SP ANGEL.

Non-Independent Research

*SP Angel acts as Nomad & Broker to the Company

MiFID II Exempt

30 September 2025

Stock Data	
Ticker	TEK LN
Share Price	10p
Market Cap.	£23.5m

Share Price

Research
Simon Strong
+44 20 3470 0531
simon.strong@spangel.co.uk

Sales
Richard Parlons
+44 20 3470 0472
richard.parlons@spangel.co.uk

Grant Barker
+44 20 3470 0471
grant.barker@spangel.co.uk

Rob Rees
+44 20 3470 0535
rob.rees@spangel.co.uk

Abigail Wayne
+44 20 3470 0534
abigail.wayne@spangel.co.uk

George Krokos
+44 20 3470 0486
george.krokos@spangel.co.uk

Technology Flash Note

Tekcapital *

TEK LN **BUY**

Fair value gains

The forthcoming IPO of Guident Corp in the US is highly likely to trigger a further re-rating of TEK's share price. The proceeds from Guident's IPO will be used to accelerate the deployment of its autonomous vehicle monitoring & control system and its robotics software development. We await pricing and valuation data but see this as a pivotal moment for TEK's portfolio. On current market prices TEK is trading at an unsustainable 45% discount to NAV per share.

H1A results

TEK's net assets rose 10% YoY to a record of $77.4m. NAV per share remained unchanged at $0.33c as at June, which we partly attribute to the issuance of £1.75m of stock in the period. Both revenue from services and operational expenditure declined c50% in in H1A reflecting the deconsolidation of GenIP last year. This transaction assisted net cash outflow from operating activities declining 15% YoY to $0.9m. Net cash on 30th June stood at $1.3m.

Positive fair value adjustments

Net fair value gains in H1A amounted to $2.3m, or +4% to the period-end equity portfolio valuation of $68.8m. A revaluation of Guident this year contributed $2.6m to this gain following the conversion of some of its convertible loan note at a valuation of $25m. Tekcapital's shareholding in Guident now stands at 70% following this conversion. It is anticipated that some of the outstanding $4.5m loan stock held by Tekcapital may be converted into equity at the IPO price.

Guident IPO

The publication of the S1 filing document for the forthcoming IPO of Guident details the expansion plans for the business. The company's entry into the robotics market was recently announced alongside its contract with Boca Raton Innovation Campus for the deployment of its software in Star Robotics' WatchBot autonomous surveillance robot. The proceeds from this transaction will be used to accelerate the deployment of Guident's Remote Monitoring & Control Center and commercialise its software interest in the WatchBot robotics product.

Portfolio progress

Commercial traction is gaining significant pace at Tekcapital's other portfolio investments. Innovative Eyewear has announced 88% YoY revenue growth in its most recently reported quarter. MicroSalt reported a 72% sequential increase in bulk orders in H1E and guided the market on estimated revenues in FY26E of $6.7m. Meanwhile, GenIP secured $0.5m of new orders in H1E.

Materially undervalued

We calculate a current NAV per share of 18p based on current market prices and a revised historical valuation of Guident of $25m. The current share price trades at an unsustainable 45% discount to this sterling NAV per share estimate, prior to the IPO of Guident. Tekcapital's university network and extensive due diligence process will, by the time Guident is publicly traded, have established five listed companies. Its portfolio at that point will then wholly consist of listed investments. If there is a discount for illiquidity, then this should begin to close and revert to the investment company sector's current average discount of 15-20%. This implies a target price of c15p, more than 50% above the current share price. Buy.

Distributed by London South East

H1 results analysis

Deconsolidation

The most material impact on Tekcapital's income statement in H1A 2025 was the deconsolidation of GenIP following its listing on AIM in 2024. Group revenue declined 45% YoY to $140k in the six months to June but concomitantly this has had the impact of also reducing operating expenses by c50% YoY. Monthly opex should be no more than c$70k going forward as a consequence.

