

**TechFinancials, Inc**  
("TechFinancials" or the "Company")

**29 July 2022**

**Audited Annual Report for the year ended 31 December 2021**

**Financial Highlights**

- No Revenues in 2021 following cessation of operations.
- Pre-tax loss attributable to shareholders of US\$0.553 million (2020: profit of US\$1.0 million)
- Cash position of US\$0.92 million as at 31 December 2021 (2020: US\$1.4 million)
- Basic earnings per share ('EPS') (US\$0.0064) (2020: (US\$0.016))
- In October 2021, the Company's sold its subsidiary Cedex Holdings Limited ("Cedex")
- In June 2021, the Company stuck off Footies Ltd. ("Footies")
- In 2021, the Company acquired shares to take minority holdings in a number of companies listed on the LSE and AIM

**Operational Highlights**

**Operational Cost Reduction**

- The Company decided to close all its subsidiaries and initiated the strike-off of its entities in Israel in 2021. The strike off of both TechFinancials Israel 2014 Ltd and Softbox Technologies Ltd was initiated in H2 2021 and concluded in March 2022.
- The Company sold Cedex Holdings Limited in October 2021.

**Investment Activities**

- The Company invested small amounts in several listed entities in 2021. This activity resulted in profit of \$86k.
- As of today, the Company has only one legal entity – TechFinancials Inc, and as results the costs of operating the company is now minimal.
- In November 2020, the Company signed with RenewSenses Ltd., an Israeli start-up, a Simple Agreement for Future Equity ("SAFE") following which the Company invested in RenewSenses a total amount of US\$ 152k. This was accounted for as a financial asset through profit and loss.

As of December 31, 2021, RenewSenses has failed to raise additional capital for its operations and in the beginning of 2022, it was forced to make all employees redundant. As a result of the conditions that existed at year end (inability of raise funds), the financial asset fair valued was revalued to a nil balance and a total loss of \$152k recognized.

## **Chairman's Statement**

2021 was a year in which the Company focused on reducing costs and consolidating its assets. We initiated the closure of all our subsidiaries and sold Cedex.

The Board decided to invest some amounts in listed companies and was able to generate good returns from these investments. The Company will continue to look for new ways to increase its value.

### ***Dividends***

The Board will not be recommending a final dividend to the shareholders of the Company for the year ended 2021 (2020: \$nil).

### ***Outlook and current trading***

The year was a turning point for the Group, where we initiated the closure of all our subsidiaries and consolidated all our assets, while seeking new investment opportunities to increase the value of the Company.

The Group will continue to look for investment opportunities to maximize the Company's value, leveraging its available cash.

I would like to thank our shareholders for their continued support in what has been a difficult year.

We look forward to updating the market on our progress in due course.

**Eitan Yanuv**  
**Independent Non-Executive Chairman**

29 July 2022

The directors of the Company accept responsibility for the contents of this announcement.

### **For further information:**

**TechFinancials, Inc.**

Asaf Lahav, Executive Director

Eitan Yanuv, Non-Executive Chairman

Tel: +972 54 5233 943

**Peterhouse Capital Limited (Aquis Stock  
Exchange Advisor and Broker)**

Guy Miller and Mark Anwyl

Tel: +44 (0) 20 7469 0930

Consolidated Statement of Comprehensive Income  
**For the year ended 31 December 2021**

	<u>2021</u>	<u>2020</u>
	US\$'000	US\$'000
<b>Revenue</b>	-	619
Cost of sales	-	(35)
<b>Gross profit</b>	<b>-</b>	<b>584</b>
<b><u>Expenses:</u></b>		
Research and development	-	(384)
Selling and marketing	-	(33)
Administrative	(233)	(207)
Impairment of goodwill	-	-
	<u>(233)</u>	<u>(624)</u>
<b>Operating (Loss) Income</b>	<b>(233)</b>	<b>(40)</b>
Bank fees	(9)	(20)
Foreign exchange income (loss)	(30)	-
Profit on disposal of traded securities	86	-
<b>Financing income (expenses)</b>	<b>47</b>	<b>(60)</b>
<b>Other Income (expenses)</b>		
Other non-operational income/ (expenses)	-	441
Impairment loss on the financial asset held at FVTPL	(152)	-
<b>(Loss)/ Profit before taxation</b>	<b>(338)</b>	<b>381</b>
Taxation	(4)	70
<b>(Loss) / Profit for the year from continuing operations</b>	<b>(342)</b>	<b>451</b>
Gain (loss) from discontinued operations	(181)	566
Capital loss from a sale of subsidiary	(30)	-
<b>(Loss) / Gain for the year from discontinued operations, net</b>	<b>(211)</b>	<b>566</b>
Other comprehensive income	-	-
<b>Total comprehensive Income</b>	<b><u>(553)</u></b>	<b><u>1,017</u></b>

**(Loss) / Profit attributable to:**

Owners of the Company	(553)	997
Non-controlling interest	-	20
<b>Profit (Loss) for the period</b>	<b>(553)</b>	<b>1,017</b>

