TechFinancials Inc.

Annual Report for the year ended 31 December 2021

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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 (Note 28)

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 to 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

Strategic Report

Financial Results

The Company did not have any revenues in 2021 having ceased operations and closed all subsidiaries. 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 by looking at investment opportunities.

The loss for the period attributable to shareholders of the Company was US$ 0.553m (2020: Profit of US$ 1.0m).

The Group's cash position for the period ended 31 December 2021 was US$0.92m (31 December 2020: US$1.42m).

The financial asset at FVTPL in RenewSenses was fair valued to a nil value and is presented in the statement of financial position as of December 31, 2021, with zero value.

Operations

On October 2021 TechFinancials sold its 99.84% owned subsidiary, Cedex Holdings Limited ("Cedex"), to Lem Management Limited ("Buyer"), to consolidate cash and reduce operating expenses. According to the terms of the Agreement, the Company will be entitled to future consideration upon the Buyer succeeding to raise US$20 million in a single or series of related transactions, for the future operation of Cedex, or selling Cedex for a minimum of US$2 million. In certain circumstances of a sale of Cedex, or the assets of Cedex, by the Buyer, the Company will be entitled to receive 50% of that consideration above US$ 2 million. Between US$5 million and US$50 million, the Company will be entitled to receive US$1.6 million out of the first US$5 million and 4% out of the remainder, but no more than US$2 million. US$50 million and above, the Company will be entitled to receive 4% of the proceeds.

The Group has closed all its operating activities.

Principal Risks and Uncertainties

In addition to the financial risks discussed in Note 24, the Directors consider that the principal risks and uncertainties facing the Group and a summary of the key measures taken to mitigate those risks are as follows:

Covid-19 risk

The COVID-19 crisis will continue to be part of the business environment in 2022 and may affect the ability of the Group to raise additional capital and to find profitable investments. The Company believe that in holding investments through a quoted investment issuer structure the Company can provide sufficient indirect investment protection were they to own the investment directly. In addition, the Group has an independent company managing their short term listed investments.

Investment risk

Investments made by the company, either in public companies or in start-ups. The start-ups are inherently riskier and may cause losses due to the investee of the company's inability to raise capital to fund operations and achieve its commercial objectives post-investment by the Techfinancials Inc. The Group believe in evaluating investment opportunities whereby they are not the sole investor responsible for capitalising the investment ensuring that the investee has a broad shareholder base and access to a wide pool of capital.

Corporate Responsibility

The Group takes its responsibilities as a corporate citizen seriously. The Board's primary goal is to create shareholder value but in a responsible way which serves all stakeholders.

Governance

The Board considers sound governance as a critical component of the Group's success and has made it one of its highest priorities. More information on our corporate governance practices can be found on pages 10 to 11.

Growth Strategy and Outlook

Since the company made its last few employees redundant in 2020, the Board is focused on attempts to generate value to the shareholders by locating investment opportunities. The Company has invested in London placings. The Board will also continue to search for additional investment opportunities that may have a positive outcome on the Company's cashflow.

We hope that our new strategy will create a positive impact on the Company's business value for the shareholders.

I would like to thank our shareholders once again for their continued support during this challenging year.

Asaf Lahav
Executive Director

29 July 2022

Directors' Report for the year ended 31 December 2021

The Directors present their report on the Group, together with the audited Financial Statements of the Group for the year ended 31 December 2021.

Principal activities

Following the cessation of the operation in the company and its subsidiaries, the group has changed its strategy and main focus is on identifying investment opportunities in listed entities.

In the current year, the Company has invested in London placings. This is in line with the Company's new strategy to generate value to the shareholders by locating investment opportunities.

Cautionary statement

The review of the business and its future development in the Strategic Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for these strategies to succeed. It should not be relied on by any other party for any other purpose. The review contains forward looking statements which are made by the Directors in good faith based on information available to them up to the time of the approval of the reports and should be treated with caution due to the inherent uncertainties associated with such statements.

Results and dividends

The results of the Group are set out in detail on pages 21 to 26.

The Board's dividend policy is to make payments subject to the Company having adequate distributable reserves. No dividend has been declared to the Company's Shareholders in 2021 (2020: no dividend).

Business review and future developments

Details of the business activities and developments made during the year can be found in the Strategic Report on pages 5 to 6 and in Note 1 to the Financial Statements respectively.

Financial instruments and risk management

Disclosures regarding financial instruments and risks are provided within the Strategic Report on pages 5 to 6 and Note 23 to the Financial Statements.

Capital structure and issue of shares

Details of the Company's share capital, together with details of the movements during the year are set out in Note 14 to the Financial Statements. The Company has one class of ordinary share which carries no right to fixed income.
Details of the Company's share option arrangements are provided in Note 15.

Going concern

The Consolidated Financial Statements have been prepared under the going concern assumption, which presumes that the Group will be able to meet its obligations as they fall due for at least the next twelve months from the date of the signing of the Financial Statements. The Directors therefore consider it appropriate for the Group to continue to adopt the going concern basis in preparing the Annual Report and Financial Statements, while looking for business opportunities to increase its value and maintaining a minimal operation cost.

Subsequent events

Both Israeli subsidiaries: TechFinancials Israel 2014 and Softbox Technologies Limited were officially closed in March 2022

The company has invested small amounts in public US and UK listed companies.

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 dismiss all its employees. The financial asset at FVTPL has been impaired to a nil value at year end.

Directors

The Directors of the Company during the year and at the date of this report are:

Director	Role	Date of appointment	Board Committee	
Asaf Lahav	Executive Board Member	14/11/2014	A	R
Eitan Yanuv	Independent Non-Executive Chairman	24/11/2014	A	R

Board Committee abbreviations are as follows: A = Audit Committee; R = Remuneration Committee

The Board at the end of the period comprised of one executive director and one independent non-executive chairman.

Asaf Lahav, Executive Director, appointed on 1 November 2020

Asaf Lahav co-founded the Group and has held the post of Group Chief Executive Officer and board member since the Group’s inception in 2009 and until October 2020 and following that as an Executive Director. Apart from his Group responsibilities, Mr Lahav is responsible for co-managing the TechFinancials business unit with particular responsibility for the product development team. Mr Lahav has 20 years’ experience in managing complex technological projects and was previously a director of research and development at EMC Corporation, a position he left to found the Group.

Prior to this he held senior roles within research and development at ProActivity Software Solutions Limited, a privately held provider of business process management software solutions which was subsequently acquired by EMC Corporation. Mr Lahav holds a BSc (Hons) in Information Systems from the Technion.