Table 4: Income Statements (2021 – 2024A)

Year-end Dec (US$)	H1 2024A	H1 2025A
Revenue from services	**254,397**	**139,140**
Cost of goods sold	-143,710	0
Interest from fin'l assets at fair value	334,412	336,858
Revenue from products	0	0
Unrealised profit on the revaluation of investments	**20,500,240**	**5,695,035**
Profit on derecognition of subsidiaries	0	0
Other income	123	0
Administrative Expenses	-1,482,460	-744,841
Operating Profit/Loss	**19,463,002**	**5,426,192**
Finance Income	0	0
Gain/(Loss) before tax for the year	**19,463,002**	**5,426,192**
Income tax expense	-1,674	-800
Gain/(Loss) after tax for the year	19,461,328	5,425,392
Foreign exchange (loss)/income	59,051	-213,965
Total comprehensive income/(loss)	**19,520,379**	**5,211,427**

Source: Company Accounts

Fair value movements

Tekcapital converted $2.3m of Guident convertible loan notes into equity in H1A. The conversion rate implies a $25m valuation for Guident, pre-new money. The net fair value gain of $2.6m in the table below reflects this revised valuation. The company sold down $0.6m of its holding in MicroSalt during the period under review but this was materially offset by a FX revaluation of $3.0m as USD/GBP depreciated. All other net fair value movements reflected changes in market prices over the six month period.

Table 1: Equity investments

USD (m)	30.6.24	31.12.24	Net additions	FX movements	Net fair value gains	30.6.25	% portfolio
Guident Ltd	18.1	18.1	2.3		2.6	22.9	33.3
Lucyd Ltd	2.6	1.3			-0.7	0.6	0.8
Belluscura plc	2.2	1.0		0.1	-1.0	0.1	0.1
Microsalt plc	38.9	36.9	-0.6	3.0	0.2	39.5	57.5
Smart Food Tek	0.0	0.0				0.0	0.1
GenIP Ltd	0.2	4.1		0.3	1.2	5.7	8.3
Total	**61.9**	**61.5**	**1.7**	**3.4**	**2.3**	**68.8**	**100.0**

Source: Company accounts

Convertible loan note movements

While converting $2.3m of loan notes, the company also added $1.7m of new Guident convertible loan notes (CLNs) to its portfolio. All Guident loan notes held by Tekcapital have been issued with a 10% coupon, with all interest accruing to date. Management anticipates converting a good proportion of the $4.5m loan notes at the IPO price and retaining the balance. Assuming a successful IPO, Guident could repay to Tekcapital the balance of its convertible loan note over a period of three years which would be sufficient to fully recover Tekcapital's cash operating costs over this period. Post this conversion, Tekcapital has an equity holding of 70% in Guident on a fully diluted basis pre-IPO and before any further CLNs are converted into equity.

Distributed by London South East

Table 2: Convertible loan note investments

$m	31.12.24	Additions	Disposals	FX movements	Net fair value gains	30.6.25
Guident Corp	5.0	1.7	-2.3	0.1		4.5
Microsalt plc	2.7		-0.2	0.0		2.6
Total	**7.7**	**1.7**	**-2.4**	**0.0**	**0.0**	**7.1**

Source: Company accounts

Guident IPO

S1 is now publicly available

With the S1 filing document now public, we anticipate the IPO of Guident to close prior to the end of 2025. Guident's proprietary Remote Monitoring and Control Center (RMCC) provides teleoperation of autonomous vehicles. The control system evaluates environmental risk to SAE (Society of Automotive Engineers) Level 4 autonomous vehicles and provides for remote human operation to restore safety if an unsafe risk threshold is met. Backup human intervention is a regulatory requirement in many US States including Florida where the company has its live deployments, for example with West Palm Beach.

New deployments

Guident announced a partnership in June with ADASTEC to teleoperate SAE Level 4 automated electric buses on the campus of Michigan State University. A new business engagement with Coastal Waste & Recycling Inc was signed in July. An agreement with the City of Boca Raton was signed in August to deploy an autonomous shuttle-based transportation service over a 2.6 mile loop.

