June 2019, Guident exclusively licensed patent # 9,964,948 from FIU which enables remote control of an AV by a human operator when necessary.

- Post period end, Guident announced appointment of Harald Braun as CEO and Dan Grossman as Chief Revenue Officer, as well as hiring of two senior software developers.

Guident has begun its B2B marketing program and seeks to develop partnerships with vehicle OEM's to provide remote tele monitoring and control centres for autonomous vehicles amongst other services. Such monitoring has recently be required by law in the State of Florida and other jurisdictions.

Goal: Develop and provide IP and apps with licensed technology to autonomous vehicle and land-based drone manufacturers.

Tekcapital owns - 100% of Guident Ltd

100%

Remote-control AV simulation.
Source: Guident Ltd, Vira Mylyan-Monastyrska and Ibnu Alias / Shutterstock.com

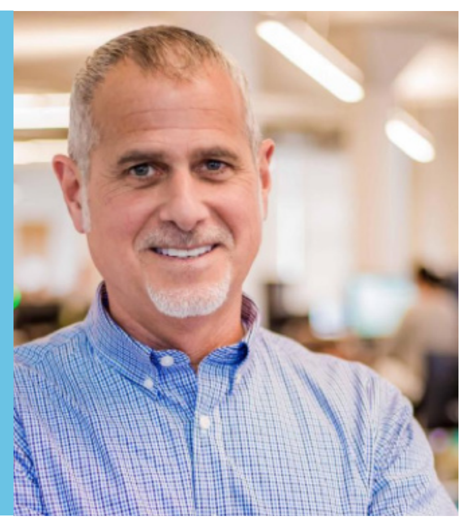
ON 27 JUNE 2019, GUIDENT EXCLUSIVELY LICENSE PATENT # 9,964,948 FROM FIU WHICH ENABLES REMOTE CONTROL OF AN AV BY A HUMAN OPERATOR WHEN NECESSARY.

GUIDENT HAS BEGUN ITS B2B MARKETING PROGRAM AND SEEKS TO DEVELOP RELATIONSHIPS WITH VEHICLE OEM'S TO PROVIDE TELE MONITORING CENTRES FOR AV'S.

PORTFOLIO REVIEW

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. JOHAN CURRENTLY SERVES AS COO OF VOLKSWAGEN USA.

ON 14TH JANUARY, 2019 GUIDENT LTD APPOINTED DANIEL GROSSMAN AS A DIRECTOR. HE MOST 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.



TEKCAPITAL

OUR SERVICES

Commercializing university innovations is challenging and requires well-honed skills and specialized tools to be successful and scalable. According to the Association of University Technology Managers (AUTM) less than 1% of university patents generated revenues of > $1m[1] in 2017. This indicates that to be successful in the space it is necessary to mitigate selection bias, conduct detailed and thorough due diligence, assess the market potential properly and recruit commercialization executives with significant experience. Tekcapital's services have been built to address each of these points. Our global discovery network covers 4,500 institutions in 160 countries, and our search app makes it easy to identify IP, our 60 scientists are experts in their respective disciplines for hands-on due diligence, our invention evaluator reports are the industry standard for assessing market potential of university IP and more than 5,000 have been delivered to institutions worldwide, and our in house recruiter Vortechs Group is a recognized leader in recruiting tech-transfer executives. We use these services to both help our clients and to enhance our returns on invested capital for our portfolio companies.

INVENTION EVALUATOR

Rapid, objective reports that assess the market potential of any new technology. Combines human analysts with unique research algorithms.

IP SEARCH APP

Global University IP search app. Instantly search and index worldwide university PCT applications and patents on your smartphone.

IP ACQUISITION OPPORTUNITIES

Acquire disruptive, curated university IP that's ready for market, directly from our portfolio.

VORTECHS GROUP

Executive Recruiting Firm Specializing In Technology Transfer executives.

TEK TRAINING

Custom solutions for building new tech transfer offices, spin out companies, and accelerators. For tech transfer specialists, research centers and government

SOURCES

[1] AUTM US Licensing Activity Survey: 2017

WHAT OUR CLIENTS AND THE PRESS SAY

"What you do is disruptively high quality at a value no one else has been able to touch." Jeff Amerine

"We would recommend Invention Evaluator reports to any organization looking to commercialize technologies, especially for technologies outside of the core expertise of the office. The benefit to value ratio is very high, the reports are thorough, timely and in a format that is easy to understand and share with investors." Lisa Lorenzen

"As a portfolio management tool for busy technology transfer office, Invention Evaluator makes great sense." Rohan McDougall, Curtin University of Technology

"In a few short weeks, the Vortechs Group presented us with more and better qualified candidates than we were able to find on our own in the previous six months of searching. Thanks to their expertise, we were able to find and hire the one-of-a-kind candidate we were looking for to lead our Technology Transfer efforts"

Tekcapital helps companies of all sizes find and acquire university discoveries to create market value. We have found their offering to be well received by our listed companies that have tried their service. Paul Dorfman, Managing Director

"Drew Hendricks-"Tekcapital released an app earlier this year that allows users to search for IP from their smartphones. This is a good way to get a feel for what is out there, identify technology you may want, and get your creative wheels spinning."

"Invention Evaluator provides an extremely cost effective way to screen through technologies to see which ones fit our criteria." Dr. Craig Patch

"We have had a great experience with the results of the studies we requested." "Hemos tenido una muy Buena experiencia con los resultados de los estudios que hemos solicitado" Patricia Anguita

"Invention Evaluator is very responsive to our needs, delivering our reports in a timely manner" Dr. Fiona Cameron, University of Western Sidney

"With their technology transfer recruiting expertise, The Vortechs Group contributed to our process of finding candidates whom we otherwise might never have seen, ultimately leading to a successful hire. It was a pleasure partnering with The Vortechs Group and I recommend their services to organizations seeking technology transfer and related positions."

Julian Mitchell- "In addition to a growing portfolio of university IP (UIP) investments, Tekcapital helps research institutions and businesses develop disruptive technologies and expand their portfolios of intellectual capital through leveraging their suite of powerful and convenient technology transfer services."

Nick Hastreiter, "An entrepreneur who wants to benefit from UIP would traditionally have to network with individual universities, making relationships with their Technology Transfer Offices. But today entrepreneurs and international organizations facilitate a near frictionless system of access to that wealth of innovation."

THE IP MARKET

CREATING MARKET VALUE FROM UNIVERSITY DISCOVERIES

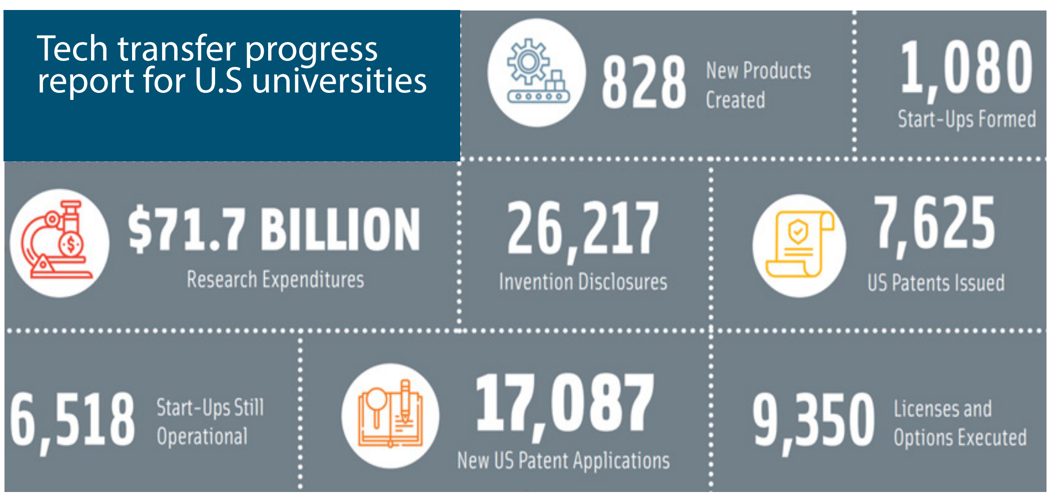
“Universities are crucial drivers of intellectual advance and innovation. But the links between university research and practical application have not always been as strong as they should. We can strengthen those links and turn great ideas into commercial products.”

Lord David Willets
Tekcapital Non-executive Director and Former U.K. Minister of Universities and Science

Current market challenges and opportunities

The world continues to become smaller, everything is connected and the pace of innovation is quickening. As such, we have expanded our footprint to include IP not only from universities in the UK but from all member states of the World Intellectual Property Organization. Tekcapital’s current approach is to carefully select high-value innovations that are ready for market, and nurture them with experienced management, often from Fortune 500 companies, as this mitigates go-to-market risk. To-date, we believe our early results have shown great promise. Our approach is to focus on assisting our portfolio companies to reach their next milestones on their paths to commercial success and financial exits.

Tekcapital is keenly focused on finding and commercializing university discoveries that can positively impact the quality of life, both for its own portfolio as well as for its clients. We continue to believe the future is very bright for our business, because many of the greatest discoveries come from the world’s research institutions, to which we have unfettered access. Efficiently harvesting these discoveries is our passion and our portfolio company progress is testimony to the effectiveness of this approach. However, early stage companies and their new technology trajectories of necessity entail significant risks. We choose to embrace these risks with the hope of producing real progress. Whilst this is not a path for everyone, this is the one we are honored to navigate.



Source: AUTM 2019

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

The Directors are responsible for, and committed to the principles underpinning, the corporate governance of the Company and monitor the business affairs of the Company on behalf of its shareholders.

The Company has adopted and complies with the provisions of the QCA Code. Since our listing we have supported the QCA Code's principle to review regularly the effectiveness of the board's performance as a unit, as well as that of its committees and individual directors. For a full list of the 10 principles of the QCA code and our compliance approach for each, please refer to the corporate governance tab on our website: https://www.tekcapital.com/corporate-governance/ .

The Board

The Board sets the Group's strategic aims and ensures that necessary resources are in place for the Group to meet its objectives. All members of the Board take collective responsibility for the performance of the Group, the Group's Corporate Governance and all decisions are taken in the interests of the Group. Whilst the Board has delegated the normal operational management of the Group to the Executive Directors and other senior management, there are detailed specific matters subject to decision by the Board of Directors. These include acquisitions and disposals, joint ventures and investments, projects of a capital nature and all significant contracts. The Non-Executive Directors have a responsibility to challenge constructively the strategy proposed by the Executive Directors which includes to scrutinise and challenge performance to ensure appropriate remuneration and succession planning arrangements are in place in relation to Executive Directors and other senior members of the management team as appropriate. The senior executives enjoy open access to the Non-Executive Directors. The Chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role including Corporate Governance. The Chairman sets the Board's agenda and ensures that adequate time is available for discussion of all agenda items, especially strategic issues. The Chairman promotes a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations between Executive and Non-Executive Directors. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The Chairman also ensures effective communication with shareholders. All Directors allocate sufficient time to the Group to discharge their duties.

There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The search for Board candidates is conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board. The Board is responsible for ensuring that a sound system of internal control exists to safeguard shareholders' interests and the Group's assets. It is responsible for the regular review of the effectiveness of the systems of internal control. Internal controls are designed to manage rather than eliminate risk and therefore even the most effective system cannot provide assurance that every risk, present and future, has been addressed. The key features of the system that operated during the year are described below.

Orgnisational structure and control environment

The Board of Directors meets at least six times per year to review the performance of the Group and to address important matters. It seeks to foster a strong ethical culture across the Group. There are clearly defined lines of responsibility and delegation of authority from the Board to the operating subsidiaries and our portfolio companies. The Directors of each subsidiary meet on a regular basis with members of the Group Board in attendance.

CORPORATE GOVERNANCE

Board structure

Group's Board contains a balance of Executive and Non-Executive Directors, including an Executive Chairman who is responsible for dealing with the strategic direction and long-term success of the Group. The Board will meet every three months or at any other time deemed necessary for the good management of the business and at a location agreed between the Board members. The Non-Executive Directors, are all considered independent directors.

The Board considers that it departs from the principles of the QCA Code in respect to the fact that the Chairman and CEO role is combined which is a due to the current size of Tekcapital which dictates that this is the most efficient and cost-effective mode of operation at this time. The board will continue to monitor the appropriateness of a combined chair and CEO and will continue to consider a separation of these roles in the future when the opportunity arises and when Tekcapital is of a size when it can justify adding an additional non-executive director to the board.

The Board has established an audit committee, remuneration committee and nominations committee, with formally delegated duties and responsibilities and written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Board composition, experience and dynamics

The Company operates in complex and challenging technological and geographical areas and the Board is mindful that in order to deal effectively with the challenges of the business and to maximise its growth opportunities it has to incorporate a broad range of skills and diversity. The Board maintains a skills, diversity and experience matrix which will be periodically reviewed at Board meetings to evaluate current and future requirements. The Board and its committees will also seek external expertise and advice where required. Board members undertake continuing professional development as an when appropriate.