		<b>2021</b>	<b>2020</b>
		<b>Cents USD</b>	<b>Cents USD</b>
Basic	17	<b>(0.64)</b>	<b>1.16</b>
Diluted		<b>N/A</b>	<b>1.16</b>
From continuing operations – Basic		<b>(0.40)</b>	<b>0.50</b>
From continuing operations – Diluted		<b>N/A</b>	<b>0.50</b>
From discontinued operations – Basic		<b>(0.24)</b>	<b>0.66</b>
From discontinued operations – Diluted		<b>N/A</b>	<b>0.66</b>

**Consolidated Statement of Financial Position  
As at 31 December 2021**

	<u>31 December</u> <u>2021</u> US\$'000	<u>31 December</u> <u>2020</u> US\$'000
<b>Non-current assets</b>		
Financial asset held at FVPL	-	152
	<u>-</u>	<u>152</u>
<b>Current assets</b>		
Trade receivables, net and other receivables	-	13
Short-term investments	26	-
Cash	920	1,419
	<u>946</u>	<u>1,432</u>
<b>Total Assets</b>	<b>946</b>	<b>1,584</b>
<b>Current liabilities</b>		
Trade and other payables	89	88
Income tax payable	-	86
	<u>89</u>	<u>174</u>
<b>Non-current liabilities</b>		
Shareholders loan	84	84
<b>Equity</b>		
Share capital	61	61
Share premium account	12,022	12,022
Share-based payment reserve	798	798
Accumulated profits / (losses)	(12,108)	(11,555)
<b>Equity attributable to owners of the Company</b>	<u>773</u>	<u>1,326</u>
<b>Total Equity and Liabilities</b>	<b>946</b>	<b>1,584</b>

The Financial Statements were approved by the Board of Directors and authorised for issue on 29 July 2022 and are signed on its behalf by:

.....  
**Director**

**Consolidated statements of changes in equity  
For the year ended 31 December 2021**

	Share capital (Note 14)	Share Premium (Note 14)	Share based payment reserve (Note, 15)	Revaluation reserve (Note, 9)	Accumulated profits/ (losses)	Total	Non - controlling interests (Notes 18)	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2020</b>	<b>61</b>	<b>12,022</b>	<b>934</b>		<b>(12,459)</b>	<b>588</b>	<b>(249)</b>	<b>309</b>
Total comprehensive income (expense) for the year	-	-	-	-	997	997	20	1,017
Gain on revaluation of cryptocurrency digital assets in the year	-	-	-	577	577			577
Disposal of cryptocurrency digital assets in the year	-	-	-	(577)	(577)			(577)
Purchase of NCI in Footies during the year	-	-	-	-	(229)	(229)	229	-
Share based payment	-	-	6		(6)	-	-	-
Transfer of Share based payment reserve on lapsed options	-	-	(142)		142	-	-	-
<b>Balance at 31 December 2020</b>	<b>61</b>	<b>12,022</b>	<b>798</b>	<b>-</b>	<b>(11,555)</b>	<b>1,326</b>	<b>-</b>	<b>1,326</b>

Total comprehensive income for the year	-	-	-	-	(553)	(553)		(553)
<b>Balance at 31 December 2021</b>	<b><u>61</u></b>	<b><u>12,022</u></b>	<b><u>798</u></b>	<b><u>-</u></b>	<b><u>(12,108)</u></b>	<b><u>773</u></b>	<b><u>-</u></b>	<b><u>773</u></b>

**Consolidated statements of cash flows**  
**For the year ended 31 December 2021**

The consolidated statements of cash flows for the Group for the years ended 31 December 2021 are set out below:

	<b>Years ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash Flows from operating activities</b>		
(Loss) / Profit before tax period	(549)	946
<i>Adjustment for:</i>		
Amortisation of intangible assets	-	75
Impairment of intangible assets, net	-	37
Gain on bargain purchase		(309)
Depreciation of property and equipment	-	4
Profit on disposal of traded securities	(86)	-
Share option charge	-	6
Foreign exchange differences	82	(70)
Waiver of loan due to NCI	-	(51)
Loss on disposal of subsidiary	30	-
Capital loss on disposal of property and equipment	-	12
Gain from revaluation of intangible assets	-	(577)
Impairment of investment	152	-
<b>Operating cash flows before movements in working capital:</b>		
Decrease in trade and other receivables	13	589
Increase (decrease in trade and other payables)	48	(1,445)
R&D tax credit received	-	163
Income tax paid	(93)	(109)
<b>Net cash used for operating activities</b>	<b>(403)</b>	<b>(729)</b>
<b>Cash flows from investing activities</b>		
Decrease in restricted bank deposits	-	(71)
Consideration from sale of intangible assets	-	974
Net cash acquired on acquisition (note A)	-	649
Net cash on disposal of a subsidiary	(75)	-
Purchase of traded securities	(102)	-
Sale of traded securities	163	-
Funds advanced under SAFE agreement	-	(152)
<b>Net cash generated from (used in) investing activities</b>	<b>(14)</b>	<b>1,400</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(417)</b>	<b>671</b>
Cash and equivalents at beginning of period	1,419	672
(Effect of changes in exchange rates on Cash)	(82)	76
<b>Cash and equivalents at end of period</b>	<b>920</b>	<b>1,419</b>

The comparative cashflow has been restated to correct the allocation of cashflow movements.