Watchbots

Guident is also a software developer, integrator and reseller for Star Robotics WatchBot autonomous security and inspection robots. Guident's software provides for adaptions to WatchBot's operating functions for customer specific applications including the detection of intruders, fires, spills and other hazardous conditions.

Large addressable markets

Market research by Deloitte estimates that the commercial autonomous vehicle will reach a value of $30bn by 2030. Research by Allied Market Research into the emerging global security robot market estimates that this market will be worth $54bn by 2030, growing at 14% compound. These two markets together therefore present a total addressable market for Guident of $84bn in five years' time.

Use of proceeds

While issue size and price have not yet been determined publicly, any proceeds from the IPO will be used towards:

- Accelerating the commercial deployment of its RMCC;
- Launch its robotics business;
- Further research and development; and
- General working capital.

Early stage

The S1 document discloses recent financial performance for Guident. For the six months to 30th June, Guident generated net revenue of $64k and incurred operating expenses of $3.1m. Cash on the balance sheet amounted to $67k and total convertible debt liabilities totalled $4.8m.

Distributed by London South East

Other portfolio news

- Innovative Eyewear's smart eyewear was made available on the Reebok.com and Reebok's mobile app in August. Innovative Eyewear reported quarterly revenue for the three months to June of $580k, an increase YoY of 88%.
- MicroSalt's H1E 2025 trading update highlighted bulk revenues of $0.9m, a 72% sequential increase, while total sales amounted to 121% of that achieved in FY24A. These sales were characterised by repeat orders from its unidentified MNCs, Customer 1 and Customer 2. Net cash ended H1E at $0.9mnet of a $1.2m investment in stock to satisfy expected sales growth in H2E. Public guidance for 2026 revenues has been stated at $6.7m. If achieved, this will represent a 235% increase on 2025's revenue guidance of $0.2m. Customer 3 has also provided indicative additional volume projections which would expand sales to $11m from this account in 2027.
- GenIP announced it had secured $0.5m of new orders in its H1E trading update taking the total value of orders received since listing last year to $1.0m. The outstanding order book of $0.8m provides significant revenue visibility going in to H2E.

Current valuation

Table 3: Valuation

Company	Ownership (%)	No. shares (m)	Price (lc)	Valuation (lc)	Valuation (STG)	% portfolio
Belluscura (STG)	2.1	8.38	0.00	0.0	0.0	0
Guident (USD)	70.0	-	-	22.9	17.0	46
Innovative Eyewear (USD)	8.5	0.26	2.03	0.5	0.4	1
Microsalt (STG)	62.9	32.71	0.54	17.5	17.5	47
GenIP (STG)	63.1	11.05	0.20	2.2	2.2	6
				Total	**37.0**	**100**
				Tekcapital OSC (m)	234.33	
				Tekcapital equity asset value per share (£)	0.158	
				Convertible notes	5.2	
				Tekcapital asset value per share (£)	**0.18**	
				Tekcapital share price (£)	0.10	
				Tekcapital market cap (£m)	23.4	
				Discount (%)	**45**	

Source: Company accounts

Distributed by London South East

Financial statements

Table 4: Income Statements (2021 – 2024A)

Year-end Dec (US$)	2021A	2022A	2023A	2024A
Portfolio return and revenue				
Changes in fair value on financial assets at fair value	28,096,340	-10,978,372	-14,229,009	20,016,771
Revenue from services	815,989	615,214	735,265	425,986
Interest from financial assets at fair value through profit or loss*	142,399	286,583	455,096	743,205
Other income**	161,094	79,638	20,384	0
	29,215,822	**-9,996,937**	**-13,018,264**	**21,185,962**
Administrative expenses and other expenses				
Cost of Sales	-263,923	-222,361	-314,083	-147,203
Operating expenses	-2,581,416	-2,524,496	-2,353,704	-1,879,773
Operating profit and profit before tax	**26,370,483**	**-12,743,794**	**-15,686,051**	**19,158,986**
Income tax expense	-1,813	-1,714	-2,266	-2,961
Profit after tax for the year	**26,368,670**	**-12,745,508**	**-15,688,317**	**19,156,025**
Other comprehensive income				
Translation of foreign operations	16,726	-212,803	900,722	-589,195
Total comprehensive income for the year	**26,385,396**	**-12,958,311**	**-14,787,595**	**18,566,830**