Board evaluation

The Board considers evaluation of its performance and that of its committees and individual directors to be an integral part of corporate governance to ensure it has the necessary skills, experience and abilities to fulfil its responsibilities. The goal of the Board evaluation process is to identify and address opportunities for improving the performance of the board and to solicit honest, genuine and constructive feedback. The Board considers the evaluation process is best carried out internally at the Group's current size, However the Board will keep this under review and may consider independent external evaluation reviews in due course as the Company grows. The Board will, as a whole or in part as appropriate, undertake the evaluation process aided by the Executive Chairman, and independent Non-Executive Directors or external advisors as necessary. The Chairman is responsible in ensuring the evaluation process is 'fit for purpose', as well as dealing with matters raised during the process. The Chairman will keep under review the frequency, scope and mechanisms for the evaluation process and amend the process as required.

Where deficiencies are identified these will be addressed in a constructive manner. Where necessary individual Directors will be offered mentoring and training. If deficiencies are identified within the Board as a whole, then changes or additions to the Board will be considered in conjunction with the Remuneration Committee. The evaluation process will be focused on the improvement of Board performance, through open and constructive dialogue and the development and implementation of action plans. The Board will report on its evaluation and actions in its Annual Report. Succession planning is a vital task for boards and the management of succession planning represents a key measure of the effectiveness of the Board and a key responsibility of both the Nominations Committee and wider Board.

Internal Control

The key procedures which the Directors have established with a view to providing effective internal control are as follows:

• Regular Board meetings to consider the schedule of matters reserved for Directors' consideration;

• A risk management process;

• An established organisational structure with clearly defined lines of responsibility and delegation of authority;

• Appointment of staff of the necessary calibre to fulfil their allotted responsibilities; Comprehensive budgets, fore casts and business plans approved by the Board, reviewed on a regular basis, with performance monitored against them and explanations obtained for material variances; and

• An Audit Committee of the Board, comprising Non-Executive Directors, which considers significant financial control matters as appropriate.

Business model and strategy

Tekcapital Group's goal is to improve the quality of life of it customers and create value from its ability to identify, acquire and commercialise promising new university IP. We also deliver a wide range of technology transfer services through a number of operating divisions. These services are designed to assist universities and corporates with the commercialisation of new IP. Over the years we have built up an extensive international network of universities and research institutions that develop licensable IP for potential acquisition, by ourselves or to meet client needs.

Corporate Culture

The Board recognises that a corporate culture based on sound ethical values and behaviours is an asset and provides competitive advantages. The Company operates in international markets and is mindful that respect of individual cultures is critical to corporate success, as an example our Invention Evaluator website is available in English, Spanish and Portuguese. In accordance with the Company's stated mission it endeavours to conduct its business in an ethical, professional and socially responsible manner, treating our employees, customers, suppliers and partners with equal courtesy and respect at all times.

The Board is committed to maintaining good communication and having constructive dialogue with all of its stakeholders, including shareholders, providing them with access to information to enable them to come to informed decisions about the Company. The

Investor Relations section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful including: information on Board Members, Advisors and Significant Shareholdings, a historical list of the Company's Announcements since inception, its Financial Calendar, Corporate Governance information and Media Interviews and information designated as "News."

Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company's website under "Announcements," with suitable explanations of any actions undertaken as a result of any significant votes against resolutions. Information on the work of the various Board Committees and other relevant information are included in the Company's Annual Report.

CORPORATE GOVERNANCE

Risk management

As an entrepreneurial business focused on emerging technologies, operating in both established and emerging markets, there is clearly an elevated risk which we believe is balanced by potentially greater rewards. The Board is mindful of and monitors both its corporate risks and individual project risks. Risks are categorised by both probability and impact and appropriate measures identified to monitor and mitigate any potential impact when possible. Technology and portfolio company risks are dealt with on a case by case basis and monitored through the life cycle of the investment as risks change and new risks appear. Portfolio company risks and mitigation will be part of regular management meetings. In some cases if we cannot manage or mitigate a specific portfolio company risk we may seek to close the portfolio company to better deploy our resources to higher value opportunities. We have done this on a few occasions. The Company's corporate risks, risk monitoring, and risk management procedures are regularly reviewed by the Board and when appropriate incorporated in RNS releases. The Company discloses portfolio company risks in its Annual Report each year.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities with regard to corporate governance, financial reporting and external and internal audits and controls, including, amongst other things, reviewing the Company's annual financial statements, reviewing and monitoring the extent of the non audit services undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Company's internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half yearly reports remains with the Board. Membership of the Audit Committee comprises Dr Robert Miller and Louis Castro (as chairman), who is considered by the Directors to have recent and relevant financial experience. The Audit Committee will meet formally not less than three times every year and otherwise as required.

Nomination Committee

The Nominations Committee is responsible for leading the process for board appointments and making recommendations to the Board to implement a formal and transparent procedure for the appointment of new directors to the Board. The Nominations Committee comprises Dr Clifford Gross (as chairman), Louis Castro, Malcolm Groat, Lord David Willetts and Dr Robert Miller. The Nominations Committee will meet not less than twice a year and at such other times as the chairman of the committee shall require.

Remuneration Committee

The Remuneration Committee is responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Directors. This includes agreeing with the Board the framework for remuneration of the Chief Executive Officer, all other executive directors, the company secretary and such other members of the executive management of the Group as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options. No Director may be involved in any decision as to their own remuneration. The membership of the Remuneration Committee comprises Dr Robert Miller (as chairman) and Louis Castro. The Remuneration Committee will meet not less than three times a year and at such other times as the chairman of the committee shall require.

Corporate Responsibility

The Board is very aware of the importance of its corporate responsibilities, particularly in terms of ensuring that high standards of behaviour are maintained wherever the Group is operating. The following principles and processes have been established for that purpose:

• Only commercialise technologies that improve the saftyey, health and well being of the customers we serve;

• Protecting the health and safety of all employees is paramount;

• Comply with relevant International Export Controls for technology transfer;

• The Group maintains a an anti-bribery policy and complies with both UK and local statutes.

Financial planning, budgeting and monitoring

The Group operates a planning and budgeting system with an annual budget approved by the Board. There is a financial reporting system which compares results with the budget and the previous year each month to identify any variances from approved.

Plans in addition to Y-O-Y comparisons of relevant KPI's. Monthly rolling cash flow forecasts form part of the reporting system. The Group remains alert to react to new business opportunities as they arise. With a keen focus on strengthening our portfolio companies.

Capital Management policies and procedures

The Group's capital management objectives are:

• To ensure the Group's ability to continue as a going concern; and

• To provide an adequate return on invested capital (ROIC) and increase in net assets.

• The Group monitors capital on the basis of the carrying amount of equity plus its cash and cash equivalents as presented on the face of the statement of financial position.

• The Group manages the capital structure and seeks to adjust it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may review any dividends paid to shareholders and potentially issue new shares.

•There is no requirement for the Group to maintain a strong capital base for each of its portfolio companies although it seeks to support them when appropriate and feasible. These policies have not changed in the year. The Directors believe that they have been able to meet their objectives in managing the capital of the Group even in the face of a challenging global pandemic.

Non-Executive Directors

The Non-Executive Directors are considered by the Board to be independent in character and judgement and there are not considered to be any circumstances that are likely to affect their judgement as Directors of the Group. Their interests in the share capital of the Company are not considered to be likely to affect their judgement as Directors of the Group.

Annual report

The Directors consider the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model, strategy and risks.

STRATEGIC REPORT

Chairman's Summary

Tekcapital brings innovations from lab to market that enhance safety and health and improve the quality of life. In 2019, all of our active portfolio companies have made significant progress and our Net Asset Value increased by 46%. We have also grown our service revenues by 15%, including portfolio company management fees and R&D related tax credits. As a result, our profits and net assets ended the year at record levels.

Key Portfolio companies

Using our proprietary global university network, we provide services to universities and companies to help them commercialize their innovations. Over the past four years, using these services, we have built a compelling group of portfolio companies to commercialize high value properties we have uncovered. We believe that when you couple commercialization ready, compelling university IP with strong senior management, vibrant companies will emerge, net assets will grow, returns on invested capital will outperform the sector and exits will occur faster. When we realise exits through trade sales or IPO's, the Group's goal is to distribute a portion of the proceeds as a special dividend to our shareholders.

Salarius is a food tech business that owns a patented process to produce nanoparticle sized salt called MicroSalt® These small crystals dissolve faster on the tongue, so you need to use less salt, while still having the same salty taste. Less salt means about 50% less sodium. Less sodium means a reduced likelihood of developing heart disease, the world's number one killer. Salarius has added additional senior management with Fortune 500 company manufacturing experience, and has begun selling MicroSalt®, and launched its line of SaltMe!(R) Snacks in H1 2020. According to Future Market Insights[1], the low sodium ingredient market is estimated to reach US$1.76bn by 2025. ***Tekcapital owns 91.7% of Salarius***.

Key Investment rationale: Whilst consumers continue to crave salted snacks, there is a significant trend for better for you, health conscious foods that taste good. As heart disease continues to rise and represents the leading cause of premature death in the world, reducing sodium in the foods we eat is of paramount and continuing importance.

Lucyd has built a new, online eyeglass business that combines technology with traditional eyewear. Recently they introduced Lucyd Loud 3.0 upgraded Bluetooth® eyewear. This product combines proper prescription glasses with Bluetooth technology that you can use to answer your phone, listen to music and talk with Siri®. The product has been well received and the company is focused on expanding its sales with retail distribution through sporting goods and other specialty stores in 2020. Lucyd has also developed and filed approximately 20 patents on modular Bluetooth eyewear that enables the consumer to quickly and inexpensively change the look of their glasses. The company anticipates launching this new product in 2020 along with Lucy Lyte, the first Bluetooth prescription eyewear, that look like regular glasses in terms of their streamlined form factor.

According to Statista[2], the current online market for eyewear is $3.8b per year. ***Tekcapital owns 100% of Lucyd.***

2019

FINANCIAL PERFORMANCE

2019 was the best year for value creation in the Group's history. A 40% increase in net assets were accompanied by a 15% increase in service revenue. The Group was able to accomplish this whilst simultaneously reducing its administrative costs by 7%. The Group has now demonstrated three consecutive years of growth in Net Assets and service revenue.

Due to the quickening pace of innovation, patented, exogenously developed university technologies are a valuable currency, and as a result, we continue to believe that the market opportunity for the Group is both large and should continue to grow apace in lock-step with our portfolio companies. In short we believe 2020 is a year for demonstration of significant progress amongst many of our portfolio companies.

1- https://www.futuremarketinsights.com/reports/sodium-reduction-ingredient-market
2- https://www.statista.com/outlook/12000000/109/eyewear/united-states#market-onlineRevenueShare
3- https://www.statista.com/statistics/428692/projected-size-of-global-autonomous-vehicle-market-by-vehicle-type/

Key Investment rationale: Digital assistants have gained significant prominence amongst consumers of all ages. Individuals want to stay connected to their digital lives throughout the day. Lucyd's Bluetooth® enabled glasses facilitate seamless connectivity whilst providing glasses that correct vision and protect the eyes with fashion forward frames at an affordable price. Additionally, the pedestrian accidents and deaths are on the rise partially from distractions caused by mobile devices. Lucyd can help deal with this problem.

Guident owns or holds the exclusive licence to a group of patents that together we believe improve the safety of autonomous vehicles and land-based autonomous delivery drones. Guident has significantly increased its intellectual capital in 2019 with several additional patent acquisitions and one in-house developed property. Guident has begun its B2B marketing program and seeks to develop partnerships with vehicle OEM's to provide remote tele monitoring and control centres for autonomous vehicles amongst other services. Such monitoring has recently been required by law in the State of Florida and other jurisdictions. According to Statista, the US market for Autonomous vehicles is projected to reach $6 billion by 2025. ***Tekcapital owns 100% of Guident.***

Key Investment rationale: Autonomous vehicles and ground based delivery drones are about to make their entrance on the world's roads. They hold the potential to significantly reduce accidents and transportation costs. We believe that ensuring the safety of these vehicles with software apps for primary use cases including accident remediation coupled with remote monitoring and control centres, will be required for rapid consumer adoption.

Belluscura has developed an improved portable oxygen concentrator to provide on-the-go supplemental O_2, with user replaceable filter cartridges. When a patient's disease progresses they now can upgrade the filter cartridge to provide more litres of O_2 per minute, rather than having to replace an expensive medical device. This cost savings will be beneficial to patients and insurance companies and should help make healthcare more affordable as per Belluscura's mission.