Eitan Yanuv, Independent Non-Executive Chairman*, appointed on 1 April 2020*

Eitan Yanuv is chief executive officer of Implement Limited, a business he founded in 2002 and which provides consultancy services to SMEs in Israel operating in the technology space. Prior to setting up Implement, Mr Yanuv was head of consulting and investment banking at Kost Forer Gabay E&Y. He served as the finance director of Starcom plc till June 2015 and on the board of SerVision Plc, till April 2018 both AIM-quoted companies headquartered in Israel.

Eitan Yanuv is the Chair of the Audit Committee and a member of the Remuneration Committee of the Company.

Directors' interests in shares and contracts

Directors' interests in the shares of the Company at 31 December 2021 are disclosed in Note 23 and any changes subsequent to 31 December 2021, are disclosed in Note 28 to the Financial Statements. Directors' interests in contracts of significance to which the Company was a party during the financial year are disclosed in Note 22 to the Financial Statements.

Independent auditors

A resolution for the re-appointment of PKF Littlejohn LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting**.**

Annual General Meeting

The Company will hold the AGM on Dec 12, 2022. A notice containing the full text of the resolutions to be proposed will be sent in due time.

Corporate Governance Report

The Company is registered in the British Virgin Islands and quoted on the Aquis stock Exchange ("AQSE").

The board of directors are accountable to the Company's shareholders for good corporate governance. The Company is not required, by the rules of AQSE, to adopt the UK Corporate Governance Code. However, this section of the Annual Report describes our corporate governance structures and processes and how they have been applied throughout the year ended 31 December 2021.

Our governance framework

See below for the role of the Board and its Committees.

Board of Directors

The Board is responsible for formulating, reviewing, and approving the Company's strategy, budgets, and corporate actions.

Biographical details of the Directors are included in this document.

The Board comprises one executive director and one non-executive Chairman.

All Directors bring a wide range of skills and international experience to the Board. The Non-Executive Chairman is primarily responsible for the working of the Board of the Company. The Executive Director is primarily responsible for the running of the business and implementation of the Board's strategy and policy.

The Board regulations define a framework of high-level authorities that maps the structure of delegation below Board level, as well as specifying issues which remain within the Board's preserve. The Board typically expects to meet at least four times a year to consider a formal schedule of matters including the operating performance of the business and to review the Company's financial plan and business model.

In accordance with the Company's Articles of Association, at the Annual General Meeting one-third of the Directors will be subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

Subject to the provisions of the BVI Business Companies Act, 2004, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined.

It is the responsibility of the Chairman and the Company Secretary to ensure that Board members receive sufficient and timely information regarding corporate and business issues to enable them to discharge their duties.

Communication with shareholders

The Board attaches great importance to communication with both institutional and private shareholders.

Regular communication is maintained with all shareholders through Company announcements, the half-year Statement and the Annual Report and financial statements.

The Directors seek to build on a mutual understanding of objectives between the Company and its shareholders.

The Board therefore intends to use the Company's Annual General Meeting as the opportunity to meet shareholders who are encouraged to attend, and at which the Executive Director will give a presentation on the activities of the Company.

Following the presentation there will be an opportunity to meet and ask questions of Directors and to discuss development of the business.

The Company operates a website at: https://group.techfinancials.com/

The website contains details of the Company and its activities; regulatory announcements, Company announcements, Interim statements, preliminary statements and Annual Reports. The website is maintained in compliance with the AQSE Rules.

Board Committees

The Board maintains two standing committees, being the Audit and Remuneration Committees. The minutes of all sub-committees are circulated for review and consideration by all relevant Directors, supplemented by oral reports from the Committee Chairmen at Board meetings.

Audit Committee

The Audit Committee currently comprises Eitan Yanuv who chairs the committee, and Asaf Lahav. The Committee was formed in March 2015 and has held two meetings in 2021. Further details on the Audit Committee are provided in the Report of the Audit Committee.

Remuneration Committee

The Remuneration Committee currently comprises Eitan Yanuv who chairs the committee and Asaf Lahav. The Committee was also formed in March 2015. The Committee has held no meetings in 2021. No significant resolutions were made. Further details on the Remuneration Committee are provided in the Report of the Remuneration Committee.

Report of the Audit Committee

Audit Committee

The Audit Committee has written terms of reference and provides a mechanism through which the Board can maintain the integrity of the Financial Statements of the Company and any formal announcements relating to its financial performance; to review the Company's internal financial controls and its internal control and risk management systems and to make recommendations to the Board in relation to the appointment of the external auditor, their remuneration both for audit and non-audit work, the nature, scope and results of the audit and the cost effectiveness, independence and objectivity of the auditors. Provisions are made by the Audit Committee to meet the auditors at least twice a year.

Internal controls

In applying the principle that the Board should maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets, the Directors recognise that they have overall responsibility for ensuring that the Company maintains systems to provide them with reasonable assurance regarding effective and efficient operations, internal control and compliance with laws and regulations and for reviewing the effectiveness of those systems. However, there are inherent limitations in any system of control and accordingly even the most effective system can provide only reasonable and not absolute assurance against material misstatement or loss, and that the system is designed to manage rather than eliminate the risk of failure to achieve the business objectives.

The Company has established procedures necessary to implement the guidance on internal control issued by the FRC Guidance on Audit Committees which was most recently updated in April 2016. This includes identification, categorisation and prioritisation of critical risks within the business and allocation of responsibility to its Executives and senior managers. The key features of the internal control system are described below:

Control environment – the Company is committed to high standards of business conduct and seeks to maintain these standards across all of its operations. There are also policies in place for the reporting and resolution of suspected fraudulent activities. The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve its objectives.

Risk identification – Management is responsible for the identification and evaluation of key risks applicable to their areas of business. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources, including infringement of IP, sales channels, investment risk, staff retention, disruption in information systems, natural catastrophe and regulatory requirements.

Information systems – Group businesses participate in periodic operational/strategic reviews and annual plans. The Board actively monitors performance against plans.

Forecasts and operational results are consolidated and presented to the Board on a regular basis. Through these mechanisms, performance is continually monitored, risks identified in a timely manner, their financial implications assessed, control procedures re-evaluated, and corrective actions agreed and implemented.

Main control procedures – the Company has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the exposure to loss of assets and fraud. Measures taken include segregation of duties and reviews by management.

Monitoring and corrective action – There are clear and consistent procedures in place for monitoring the system of internal financial controls.

This process, which operates in accordance with the FRC guidance, has remained in place up to the date of the approval of these Financial Statements. The Board, via the Audit Committee, has reviewed the systems and processes in place in meetings with the Company's auditors.

