

# TechFinancials Inc.

("TechFinancials" or the "Company")

30 June 2023

## Annual Report for the year ended 31 December 2022

### Financial Highlights

- No Revenues in 2022 as expected as the Company has moved to being an investment entity.
- Pre-tax loss attributable to shareholders of US\$0.269 million (2021: loss of US\$0.553 million)
- Cash position of US\$0.55million as at 31 December 2022 (2021: US\$0.92 million)
- Basic earnings per share ('EPS') (US\$0.0032) (2021: (US\$0.0064))
- In 2021 and 2022, the Company acquired shares to take minority holdings in a number of companies listed on the Nasdaq, LSE and AIM (*Note 9*)

### Operational Cost Reduction

- The Company closed most of its subsidiaries in 2021 and finalized the strike-off of the remaining entities in Israel in 2022. The strike offs of both TechFinancials Israel 2014 Ltd and Softbox Technologies Ltd were concluded in March 2022.

### Investment Activities

- The Company used its cash to invest small amounts in several listed entities in 2022. This activity resulted in a loss of US\$43 thousand.
- At the year end all other group entities had been closed leaving only TechFinancials Inc, and as a result the cost of operating the Company is now minimal.

### Chairman's Statement

2022 was a year in which the Company focused on looking for new ways to increase its value for shareholders.

The Board decided to invest some of its cash in listed companies. The Company continues 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 2022 (2021: \$nil).

### Outlook and current trading

After consolidating all of our assets, this year we focused on 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 year of consolidation.

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

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

29 June 2023

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

**For further information:**

**TechFinancials, Inc.**

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Asaf Lahav, Executive Director

Eitan Yanuv, Non-Executive Chairman

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

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Guy Miller and Eran Zucker

**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 December 2022**

	<u>2022</u>	<u>2021</u>
	US\$'000	US\$'000
<b><u>Expenses:</u></b>		
Administrative	(175)	(233)
	<u>(175)</u>	<u>(233)</u>
<b>Operating Loss</b>	<b>(175)</b>	<b>(233)</b>
Bank fees	(7)	(9)
Foreign exchange income (loss)	(44)	(30)
(Loss)/profit from traded securities	(43)	86
	<u>(94)</u>	<u>47</u>
<b>Financing income (expenses)</b>	<b>(94)</b>	<b>47</b>
<b>Other expenses</b>		
Impairment loss on the financial asset held at FVTPL	-	(152)
<b>(Loss) before taxation</b>	<b>(269)</b>	<b>(338)</b>
Taxation	-	(4)
	<u>(269)</u>	<u>(342)</u>
<b>(Loss) for the year from continuing operations</b>	<b>(269)</b>	<b>(342)</b>
(Loss) from discontinued operations	-	(181)
Capital loss from sale of subsidiary	-	(30)
<b>(Loss) for the year from discontinued operations, net</b>	<b>-</b>	<b>(211)</b>
Other comprehensive income	-	-
<b>Total comprehensive Income</b>	<b>(269)</b>	<b>(553)</b>
	<u>(269)</u>	<u>(553)</u>
<b><u>(Loss) attributeable to:</u></b>		
Owners of the Company	(269)	(553)
<b>(Loss) for the period</b>	<b>(269)</b>	<b>(553)</b>
	<u>(269)</u>	<u>(553)</u>

	<b>2022</b> <b>Cents USD</b>	<b>2021</b> <b>Cents USD</b>
Basic	<u><u>(0.32)</u></u>	<u><u>(0.64)</u></u>
Diluted	<u><u>N/A</u></u>	<u><u>N/A</u></u>
From continuing operations – Basic and diluted	<u><u>(0.32)</u></u>	<u><u>(0.40)</u></u>
From discontinued operations – Basic and diluted	<u><u>N/A</u></u>	<u><u>(0.24)</u></u>

**Consolidated Statement of Financial Position  
As at 31 December 2022**

	<u>31 December</u> <u>2022</u> US\$'000	<u>31 December</u> <u>2021</u> US\$'000
<b>Non-current assets</b>		
Financial asset held at FVPL	-	-
	<u>-</u>	<u>-</u>
<b>Current assets</b>		
Trade receivables, net and other receivables	3	-
Short-term investments	59	26
Cash	548	920
	<u>610</u>	<u>946</u>
<b>Total Assets</b>	<b>610</b>	<b>946</b>
<b>Current liabilities</b>		
Trade and other payables	23	89
	<u>23</u>	<u>89</u>
<b>Non-current liabilities</b>		
Shareholders loan	83	84
<b>Equity</b>		
Share capital	61	61
Share premium account	12,022	12,022
Share-based payment reserve	798	798
Accumulated profits / (losses)	(12,377)	(12,108)
Equity attributable to owners of the Company	<u>504</u>	<u>773</u>
<b>Total Equity and Liabilities</b>	<b>610</b>	<b>946</b>

The Financial Statements were approved by the Board of Directors and authorised for issue on \_\_\_\_\_, 2023 and are signed on its behalf by:

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**Director**

**Consolidated statements of changes in equity  
For the year ended 31 December 2022**

	Share capital (Note 12)	Share Premium (Note 12)	Share based payment reserve (Note, 13)	Revaluation reserve	Accumulated profits/ (losses)	Total	Non - controlling interests (Notes 18)	Total
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Balance at 1 January 2021</b>	<u>61</u>	<u>12,022</u>	<u>798</u>	<u>-</u>	<u>(11,555)</u>	<u>1,326</u>	<u>-</u>	<u>1,326</u>
Total comprehensive income for the year	-	-	-	-	(553)	(553)		(553)
<b>Balance at 31 December 2021</b>	<u>61</u>	<u>12,022</u>	<u>798</u>	<u>-</u>	<u>(12,108)</u>	<u>773</u>	<u>-</u>	<u>773</u>
Total comprehensive income for the year	-	-	-	-	(269)	(269)		(269)
<b>Balance at 31 December 2022</b>	<u>61</u>	<u>12,022</u>	<u>798</u>	<u>-</u>	<u>(12,377)</u>	<u>504</u>	<u>-</u>	<u>504</u>

**Consolidated statements of cash flows**  
**For the year ended 31 December 2022**

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>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash Flows from operating activities</b>		
(Loss) before tax period	(269)	(549)
<i>Adjustment for:</i>		
Loss (profit) from traded securities	43	(86)
Foreign exchange differences	44	82
Loss on disposal of subsidiary	-	30
Impairment of investment	-	152
<b>Operating cash flows before movements in working capital:</b>		
Decrease (increase) in trade and other receivables	(3)	13
Decrease (Increase) in trade and other payables	(64)	48
Income tax paid	-	(93)
<b>Net cash used for operating activities</b>	<b>(249)</b>	<b>(403)</b>
<b>Cash flows from investing activities</b>		
Net cash on disposal of a subsidiary	-	(75)
Purchase of traded securities	(76)	(102)
Sale of traded securities	-	163
<b>Net cash generated from (used in) investing activities</b>	<b>(76)</b>	<b>(14)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(325)</b>	<b>(417)</b>
Cash and equivalents at beginning of period	920	1,419
Effect of changes in exchange rates in cash	(47)	(82)
<b>Cash and equivalents at end of period</b>	<b>548</b>	<b>920</b>

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