Belluscura raised US $2.7m in 2019 at 15p/share to continue with its FDA clearance and go to market strategy. Post money valuation ~US $9m for the entire business. Belluscura anticipates receiving 510(K) clearance from the US FDA in H1 2020. Upon receipt of clearance from the FDA, the Directors believe that Belluscura's value should significantly increase. According to Global Market Insights, the medical portable O_2 market is currently $1.4bn a year and growing by more than $100m/year[1] . ***Tekcapital owns 18.9% of Belluscura.***

Post end of period, Belluscura has filed an additional patent application (17 patents filed or licensed to-date) entitled "Improved Extracorporeal Membrane Oxygenation Device, System and Related Methods," covering devices and systems for treating people suffering from acute respiratory distress caused by the Coronavirus. The latest patent application covers devices and systems for treating people suffering from Acute respiratory distress syndrome ("ARDS") including patients suffering from the coronavirus. Belluscura and Separation Design are designing and developing next generation, cost-effective, portable ECMO technology to treat ARDS patients.

Key Investment rationale: Chronic obstructive pulmonary disease *(*"COPD") afflicts more than 250 million individuals worldwide and is growing due to the aging population, smoking and air pollution. Further, as a result of the COVID-19 pandemic, individuals who recover may have residual lung damage. Many of these individuals could benefit from the supplemental oxygen provided by portable oxygen concentrators. Belluscura's patented approach to enable users to upgrade their portable oxygen concentrators as their disease progresses rather than purchase a new unit will make healthcare more affordable for these patients and their insurance providers.

[1] https://www.gminsights.com/industry-analysis/medical-oxygen-concentrators-market-report

[2]https://www.amazon.com/Helen-Teacher-Story-Keller-Sullivan/dp/0891282343

Corporate

Tekcapital has strengthened the board of directors with the appointments of Lord David Willetts and Mr. Louis Castro.

Rt Hon Lord Willetts FRS is President of the Resolution Foundation and former U.K. 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, former Chair of the British Science Association and a member of the Council of the Institute for Fiscal Studies.

Louis Castro is a highly experienced and well qualified Director and Chartered Accountant with some thirty years spent in industry and in financial services, including positions as Chief Executive, Finance Director and Non-Executive Director of several AIM listed companies. He was previously the CFO at Eland Oil & Gas plc where he had full executive responsibility for finance, legal, corporate finance and a budget of over $150m. Louis is a Fellow of the Institute of Chartered Accountants of England & Wales.

We are seeing continued growth of technology transfer services and have released a new version of the Invention Evaluator tri-lingual website for expansion of its service offerings throughout Latin America. Consulting sales are up approximately 15% Y-O-Y and currently cover approximately 55% of our administrative costs. One of our goals is to have all of our administrative costs covered by our service revenue in future periods.

Principal Risks and Uncertainties

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

- the principal financial risks of the business relate to the value of the Group's portfolio companies. We believe that the fair value of each portfolio company is a time dependent valuation that may be impaired if the business does not achieve it milestones, growth trajectory, product development, capital raises or other key performance metrics. Individually and as a group our portfolio companies have a material impact on our financial performance. This risk of individual portfolio company negative performance may be ameliorated as our portfolio becomes more diverse and increases in value.
- the principal operational risk of the business is management's ability to assist our portfolio companies in achieving their goals and ultimate exits whilst increasing our service revenues.
- 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.
- the COVID-19 epidemic may produce negative economic activities which could reduce the Group's economic performance Further, until the Group covers all of its operating costs from service revenue and or exits it will seek to raise additional capital to fund operations and follow-on investments in portfolio companies.

Post period end fundraising

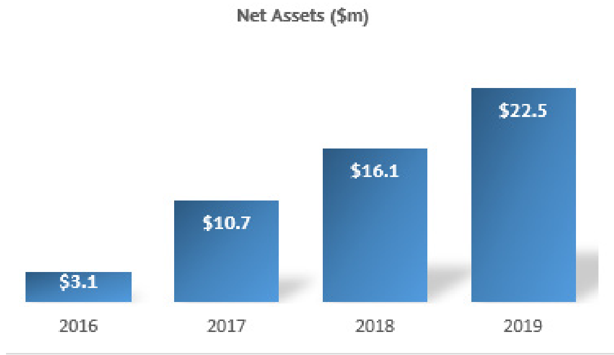
Post end of period, the Company announced that it had completed a fundraising of US$0.96 million (before expenses) through the placing of 14,800,000 new ordinary shares with new and existing investors at a price of 5 pence per share. The issue of the new shares and receipt of the proceeds from the fundraising were received during February 2020.

Post end of period, the Company announced that it had raised US$1.15 million (before expenses) by means of a conditional fundraise through the issue of, in aggregate 9,250,000 placing shares at 10 pence per share. The placing will be subject to Tekcapital's shareholders approval at a general meeting on 19 May 2020.

Key Performance Indicators and Financial Review

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	2019 PERFORMANCE	2018 PERFORMANCE
FAIR VALUE OF THE PORTFOLIO	Updated value of portfolio companies using costs, independent valuations or observed third party investments	$20.3m	$13.7m
TOTAL REVENUE	Service revenue plus change in fair value of portfolio	$7.7m	$6.8m
PROFIT	After tax profit	$5.5m	$4.6m
NET ASSETS PER SHARE	Total assets minus total liabilities per share	$0.35	$0.30
ROIC	Returns on invested capital since flotation in 2014	24%	30%

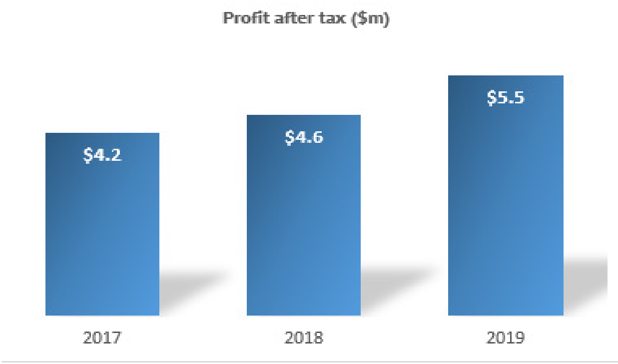


Four of our five Key Performance Indicators showed improvement in 2019. The Group has now demonstrated four consecutive years of growth in Net Assets and Net Assets per share.

The Group's cash position at the end of the period is 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 2019 and completed a post period placement raising gross proceeds of US$0.9m as well as a conditional placing for US$1.15m.

The Group' has also demonstrated consistent growth in revenue from services. The Group was able to achieve this growth while simultaneously reducing its administrative expenses for the third straight year.

Directors do not believe there are any material environmental issues that need to be reflected in our KPIs for 2019.



The Group has received a R&D Tax Relief Credit for the total of US$58,000 in connection to following R&D activities:

- The development of a unique and first of a kind Innovation Discovery Network solution, developed to facilitate an improved technology search engine.

The Group incurred US$173,947 in R&D expenditures related to above activities during the year.

Current Trading and Outlook

Having continued to develop and expand Tekcapital's existing business, the Board is confident that continued investment in our portfolio companies remains the right approach for long-term value creation. Additionally, we are currently exploring early stage venture funding for a number of our portfolio companies. Further, we believe that we are executing on our strategy and this should result in further increases in returns on invested capital as our portfolio companies continue to mature to exits. Whilst it is clear that the Company is progressing very well, 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 the recent Coronavirus epidemic.

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

Dr Clifford M Gross
Executive Chairman
5 May 2020

BOARD OF DIRECTORS

Clifford M Gross, PhD
Chairman and CEO

Cliff is a successful executive with 25 years of leadership experience in academia and commercial enterprises. He is passionate about the development and commercialization of intellectual property to improve the quality of life and create lasting value. Previously, he founded Biomechanics Corp and UTEK where he served as CEO and Chairman and was President and CEO of Innovacorp, the provincial venture capital fund of Nova Scotia. Cliff has served as 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 received his Ph.D. from New York University and an MBA from Oxford University.

M J Malcolm Groat
Finance Director

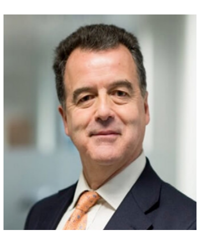
Malcolm has worked for many years as a consultant to companies in technology, natural resources, and general commerce. Following an early career with PwC in London, he held CFO, COO, and CEO roles in established corporations including the construction firm now called Arcadis. Recently he has held several non-executive director or chairman positions and today these include Corps Security, Baronsmead Second Venture Trust, and Golden Saint Technologies. Malcolm is a Fellow of the Institute of Directors, Fellow of the Royal Society for the encouragement of Arts, Manufactures and Commerce, and Fellow of the Institute of Chartered Accountants in England and Wales. He holds university degrees from St Andrews (MA) and Warwick (MBA).

Robert Miller, MD
Non Executive Director

Robert served as Vice Chair of Mayo Clinic's national Cancer Center Practice Committee, overseeing cancer care delivery at all of Mayo's national sites, and was Medical Director for Particle Therapy at Mayo Clinic Florida. He previously served as Vice Chairman of the Board of Trustees of the Mayo Clinic Health System – Albert Lea and Austin. Professor Robert Miller was a physician-executive at the Mayo Clinic, where he was employed for the last 25 years and remains on emeritus staff. He is the author of over 170 peer-reviewed papers, including as senior author in JAMA and the Journal of Clinical Oncology. 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. Robert is the Medical Director of the Maryland Proton Treatment Center and Professor at the University of Maryland.

RT Hon Lord David Willets
Non Executive Director

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.



Louis Castro
Non Executive Director

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.

Company name:
Tekcapital plc

Company number
08873361

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London W1S 2PP

Joint-Broker
Novum Securities Limited
8-10 Grosvenor Gardens
Belgravia
London SW1W 0DH

Investor Relations
Flagstaff Strategic and Investor Communications
1 King Street

London EC2V 8AU

DIRECTORS' REPORT FOR THE YEAR-ENDED 30 NOVEMBER 2019

TEKCAPITAL®

Directors

The following Directors held office during the period, and to the date of this report.

Clifford M Gross, PhD
M J Malcolm Groat
R W "Bill" Payne (resigned 31 December 2019)
Robert Miller, MD
Louis Castro (appointed on 2 December 2019)
The RT Hon Lord David Willets FRS (appointed on 6 January 2020)

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 annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and parent company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group 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 page 30 of the financial statements confirm that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, 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 and monies raised through the issues of equity. 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. If the Group's forecasts are not achieved, the Directors would seek to raise the additional funds through equity issues. 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 stategic report under S414C(11) of the Companies Act 2006.

Dividends

No dividend was paid or was proposed during the year ended 30 November 2019.

Audit Committee

The Board operates an Audit Committee, chaired by Bill Payne. 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.

Research and Development

The Group incurred expenses related to research and development activities. The activities were limited to improvement of the Innovation Discovery Network solution, developed to facilitate an improved technology search engine.

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 $	2019 Total US $	2018 Total US $
Clifford M Gross	187,760	21,050	-	**208,810**	207,118
M J Malcolm Groat	15,284	-	-	**15,284**	16,098
R W "Bill" Payne	19,105	-	-	**19,105**	20,122
Robert Miller	21,600	-	-	**21,600**	21,600
	243,749	21,050	-	**264,799**	264,938

Director's proportion of the stock option expense is below US$10,000.

The Group did not make any contributions to a pension scheme in the year ended 30 November 2019 (2018: Nil).

Directors' beneficial interests in shares:

	2019 No of Shares	2018 No of Shares	**2019 No of Options**	2018 No of Options
Clifford M Gross	**8,657,500**	8,657,500	450,000	450,000
M J Malcolm Groat	-	-	200,000	300,000
R W "Bill" Payne	**400,000**	400,000	320,000	295,000
Robert Miller	**2,664**	2,664	320,000	220,000

Please note the above figure for Clifford M Gross does not include 100,000 shares held by both of Dr. Gross's children.

The details of the options held by each director at 30 November 2019 are as follows:

	No of Options	Exercise Price	Grant Date	Date from which exercisable	Life
Clifford M Gross	450,000	£0.3625	8-Jun-15	Special Conditions*	5 Years
M J Malcolm Groat	100,000	£0.375	29-Jun-16	Special Conditions*	5 Years
	100,000	£0.081	30-Aug-19	Special Conditions*	5 Years
R W "Bill" Payne	120,000	£0.3625	8-Jun-15	Special Conditions*	5 Years
	100,000	£0.375	29-Jun-16	Special Conditions*	5 Years
Robert Miller	120,000	£0.4550	10-Nov-15	Special Conditions*	5 Years
	100,000	£0.375	29-Jun-16	Special Conditions*	5 Years
	100,000	£0.081	30-Aug-19	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 one pound 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.

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 financial statements.