The Board considers the internal control system to be adequate for the Company. The auditors have provided services in relation to the annual audit of the Group. The Audit Committee reviews the scope and scale of the non-audit services undertaken by the auditors in order to ensure that their independence and objectivity is safeguarded.

Report of the Remuneration Committee

The Remuneration Committee monitors the remuneration policies of the Company to ensure that they are consistent with its business objectives. Its terms of reference include the recommendation and execution of policy on Director and executive management remuneration and for reporting decisions made to the Board. The Committee determines the individual remuneration package of the executive management of the Board.

The aim of the Board and the Remuneration Committee is to maintain a policy that:

- establishes a remuneration structure that will attract, retain and motivate executives, senior managers and other staff of appropriate calibre;
- rewards executives and senior managers according to both individual and Group performance;
- establishes an appropriate balance between fixed and variable elements of total remuneration, with the performance-related element forming a potentially significant proportion of the total remuneration package;
- aligns the interests of executives and senior managers with those of shareholders through the use of performance related rewards and share options in the Company.

From time to time the Committee may obtain market data and information as appropriate when making its comparisons and decisions and is sensitive to the wider perspective, including pay and employment conditions elsewhere in the Group, especially when undertaking salary/remuneration reviews.
The remuneration package comprises the following elements:

- basic salary – normally reviewed annually and set to reflect market conditions, personal performance, and benchmarks in comparable companies. The Directors receive an annual fee;
- annual performance-related bonus – executives, managers and employees receive annual bonuses related to specific goals or overall Group performance.
- benefits – benefits include life assurance and pension contributions. The Directors does not receive these benefits;
- share options – share option grants are reviewed regularly.

Full details of each Director’s remuneration package and their interests in shares can be found in Note 23 to the Financial Statements.

Service contracts

The Directors have signed service agreements that contain notice periods of 3 months. There are no additional financial provisions for termination.

Share option plan

The Company operates an Employee Stock Option Plan (ESOP). Further details are provided in Note 15 to the Financial Statements.

Directors' Responsibilities Statement in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report, Annual Report and the Group Financial Statements in accordance with applicable law and regulations.

The Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs') as adopted by the EU and applicable 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 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 accounting standards 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 assume that Company will continue in business;

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Financial Statements comply with the IAS Regulation. 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.

They are further responsible for ensuring that the Strategic Report and the Directors' Report and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law.

The maintenance and integrity of the TechFinancials, Inc. website is the responsibility of the Directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the British Virgin Islands governing the preparation and dissemination of the accounts and the other information included in Annual Reports may differ from legislation in other jurisdictions.

Provision of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no information relevant to the audit of which the Company's auditors are unaware, and;
- that Director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Signed by order of the Board

Asaf Lahav
Executive Director

29 July 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECHFINANCIALS INC

Opinion

We have audited the group financial statements of Techfinancials Inc (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Financial Position, the Consolidated Statements of Changes in Equity, the Consolidated Statements of Cash Flow and Notes to the Consolidated Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the group financial statements:

- give a true and fair view of the state of the group's and of the group affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

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 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 relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included ascertaining the group's latest cash position and obtaining, reviewing and challenging cashflow forecasts provided by the directors covering the 12 months from the approval date of the financial statements. Upon review it was concluded that the group's cash reserves significantly exceeded the committed costs and the expected costs over this period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Materiality for the consolidated financial statements as a whole was set as $25,000 (2020: $55,000) based upon loss before tax (2020: profit before tax). With the changes in the group structure and strategy, currently the main focus for the users will be on the reduction of expenses to limit the loss before tax.

Performance materiality has been set at $20,000 (2020: $44,000) being 80% of headline materiality. Performance materiality was set at 80% to reflect the low risk nature of the audit. The audit has been deemed low risk as the company is small with a low volume of transactions and has appropriate controls in place. In addition, this is our fifth year of engagement.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of $2,750 (2020: $7,250). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, such as impairment of the investment in RenewSenses. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

As a result of the changes in the group structure, a full scope audit was performed on the complete financial information of Techfinancials Inc and material transactions within the subsidiaries during the year. Analytical procedures were completed for the other non-material and non-significant components.

The Engagement team, supervised by the audit partner conducted audit work in the United Kingdom for all components within the group.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group 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 group financial statements, the directors are responsible for assessing the group'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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through our sector experience and through discussion with the directors. The identified laws and regulations were communicated within the audit team, and the team remained alert to any indications of non-compliance throughout the audit.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from its listing on the AQSE Growth Market (AXS Access), BVI Business Companies Act and local tax regulations in the jurisdictions in which the group operates.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to:
    - Discussions with directors regarding compliance with laws and regulations by the company and all subsidiaries;
    - Reviewing board minutes; and
    - Review of regulatory news announcements.
- We also identified the risks of material misstatement of the financial statements due to fraud. Other than the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and reviewing bank payments and receipts in the year for evidence of any non-business transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 8 July 2022. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tim Harris (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

29 July 2022

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

	Note	2021 US$'000	2020 US$'000
Revenue	5	-	619
Cost of sales		-	(35)
Gross profit		**-**	**584**
Expenses:			
Research and development		-	(384)
Selling and marketing		-	(33)
Administrative		(233)	(207)
Impairment of goodwill		-	-
	5.1	**(233)**	**(624)**
Operating (Loss) Income		**(233)**	**(40)**
Bank fees		(9)	(20)
Foreign exchange income (loss)		(30)	-
Profit on disposal of traded securities		86	-
Financing income (expenses		**47**	**(60)**
Other Income (expenses)			
Other non-operational income/ (expenses)	5.1	-	441
Impairment loss on the financial asset held at FVTPL	9	(152)	-
(Loss)/ Profit before taxation		**(338)**	**381**
Taxation	16	(4)	70
(Loss) / Profit for the year from continuing operations		**(342)**	**451**
Gain (loss) from discontinued operations	6	(181)	566
Capital loss from a sale of subsidiary	6	(30)	-
(Loss) / Gain for the year from discontinued operations, net		**(211)**	**566**
Other comprehensive income		-	-
Total comprehensive Income		**(553)**	**1,017**

(Loss) / Profit attributeable to:

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

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

The Notes on pages 27 to 57 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position
As at 31 December 2021

	Note	31 December 2021 US$'000	31 December 2020 US$'000
Non-current assets			
Financial asset held at FVPL	9	-	152
		-	**152**
Current assets			
Trade receivables, net and other receivables	10	-	13
Short-term investments	11	26	-
Cash	12	920	1,419
		946	**1,432**
Total Assets		**946**	**1,584**
Current liabilities			
Trade and other payables	13	89	88
Income tax payable		-	86
		89	**174**
Non-current liabilities			
Shareholders loan	20.1	84	84
Equity			
Share capital	14	61	61
Share premium account	14	12,022	12,022
Share-based payment reserve	15	798	798
Accumulated profits / (losses)		(12,108)	(11,555)
Equity attributable to owners of the Company		**773**	**1,326**
Total Equity and Liabilities		**946**	**1,584**

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

The Notes on pages 27 to 57 are an integral part of these consolidated financial statements.