Source: Company Accounts

Table 5: Cash Flow Statements (2021 -2024A)

Year-end Dec (US$)	2021A	2022A	2023A	2024A
Cash from operating activities	**26,370,483**	**-12,743,794**	**-15,688,317**	**19,156,025**
Impairment loss	37,229	37,584	0	0
Depreciation	8,843	6,553	2,523	7,120
Amortisation	437,139	83,877	83,786	34,911
Finance Costs - net	0	0	0	0
Share based payment expense	111,145	167,957	79,658	84,585
Movement in foreign exchange	77,435	-220,080	620,843	-8,473
Movement in trade and other receivables	-41,565	-399,040	-26,710	470,388
Management services	-372,679	-419,697	-455,777	-326,144
Interest from financial assets	-142,399	-286,583	-455,096	-743,205
Financial assets at fair value through profit or loss	-28,817,268	11,014,609	14,229,009	-20,016,772
Deferred revenue movement	14,562	3,326	44,781	-194,548
Inventory	0	0	0	0
Trade and other payables	-10,291	-21,653	301,156	31,568
Net cash from operating activities	**-2,327,366**	**-2,776,941**	**-1,264,144**	**-1,504,545**
Tax paid	-1,813	-1,714	0	0
Net cash outflows from operating activities	**-2,329,179**	**-2,778,655**	**-1,264,144**	**-1,504,545**
Cash from investing activities				
Deemed disposal of subsidiary, net cash acquired	0	0	0	0
Purchase of financial assets at fair value through profit & loss	-3,453,260	-3,970,900	-3,999,072	-3,200,305
Proceeds from sale of property, plant & equipment	-2,389	1,073,792	478,008	1,381,440
Purchases of PPE & intangible assets	0	-9,919	-65,829	0
Interest received	0	0	0	0
Cash from investing activities	**-3,455,649**	**-2,907,027**	**-3,586,893**	**-1,818,865**
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	9,416,594	2,636,056	5,179,498	3,795,538
Process from issue of warrant shares	0	0	0	0
Costs of raising finance	-562,293	-142,839	-349,812	-265,851
Cash from non-controlling interest	0	0	0	0
Net cash inflows from financing activities	**8,854,301**	**2,493,217**	**4,829,686**	**3,529,687**
Net decrease in cash & cash equivalents	**3,069,473**	**-3,192,465**	**-21,351**	**206,277**
Cash and cash equivalents at beginning of year	538,473	3,543,763	628,641	620,248
Exchange (losses)/gains on cash and cash equivalents	-64,183	277,343	12,961	-40,235
Cash and cash equivalents at end of year	**3,543,763**	**628,641**	**620,251**	**786,290**

Source: Company Accounts

Distributed by London South East

Table 6: Balance Sheets (2021 -2024A)

Year-end Dec (US$)	2021A	2022A	2023A	2024A
Cash & cash equivalents	3,543,762	628,640	620,248	786,290
Trade & other receivables	689,003	1,088,043	1,114,753	644,365
Inventories				
Total current assets	**4,232,765**	**1,716,683**	**1,735,001**	**1,430,655**
Intangible assets	364,401	242,940	218,158	0
Financial assets at fair value through profit & loss	62,523,658	54,878,609	41,125,568	61,454,672
Convertible Loan Notes	1,341,774	1,305,537	5,528,427	7,747,072
Property, plant & equipment	6,603	9,969	14,271	7,152
Total non-current assets	**64,236,436**	**56,437,055**	**46,886,424**	**69,208,896**
TOTAL ASSETS	**68,469,201**	**58,153,738**	**48,621,425**	**70,639,551**
Trade & other payables	237,151	215,998	517,154	548,725
Current income tax liabilities	500	0	0	0
Deferred revenue	169,283	172,610	217,391	22,844
Total current liabilities	**406,934**	**388,608**	**734,545**	**571,569**
Total non-current liabilities	0	0	0	0
TOTAL LIABILITIES	**406,934**	**388,608**	**734,545**	**571,569**
Net Assets	**68,062,267**	**57,765,130**	**47,886,880**	**70,067,982**