Independent auditors

HW Fisher were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure of information to auditors

Each of the persons who was a Director at the date of approval of this report confirms that:
• so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
• the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

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

M J Malcolm Groat
Director
5 May 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEKCAPITAL PLC

Opinion

We have audited the financial statements of Tekcapital Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 November 2019 which comprise:

- the consolidated Statement of Comprehensive Income;
- the consolidated and parent company Statements of Financial Position,
- the consolidated and parent company Statement of Changes in Equity;
- the consolidated Statement of cash flows;
- the related notes to the consolidated and parent company financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union. 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 2019 and of the Group's profit for the year then ended;
- the Group's financial statements have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union;
- the parent company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 and parent company 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 other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Summary of our audit approach

Context

The parent company continued to recognise Tekcapital Europe Limited and Tekcapital LLC as subsidiaries and has continued to consolidate both entities in preparing the consolidated financial statements. The other subsidiaries continue to be treated as portfolio investments under IFRS 10, investment entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters that we identified in the current year were:

- Going Concern, based on the Group's ability to raise funds.
- Valuation of unquoted equity investments.
- Revenue recognition and accuracy of cut off in the period;
- Management override of controls;
- Reliance on Expert

Our application of materiality

The materiality that we used for the consolidated financial statements was $227,000. We determined materiality using 1% of gross assets.

The materiality that we used for the parent company's financial statements was $67,000. We determined materiality using 1% of gross assets.

An overview of the scope of the audit

Area of focus	How our audit addressed the area of focus
Valuation of unquoted equity investments 88% 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. The valuation techniques used fall under level 2 and level 3 of the fair value hierarchy. This is a key area of es-timation and we therefore considered this to be an area of significant audit risk and focus. The Group engages an independent expert valuer for the purpose of determining the fair value of the assets held within the investments to help mitigate this risk.	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 addressed the competency, qualifications, independence and objectivity of the valuer as documented in the key area of focus below. • We re-performed the calculations to ensure numerical accuracy and assessed the reasonableness of inputs used in the valuation and performed benchmarking. • 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 agreed the inputs in the discounted cash flows used for the royalty relief valuations and the e-shop valuation to the independent reports. •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. • For items which were material but were not fair valued on the investment company's balance sheet we vouched to appropriate audit evidence • Reconciliation of the fair value movements to the financial statements. • We reviewed the underlying licence agreements on the patents to ensure the ownership / exclusivity. • 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 • The investments have been fair valued as at 30 November 2019 and do not take into consideration the impact of Covid-19 as it is a non-adjusting event. 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.
Going concern The parent company and subsidiaries are not currently profit generating and are reliant upon their ability to raise funds. The operating profit is a result of the fair value gains on the investments which is unrealised.	Our audit work included, but was not restricted to the following: • We have reviewed the directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 2.1.1 to the financial statements. • We have reviewed the available consolidated financial forecasts of the Group in line with the assertions provided throughout the audit to assess their reasonableness. • We have applied sensitivities to the consolidated financial forecasts to review the impact in line with the wording included within the going concern policy and agreed that should there be a negative variance in the forecasts projected the Group will be reliant upon a future fundraise. • We have reviewed the post year end management accounts • We have reviewed the announcements and considered if any items will have a financial impact affecting the going concern. • We have reviewed the disclosures at note 3 that describe the financial risks and explain how they are being managed or mitigated. • We have reviewed the £925,000 fundraise completed 30 April 2020 which is conditional on approval at the AGM and have considered this when reviewing the sensitised forecasts. 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. We agreed the directors' disclosure of the going concern as disclosed within note 2.1.1 of the financial statements. We did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, especially given the economic uncertainty as regard to Covid-19, this statement is not a guarantee as to the Group and parent company's ability to continue as a going concern.

Area of focus	How our audit addressed the area of focus
Assessment of revenue recognition There is a presumed risk of misstatement arising from lack of completeness or inaccurate cut-off relating to revenues. Revenue also includes a significant amount of unrealised income from investments held at fair value through profit and loss which is material to the financial statements	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 checked a sample of the sales agreements and contracts through to the income recognised in the accounts and invoices. • 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 accounting policy for the fair value gains / losses on the investments measured at fair value to check that movements had been accounted for in accordance with the stated accounting policy. 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.
Management override of controls Management is in a unique position to override controls that otherwise appear to be operating effectively.	Our audit work included but was not restricted to the following: • We undertook testing on the Group and parent company's controls, we extended our audit testing to perform enhanced management override procedures. • We undertook a review to gain an understanding of the overall governance and oversight process surrounding management's review of the financial statements. • We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the directors. • We reviewed the financial statements and considered whether the accounting policies are appropriate and have been applied consistently. • We undertook a review of the journals posted through the nominal ledger for significant and unusual transactions and investigated them, reviewing and confirming the company valuation of journal entry postings. • We undertook a review of the consolidation journals to ensure they were reasonable. 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.
Reliance on experts The Group engaged with an independent expert valuer to value the IP held within the portfolio companies. The IP within the portfolio companies is the main driver for the fair values and these are material to the financial statements and reliance on expert is therefore considered a risk area. The independent expert valuer produced reports on the IP held within Lucyd Limited, Salarius Limited and Guident Limited.	Our audit work included but was not restricted to the following: • We reviewed the reports prepared by the expert valuer and considered the appropriateness of assumptions used in determining the fair value of the investments. • The senior members of our team held conference calls with the expert valuer to discuss and challenge the valuation methodologies, key assumptions and to consider if there were any indicators of undue management influence on the valuations. • We ensured the expert valuer was independent from the Company through review of engagement letters and instructions. • We reviewed the expert valuers methodologies in line with guidance issued for valuing intangibles and reviewed the approaches with our internal valuations team. • We re-performed the calculations and present value workings to ensure the effect of the discounting was correctly applied. • We undertook a review of the expert in line with ISA 500. 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our audit report

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

Carolyn Hazard (Senior Statutory Auditor)

For and on behalf of HW Fisher

Chartered Accountants

Statutory Auditor

Acre House

11/15 William Road

London

NW1 3ER

United Kingdom

Dated 5 May 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2019

Group	Note	Year ended 30 November 2019 US $	Year ended 30 November 2018 US $
Continuing Operations			
Revenue from services	6	**1,200,551**	1,040,830
Unrealised profit on the revaluation of investments	12	**6,516,813**	5,792,264
Total Revenue		**7,717,364**	6,833,094
Cost of sales		**(606,166)**	(559,630)
Gross Profit		**7,111,198**	6,273,464
Administrative expenses	7	**(1,590,563)**	(1,717,570)
Operating Profit		**5,520,635**	4,555,894
Income tax expense	9	**(2,345)**	(1,269)
Profit after tax for the year		**5,518,290**	4,554,625
Other comprehensive income			
Foreign exchange profit/(loss)		**31,855**	(135,342)
Total other comprehensive income/(loss)		**31,855**	(135,342)
Total comprehensive profit for the year		**5,550,145**	4,419,283
Earnings per share			
Basic earnings per share	10	**0.095**	0.103
Diluted earnings per share	10	**0.095**	0.103

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

Items in the statement above are disclosed net of tax.

The notes on pages 46 to 76 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 NOVEMBER 2019

Group	Note	As at 30 November 2019 US$	As at 30 November 2018 US$
Assets			
Non-current assets			
Intangible assets	13	**838,770**	838,769
Financial assets at fair value through profit and loss	12	**20,335,925**	13,704,354
Convertible Loan Notes	15	**476,122**	250,000
Property, plant and equipment	14	**17,353**	33,489
		21,668,170	14,826,612
Current assets			
Trade and other receivables	15	**815,866**	429,373
Cash and cash equivalents	16	**472,899**	1,165,442
		1,288,765	1,594,815
Total assets		**22,956,935**	16,421,427
Current liabilities			
Trade and other payables	20	**310,160**	285,957
Current income tax liabilities		**500**	500
Deferred Revenue	21	**118,595**	-
		429,255	286,457
Total liabilities		**429,255**	286,457
Net Assets		**22,527,680**	16,134,970
Equity attributable to owners of the Parent			
Ordinary shares	18	**372,984**	326,036
Share Premium	18	**10,993,546**	10,218,805
Retained earnings	19	**11,055,821**	5,516,655
Translation Reserve	19	**177,498**	145,643
Merger Reserve	19	**(72,169)**	(72,169)
Total Equity		**22,527,680**	16,134,970

The notes on pages 46 to 76 are an integral part of these financial statements.

The financial statements on pages 40 to 76 were authorised for issue by the Board of Directors on 5 May 2020 and were signed on its behalf.

M J Malcolm Groat
Director

Dr Clifford M Gross
Chairman and CEO

Tekcapital PLC
Registered number 08873361

COMPANY STATEMENT OF FINANCIAL POSITION AT 30 NOVEMBER 2019

Company	Note	30 November 2019 US$	30 November 2018 US$
Assets			
Non-current assets			
Intangible assets	13	-	-
Investment in subsidaries	11	1,959,003	1,955,013
Financial assets at fair value through profit and loss	12	1,804,120	1,126,315
Convertible Loan Notes	15	476,122	250,000
		4,239,245	3,331,328
Current assets			
Trade and other receivables	15	2,321,731	1,752,385
Cash and cash equivalents	16	112,114	698,694
		2,433,845	2,451,079
Total assets		6,673,090	5,782,407
Current liabilities			
Trade and other payables	20	484,375	470,808
		484,375	470,808
Total liabilities		484,375	470,808
Net Assets		6,188,715	5,311,599
Equity attributable to the owners of the parent			
Ordinary shares	18	372,984	326,036
Share Premium	18	10,993,546	10,218,805
Retained earnings	19	(5,079,729)	(5,131,273)
Translation Reserve	19	(98,086)	(101,969)
Total Equity		6,188,715	5,311,599

The notes on pages 46 o 76 are an integral part of these financial statements.

The financial statements on pages 40 to 76 were authorised for issue by the Board of Directors on 5 May 2020 and were signed on its behalf.

The Company's profit before tax for the year ended 30 November 2019 was $30,688.

M J Malcolm Groat
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 2019

		Attributable to equity holders of the parent company					
Group	**Note**	**Ordinary Shares US $**	**Share Premium US $**	**Translation Reserve US $**	**Merger Reserve US $**	**Profit and loss account US $**	**Total Equity US $**
Balance as at 30 November 2017		**264,221**	**9,271,098**	**280,985**	**(72,169)**	**931,826**	**10,675,961**
Share issue	18	61,815	1,097,216				**1,159,031**
Cost of share issue	18		(149,509)				**(149,509)**
Profit for the year	19					4,554,625	**4,554,625**
Other comprehensive loss	19			(135,342)			**(135,342)**
Share based payments	26					30,204	**30,204**
Balance as at 30 November 2018		**326,036**	**10,218,805**	**145,643**	**(72,169)**	**5,516,655**	**16,134,970**
Share issue	18	46,948	892,018				**938,966**
Cost of share issue	18		(117,277)				**(117,277)**
Profit for the year	19					5,518,290	**5,518,290**
Other comprehensive income	19			31,855			**31,855**
Share based payments	26					20,876	**20,876**
Balance as at 30 November 2019		**372,984**	**10,993,546**	**177,498**	**(72,169)**	**11,055,821**	**22,527,680**

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

Translation reserve - amount subscribed for foreign exchange differences recognised in Other Comprehensive Income

Merger reserve - amount subscribed for share capital in excess of nominal value in relation to the qualifying acquisition of subsidiary undertakings.

Profit and loss account - cumulative net profit and losses recognised in the consolidated statement of comprehensive income

The notes on pages 46 to 76 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN THE EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2019

		Attributable to owners of the parent company				
Company	Note	Ordinary Shares US $	Share Premium US $	Translation Reserve US $	Profit and loss account US $	Total Equity US $
Balance as at 30 November 2017		**264,221**	**9,271,098**	**77,277**	**(4,241,264)**	**5,371,332**
Share issue	18	61,815	1,097,216			1,159,031
Cost of share issue	18		(149,509)			(149,509)
Profit for the year	19				(920,213)	(920,213)
Other comprehensive loss	19			(179,246)		(179,246)
Share based payments	26				30,204	30,204
Balance as at 30 November 2018		**326,036**	**10,218,805**	**(101,969)**	**(5,131,273)**	**5,311,599**
Share issue	18	46,948	892,018			938,966
Cost of share issue	18		(117,277)			(117,277)
Profit for the year	19				30,668	30,668
Other comprehensive income	19			3,883		3,883
Share based payments	26				20,876	20,876
Balance as at 30 November 2019		**372,984**	**10,993,546**	**(98,086)**	**(5,079,729)**	**6,188,715**

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

Translation reserve – amount subscribed for foreign exchange differences recognised in Other Comprehensive income.