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

	Share capital	Share Premium	Share based payment reserve	Revaluation reserve	Accumulated profits/ (losses)	Total	Non - controlling interests	Total
	(Note 14)	(Note 14)	(Note, 15)	(Note, 9)			(Notes 18)	
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2020	**61**	**12,022**	**934**		**(12,459)**	**588**	**(249)**	**309**
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	-	-	-
Balance at 31 December 2020	**61**	**12,022**	**798**	**-**	**(11,555)**	**1,326**	**-**	**1,326**

Total comprehensive income for the year	-	-	-	-	(553)	(553)		(553)
Balance at 31 December 2021	**61**	**12,022**	**798**	**-**	**(12,108)**	**773**	**-**	**773**

The Notes on pages 27 to 57 are an integral part of these consolidated financial statements.

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:

		Years ended 31 December	
		2021	**2020**
	Note	**US$'000**	**US$'000**
Cash Flows from operating activities			
(Loss) / Profit before tax period		(549)	946
Adjustment for:			
Amortisation of intangible assets	7	-	75
Impairment of intangible assets, net	7	-	37
Gain on bargain purchase			(309)
Depreciation of property and equipment	8	-	4
Profit on disposal of traded securities		(86)	-
Share option charge	15	-	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	8	-	12
Gain from revaluation of intangible assets		-	(577)
Impairment of investment	9	152	-
Operating cash flows before movements in working capital:			
Decrease in trade and other receivables	10	13	589
Increase (decrease in trade and other payables	13	48	(1,445)
R&D tax credit received		-	163
Income tax paid		(93)	(109)
Net cash used for operating activities		**(403)**	**(729)**
Cash flows from investing activities			
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)
Net cash generated from (used in) investing activities		**(14)**	**1,400**
Net increase (decrease) in cash and cash equivalents		**(417)**	**671**
Cash and equivalents at beginning of period		1,419	672
(Effect of changes in exchange rates on Cash		(82)	76
Cash and equivalents at end of period	12	**920**	**1,419**

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

The Notes on pages 27 to 57 are an integral part of these consolidated financial statements.

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 financial trading platforms to businesses. The company will continue to look for business and investment opportunities to maximize the Company's value, leveraging its available cash. The Financial Statements presents the consolidated results of the Group for each of the years ended 31 December 2021 and 2020. The Financial Statements for the year ended 31 December 2021 represents discontinued operations for the Group.

TechFinancials Inc. (formerly Mika Holdings Inc.), a company incorporated in the British Virgin Islands on 16 June 2009 under the BVI Business Companies Act, 2004, is the holding company for the Group. The Company is currently listed solely on the Aquis Stock Exchange.

The Group:

The Financial Statements of the Group consolidates the following companies: TechFinancials (Israel) 2014 Ltd, an Israeli incorporated company; Softbox Technologies Ltd, an Israeli incorporated company;

The companies within the Group are set out below:

Company name	County of registration or incorporation	percentage of ownership	Principal activity
TechFinancials, Inc.	British Virgin Islands	-	Until October 2020, development of blockchain-based digital assets solutions and licensing of financial trading platforms.
TechFinancials (2014) Israel Ltd.	Israel	100%	The provision of software development services. Operating from October 2014 until January 2020. Held by TechFinancials Inc, as described below;
Softbox Technologies Ltd.	Israel	100%	The provision of software development services of blockchain. Operating from August 2018 until January 2020. Held by TechFinancials Inc, as described below;

1. General Information (continued)

The registered offices for the companies within the Group are as follows:

TechFinancials, Inc.:	Craigmuir Chambers, PO Box 71, Road Town, VG1110 Tortola, British Virgin Islands.
TechFinancials (2014) Israel Ltd:	c/o Ori Limor, 45 Hauza St. Raanana, Israel.
Softbox Technologies Ltd:	c/o Ori Limor, 45 Hauza St. Raanana, Israel.

2. Summary of significant accounting policies

2.1. Basis of preparation

The consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union issued by the International Accounting Standards Board ("IASB") including related interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated 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 preparation of Financial Statements in conformity with IFRS require the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumption and estimation are significant to the consolidated Financial Statements are considered in Note 3(v).

New standards and amendments are effective since 2020, however that has no material effect on the consolidated financial statements, see Note 4.

2.2. Basis of consolidated reporting

The financial statements of the subsidiaries are prepared for the same reporting year as the parent Company using consistent accounting policies.

Control is achieved where the Group is exposed, or has rights, to variable returns from its involvement with the investee entity and has the ability to affect these returns through its power over the investee. Control is lost when the Group no longer has rights to variable returns from its involvement with an investee entity and no longer has the ability to affect those returns as it no longer has power over the investee. When control is lost the subsidiaries are de-recognised and no longer consolidated.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

2. Summary of significant accounting policies (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Consolidated Statement of Comprehensive Income.

Investments in subsidiaries are accounted for at cost less impairment. Acquisition related costs are expressed as incurred. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. Significant accounting policies

(a) Currency translation

(i) Functional and presentation currency
The individual Financial Statements of each Group entity are measured in the currency of the primary economic environment in which the entity operates (its functional currency). The Financial Statements of the subsidiaries are presented in USD, which is the presentation currency of TechFinancials Inc.

(ii) Transactions and balances
Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) Foreign operations
Assets and liabilities of foreign operations are translated to USD at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates approximating those ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the foreign exchange translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

(b) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

3. Significant accounting policies (continued)

(i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
(ii) Held primarily for the purpose of trading;
(iii) Expected to be realised within twelve months after the reporting period; or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the normal operating cycle;
(ii) it is primarily for the purpose of trading;
(iii) it is due to be settled within twelve months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(c) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the subsidiaries and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognise such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment loss.

All items of property, plant and equipment are depreciated using the straight-line method to write-off the cost of the assets over their estimated useful lives as follows:

	Years
Computers	3
Furniture and equipment	6-10
Leasehold improvement	over the life of lease

3. Significant accounting policies (continued)

The estimated useful life and depreciation method are reviewed and adjusted as appropriate at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items

of property, plant and equipment. Fully depreciated assets are retained in the Financial Statements until they are no longer in use.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in profit or loss within other income / expenses.

