

28 September 2021

TechFinancials, Inc.

("TechFinancials" or the "Company" or the "Group")

Unaudited Interim Report for the Six Months Ended 30 June 2021

TechFinancials Inc. (AQSE: TECH), today announces its unaudited interim results for the six month period ended 30 June 2021 ("H1 2021").

Financial Overview

- Group Revenues of US\$nil (H1 2020: US\$0.61m)
- Loss for the period attributable to shareholders of US\$0.1m (H1 2020: loss of US\$0.55m)
- Cash position at the period end of US\$1.33m (31 December 2020: US\$1.42m)
- Basic earnings per share ("EPS") of (US\$0.001) (H1 2020 (US\$0.006))
- Footies Ltd. was struck off on 08 June 2021

Asaf Lahav, Group Chief Executive Board Member of TechFinancials, commented:

"In the first half of the year the Company continued to focus on administrative cost reductions, completed the strike off of Footies Ltd. and started the process to strike off its subsidiaries; TechFinancials (Israel) 2014 Ltd., Softbox Technologies Ltd. and Cedex Trading UK."

"The Company plans to continue its attempts to sell all or part of its interest in Cedex to a third party."

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

For further information:

TechFinancials, Inc.

Tel: +972 54 5233 943

Asaf Lahav, Executive Board Member

Peterhouse Capital Limited (AQSE Growth Market Advisor and Broker) Tel: +44 (0) 20 7469 0930

Guy Miller and Mark Anwyl

Chairman's Statement

In H1 2021, the Company completed the strike off of Footies Ltd. and continued to oversee its investments and look for short term investment opportunities.

Outlook

We will continue to look for opportunities to materialise our assets and to increase value for our shareholders. We will also continue to strike off subsidiaries in order to clean the group structure.

I would like to thank our shareholders for their continued support in what has been a difficult period globally as well as to the Group.

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

Eitan Yanuv
Independent Non-Executive Chairman
28 September 2021

Executive's Board Member Statement

Financial Results

In 2020, The Group closed all its operating historical businesses and for the first time since the Company became public it didn't record any turnover in the six months ended 30 June 2021.

The operating loss for the period was US\$0.13m (H1 2020: loss of US\$ 0.54m); the operating expenses for the period were attributed mainly to general and administrative costs associated with being a listed Company.

Financial income for the period was US\$0.04m, attributed predominantly to a US\$0.06m gain from realisation of a short term investment in tradable securities and other financial expenses of US\$0.02m.

Taxes for the period were US\$0.01m (H1 2020: US\$ 0.01m).

The loss after taxation for the period attributable to shareholders of the Company was US\$0.10m (H1 2020: loss of US\$0.55m).

The Group's cash position for the period ended 30 June 2021 was US\$1.33m (31 December 2020: US\$1.42m).

The unaudited interim financial results have not been reviewed by the Company's auditor.

Asaf Lahav
Executive Board Member
28 September 2021

STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2021

	Note	Unaudited 6 Month Period Ended 30 June 2021 US\$'000	Unaudited 6 Month Period Ended 30 June 2020 US\$'000	Audited 12 Month Period Ended 31 December 2020 US\$'000
Revenue		-	614	1,309
Cost of sales		-	(79)	(87)
Gross profit		-	535	1,222
Research and development		-	(464)	(512)
Selling and marketing		-	(41)	(53)
Administrative		(133)	(565)	(654)
Operating Income (Loss)		(133)	(535)	3
Bank fees		(18)	(32)	(50)
Foreign exchange gain (loss)		(5)	(5)	70
Gain from realization of tradable securities		63	(2)	(1)
Financing Income (expenses)		41	(39)	19
Other Income (expenses)				
Other income (expenses), net		-	82	875
Profit (Loss) before taxation		(92)	(492)	897
Taxation		(8)	(13)	70
Profit (Loss) from continuing operations		(100)	(505)	967
Gain (Loss) from discontinued operations		-	-	50
Gain / (Loss) from discontinued operations, net		-	-	50
Other comprehensive income		-	-	-
Total comprehensive Profit (Loss)		(100)	(505)	1,017
<u>Profit (Loss) attributable to:</u>				
Owners of the Company		(100)	(545)	997
Non-controlling interests		-	40	20
Profit (Loss) for the period		(100)	(505)	1,017

Earnings per share attributable to owners of the parent during the year (Note 3):