Profit and loss account – cumulative net profits and losses recognised in the consolidated financial statements of comprehensive income

The notes on pages 46 to 76 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Group	Note	For the year ended 30 November 2019 US $	For the year ended 30 November 2018 US $
Cash flows from operating activities			
Cash outflows from operations	24	**(1,397,294)**	(866,377)
Tax paid		**(2,345)**	(1,269)
Net cash outlfows from operating activities		**(1,399,639)**	(867,646)
Cash flows from investing activities			
Purchase of financial assets at fair value through profit and loss	12	**(111,810)**	(693,413)
Purchases of property, plant and equipment	14	**(862)**	(45,841)
Proceeds from sale of Property, plant and equipment		**-**	80
Net cash outflows investing activities		**(112,672)**	(739,174)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	18	**938,966**	1,159,031
Costs of raising finance	18	**(117,277)**	(149,508)
Net cash outflows from financing activities		**821,689**	1,009,523
Net decrease in cash and cash equivalents		**(690,622)**	(597,297)
Cash and cash equivalents at beginning of year	15	**1,165,442**	1,797,729
Exchange gains / (losses) on cash and cash equivalents		**(1,921)**	(34,990)
Cash and cash equivalents at end of year	15	**472,899**	1,165,442

No significant non-cash transaction occured during the period.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Tekcapital PLC is a company incorporated in England and Wales and domiciled in the UK. The address of the registered office is detailed on page 30 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 parent company is that of an investment entity and that of the Group is to provide universities and corporate clients with a wide range of technology transfer services. The Group and the parent company also acquire exclusive licences for disruptive technologies it has acquired for its own portfolio, for subsequent commercialisation.

The principal accounting policies applied in the preparation of these consolidated financial statements and parent company 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 (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under 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.

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 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:

- IAS 7, 'Statement of Cash Flows'
- Requirements of IAS 24, 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group.

2.1.1 Going concern

The Group and the Company meet their 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, including its recent placing for $1,15m before expenses, which is conditonal on shareholder approval which the directors expect to obtain at the General Meeting on the 19 May 2020. 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 and the Company's ability to continue as a going concern dependent on an additional fund raise. If the Group's forecasts are not achieved, the Directors would seek to raise the additional funds through equity issues. 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 and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Group and the Company therefore continues to adopt the going concern basis in preparing both its consolidated financial statements and for its own financial statements.

2.1.2 Changes in accounting policy and disclosures

New standards and interpretations not yet adopted by the Group:

IFRS 16 Leases

IFRS 16 was issued in January 2016 and is effective for accounting periods beginning on or after 1 January 2019. The Group has not chosen to early adopt this standard and will adopt it for the accounting period beginning 1 December 2019. Directors do not expect any material impact on the consolidated financial statements, as most of its operating lease commitment disclosed in Note 25 (US$61,925) will be satisfied by 1 December 2019.

No other issued but not endorsed amendments to IFRS will have a material impact on the Group's financial statements once they become endorsed and effective.

New standards and interpretations adopted by the Group:

IFRS 9

IFRS 9 was issued in July 2014 and is effective for accounting periods on or after 1 January 2018. The Group has adopted the full retrospective method of adoption; however, the adoption of this standard has not had an impact on the financial performance or position of the Group for the year or comparative period.

IFRS 15 Revenue from contracts with customers

IFRS 15 was issued in September 2015 and is effective for accounting periods beginning on or after 1 January 2018.

The Group has adopted IFRS 15 on 1 December 2018, effectively replacing IAS 18 used by the Group previously. The Group has adopted the full retrospective method of adoption; however, the adoption of this standard has not had an impact on the financial performance or position of the Group for the year or comparative period.

Additional disclosures were included in Note 6 to satisfy the IFRS disclosure requirements.

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 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. Inter-company 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. This is because the majority of the Group's transactions are undertaken in US Dollars. Each subsidiary within the Group has its own functional currency which is dependent on the primary economic environment in which that subsidiary operates. Effective 1 December 2014 Tekcapital PLC and Tekcapital Europe Limited changed their functional currency to UK Sterling. This is because, the primary economic activity of these entities is undertaken in the UK.

(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 borrowings and 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:

(i) 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 dated to determine whether there is any indication of impairment.

Investments in portoflio companies are held at fair value through the profit and loss. Directors' judgment was exercised in determining 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 2019:

- 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.

2.5 Non-controlling interests

Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interests to have a deficit balance. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Upon the loss of control the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary are derecognised. Any resulting gain or loss is recognised in the profit and loss.

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 assets' carrying amounts are written down immediately to its recoverable amount if the assets' carrying value are greater than their 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.

2.7 Intangible assets

(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 and is shown at original cost of purchase less impairment losses.

Under IAS38, this asset is regarded by the Directors as being an intangible asset with an indefinite useful life. The Directors believe that the asset is unique in that no competitor offering currently exists, the service appeals globally to many types of clients including Fortune 100 companies, there is no expectation of obsolescence in the foreseeable future, and the service provided by the asset generates sufficient ongoing revenue streams.

Consequently, no write down in the value of this asset either by way of amortisation or impairment has occurred in this financial year. In the Directors' opinion this asset has an indefinite useful life.

(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
(vi) the expenditure attributable to the software product during its development can be reliably measured.

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

(c) 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 are 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.

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 and is valued at original cost of purchase.

Under IAS38, the Group's Vortechs Group asset is regarded by the Directors as being an intangible asset with an indefinite useful life. The Directors believe that this asset is unique as it operates in a niche market, it generates an ongoing revenue stream, and there is no expectation of obsolescence. This asset meets the requirements of IAS38 as it is separately identifiable, controlled by the Group, the cost can be measured reliably, and as a result of owning this asset future economic benefits in the form of service revenue are generated for the Group. In the opinion of the Directors this asset has an indefinite useful life and there has been no amortisation or impairment provided in the current year.

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 and the Company classifiy their 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 and the Company held investments into portfolio companies classified as equity investments. They are included in current assets and are measured at fair value through profit and loss in accordance with IFRS 9.

The Company also has loans, convertible loan notes and receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities that are greater than 12 months after the end of the reporting year. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' in the balance sheet. The Group also has cash and cash equivalents.

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

2.9.2 Recognition and measurement

The Company and the Group investments into the portfolio companies are recognised on the acquisition or formation date and measured at fair value through profit or loss in accordance with IFRS 9.

Loans and receivables are recognised on the trade date in which the transaction took place and are recognised at their fair value (which equates to cost) with transaction costs expensed in the income statement. 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 borrowings. This measurement policy does not apply to subsequent measurement at amortised cost of short term financial liabilities and trade receivables.

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

- The fair value of new portfolio companies is estimated at the cost of the acquired IP or equity plus associated expenses to facilitate the acquisition.
- Existing portfolio companies are valued as follows:
  - If a market transaction such as third-party funding has occurred during the past 18 months we will value our ownership in the portfolio company at this observed valuation, taking account of any observed material changes during the period.
  - 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 technique used 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. The fair value of borrowings equals their carrying amounts, as the impact of discounts is not significant.

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

The Group assesses at the end of each reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and the loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the loans and receivables category, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as the improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.12 Trade receivables

Trade receivables are amounts due from customers for the provision of services performed in the ordinary course of business. Collection is normally expected within three months or less (in the normal operating cycle of the business) and is classified as current assets. In the rare circumstances that they exceed a period of greater than one year they are presented as non-current assets. In some instances, the Group accepts convertible loan notes for trade debts these are held separately on the statement of financial position until maturity or disposal on the open market. Any value received which is greater or less than the value of the original debt is taken to the consolidated statement of comprehensive income.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

2.13 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 and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.14 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.

Merger Reserve

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. Pooling of interests principles for this combination gave rise to a merger reserve in the consolidated statement of financial position, being the difference between the nominal value of new shares issued by the Company for the acquisition of the shares of the subsidiary and the subsidiary's own share capital.

Non-controlling interest

Non-controlling interest is the portion of equity ownership in a subsidiary not attributable to the parent company.

2.15 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.

2.16 Share based payments

The Company 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 Company. 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 Company issues new shares. The proceeds received net of any directly attributable transactions costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.17 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 timing 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.

2.18 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.

2.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under the operating leases are charged to income on a straight-line basis over the term of the relevant lease.

2.20 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 is determined and allocated to performance obligation in accordance with IFRS 15.

The Group also recognises an unrealised profit/loss on the revaluation of investments in share of portfolio companies in accordance with the fair value policy outlined in Note 2.9.

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
- IP Acquisition Opportunities services: provision of reports identifying attractive university developed IP. Revenue is recognised upon delivery of a complete report
- Tech transfer recruitment services: recruitment services specialising in technology transfer executives. Revenue is recognised when the placement is successfully completed
- Training services: custom solutions for new tech transfer offices, spin out companies and accelerators delivered via in person trainings. Revenue is recognised over time based on completion stage of each session.

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

3. Financial Risk Management

3.1 Financial risk factors

(a) Portfolio Risk/Investment Risk management

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

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

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

(b) Credit Risk management

Credit risk is managed on a Group basis. In order to minimise this risk, the Group endeavours to only deal with companies that are demonstrable creditworthy, and the Directors continuously monitor the exposure. The Group's maximum exposure to credit risk for the components of the statement of financial position at 30 November 2019 and 2018 is the carrying amounts 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 portolio 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 $472,899. Post period end, the Group completed placements for US$0.9m and conditional placing for US$1.15m. All amounts shown in the consolidated statement of financial position under current assets (US$ 1,288,765) and current liabilities (US$429,255) mature for payment within one year, with Trade and Other Receivables exceeding Trade and Other Payables by US$ 505,706.

(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 profit before tax would decrease by US$33,177 and equity would decrease by US$37,788.

(g) Impact of the COVID-19 pandemic

The current Coronavirus epidemic may produce negative economic activities which could reduce the Group'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, reduce the Group's net asset values, revenue, cash flow, access to investment capital and other factors which could negatively impact the Group.

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 and this has no impact on the gearing levels of the Group as at 30 November 2019.

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 area	Key assumption	Potential impact within the next financial year	Potential impact in the longer term	Note reference for sensitivity analysis
Valuation of unquoted equity investments	In applying valuation techniques to determine the fair value of unquoted equity investments the Group and the Company makes 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 the fair value of Guident's net assets. This value is primarily based on its IP portfolio detailed in Note 12, valued using the royalty relief method. The estimates used in this valuation include market size, market penetration used to determine projected sales, the royalty relief rate and the discount factor. These estimates are key to calculation of the net present value of future cashflows associated with the patent. The fair value calculation assumes Guident Limited obtains sufficient funding to execute its strategy. The fair value of Salarius Limited reflects the fair value of Salarius' net assets. This value is primarily based on the US patent 8,900,650 valued using the royalty relief method. The estimates used in this valuation include market size, market penetration used to determine projected sales, the royalty relief rate and the discount factor. These estimates are key to calculation of the net present value of future cashflows associated with the patent. The fair value calculation assumes Salarius Limited obtains sufficient funding to execute its strategy. The fair value of Lucyd Limited reflects: - Lucyd's ecommerce platform valued by estimating the net present value of future cashflows associated with the e-shop. Key assumptions used in estimating future cash flows are projected profits including market size and market penetration used to determine projected sales, and a discount factor applied for the net present value of future cashflows from the platform. - Lucyd's trademark value based on the Net book value stated at cost.	✓ ✓	✓ ✓	Note 12
Useful life of Invention Evaluator website	The Directors have considered the useful life of the Invention Evaluator website to be indefinite because of the uniqueness of the service it provides and that there is no competitor in the market in which the Group operates who is able to provide a similar service. The Directors undertake an annual review that considers an appropriateness of the use of an indefinite useful life in addition to impairment review and if required make a provision in the financial statements.	✓	✓	Note 13
Useful life of Vortechs Group	The Directors have considered the useful life of Vortechs Group to be indefinite because of the ongoing service revenue that is being generated. The business operates in a specialised market, with few competitors. The Directors undertake an annual review that considers an appropriateness of the use of an indefinite useful life in addition to impairment review and if required make a provision in the financial statements.	✓	✓	Note 13
Share based payment	The estimate of share based payments costs requires the Directors 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 the options and the risk free interest rate.			Note 26

Key estimate/judgment area	Key assumption	Potential impact within the next financial year	Potential impact in the longer term	Note reference for sensitivity analysis
Deferred Taxes	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.	✓	✓	Note 22

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 reports and services provided to locate and transfer technologies to customers, 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 characteristic of provision of intellectual property services to third party customers;
- licencing and investment activities, including acquiring licences for technologies, portfolio company investment, development. The activities share the goal of increasing the fair value of investments made into portfolio companies by the Group.