As of the end of December 2021 the group does not have any property nor any plant and equipment.

(d) <u>Intangible assets</u>

(i) Research and development expenditure

Research expenditure is recognised as an expense when it is incurred. Development expenditure is recognised as an expense except when such expenditure is expected to generate future economic benefits when it is capitalised as an intangible asset.

Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:

(i) its ability to measure reliably the expenditure attributable to the asset under development;

(ii) its intention to complete the intangible asset and sell it;

(iii) the product or process is technically and commercially feasible;

(iv) its future economic benefits are probable (amortised over 5 years);

(v) its ability to use or sell the developed asset; and

(vi) the availability of adequate technical, financial and other resources to complete the asset under development.

In the event that it is no longer probable that the expected future economic benefits will be recovered, the development expenditure is written down to its recoverable amount.

As of the end of December 2021 the group does not have any capitalised intangible assets.

3. Significant accounting policies (continued)

(ii) Computer Software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

As of the end of December 2021 the group does not have any computer software intangible asset in use.

(e) <u>Impairment of non-financial assets</u>

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets.

Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.
An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised.

3. Significant accounting policies (continued)

If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(f) Financial assets

(i) Initial recognition and measurement

The Group applies IFRS 9 "Financial Instruments" and elected the simplified approach method.

The Group classifies its financial assets in the following categories: loans and receivables. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and this designation at every reporting date.

Investments

Investments, which include equity and debt investments, are designated on initial recognition as financial assets at fair value through profit or loss. This measurement basis is consistent with the fact that the Group's performance in respect of its portfolio investments is evaluated on a fair value basis in accordance with an established investment strategy. When investments are recognised initially, they are measured at fair value.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are classified as non-current assets. Loans and receivables comprise of cash and bank balances, trade and other receivables.

Financial assets are measured upon initial recognition at fair value plus transaction costs directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired and through the amortisation process.

3. Significant accounting policies (continued)

Convertible loans

Convertible loans are financial assets where repayment can be in the form of cash or equity instruments in the loanee. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are classified as non-current assets.

Convertible loans are measured at fair value through profit or loss with transaction costs being recorded in profit or loss.

Subsequent to initial recognised, convertible loans are measured at fair value through profit or loss. Any gain or loss when revaluing to fair value is recognised in the profit or loss.

(ii) De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(g) Impairment of financial assets

The Group applies IFRS 9 "Financial Instruments" and elected the simplified approach method, measuring the loss allowance in an amount equal to the lifetime expected credit losses. An impairment loss on debt instruments measured at amortised cost is recognized in profit or loss with a corresponding loss allowance that is offset from the carrying amount of the financial asset.

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired, if so, the Group performs a detailed impairment calculation to determine whether an impairment loss should be recognised. A financial asset, or a 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 occurred after the initial recognition of the asset (a "loss event"), and that 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 receivables or a group of receivables is experiencing significant financial difficulty, default or delinquency in interest or principal repayments, 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 asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred),

3. Significant accounting policies (continued

discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the income statement.

If, in a subsequent period, 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 an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(h) Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities and include trade and other payables and borrowings. Financial liabilities are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of financial liability, or, where appropriate, a shorter period.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

(j) Provisions

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made.

3. Significant accounting policies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(k) <u>Contingent liabilities</u>

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is uncertain or cannot be measured reliably. Contingent liabilities are not

recognised in the Financial Statements, but are disclosed unless they are remote provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the Financial Statements, but are disclosed unless they are remote.

(l) <u>Share Capital</u>

Ordinary shares are classified as shareholders' equity, net of transaction costs.

Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares or options are shown in equity as a deduction from the proceeds.

(m) <u>Share-based payment</u>

Certain employees of the Group received remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

<u>Equity-settled transactions</u>

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 15.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

3. Significant accounting policies (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original

terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 15).

(n) <u>Dividends</u>

Dividend distributions are recognised in the Company's Financial Statements in the year in which they are approved by the Board of Directors of the relevant entity being a part of the Group.

(o) <u>Revenue recognition</u>

The Group applies IFRS 15, "Revenue from Contracts with Customers" and elected using the modified retrospective adoption method upon the initial application.

IFRS 15 introduces a five steps model for revenue recognition which is as follows:
1. Identify the contract(s) with a customer. 2. Identify the performance obligations in the contract. 3. Determine the transaction price. 4. Allocate the transaction price to the separate performance obligations in the contract. 5. Recognise revenue as each performance obligation is satisfied.

3. Significant accounting policies (continued)

The Group follows this approach in determining its revenue recognition policies.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the Group has satisfied its performance obligation as laid out in its contact with its customers.

For B2B customers revenue is recognised in respect of the stage of completion of specific set up obligations and on completion of contract specific performance obligations.

The B2C revenues were recognised at completion of each trade outcome which is when the obligation is complete.

Blockchain revenues are recognised upon completion of the performance of the obligated development service.

Token sale revenues were recognised with respect to Cedex's platform development and related services provided to customers over time based on the stage of completion.

(p) <u>Current and Deferred Income Tax</u>

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the comprehensive income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where its subsidiaries operate by the end of the financial period.

Deferred tax is recognised on the 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 are accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and 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. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. Significant accounting policies (continued)

Deferred tax liabilities are recognised on taxable temporary differences arising on investment in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year 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 realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax is charged or credited to the comprehensive income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(q) Leases

As of the end of December 2021 the Group does not have any operating leases.

(r) Retirement benefit costs

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income in the same financial year as the employment that gives rise to the contributions.

(s) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term deposits with an original maturity of 3 months or less.

3. Significant accounting policies (continued)

(t) Restricted bank deposits

Restricted bank deposits with an original maturity of more than three months and less than twelve months after the reporting date is presented as a current asset in the statement of financial position.

Restricted bank deposits with an original maturity of more than three months and less than twelve months after the reporting date is presented as a current asset in the statement of financial position.

(u) Going concern

The Consolidated Financial Statements have been prepared under the going concern assumption, which presumes that the Group will be able to meet its obligations as they fall due for at least the next twelve months from the date of the signing of the Financial Statements.

The Financial Statements do not include any adjustments that may be required should the Group be unable to continue as a going concern.

(v) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The fair value of investments is first based on quoted prices, where available. Where quoted prices are not available, the fair value is estimated using consistent valuation techniques across periods of measurement.

The Company's unlisted equity investments are recorded at fair value or at amounts whose carrying values approximate fair value. Net gains and losses, including any interest or dividend income, are recognised in its profit or loss statement.