Source: Company Accounts

DISCLAIMER: Non-independent research

This note has been issued by SP Angel Corporate Finance LLP ("SP Angel") in order to promote its investment services and is a marketing communication for the purposes of the European Markets in Financial Instruments Directive (MiFID) and FCA's Rules. It has not been prepared in accordance with the legal requirements designed to promote the independence or objectivity of investment research and is not subject to any prohibition on dealing ahead of its dissemination.

SP Angel considers this note to be an acceptable minor non-monetary benefit as defined by the FCA which may be received without charge. In summary, this is because the content is either considered to be commissioned by SP Angel's clients as part our advisory services to them or is short-term market commentary. Commissioned research may from time to time include thematic and macro pieces. For further information on this and other important disclosures please the Legal and Regulatory Notices section of our website Legal and Regulatory Notices

While prepared in good faith and based upon sources believed to be reliable SP Angel does not make any guarantee, representation or warranty, (either express or implied), as to the factual accuracy, completeness, or sufficiency of information contained herein.

The value of investments referenced herein may go up or down and past performance is not necessarily a guide to future performance. Where investment is made in currencies other than the base currency of the investment, movements in exchange rates will have an effect on the value, either favourable or unfavourable. Securities issued in emerging markets are typically subject to greater volatility and risk of loss. The investments discussed in this note may not be suitable for all investors and the note does not take into account the investment objectives and policies, financial position or portfolio composition of any recipient. Investors must make their own investment decisions based upon their own financial objectives, resources and appetite for risk.

This note is confidential and is being supplied to you solely for your information. It may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part, for any purpose. If this note has been sent to you by a party other than SPA the original contents may have been altered or comments may have been added. SP Angel is not responsible for any such amendments.

Neither the information nor the opinions expressed herein constitute, or are to be construed as, an offer or invitation or other solicitation or recommendation to buy or sell investments. Opinions and estimates included in this note are subject to change without notice. This information is for the sole use of Eligible Counterparties and Professional Customers and is not intended for Retail Clients, as defined by the rules of the Financial Conduct Authority ("FCA").

Publication of this note does not imply future production of notes covering the same issuer(s) or subject matter.

SP Angel, its partners, officers and or employees may own or have positions in any investment(s) mentioned herein or related thereto and may, from time to time add to, or dispose of, any such investment(s).

SPA has put in place a number of measures to avoid or manage conflicts of interest with regard to the preparation and distribution of research. These include (i) physical, virtual and procedural information barriers (ii) a prohibition on personal account dealing by analysts and (iii) measures to ensure that recipients and persons wishing to access the research receive/are able to access the research at the same time.

SP Angel Corporate Finance LLP definition of research ratings: Expected performance over 12 months: Buy - Expected return of greater than +15%, Hold - Expected return from -15% to +15%, Sell - Expected return of less than -15%.

Neither the information nor the opinions expressed herein constitute, or are to be construed as, an offer or invitation or other solicitation or recommendation to buy or sell investments. Opinions and estimates included in this note are subject to change without notice. This information is for the sole use of Eligible Counterparties and Professional Customers and is not intended for Retail Clients, as defined by the rules of the Financial Conduct Authority ("FCA"). SP Angel does not provide broking or investment advisory or management services to retail clients.

SP Angel acts as Nomad and Broker to Tekcapital