2019 **Consolidated income statement**	**Professional Services** **US $**	**Licensing and Investment** **US $**	**TOTAL** **US $**
Net Revenue	1,170,733	6,516,813	7,687,546
Interest Income		29,818	29,818
Cost of Sales	(606,166)		(606,166)
Administrative Expenses	(503,840)	(1,069,725)	(1,573,565)
Depreciation and Amortization	(4,249)	(12,749)	(16,998)
Group operating profit	56,478	5,464,157	5,520,635
Profit on ordinary activities before income	56,478	5,464,157	5,520,635
Income tax expense	(586)	(1,759)	(2,345)
Profit after tax	55,892	5,462,398	5,518,290

2018 **Consolidated income statement**	**Professional Services** **US $**	**Licensing and Investment** **US $**	**TOTAL** **US $**
Net Revenue	1,040,830	5,792,264	6,833,094
Cost of Sales	(559,630)		(559,630)
Administrative Expenses	(629,483)	(1,070,017)	(1,699,500)
Depreciation and Amortization	(4,517)	(13,553)	(18,070)
Group operating profit/(loss)	(152,800)	4,708,694	4,555,894
Profit on ordinary activities before income	(152,800)	4,708,694	4,555,894
Income tax expense	(317)	(952)	(1,269)
Profit/(Loss) after tax	(153,117)	4,707,742	4,554,625

Segment assets and liabilities

2019 Consolidated statement of financial position	**Professional Services US $**	**Licensing and Investment US $**	**TOTAL US $**
Assets	1,614,014	21,342,921	22,956,935
Liabilities	(429,255)		(429,255)
Net Assets	1,184,759	21,342,921	22,527,680

2018 Consolidated statement of financial position	**Professional Services US $**	**Licensing and Investment US $**	**Other US $**	**TOTAL US $**
Assets	1,901,195	14,386,512	133,720	16,421,427
Liabilities	(214,842)	(42,969)	(28,646)	(286,457)
Net Assets	1,686,353	14,343,543	105,074	16,134,970

Geographical information	**2019 US $**	**2018 US $**
United Kingdom	6,516,813	6,068,109
United States	1,200,551	764,985
Total revenue	7,717,364	6,833,094

Geographical information	**2019 US $**	**2018 US $**
United Kingdom		
Assets	21,342,921	14,386,512
Liabilities	-	(42,969)
United States		
Assets	1,614,014	2,034,915
Liabilities	(429,255)	(243,488)
Total Net Assets	22,527,680	16,134,970

The Group's operations are now strictly divided between those of professional services or licensing and investment, therefore no amounts are presented under "Other" compared to previous years.

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 2019 US $**	Transferred at a point in time	Transferred over time	**Total 2018 US $**
Major service lines:						
- Sales of Invention Evaluator	199,184	-	**199,184**	247,593	-	**247,593**
- Tech transfer recruitment services	454,452		**454,452**	381,380		**381,380**
- Technology reports	45,800		**45,800**	44,000		**44,000**
- Training services	-	-	-	-	90,000	**90,000**
- Management services	-	413,278	**413,278**	-	181,474	**181,474**
- R&D relief income*	-	58,019	**58,019**	-	94,371	**94,371**
- Loan convertible interest income	-	29,818	**29,818**	-	-	-
- Other	-	-	-	-	2,012	**2,012**
Total Revenue from Services	699,436	501,115	**1,200,551**	672,973	367,857	**1,040,830**

* The Group received an R&D tax relief, the directors consider this to be income.

All of the Group's major service lines are sold directly to consumers and not through intermediaries. All revenue recognised in the reporting period represent performance obligations satisified in the current period.

7. Expenses

7.1 Expenses by nature

Group	2019 US $	2018 US $
Depreciation of property plant and equipment	**16,998**	18,070
Research and development expenses	**173,947**	204,968
Other administration expenses	**1,463,289**	1,564,320
Foreign exchange movements	**(63,671)**	(69,788)
Total expenses	**1,590,563**	1,717,570

Included in the Other administration expenses is the amount of US$ 65,848 related to payments under operating lease for the office rental agreement also referenced in Note 25.

7.2 Auditor remuneration

Group	2019 US $	2018 US $
Fees payable to the group's auditor and its associates for the audit of the Group and Company financial statements	**95,313**	77,912
Fees payable to the Company's auditor and its associates for other services		
- The audit of company's subsidiaries	**15,920**	16,277
	111,233	94,189

8. Employees

8.1 Director's emoluments

Group	2019 US $	2018 US $
Directors emoluments	**264,799**	264,938
Total	**264,799**	264,938

The highest paid Director received a salary of US$187,760 (2018: US$191,865) and benefits of US$21,050 (2018 US$15,253). The highest paid Director received a bonus of US$0 (2018: US$0). The highest paid Director did not exercise any share options or receive any shares from the Company during the current year. No termination benefits, post-employment benefits were provided to Directors. Total of short term benefits in kind of US$21,050 were provided during the year. The amounts in the table above do not include Employers NI in the amount of US$14,447.

Key management personnel (including Directors and Group Financial Controller) received salary of US$368,042, excluding stock based compensation disclosed in the Director's Remuneration Report. Please also refer to Director's Report.

8.2 Employee benefit expenses

Group	**2019 US $**	2018 US $
Wages and salaries including restructuring costs and other termination benefits	**275,765**	296,751
Social security costs	**40,644**	43,453
Share options granted to directors and employees	**20,876**	32,775
	337,285	372,979

8.3 Average number of people employed

Group **Number of employees**	**2019**	2018
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 2019 and 2018 was two, both with the 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	2019 US $	2018 US $
Current tax		
Current tax on profits for the year	2,345	1,269
Total current tax	2,345	1,269
Income tax expense	2,345	1,269

Group	2019 US $	2018 US $
Profit before tax	5,520,635	4,555,894
Tax calculated at domestic tax rates applicable to profits	1,048,921	774,502
Tax effects of:		
- Expenses not deductible for tax purposes	19,154	15,444
- Income not taxable	(1,238,195)	(1,057,017)
- capital allowances in excess of depreciation	3,230	2,150
- Unrelieved tax losses and other deductions	169,235	266,190
Total income tax expense	2,345	1,269

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits.

The weighted average applicable tax rate was 19% (2018: 17%). The Group applied 17% tax rate in FY 2018 based on expectation of corporation tax rate adjustment that did not materialise.

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.

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 2019:

	2019	2018
	US $	US $
Earnings attributable to equity holders of the Group (US$)	**5,518,290**	4,554,625
Weighted average number of ordinary shares in issue:		
Basic	**58,010,322**	44,100,930
Diluted	**58,918,289**	44,120,817
Basic earning per share	**0.095**	0.103
Diluted earning per share	**0.095**	0.103

The effect of 2.9m share options granted in August 2019 contributed to the difference between basic weighted average number of shares and diluted weighted average number of shares.

Post period end, the Group completed a placement of 14,800,000 new ordinary shares and a conditional placement of 9,250,000 new ordinary shares.

11. Investments in subsidiaries

Company		**Loans to Subsidiaries**	**Total US $**
Cost and net book value			
As at 1 December 2018	79,265	1,875,748	1,955,013
Additions during the period	-	-	-
Disposals during the period	-	-	-
Foreign currency translation differences	161	3,829	3,990
Balance at 30 November 2019	**79,426**	**1,879,577**	**1,959,003**

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	16,771,447	5,885,267
Tekcapital LLC	USA	100%	Provision of Intellectual property research services	(3,167,902)	(373,561)

Indirect (not consolidated)
The following are directly owned by Tekcapital Europe Limited

Lucyd Limited	England and Wales	100%	Provider of high-tech eyewear	(4,328,230)	(258,466)
Salarius Limited	England and Wales	97.5%	Developer of low sodium salt and snack foods	(545,780)	(453,039)
Guident Limited	England and Wales	100%	Developer of autonomous vehicle software safety	(276,465)	(192,687)
Smart Food Tek Limited	England and Wales	100%	Developer for baked food coating to reduce fat	35,589	(3,271)

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 12000 Biscayne Boulevard, Suite 222, Miami, Florida, 33133, 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 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.

12. Financial Assets at Fair Value through Profit and Loss

Group's investments in portfolio companies in the years ended 30 November 2019 and 30 November 2018 are listed below and classified as equity instruments. The principal place of business for portfolio companies listed below is England and Wales.

Group	Proportion of ordinary shares	1 Dec 2018	Additions	Disposal	FX reval	Fair Value change	30 Nov 2019
		US $	US $	US $	US $	US $	US $
Guident Limited	100.00%	8,545,103	-	-	-	6,981,092	15,526,195
Lucyd Limited	100.00%	3,040,616	-	-	500	(1,912,094)	1,129,022
Salarius Limited	97.50%	923,830	633	-	22	908,941	1,833,426
Belluscura Limited	18.90%	1,126,315	111,177	-	2,338	564,291	1,804,121
Smart Food Tek Limited	100.00%	43,073	-	-	89		43,162
eSoma Limited	100.00%	24,750	-	-	-	(24,750)	-
Non Invasive Glucose Tek Limited	100.00%	667	-	-	-	(667)	-
Total Balance		**13,704,354**	**111,810**	-	**2,949**	**6,516,813**	**20,335,925**

Company	Proportion of ordinary shares	1 Dec 2018	Additions	Disposal	FX reval	Fair Value change	30 Nov 2019
Belluscura Limited	18.90%	1,126,315	111,177	-	2,338	564,291	1,804,121
Total Balance		**1,126,315**	**111,177**	-	**2,338**	**564,291**	**1,804,121**

Comparative investments in portfolio companies in the year ended 30 November 2018:

Group	Proportion of ordinary shares	1 Dec 2017	Additions	Disposal	FX reval	Fair Value change	30 Nov 2018
		US $	US $	US $	US $	US $	US $
Guident Limited	100.00%	-	23,494	-	(7)	8,521,616	8,545,103
Lucyd Limited	100.00%	6,023,954	15,760	-	(16,757)	(2,982,341)	3,040,616
Salarius Limited	100.00%	15,128	27,466	-	(708)	881,944	923,830
Belluscura Limited	29.22%	981,762	560,090	-	(60,839)	(354,698)	1,126,315
Smart Food Tek Limited	100.00%	44,167	972	-	(2,066)	-	43,073
eSoma Limited	100.00%	10,983	13,768	-	(1)	-	24,750
Non Invasive Glucose Tek Limited	100.00%	24,199	425	-	(981)	(22,976)	667
eGravitas Limited	100.00%	154,535	43,955	-	(5,807)	(192,683)	-
Frigidus Limited	100.00%	52,968	7,483	-	(1,853)	(58,598)	-
Total Balance		**7,307,696**	**693,413**	-	**(89,019)**	**5,792,264**	**13,704,354**

Company	Proportion of ordinary shares held	1 Dec 2017	Additions	Disposal	FX reval	Fair Value change	30 Nov 2018
Belluscura Limited	29.22%	981,762	560,090	-	(60,839)	(354,698)	1,126,315
Total Balance		**981,762**	**560,090**	-	**(60,839)**	**(354,698)**	**1,126,315**

Total fair value gain of US$6.5m for the year reflects uplift in value of shares of Guident, Salarius and Belluscura, offset mostly by reduction in valuation of Lucyd Limited. Considering early stage of commercialisation, fair value of remaining portfolio companies 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 techniques, other than quoted prices, 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. There has been no transfer between levels during the period. Fair value measurement hierarchy for financial assets as at 30 November 2019 with comparative amounts as of 30 November 2018:

	Date of Valuation	Total	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Guident and others	30 November 2019	18,531,804		18,531,804
Belluscura Limited	30 November 2019	1,804,121	1,804,121	
Total Balance		**20,335,925**	**1,804,121**	**18,531,804**
Guident and others	30 November 2018	12,578,039		12,578,039
Belluscura Limited	30 November 2018	1,126,315	1,126,315	
Total Balance		**13,704,354**	**1,126,315**	**12,578,039**

Guident (US$7.0m gain)

An external valuation by an independent patent valuation expert was prepared for Guident's IP portfolio including:

1. US patent 9,429, 943 ("FAMU 943")
2. International Patent Filing WO2019/147569: Visual Sensor Fusion and Data Sharing Across Connected Vehicles (MSU 569) -added this period
3. US Patent No. 9,964,948 (FIU 948) - added this reporting period

The total fair value of $15.5m reflects the fair value of Guident's net assets as determined by:

- Valuation of FAMU 943 of US$16.2m (2018:US$10.3m) conducted by an external, qualified valuation expert using the Income Approach, Royalty Relief Method. Following valuation inputs were applied by the valuation expert:
  - Total US market size of US$35b for autonomous vehicles and drones (as the patent applies to both) for the 11 years period ended 30 December 2033. 1% market penetration of Guident's patent starting in 2022 with annual increase of 1% leading to a 12% market penetration by 2033, resulting in projected US$3b in sales of drones/vehicles underlying licensing revenue between 2022 and 2033. This market penetration assumption is based on a number of factors:
    - o Broad protection and claims included in the IP
    - o The protection given to the product by its US patent, which effectively gives Guident a barrier to entry in the US through 2033
    - o The strength and experience of the management team, whose proven expertise is in the exact areas required to bring the product to market and build the brand;
    - o There are no foreseeable software development barriers in the commercialisation process
    - o Other foreseeable challenges for directors to deliver successful commercialisation appear to be well within the abilities of directors to handle.
    - o Innovative nature of Guident's IP and the fact that the AV market is dependent on innovators.
    - o Improving regulatory environment with more states in the United States legalizing autonomous vehicles operation in 2019 including large states such as Florida and California.