In accordance with IFRS 13, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

These are described as follows:

Level 1 – Quoted market prices
Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

3. Significant accounting policies (continued)

Level 2 – Valuation Techniques using observable inputs
Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3 – Valuation techniques using significant unobservable inputs
Fair value measurements are those derived from inputs that are not based on observable market data.

(w) Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the operating director.

The operating director who is responsible for allocating resources and performance of operating segments, during the year was Asaf Lahav.

All operations and information are reviewed together so that at present there is only one reportable operating segment this year as a result of the cessation of trade. No comparatives have been included.

(x) Discontinued operations

The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the pre-tax profit or loss of the discontinued operation along with the pre-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

(y) Critical accounting judgements and areas of key estimation uncertainty

Impairment of financial asset at FVTPL

The Group tests annually whether there are any indicators of impairment regarding the financial assets.

The group has a financial asset measured at FVTPL for the SAFE agreement with RenewSenses – refer to note 9. As of December 31, 2021, RenewSenses did not succeed to raise additional capital for its operations. The directors have assessed and concluded that risk of impairment exists. As a result, the financial asset was fully impaired as at 31 December 2021.

4. Changes in account policies and disclosures

New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2020, as well as new standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted (Note 4.1).

Whilst the Directors do not anticipate the adoption of these standards and interpretation in future reporting periods will have a material impact on the Group's financial statements.

New and amended standards mandatory for the first time for the year beginning 1 January 2021

	Effective date: Annual periods beginning on or after:	**Expected Impact**
Amendment to IFRS 16, 'Leases' - Covid-19 related rent Concessions	1 June 2020	No
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2	1 January 2020	No
Amendments to IAS 1, Presentation of financial statements on classification of liabilities	1 January 2020	No

At the date of approval of these financial statements, the following amendments to IFRS which have not been applied in these financial statements were in issue but not yet effective:

	Effective date **Annual periods beginning on or after**	**Expected Impact**
Reference to the Conceptual Framework - Amendments to IFRS 3 – Business Combination	1 January 2022	No
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	1 January 2022	No
Classification of Liabilities as Current or Non-current -Amendments to IAS 1	1 January 2023	No
Provisions, Contingent liabilities and Contingent asset – Amendments to IAS 37	1 January 2022	No

The Directors believe that these new and amended standards, adopted in the current year and which will be adopted in future periods, are not expected to have a material impact on the Group's results or shareholders' funds.

5. Revenue from continuing operation:

For B2B customer revenue is recognised in respected of the stage of completion of specific set up obligations and on completion in contract specific performance obligations.

Blockchain revenues are recognised upon completion of the performance of the obligated development service.

The following revenue was recognised:

	Year ended 31 December	
	2021	2020
	US$'000	US$'000
B2B revenue	-	240
Block chain revenue	-	379
	-	**619**

There were no contract assets/liabilities recognised.

5.1 Expenses by nature from continuing operations

	Year ended 31 December	
	2021	2020
	US$'000	US$'000
Data and hosting fees	-	35
Amortisation of intangible assets	-	112
Software and IT expenses	4	37
Employee benefits	-	7
Subcontractor costs	-	272
Impairment of financial assets	152	-
Profit on sale of short-term investments	(86)	
Auditor remuneration – audit of the Group accounts	30	26
Professional and consulting fees (including director fees)	128	185
Foreign exchange differences	30	-
Other expenses	80	4
Other non-operating income from Cedex acquisition	-	(441)

6. Discontinued operation

During the year 2021, the Group terminated the operations of all its subsidiaries. The associated results of the subsidiaries within these financial statements are consequently considered as discontinued operation.

Footies Limited was struck off in the 2021 financial year end and as such has been disclosed as discontinued operations.

Softbox Technologies Ltd and Techfinancials (2014) Israel Ltd were struck off in March 2022 and as such have been disclosed as discontinued operations.

Cedex Holdings was disposed in October 2021 and as such has been disclosed as discontinued operations.

The 2020 comparative have been restated to show the above subsidiaries as discontinued operations.

a) Results of discontinuing operations:

	Year ended 31 December	
	2021	**2020**
	US$'000	**US$'000**
External revenue	-	690
Cost of sales	-	(52)
Research and development expenses	-	(128)
Selling and marketing expense	-	(20)
Administrative expenses	(100)	(447)
Realised Foreign exchange differences	(59)	70
Bank charges	(22)	(31)
Other income	-	484
Loss on disposal of Cedex	(30)	-
(Loss)/Profit from discontinued operations	**(211)**	**566**

b) Cashflows of discontinued operations:

Operating	(194)	(119)
Investing	(739)	904
Financing	-	-
	(933)	**785**

c) Total cash on disposal date

	2021
	US$'000
Disposal of a subsidiary	
Current assets of the subsidiary excluding cash	-
Current liabilities of the subsidiary	(45)
Loss on disposal	(30)
	(75)

All companies classified as discontinued operations in 2021 were either disposed during the year or were struck off during the year subsequent to year end; and held immaterial assets or liabilities as at 31 December 2021.

7. Intangible assets

	Project A	Project B	Project E	Computer Software	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
At 1 January 2021	784	858	373	11	**2,026**
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 December 2021	**784**	**858**	**373**	**11**	**2,026**
Accumulated amortisation					
At 1 January 2021	784	858	373	11	**2,026**
Charge for the year	-	-	-	-	-
Impairment	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 December 2021	**784**	**858**	**373**	**11**	**2,026**
Net book value					
At 31 December 2021	-	-	-	-	-
At 31 December 2020	-	-	-	-	-

No additional intangible assets have been added in 2021.

7.1. Intangible assets – development expenditure capitalised

Projects:
Project A – Forex trading solution.
Project B – Mobile and tablet native applications adjusted to different screen sizes.
Project E – Trading solution for CFD.

There was no impairment in 2021 as the assets had been fully amortised/impaired.

The amortisation charge for the year 2020 is included within the 'Administrative' expenses in the Consolidated Statement of Comprehensive Income.

On 31 December 2019, project A and B remaining balances were fully depreciated, projects C and D were fully impaired in 2017, on December 2020, project E was fully impaired and as such, the net balance is nil.

8. Property and equipment

	Computers	Furniture and Equipment	Total
	US$'000	US$'000	US$'000
Cost			
At 1 January 2021	164	28	192
Additions	-	-	-
Disposal		-	-
At 31 December 2021	**164**	**28**	**192**
Accumulated depreciation			
At 1 January 2021	164	28	192
Charge for the year	-	-	-
Disposal	-	-	-
At 31 December 2021	**164**	**28**	**192**
Net book value			
At 31 December 2021	**-**	**-**	**-**
As at 31 December 2020	**-**	**-**	**-**

9. Financial Asset at FVTPL

	Year ended 31 December	
	2021	**2020**
	US$'000	**US$'000**
Fair value as at 1 January	152	-
Additions	-	152
Impairment loss	(152)	-
Fair value as at 31 December	**-**	**152**

Financial assets at FVTPL investments are valued at Level 3 of the Fair value Hierarchy.