	Unaudited 6 Month Period Ended 30 June 2021 (Cents USD)	Unaudited 6 Month Period Ended 30 June 2020 (Cents USD)	Audited 12 Month Period Ended 31 December 2020 (Cents USD)
Basic	(0.12)	(0.64)	1.16
Diluted	(0.12)	(0.64)	1.16
From continuing operations - Basic	-	(0.64)	1.10
From continuing operations - Diluted	-	(0.64)	1.10
From discontinued operations - Basic	-	-	0.06
From discontinued operations - Diluted	-	-	0.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 30 June 2021

	Note	Unaudited 30 June 2021 US\$'000	Unaudited 30 June 2020 US\$'000	Audited 31 December 2020 US\$'000
Non-current assets				
Intangible assets, net		-	707	-
Property and equipment		-	3	-
Short term investment		-	-	-
Financial asset held at FVTPL		152	-	152
		<u>152</u>	<u>710</u>	<u>152</u>
Current assets				
Trade receivables, net and other receivables	4	10	87	13
Short term investment	6	53	-	-
Restricted bank deposits		-	63	-
Cash		1,329	716	1,419
		<u>1,392</u>	<u>866</u>	<u>1,432</u>
Total Assets		<u><u>1,544</u></u>	<u><u>1,576</u></u>	<u><u>1,584</u></u>
Non-Current liabilities				
Shareholders loan		84	92	84
Current Liabilities				
Trade and other payables	5	145	334	88
Deferred income liability		-	631	-
Income tax payable		90	9	86
		<u>235</u>	<u>974</u>	<u>174</u>
Total Liabilities		<u>319</u>	<u>1,066</u>	<u>258</u>

	Unaudited 30 June 2021 US\$'000	Unaudited 30 June 2020 US\$'000	Audited 31 December 2020 US\$'000
Equity			
Share Capital	61	61	61
Share premium account	12,022	12,022	12,022
Share-based payment reserve	799	798	798
Accumulated profits / (losses)	(11,656)	(12,392)	(11,555)
Equity attributable to owners of the Company	1,225	489	1,326
Non-controlling interests	-	21	-
Total equity	1,225	510	1,326
Total Equity and Liabilities	1,544	1,576	1,584

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2021

	Share capital US\$'000	Share premium US\$'000	Share- based payment reserve US\$'000	Revaluation reserve US\$'000	Accumulated profits/ (losses) US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total US\$'000
Balance at 31 December 2019	61	12,022	934	-	(12,459)	558	(249)	309
Total comprehensive income (loss) for the period	-	-	-	-	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 Shared based payment reserve on lapsed options	-	-	(142)	-	142	-	-	-
Balance at 31 December 2020	61	12,022	798	-	(11,555)	1,326	-	1,326
Total comprehensive loss for the period	-	-	-	-	(100)	(100)	-	(100)
Share-based payment	-	-	1	-	-	(1)	-	(1)
Balance at 30 June 2021	61	12,022	799	-	(11,656)	1,225	-	1,225

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2021

	Note	Unaudited 6 months ended 30 June 2021 US\$'000	Audited Year ended 31 December 2020 US\$'000
Cash Flow from operating Activities			
Profit (Loss) before tax for the period		(92)	946
Adjustment for:			
Depreciation of property and equipment		-	4
Amortization of intangible assets	-	-	75
Impairment of intangible assets		-	37
Share Option Charge		1	6
Gain on bargain purchases		-	(309)
Forgiveness of loan due to NCI		-	(51)
Gain from short term investment		(63)	-
Capital loss on disposal of property and equipment		-	12
Capital gain from realization and revaluation of intangibles assets		-	(577)
Income tax expenses			92
Capital loss on write off investments in subsidiaries		-	-
Operating cash flows before movements in working capital:			
Decrease (increase) in trade and other receivables	4	(3)	589
Increase (Decrease) in trade and other payables	5	23	(1,453)
Increase in other current liabilities	5	34	-
Income tax received		-	-
R&D tax credit received		-	163
Income tax paid		-	(109)
Net cash (used in) / generated from operating activities		(100)	(575)
Cash Flow from investing Activities:			
Consideration from sale of intangible assets		-	974
Net cash acquired on acquisition		-	649
Decrease/(Increase) of restricted bank deposits		-	71
Funds advanced under SAFE agreement		-	(152)
Loans eliminated from obtaining control of a subsidiary		-	(296)
Investment eliminated on consolidation from obtaining control of a subsidiary	-	-	-
Purchase of tradable securities		(82)	-
Sale of tradable securities		92	-
Net cash generated from/ (used in) investing activities		10	1,246
Cash Flow from financing Activities:			
Interest payments		-	-
Net cash generated from/ (used in) financing activities		-	-

Net decrease in cash and cash equivalents	(90)	671
Cash and equivalents at beginning of period	1,419	672
Effect of changes in exchange rates on Cash	-	76
Cash and equivalents at end of period	1,329	1,419

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

TechFinancials, Inc, (the “Company”) and its subsidiaries (together, the “Group”) were engaged until the end of 2020 in the development of blockchain-based digital assets solutions and licensing of financials trading platforms to businesses. The financial statements present the consolidated results of the Group for each of the periods ending 30 June 2021, 30 June 2020 and 31 December 2020.