  The increase in FV of FAMU 943 compared to 2018 was driven by reduction in discount factor from 18% to 17%, updated for inflation rate, and increase in the royalty rate from 5.375% to 6% based on a list of comparable transactions updated by the valuation expert for the most recent data.

- Valuation of MSU 569 of US$2.8m conducted by an external, qualified valuation expert using the Income Approach, Royalty Relief Method. The following valuation inputs were applied by the valuation expert:
  - In January 2024, Guident also expects to introduce an additional, complementary component featuring the MSU 569 technology (Sensory Fusion Component). This component would enable sensory data sharing between the vehicles, providing for new safety standard. Guident expects the Sensor Fusion Component to be sold to customers of the Standard Initial Component when 5G is available so as to further generate an additional $500 of revenue for each sale of the Sensor Fusion.

    For the estimate of the US market derived revenue, using the units of underlying Autonomous Vehicles from FAMU 943, the management assumed 10% of FAMU customers would choose to pay for this additional safety improving capability, starting with 10% of them in 2024 with the share growing to 40% in 2027.

    For the estimate of the international market derived revenue, the management applied comparative share of countries included in the international filing based on authoritative literature from the May 2018 Allied Market Research report.

These market penetration assumptions are based on assumptions similar to those considered for the patent FAMU 943.

- Valuation of FIU 948 of US$0.3m conducted by an external, qualified valuation expert using the Income Approach, Royalty Relief Method. Following valuation inputs were applied by the valuation expert:
  - US sidewalk delivery drone market size of US$1.27b between 2022 and 2036. 1% market penetration starting in 2022 with annual increase leading to 25% in 2027. This market penetration rate assumption is based on factors analogous to those listed for FAMU 943, with additional legislative/regulatory requirements included as well. Recent regulatory developments in United States make it mandatory to have back-up human control operators taking control of an AV in the event of an accident or mishap.

- Assumptions applied to valuations of all three patents above:
  - Total 6% license royalty rate, with 3% royalty attributable to the patent owner and 3% comprising Guident's licencing revenue based on comparable market transactions, with the exception of 30% for FIU 948 and MSU 569 (whereby 2.5% is due to the university)
  - Corporate income tax rate of 19% applied to projected licensing costs saved 17% discount rate used to discount proceeds as determined by opportunity cost (10%), inflation rate (2%) and technology risk (5%)
  - The deferred tax liability of (US$ 3.6m) recorded by Guident based on UK corporate tax rate of 19% applied to the fair value gain associated with the patent
  - Net book value of other assets and liabilities of <(US$ 0.2m)
  - Guident Ltd obtains sufficient funding to execute its strategy. .

Salarius (US$ 0.9m gain)

An external valuation by an independent patent valuation expert was prepared for US patent 8,900,650.

The fair value of US$ 1.8m recorded by the Group reflects the fair value of Group's 97.5% stake in Salarius' net assets valued at US$ 1.9m as determined by:

- Valuation of US patent 8,900,650 of US$ 3m (2018: US$ 1.1m) conducted by an external, qualified valuation expert using the Income Approach, Royalty Relief Method. Following valuation inputs were applied by the valuation expert:
  - Sales of low sodium salt to snack food manufacturers ("B2B") of US$ 44m for the 10-year period ended 2030. Market penetration of 0.5% in 2020 growing to 10% in 2030. These market penetration assumptions are based on a number of factors:
    - o Microsalt is a unique product substantially in advance of alternative, developed, and tested in terms of market acceptability and ready to market;
    - o The protection given to the product by its US patent, which effectively gives Salarius a barrier to entry in the US for 11 more years;
    - o The strength and experience of the management team, whose proven expertise is in the exact areas required to bring the product to market and build the brand;
    - o There are no foreseeable manufacturing barriers in the commercialisation process. Manufacturing has been established and outsourced in 2019;
    - o Post period end, the company secured two food ingredient brokerage agreements for sales of Microsalt covering multiple geographical areas of the United States; First customers were secured ;
    - o Other foreseeable challenges for management to deliver successful commercialisation appear to be well within the abilities of management to handle.
  - Sales of salty snacks ("B2C") estimated at $106m for the 10 year period ended in 2030. The projections assume Salarius chips being sold in 300 individual stores by the end of 2020 growing annually to the total of 16,400. This assumption is based on factors analogous to the B2B segment, with the expectation of the following progress after the year end
    - o Securing distribution agreement with one of North America's largest natural food distributors for the launch of SaltMe snacks in all 4 flavors; the distributor supplies thousands of stores on a daily basis
    - o Securing sales contract brokerage agreement for sales of SaltMe snacks in all 4 flavors;
  - Licence royalty rate of 8.2% with 3% royalty attributable to the university and 5.2% comprising Salarius' licencing revenue based on comparable market transactions

- 12% discount rate used to discount proceeds as determined by opportunity cost (10%) and inflation rate (2%). Technology risk was determined at 0%, as the patent describes easily manufactured salt compositions, maybe manufactured in many production facilities without extensive modifications. The end product has already been manufactured and used to conduct consumer acceptance tests. Sales and distribution channels have been estabished.

The increase in the fair value of US patent 8,900,650 was driven by addition of B2C sales projections in the forecast used in the valuation, increase in license royalty rate from 7.8% to 8.2%, based on a list of comparable transactions updated by the valuation expert for the most recent data, as well as reduction in discount rate used from 13% to 12% due to lower expected inflation rate.

- The deferred tax liability of US$ 0.5m recorded by Salarius based on UK corporate tax rate of 19% applied to the fair value gain associated with the patent
- Net book value of liquid assets, creditors and debtors of <US$ 0.6m.

The value of the IP is dependent on Salarius Ltd obtaining sufficient funding to execute its strategy.

Lucyd Ltd (US $1.9m loss)

The fair value of US$ 1.1m reflects the fair value of Lucyd's net assets as determined by:

- Valuation of Lucyd's significant assets performed by an external, qualified valuation expert:
  - Lucyd's e-commerce platform selling advanced and fashionable eyewear valued at US$ 1.2m as determined by applying a 17% discount rate on $2.2m of gross profit projected through 2023. The 17% discount rate was calculated as a total of 10% opportunity cost, 2% inflation rate and 5% technology risk. The projections of gross profit were reduced compared to 30 November 2018 valuation considering more R&D and product development focus in the past year.
  - Lucyd's trademarks valued at US$ 0.2m, assessed using Cost Approach Reproduction Method. Through cost analysis, the fair value approximates cost recognized in Lucyd's balance sheet
- The deferred tax liability of US$ 0.3m recorded by Lucyd based on UK corporate tax rate of 19% applied to the fair value gain associated with the ecommerce platform.

Lucyd will be re-evaluated in subsequent reporting periods. The future value of Lucyd could fluctuate significantly, either up or down, based on the performance of the business and the achievement of product development milestones.

Belluscura (US $0.6m gain)

The fair value of the holding increased by US$ 0.6m due to the most recent private placement held at 15 pence per share in April 2019, compared to preceding placement at 10 pence per share in December 2018 used by the Group to value its holding in Belluscura as of 30 November 2018. The Group contributed US$ 110,000 during this placement.

eSoma(US$ 0.02m loss)

The Group closed eSoma Limited resulting in recognition of a US$ 0.02m fair value loss.

Smart Food Tek (Nil Gain / Nil loss)

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.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy, together with a quantitive sensitivity analysis as at 30 November 2019 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 from Eshop Sales	17%	5% increase in the discount factor would decrease the Lucyd valuation by $123,000, a 5% decrease in the discount factor would increase the value by $149,000
		Eshop adjusted net profit through December 2024	$1.9m	A 20% increase in net profit would increase the Lucyd valuation by $239,000. A 20% decrease in gross profit would decrease the Lucyd valuation by $239,000.
Guident	Income Approach Royalty Relief Method	Discount to Future Cash Flows from licensing	17%	2% increase in the discount factor would decrease the Guident valuation by $2,300,000, a 2% decrease in the discount factor would increase the value by $3,000,000
		Royalty Relief Rate	6%(FAMU, MSU US, MSU OUS) and 30% (FIU 948)	A 1% increase in the royalty relief rate would increase the Guident valuation by $5,300,000, a 1% decrease in the royalty relief rate would decrease the valuation by $4,700,000
		Gross licensing proceeds & gross revenue	$3.0b (FAMU), $286m (MSU US), $189m (MSU OUS), $8.8m (FIU948)	A 20% increase in the gross licensing proceeds and gross revenue would increase the Guident valuation by $3,500,000. A 20% decrease would decrease the Guident valuation by $2,800,000.
Salarius	Income Approach Royalty Relief Method	Discount to Future Cash Flows from licensing	12%	5% increase in the discount factor would decrease the Salarius valuation by $644,000, a 5% decrease in the discount factor would increase the value by $1,004,000
		License Royalty Rate	8.2%	A 2% increase in the royalty rate would increase the Salarius valuation by $918,000 a 2% decrease in the royalty rate would decrease the Salarius valuation by $918,000.
		Projected sales	$150m	A 20% increase in the projected sales would increase the Salarius valuation by $477,000. A 20% decrease in the projected sales would decrease the Salarius valuation by $477,000.

13. Intangible assets

Group	Vortechs	Website development	Invention Evaluator	Total
	US $	US $	US $	US $
As at 30 November 2018	500,000	28,121	338,769	866,890
As at 30 November 2019	**500,000**	**28,121**	**338,770**	**866,891**
Accumulated amortisation and impairment				
As at 30 November 2018	-	(28,121)	-	(28,121)
As at 30 November 2019	**-**	**(28,121)**	**-**	**(28,121)**
Net Book Value				
As at 30 November 2019	**500,000**	**-**	**338,770**	**838,770**
At 30 November 2018	500,000	-	338,769	838,769

The intangible assets presented above are included within Professional Services segment under Note 5 disclosure. Costs of the Group's website development have been fully amortized as of 30 November 2018.

Under IAS38, the Group's Invention Evaluator is regarded by the Directors as being an intangible asset with an indefinite useful life. The Directors believe that the asset is unique in that no competitor offering currently exists, the service is already proven to have appealed globally to many types of clients including Fortune 100 companies, there is no expectation of obsolescence in the foreseeable future, and the service from the use of the asset generates sufficient ongoing revenue streams. The Directors have carried out an impairment review and believe that the value in use is significantly greater than book value.

The Directors have considered the recoverable amount by assessing the value in use by considering the future cash flow projections of the revenue generated by the Invention Evaluator intangible ("CGU 1"), cash flows were based on the past revenue generation. The projections were assessed for a three year period in order to determine no impairment. The projections are based off revenue generation at US$300k less cost of sales at the 2018 gross profit margin, with 0% growth rate applied. A discount factor at 10% (consistent with Group's cost of capital) was used to determine no impairment. The revenue projections are based on company's historical performance and existing pipeline of sales orders. The Invention Evaluator intangible's recoverable amount exceeds its carrying amount by US$ 34,257.

Under IAS38, the Group's Vortechs asset ("CGU 2" is regarded by the Directors as being an intangible asset with an indefinite useful life. The Directors believe that this asset is unique as it operates in a niche market, it generates an ongoing revenue stream, and there is no expectation of obsolescence. This asset meets the requirements of IAS38 as it is:

- Separately identifiable
- The Group controls this asset
- Future economic benefits flow to the Group in the form of service revenues from this asset
- The cost of this asset can be measured reliably

The Directors have carried out an impairment review and consider the value in use to be greater than the book value.

The Directors have considered the recoverable amount by assessing the value in use by considering the future cash flow projections of the revenue generated by Vortechs intangible, cash flows were based on the past revenue generation plus expected growth. The projections were assessed over a period in excess of 5 years on the basis the directors consider the projections can be reasonably forecast. The projections are based off revenue generation at US$400,000 per annum for 2020 and 2021 (approximating actual revenue from 2018), reducing to US$ 300,000 for 2022, US$ 350,000 for 2023 and back to US$ 400,000 until 2028. The cost of sales element for 2020 and 2021 was determined at 90% in line with the agreement, thereafter it drops to US$ 120,000 p.a. plus inflation at 5%. The reduction in cost of sales is due to the end of a term in the purchase agreement. A discount factor at 10% (consistent with Group's cost of capital) was used to determine no impairment. Vortech'sintangible's recoverable amount exceeds its carrying amount by US$ 518,258.

