Press Release **4 June 2015**

TechFinancials Inc.

"TechFinancials", the "Company", or the "Group"

Final Audited Results

TechFinancials (AIM:TECH), a software developer that supplies simplified trading solutions to online brokers, today announces its maiden set of final audited results for the year ended 31 December 2014.

Financial Highlights

- Revenue increased by 85% to US$15.5 million (2013: US$8.4 million)
- Operating profit before exceptional items of US$2.1 million (2013: operating loss of US$0.3 million)
- Pre-tax profit of US$0.8 million (2013: pre-tax loss of US$0.3 million)
- EBITDA* of US$2.3 million (2013: EBITDA loss of US$0.3 million)
- Net cash generated from operating activities was US$2.1 million compared with cash outflow of US$0.47 million in 2013
- Number of active brands using the Company's platform increased to 48 (2013: 36)
- US market entry through collaboration with Cantor Exchange
- Beginning of Asia market entry
- Basic earnings per share ('EPS') has improved from a loss of US$0.009 in 2013 to a profit of US$0.012 in 2014
- The Board recommends a maiden dividend for the financial year ending December 2014 totalling $165,000 for shareholders on the register at record date 31 July 2015.

* Earnings before interest, tax, depreciation and amortisation, non-trading items and non-cash charges

**The illustrative exchange rate as at 31 December 2014 was 1 GBP: 1.558642 USD

Asaf Lahav, Chief Executive of TechFinancials, commented: "The Board is delighted to announce our maiden annual results, which shows a considerable increase in revenue and operating profit. The Group's improved operating cash flow, together with the proceeds raised in our IPO, will enable TechFinancials to invest in new products and services, in order to capitalise on the increasingly sophisticated and regulated binary options market.

"The Board is also delighted that TechFinancials have entered several high growth binary options market in 2015. Whilst Europe continues to be the main focus of the Group, TechFinancials has made significant progress to penetrate the US, and Asian markets. The Board is confident that through increasing sales and marketing efforts, TechFinancials will successfully leverage on its already established brand in these international markets."

- Ends -

For further information:

TechFinancials, Inc.	
Asaf Lahav, Group Chief Executive Officer	Tel: +357-25-503164
Yuval Tovias, Chief Financial Officer	www.group.techfinancials.com
Grant Thornton UK LLP (Nominated Adviser)	
Colin Aaronson / Melanie Frean	Tel: +44 (0) 20 7383 5100
Northland Capital Partners Limited (Broker)	
Gerry Beaney / John Howes / Mark Treharne	Tel: +44 (0) 20 7382 1100
Argento Capital Markets Limited (Financial Adviser)	
Alan MacKenzie / Jim McGeever	Tel: +44 (0) 20 7093 0353

Media enquiries:

Abchurch Communications Limited	
Jamie Hooper/ Viktoria Langley	Tel: +44 (0) 20 7398 7719
TechFinancials@abchurch-group.com	www.abchurch-group.com

Chairman's Statement

I am delighted to present my first report on Techfinancials covering its results for the financial year ended 31 December 2014. The Financial Statements present the combined and consolidated results of the Group for each of the years ended 31 December 2013 and 2014.

2014 was a year of significant progress for TechFinancials, and we posted material year-on-year increases in top and bottom line numbers.

This was driven by improving revenue generation from both our core licence products and trading platform. At the same time we continued to develop and build firm foundations for the Company by introducing new and exciting products which included the Forex trading platform; an application to facilitate trading from mobile devices and a trading solution to comply with US regulation, all aimed at penetrating new and growing markets.

During 2014 we strengthened our service after further making architectural changes to better support broker scalability, enhanced our support and deployment services for our customers' growing needs and improved the API (application program interface) capabilities. We also strengthened our senior management and invested in our team of highly experienced industry professionals. The past year has demonstrated that TechFinancials has a business model with true economy of scale – as our revenues grow the costs proportionally reduce.

During the last quarter of the year we started our programme of investor meetings to raise up to £6.6m (US$10m) before the year end. This fundraising round culminated in our raising £3.1m, £2.2m net of expenses and achieving an AIM listing some three months later than targeted on 9 March 2015. The net proceeds of £2.2 million (US$3.2 million) will be used in part to help grow the TechFinancials group businesses and brand globally by investing in the continued development of the Group's regulatory compliant solutions for the US and Japanese markets, and the further development of the Group's solutions in the EU market as well as investing in additional marketing activities which will help increase global brand awareness. In addition part of the proceeds will be used to help strengthen the Group's balance sheet and to provide additional working capital as the Group will evaluate corporate development activity opportunities such as join ventures and/or acquisitions.

The Group was formed when the Company acquired the entire issued share capital of B.O. TradeFinancials and established TechFinancials Israel (2014) Limited which assumed the role of NetMavrik on 1 November 2014. B.O. TradeFinancials and NetMavrik were previously held by parties under common control and the reorganisation was effected in advance of the Company's admission to AIM. The combined and consolidated financial information has been prepared on the basis of presenting the results for the Company and subsidiaries as though they had been owned throughout.

TechFinancials became the first Binary Options and Technology Company to be admitted to trading on AIM, we believe this adds strongly to our reputation and credibility in world markets.

Global demand for the Group's online trading products continues to grow and the Group's aim is to create a group of market leading businesses with complementary services which forms a business of size and scale that can meet the demanding expectations of our global customers.