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.

The investment will be automatically converted at a 20% discount of the next round valuation, with a valuation cap of 2M NIS (US$0.6 million). The company will therefore hold at least 17% of RenewSenses share capital. RenewSenses aims to revolutionize the way people with visual impairment experience the world. The Company develops a wearable mobile device that combines cutting-edge computer vision and vision-to-audio and vision-to-touch sensory substitution methods. The device will enable users to detect and locate objects, people, and general visual characteristics in their immediate surroundings through alternative senses.
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 dismiss all its employees. Based on the above, the group impaired the investment in RenewSenses which is presented in the statement of financial position as of December 31, 2021 with zero value.

10. Trade and other receivables

	Note	Year ended 31 December 2021 US$'000	2020 US$'000
Prepayments		-	5
Other receivables		-	8
		-	**13**

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

11. Short-term investment

Short-term investments are in securities traded in LSE and AIM stock exchanges. The investments are presented at their market value as at the date of the financial position.

	2021 US$'000
Fair value balance as at 1 January 2021	-
Additions	102
Disposals	(84)
Foreign exchange differences	8
Fair value balance as at 31 December 2021	**26**

All short-term investments are valued at Level 1 of the Fair value Hierarchy and represented by shares held in companies listed in the United Kingdom.

12. Cash and cash equivalents

	Year ended 31 December 2021 US$'000	2020 US$'000
Cash at bank	920	1,419
	920	**1,419**

13. Trade and other payables

	Note	Year ended 31 December 2021 US$'000	2020 US$'000
Trade payables		39	4
Accrued liabilities		50	84
		89	**88**

14. Share capital

	As at 31 December	
	2021	2020
Authorised	**Number of Shares**	**Number of Shares**
The Company Ordinary share	100,000,000	100,000,000
Authorised	**100,000,000**	**100,000,000**

	As at 31 December	
	2021	2020
Issued and fully paid	**US$'000**	**US$'000**
The Company Ordinary share	**61**	**61**

85,860,979 (PY: 85,860,979) shares were issued and fully paid for.

	2021
Ordinary shares issued and fully paid	**US$'000**
At 1 January 2021	61
share based compensation exercise of options	-
At 31 December 2021	**61**

Share Capital – Amount subscribed for share at nominal value.

Share Premium – Amount subscribed for share capital in exercise of nominal value.

Share-based payment reserve – The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

This estimated fair value was calculated by applying a Black-Scholes option pricing model. In the absence of a liquid market for the share capital of the group the expected volatility of its share price is difficult to calculate. Therefore, the Directors have considered the expected volatility used by listed entities in similar operating environments to calculate the expected volatility.

The expense and equity reserve arising from share-based payment transactions recognised in the year ended 31 December 2021 USD$ nil (2020: nil)

15. Share – based payment transactions (Group

The Group has one share-based payment arrangements ("2014 plan") which is summarised below.

Employee Stock Option Plan:

	Year ended 31 December 2021	
	Number of Options	Weighted Average Exercise Price (US$)
Balance at beginning of period	**200,000**	**0.092**
Granted	-	-
	-	-
Exercised during the period		
Lapsed during the period	-	-
Balance at end of period	**200,000**	**0.092**

	Year ended 31 December 2020	
	Number of Options	Weighted Average Exercise Price (US$)
Balance at beginning of period	**1,237,818**	**0.131**
Granted	-	-
Exercised during the period	-	-
Lapsed during the period	(1,037,818)	0.092
Balance at end of period	**200,000**	**0.092**

15.1 Number of options exercised during the period

No options were exercised during the period.

15.2 Outstanding Options

The details of the outstanding options are set out below. The options were issued in 2017.

Date of grant	01 August 2017 (2014 Plan)
Contractual life	10 years
Exercise price	$0.0915

The grant date fair valuation of $0.06 per share was done in 2017 using the Black Scholes model. The model inputs were:
(i) Share price at grant date;
(ii) Weighted average exercise price of;
(iii) Expected volatility;
(iv) Contractual life of 10 years; and
(v) Risk fee rate interest rate of 3.85%

16. Income tax expenses

	Years ended 31 December	
	2021	2020
	US$'000	US$'000
Current income tax expense	-	(93)
R&D tax credit	-	163
Prior year under provision	(4)	-
	(4)	**70**

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense/(release) at the effective tax rate of the Group is as follows:

	Years ended 31 December	
	2021	2020
	US$'000	US$'000
Profit (Loss) before taxation from continuing operation	(338)	451
Profit multiplied by standard rate of EIT of 0%	**-**	**-**
Effect of different tax rates in different countries:		
Israeli tax rates 2020 2021 :23%	-	(93)
Deferred tax rate : 23%	-	163
	-	**70**

17. Earnings per share

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

	Years ended 31 December	
	2021	2020
	US$'000	US$'000
(Loss) / Profit attributable to equity holders	(553)	997

Details of the share options that could potentially dilute earnings per share in future periods are set out in note 15

Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	85,860,979	85,860,979
	US$	**US$**
Basic earnings per share	(0.0064)	0.0116
Basic earnings per share from continuing operations	(0.0040)	0.0050
Basic earnings per share from discontinued operations	(0.0024)	0.0066

17. Earnings per share (continued)

Diluted

Weighted average number of shares diluted	86,399,888	86,399,888
	US$	**US$**
Earnings per share	N/A	0.0116
Earnings per share from continuing operations	N/A	0.0050
Earnings per share from discontinued operations	N/A	0.0066

The number of potentially dilutive share options are as disclosed in Note 15.

18. CEDEX Group

CEDEX Holdings Ltd. was incorporated on 30 November 2017 in Gibraltar.

On October 4th 2021 TechFinancials sold its 99.84% owned subsidiary, Cedex Holdings Limited ("Cedex"), to Lem Management Limited ("Buyer"). According to the terms of the Agreement, the Company will be entitled to future consideration upon the Buyer succeeding to raise US$20 million in a single or series of related transactions, for the future operation of Cedex, or selling Cedex for a minimum of US$2 million. In certain circumstances of a sale of Cedex, or the assets of Cedex, by the Buyer, the Company will be entitled to receive 50% of that consideration above US$ 2 million. Between US$5 million and US$50 million, the Company will be entitled to receive US$1.6 million out of the first US$5 million and 4% out of the remainder, but no more than US$2 million. US$50 million and above, the Company will be entitled to receive 4% of the proceeds.