The tech-transfer recruiting is viewed by directors as a permanent part of the Group's business and its offering. This together with the high turnover in this industry leading to continuous hiring needs leads Directors to apply projections of over 5 years in the impairment determination.

14. Fixed Assets

GROUP	Leasehold Improvements US $	Office equipment US $	Computer Equipment US $	Total US $
Closing cost 30 November 2017	**-**	**2,042**	**17,306**	**19,348**
Exchange differences		3	34	37
Additions	13,775	22,241	9,825	45,841
Disposals			(309)	(309)
Closing cost 30 November 2018	**13,775**	**24,286**	**26,856**	**64,917**
Exchange differences			14	14
Additions			862	862
Closing cost 30 November 2019	**13,775**	**24,286**	**27,732**	**65,793**
Accumulated depreciation and impairment				
Accumulated depreciation at 30 November 2017	**-**	**(1,284)**	**(12,059)**	**(13,344)**
Depreciation charge	(6,888)	(4,860)	(6,631)	(18,379)
Disposals	-	-	308	308
Exchange differences		2	(16)	(14)
Accumulated depreciation at 30 November 2018	**(6,888)**	**(6,142)**	**(18,398)**	**(31,428)**
Depreciation charge	(6,888)	(4,839)	(5,271)	(16,998)
Exchange differences	1		(14)	(13)
Accumulated depreciation at 30 November 2019	**(13,775)**	**(10,981)**	**(23,683)**	**(48,439)**
Closing net book value 30 November 2018	6,888	18,143	8,458	33,489
Closing net book value 30 November 2019	**-**	**13,304**	**4,049**	**17,354**

15. Trade and other receivables

GROUP	2019 US $	2018 US $
Trade receivables	**144,944**	59,655
Less provision for impairment of trade receivables	**-**	-
Trade receivables - net	**144,944**	59,655
Vat recoverable	**14,333**	40,329
Prepayments and other debtors	**125,715**	97,769
Receivables from related parties	**530,874**	231,620
Total trade and other receivables	**815,866**	429,373
Non-current: convertible loan notes	**476,122**	250,000

Company	US $	US $
Receivables from Group companies	**2,277,783**	1,697,545
VAT	**9,025**	30,057
Prepayments	**34,923**	24,783
Total trade and other receivables	**2,321,731**	1,752,385
Non-current: convertible loan notes	**476,122**	250,000

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 and the Company hold three convertible loans issued by its portfolio company, Salarius Ltd for the total of US$ 600,000, of which US$440,000 was drawn. The notes were issued at 10% coupon rate and included option to convert the debt into shares at market price (no discount against future equity placements offered). Market rate of 10% was applied in determination of the present value of cash flows related to all notes. The US$ 50,000 note originated in September 2018 is payable on demand (no amount drawn as at 30 November 2019). The US$ 300,000 note originated in October 2018 is payable by Salarius on 29 October 2021 (term extended after the period end) or can be converted into Salarius' equity upon occurrence of certain conversion events. The US$ 250,000 note originated in August 2019 is payable on 01 August 2021 or can be converted into Salarius' equity upon occurrence of certain conversion events.
The Group also held a convertible loan issued by Guident Ltd in December 2018 for the total of US$300,000, 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. No amounts were drawn against the note as at 30 November 2019.

The Group had outstanding receivables from its portfolio companies as at 30 November 2019 in the amount of:
- US$130,912 due from Lucyd Ltd
- US$141,849 due from Salarius Ltd
- US$254,667 due from Guident Ltd

The Company recorded a historical US$2,500,000 provision against its receivable from one its subsidiaries, Tekcapital LLC.

16. Cash and cash equivalents

GROUP	2019 US $	2018 US $
Cash at bank and in hand	**472,899**	1,165,442
Total cash and cash equivalents	**472,899**	1,165,442

Company	2019 US $	2018 US $
Cash at bank and in hand	**112,114**	698,694
Total cash and cash equivalents	**112,114**	698,694

17. Categories of financial assets and financial liabilities

GROUP	2019 US $	2018 US $
Financial assets at fair value through profit and loss	**20,335,925**	13,704,354
Loans and receivables at amortised cost	**1,291,988**	679,389
Cash and equivalents	**472,899**	1,165,442
	22,100,812	15,549,185
Financial liabilities		
Trade and other payables at amortised cost	**303,847**	275,601

Company	2019 US $	2018 US $
Financial assets at fair value through profit and loss	**1,804,120**	1,126,315
Loans and receivables at amortised cost	**2,797,853**	1,997,602
Cash and equivalents	**112,114**	698,694
Available for sale	**1,959,003**	1,955,013
	6,673,090	5,777,624
Financial liabilities		
Trade and other payables at amortised cost	**484,375**	470,809

18. Share capital and premium

Group and Company	Number of shares	Ordinary Share US$	Total US $
Issued and fully paid up			
As at 30 November 2017	**42,654,707**	**264,221**	**264,221**
Shares issued in further public offering	11,698,335	61,815	61,815
As at 30 November 2018	**54,353,042**	**326,036**	**326,036**
Shares issued in further public offering	9,375,000	46,948	46,948
As at 30 November 2019	**63,728,042**	**372,984**	**372,984**

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: July 2019 - 9,375,000 shares were issued in the placing of new ordinary shares at £0.08p. Total proceeds of US$938,966 were netted against cost of raising finance in the amount of US$117,277.

The Company has authorised share capital of 81,529,563, with a nominal value of £0.004. Of these shares, 63,728,042 were issued and fully paid up.

Share premium

Group and Company	Share Premium US$	Total US $
As at 30 November 2017	**9,271,098**	**9,271,098**
Shares issued in further public offering	1,097,216	1,097,216
Cost of shares issued	(149,509)	(149,509)
As at 30 November 2018	**10,218,805**	**10,218,805**
Shares issued in further public offering	892,018	892,018
Cost of shares issued	(117,277)	(117,277)
As at 30 November 2019	**10,993,546**	**10,993,546**

19. Reserves

Profit and Loss Account	Group Profit and Loss Account US$	Company Profit and Loss Account US$
At 30 November 2017	**931,826**	**(4,241,264)**
Profit/(Loss) for the year	4,554,625	(920,213)
Share based payments	30,204	30,204
As at 30 November 2018	**5,516,655**	**(5,131,273)**
Profit for the year	5,518,290	30,668
Share based payments	20,876	20,876
As at 30 November 2019	**11,055,821**	**(5,079,729)**

Merger Reserve Group	Merger Reserve US$
As at 30 November 2018	(72,169)
As at 30 November 2019	**(72,169)**

Translation Reserve	Group Translation Reserve US$	Company Translation Reserve US $
As at 30 November 2017	**280,985**	**77,277**
Foreign exchange loss	(135,342)	(179,246)
As at 30 November 2018	**145,643**	**(101,969)**
Foreign exchange gain	31,855	3,883
As at 30 November 2019	**177,498**	**(98,086)**

20. Trade and other payables

Group	2019 US $	2018 US $
Trade creditors	**116,936**	91,303
Social security and other taxes	**6,089**	10,357
Accruals and other creditors	**187,135**	184,297
	310,160	285,957

Company	2019 US $	2018 US $
Accruals and other creditors	**362,863**	357,529
Accruals and other creditors	**121,512**	113,279
	484,375	470,808

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.

21. Deferred Revenue

The Group received a payment in the amount of US$118,595 for Invention Evaluator reports to be delivered after 30 November 2019, therefore the amount was recognized as deferred revenue.

22. 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 17% has been used to calculate the potential deferred tax.

	Group	Group	**Company**	Company
	2019	**2018**	**2019**	**2018**
Deferred tax	**US $**	**US $**	**US $**	**US $**
Accelerated capital allowances	**(3,230)**	**(3,072)**	-	-
Short term timing difference	-	-	-	-
Tax losses	**(1,791,410)**	**(1,127,294)**	**(525,230)**	**(446,993)**
Unprovided deferred tax asset	**1,794,639**	**1,130,366**	**525,230**	**446,993**
	-	-	-	-

23. Dividends

No dividend has been recommended for the year ended 30 November 2019 (2018: Nil) and no dividend was paid during the year (2018: Nil).

24. Cash used from operations

	2019	2018
Group	**US $**	US $
Profit before income tax	**5,520,635**	4,555,894
Adjustments for		
- Depreciation	**16,998**	18,070
- Share based payment expense	**20,876**	30,204
- Movement in foreign exchange	**33,776**	(11,127)
- Movement in trade and other receivables	**(612,615)**	284,536
- Financial assets at fair value through the profit or loss	**(6,519,761)**	(5,792,264)
- Deferred revenue movement	**118,595**	-
- Trade and other payables	**24,202**	48,310
Cash used	**(1,397,294)**	(866,377)

25. Commitments

Capital commitments

The Group entered into convertible loan note agreements in September and October 2018 with Salarius Ltd for the total amount of US $ 350,000 (US$ 300,000 drawn by 30 Nov 2019.) Third convertible loan note agreement was signed in August 2019 for the total amount of US$250,000. US$140,000 was provided as part of that agreement by the Group by November 2019. The Group also held a convertible loan issued by Guident Ltd in December 2018 for the total of US$300,000, with no amount drawn as at 30 November 2019.

Operating lease commitments
The Group's subsidiaries have various office rental agreements. The total unprovided minimum lease commitments under non--cancellable operating leases are:

Group	2019 US $	2018 US $
Arising:		
No later than 1 year	**61,925**	59,847
Later than 1 year and no later that 5 years		61,925
	61,925	121,772

26. 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 and still outstanding as at 30 November 2019	5,785,000
Share price at date of grant	£0.08-£0.46
Exercise price	£0.08-£0.46
Options life in years	5
Risk free rate	1.50%
Expected volatility	41%-60%
Expected dividend yield	0
Fair value of options	£0.03-£0.09

The weighted average fair value of options oustanding was £0.05p. Volatility was calculated using Company's historical share price performance since 2015. The share based payment expense for the year was $20,876 (2018: $30,204). Details of the number of share options and the weighted average exercise price outstanding during the year as follows:

	2019		2018	
	Av. Exercise	**Options**	Av. Exercise	Options
Group and Company	**price per share £**	**(Number)**	price per share £	(Number)
As at 1 December	**0.3164**	**3,585,000**	0.3379	3,285,000
Granted	**0.0781**	**2,900,000**	0.0810	300,000
Exercised	-	-	-	-
Forfeited/expired	**0.2500**	**700,000**	-	-
As at 30 November	**0.2110**	**5,785,000**	0.3164	3,585,000
Exercisable as at 30 November		**2,610,000***		**2,951,667***

*The weighted average exercise price for the options exercisable as at 30 November 2019 and 30 November 2018 was £0.34p and £0.33p respectively

The weighted average remaining contractual life is 2.65 years (2018: 1.82 years). The weighted average fair value of options granted during the year was £0.05p (2018: £0.07p).The range of exercise prices for options outstanding at the end of the year was £0.065p - £0.46p (2018: £0.081p - £0.46p)

27. Related party transactions

Details of Directors' remuneration and grant of options are given in the Directors' report. The Group had an outstanding payable balance in the amount of $7,379 payable to Dr Clifford Gross as at 30 November 2019. The Group has taken advantage of the exemption in IAS 24 "related parties" not to disclose transactions with other Group companies.

500,000 options were granted to Harrison Gross, family member of Dr. Clifford Gross.

28. Events after the reporting period

Tekcapital plc strengthened the board of directors with post period end appointments of Lord David Willetts (7 January 2020) and Mr. Louis Castro (2 December 2019). The Rt Hon Lord Willetts FRS is President of the Resolution Foundation and former U.K. 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. Louis Castro is a highly experienced and well qualified Director and Chartered Accountant with some thirty years spent in industry and in financial services, including positions as Chief Executive, Finance Director and Non-Executive Director of several AIM listed companies. He was previously the CFO at Eland Oil & Gas plc where he had full executive responsibility for finance, legal, corporate finance and a budget of over $150m.

On 6 February 2020, Tekcapital Group completed a placing of 14,800,000 new ordinary shares at 5 pence each to raise US$962,000 before expenses.

On 18 March 2020, the Company signed an extension to Convertible Loan agreement dated 29 October 2018. The extension revised the maturity date to be three years from 29 October 2018.

On 1 May 2020, Tekcapital Group completed a conditional placing of 9,250,000 ordinary shares at 10 pence each to raise US$1,150,000 before expenses. The existing authorities to allot shares and disapply pre-emption rights under section 551 and section 570 of the Companies Act 2006, were insufficient to enable the Company to allot and issue the full amount of the Placing Shares pursuant to the Placing. Accordingly, the Placing will be conditional upon, amongst other things, the passing of certain resolutions at a General Meeting of the Company to allot the Placing Shares and to disapply statutory pre-emption rights which would otherwise apply to such allotment.

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