GROUP CHANGES IN THE PERIOD

In June 2021, Footies Ltd the Company's fully owned subsidiary has been struck off.

BASIS OF PREPARATION

As permitted, the Group has chosen not to adopt International Accounting Standard 34 ‘Interim Financial Reporting’ in preparing these interim financial statements. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The interim financial information set out above does not constitute statutory accounts. The information has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accounting policies applied in preparing the interim financial information are consistent with those that have been adopted in the Group’s 2020 audited financial statements. Statutory financial statements for the year ended 31 December 2020 were approved by the Board of Directors on 30 July 2021. The report of the auditors on those financial statements were not modified in respect of the matter mentioned, however, has drawn attention to material uncertainty related to going concern.

The Directors approved these condensed interim financial statements on 28 September 2021.

Risks and uncertainties

The key risks that could affect the Group’s short and medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group’s 2020 Annual Report and Financial Statements, a copy of which is available on the Company’s website: www.techfinancials.com.

2. ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financials assets and liabilities at fair value through the statement of profit and loss.

The business is not subject to seasonal variations.

The financial information for the 6 months ended 30 June 2021 and the 6 months ended 30 June 2020 has not been audited.

No dividends have been paid in the period (2020: \$nil).

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates and have not changed during the interim period and are set out in note 3(v) of the Group's 2020 Annual Report and Financial Statements.

3. EARNINGS PER SHARE

The calculation of earnings per share is based on the following losses and number of shares:

EARNINGS PER SHARE

	Unaudited 6-month period ended 30 June 2021 US\$'000	Unaudited 6-month period ended 30 June 2020 US\$'000	Audited Year ended 31 December 2020 US\$'000
Basic			
Loss attributable to equity holders	(100)	(545)	948
Weighted average number of shares basic	85,680,979	85,680,979	85,860,979
	US\$	US\$	US\$
Earning (Loss) per share - basic	(0.0012)	(0.0064)	0.016
Earnings per share from continuing operations - basic	(0.0012)	(0.0064)	0.011
Earnings per share from discontinued operations - basic	-	-	0.0006

EARNINGS PER SHARE

	Unaudited 6-month period ended 30 June 2021 US\$	Unaudited 6-month period ended 30 June 2020 US\$	Audited Year ended 31 December 2020 US\$
Diluted			
Weighted average number of shares diluted	85,680,979	85,680,979	86,399,888
Earnings/(loss) per share - diluted	-	(0.0064)	0.016
Earnings per share from continuing operations - diluted	-	(0.0064)	0.011
Earnings per share from discontinued operations - diluted	-	-	0.0006

4. TRADE AND OTHER RECEIVABLES

	Unaudited 6-month period ended 30 June 2021	Unaudited 6-month period ended 30 June 2020	Audited Year ended 31 December 2020
	US\$'000	US\$'000	US\$'000
Trade Receivables, net	-	16	-
Other Receivables	-	25	8
Prepayments	10	44	5
Short term deposit	-	2	-
	10	87	13

The carrying amounts of trade and other receivables approximate their fair values.

5. TRADE AND OTHER PAYABLES

	Unaudited 6-month period ended 30 June 2021	Unaudited 6-month period ended 30 June 2020	Audited Year ended 31 December 2020
	US\$'000	US\$'000	US\$'000
Trade Payable	27	76	4
Other Payable	-	-	-
Employees' salaries related balance	-	93	-
Accrued liabilities	118	165	84
	145	334	88

6. SUBSEQUENT EVENTS

In July 2021, the Company sold all its holdings recorded as of 30 June 2021, for a total consideration of 51k GBP.

On 18 August 2021, the Company participated in the placing of HEMOGENYX PHARMACEUTICALS, a listed company in LSE, for a total consideration of 14.6k GBP.

In July 2021, Cedex Trading UK a fully owned subsidiary of Cedex Trading Ltd, the Company's fully owned subsidiary was struck off.