19. Ultimate controlling party

The Company considers that there is no ultimate controlling party of the Group.

20. Related party balances and transactions

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these, on the basis determined between the parties, is reflected in these Financial Statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the period under review, in addition to those disclosed elsewhere in these Financial Statements, the following significant transactions took place at terms agreed between the parties:

20.1 Receivables / Payables balances

Balances with shareholders/ Directors employed by the Group are analysed as follows:

	As at 31 December	
	2021	2020
	US$'000	US$'000
Non-current liabilities – Shareholder's loans:		
Jeremy Lange	28	28
Asaf Lahav	16	16
Eyal Alon	40	40
	84	**84**

The loans bear no interest and were, subject to certain conditions, repayable in three equal instalments, out of which two were paid during July 2016 and February 2017. The remaining loans balance become repayable when the company has operating cash inflow of $1million for two consecutive quarters. Based upon the current trading position of the company, it is not considered these will become repayable within a year.

The following was included in trade and other payables:

Fees due to key management:

	As at 31 December	
	2021	2020
	US$'000	US$'000
Salaries and other long-term employee benefits	23	-
	23	**-**

Fees due to the directors:

	As at 31 December	
	2021	2020
	US$'000	US$'000
Director's Fees – Eitan Yanuv	21	-
	21	**-**

21. Key Management Personnel

The compensation for key management and/or Shareholders'/Directors employed by the Group is analysed as follows, and is further broken down in Note 22:

	As at 31 December	
	2021	2020
	US$'000	US$'000
Salaries and other short-term employee benefits	-	302
Salaries and other long-term employee benefits	23	50
	23	**352**

22. Key management and directors remuneration (Group)

Details of the nature and amount of each element of the emoluments of each member of Key Management for the years ended 31 December 2021 and 31 December 2020 were as follows:

Key Management Personnel Name	31 December 2021 % of shareholdings	Year ended 31 December 2021 US$'000	Year ended 31 December 2020 US$'000
Eyal Rosenblum*^	6.02% (PY: 6.02%)		
Wages and salaries		-	114
Post-employment benefits		-	13
Other long term benefits		-	4
		-	**131**
Yuval Tovias*^	0.13% (PY: 0.13%		
Wages and salaries		-	62
Post-employment benefits		23	7
Other long term benefits		-	3
		23	**72**

Details of the nature and amount of each element of the emoluments of the directors for the years ended 31 December 2021 and 31 December 2020 were as follows

Directors Personnel Name	31 December 2021 % of shareholdings	Year ended 31 December 2021 US$'000	Year ended 31 December 2020 US$'000
Asaf Lahav*+^	10.68% (PY:10.68%)		
Wages and salaries		-	126
Post-employment benefits			15
Director's fee		51	-
Other long term benefits		-	9
		51	**150**
Christopher Bell**			
Director's fee		**-**	**16**
Eitan Yanuv***	-		
Director's fee		**42**	**42**
Total remuneration of the key management and directors of the Group		**116**	**411**

^ Employment was terminated during 2020.Eita
+ Executive director from 1 November 2020.
*On payroll.
**Payment received through Star Tea Ltd company being a Non-Executive chairman of the board until March 2020.
*** Payment received through Implement Ltd company being a Non-Executive chairman of board.

23. Financial risks management

The Group is exposed to credit risk, liquidity risk, currency risk and high risk investments. The risk management policies employed by the Group to manage these risks are discussed below:

23.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's major classes of financial assets are cash and bank balances, and high risk investments.

As at the end of each financial year, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the consolidated statements of financial position.
The carrying amount of financial assets represents the maximum credit exposure.
The maximum exposure to credit risk at the reporting date of the Group is as follows:

	As at 31 December	
	2021	**2020**
	US$'000	**US$'000**
Cash and cash equivalents	920	1,419
Short-term investments	26	-
Financial asset at FVTPL	-	152
Restricted bank deposits	-	-
Trade receivables and others	-	1
	946	**1,572**

Cash and cash equivalents

As at 31 December 2021 and 2020, substantially all the cash and bank balances as detailed in Note 12 to the consolidated Financial Statements are held in financial institutions which are regulated and located in Israel, Singapore and England, which management believes are of high credit quality.
Management does not expect any losses arising from non-performance by these counterparties.

	As at 31 December	
	2021	**2020**
	US$'000	**US$'000**
A	-	21
AA-	-	325
Other	920	1,073
	920	**1,419**

The Group has no significant concentrations of credit risk. Cash is placed with established financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

23.2 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro and GBP. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The following sensitivity analysis shows the effects on net profit of a 5% and 10% increase/decrease in exchange rates versus closing exchange rates at 31 December 2021 and 31 December 2020.

	2021		**2021**	
	+5% US$'000	**-5% US$'000**	**+10% US$'000**	**-10% US$'000**
Euro	36	(36)	71	(71)
GBP	5	(5)	10	(10)

	2020		**2020**	
	+5% US$'000	**-5% US$'000**	**+10% US$'000**	**-10% US$'000**
Euro	75	(75)	151	(151)
GBP	1	(1)	3	(3)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		**Assets**	
	2021	**2020**	2021	**2020**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Euro	-	1	713	1,227
GBP	15	53	95	74
Israeli New Shekel	-	33	2	29

23.3 Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. Trade and other payables are all payable within 12 months.

Trade and other payables

Group's trade payables and other payables that are not impaired are as follows:

	As at 31 December	
	2021	2020
	US$'000	US$'000
Current and 31 – 60 days	39	4
61 – 90 days	-	-
Above 91 days	-	-
	39	**4**

23.4 Capital Risk

The Board's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to enable the Group to continue its investments and to maintain an optimal capital structure to reduce the cost of capital. The Group have no external borrowing and thus capital consist entirely of equity.

24. Commitments

The Group had no capital or other commitments as at 31 December 2021.

25. Financial assets and Liabilities:

	As at 31 December	
	2021	2020
	US$'000	US$'000
Financial assets at FVTPL	-	152
Financial asset at amortised costs	920	1,419
Short term investments	26	-
Financial liabilities at amortised cost	173	174

26. Contingencies

The Group had no contingencies as at 31 December 2021.

27. Guarantees and lien

No guaranties for the Group as of 31 December 2021.

28. Subsequent events

In March 2022 both TechFinancials Israel 2014 Ltd and Softbox Technologies Ltd were struck off by the Israeli authorities, and as on the date of signing these financial statements the company has no subsidiaries.

In 2022, the Company acquired shares in public traded companies in UK and US.

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 dismiss all its employees.