On 27 April 2015 we announced the first significant step in the execution of the expansion strategy outlined in the Company's AIM admission document when we successfully established a position as a software vendor for liquidity providers operating in the US binary options market. This, together with the future development of the Introducing Broker product, will allow TechFinancials licensees, including the Group's own brands, to operate in a fully regulated environment through the Cantor Exchange, a US regulated retail-focused binary options exchange owned by Cantor Fitzgerald.

The project in the US is expected to start adding material revenues in 2016.
The increase in regulation through operations such as the Cantor Exchange will help increase barriers to entry for new competitors looking to establish themselves in this market as well as most of the current competitors who currently only produce simple products for unregulated markets.

Business summary and Operational Review

During 2014, the Group's focus has been on regulated markets, most notably in the EU, US, Japan (where we intend to develop a regulated solution toward the end of this year) and China (where the market is not yet subject to regulation) which are considered to be the territories with the highest growth prospects. We believe that within the next five years, financial market regulators in other jurisdictions will follow Japan's lead by introducing regulation, we expect China to follow suit.

Our focus on the Asian market has secured distribution in Japan and China. The Group has hired local Japan based sales staff and TechFinancials has licensed the software to several online brokers. Business development activity in Asia and the early software licence sales in those markets, alongside the organic growth of the B2B and the B2C businesses in other geographies have all helped to drive substantial growth in trading volumes and revenues.

In 2014 the Group also secured its first online broker customer in China which it currently services from its offices in Israel. We have also taken on a native Chinese business development manager to expand our presence in the Chinese market. The Group intends to expedite its penetration of the Asian market by various means that may include opening an office in China in 2015 to sell and support TechFinancials' software and or joint ventures with local companies. The Group believes that the Chinese market offers big opportunities and it will strive to increase its penetration of this market.

The Group has now also established operations in Cyprus, Japan, Ukraine and Israel.
We will continue to focus on new products and are also developing an add-on contract for difference (CFD) trading platform which is expected to be completed in H2 this year. The CFD offering will expand our service to spot traders following the introduction of the Forex platform in early 2015.

Current Trading and Prospects for 2015

2014 was a year of great change and big strides have been made to consolidate the Company's expertise and leading technology platforms culminating in our flotation on AIM. 2014 concluded with results ahead of management's own expectations. This has been achieved by the hard work and dedication of our highly talented and dedicated staff who deliver exceptional service and solutions to our customers. I would like to thank them, on behalf of the Board, for all their efforts in a busy and transformational year.

The start to 2015 saw much management effort from the team to realise our listing, their efforts are now very much focussed on putting our growth plans into place and to catch up the months lost while raising funds. The new funds are now being put into place to continue to grow the business and open new markets with leading and innovative technology.

The Board and Management expect further progress in the Company's business and to also improve upon its key performance indicators.

Dividends

In line with the dividend policy described in our AIM admission document the Board is pleased to declare a final dividend pay-out of US$165,000 in respect of the year ended 31 December 2014, with an ex-dividend date of 30 July 2015, a record date of 31 July 2015 and a payment date of 28 August 2015. The final dividend payable per ordinary share will be calculated based on the number of shares in issue at the record date.

Dividends payments will be made in Pounds Sterling, with the foreign exchange rate used for converting the US Dollars final dividend payment into Pounds Sterling being the rate quoted by the European Central Bank on 29 May 2015. This equates to a total dividend pay-out of £108,000.

Christopher Bell
Independent Non-Executive Chairman
4 June 2015

Consolidated statement of comprehensive income

For the year ended 31 December 2014

Continuing Operations	Note	2014 US$'000	2013 US$'000
Revenue		15,492	8,385
Cost of sales		(5,403)	(2,495)
Gross profit		10,089	5,890
Other income		-	462
Research and development		(1,322)	(2,277)
Selling and marketing expenses		(4,387)	(2,374)
Administrative expenses		(2,249)	(2,016)
Operating profit/(loss) before exceptional items		2,131	(315)
Exceptional loss on group reorganisation	7	(1,125)	-
Operating profit/(loss)		1,006	(315)
Finance costs		(212)	(38)
Profit/(loss) before taxation		794	(353)
Income tax expense	6	(182)	(123)
Profit/(loss) after taxation		612	(476)
Total comprehensive income/(loss) attributable to equity shareholders of the Company		**612**	**(476)**
Profit for the year attributable to ordinary equity holders of the parent:			
Basic (USD)		0.012	(0.009)
Diluted (USD)		0.011	(0.009)

Consolidated statement of financial position

As at 31 December 2014

	Note	31 December 2014 US$'000	31 December 2013 US$'000
Non-current assets			
Intangible assets	3	2,318	873
Property and equipment		214	149
		2,532	1,022
Current assets			
Trade and other receivables		1,414	1,576
Restricted bank deposits		40	160
Cash and bank balances		1,663	982
		3,117	2,718
Total Assets		**5,649**	**3,740**
Current liabilities			
Trade and other payables		1,619	1,426
Income tax payable		39	126
		1,658	1,552
Non-current liabilities			
Due to shareholders (non-trade)		281	305
Share capital	4	28	27
Share premium account		2,753	1,650
Share-based payment reserve	5	557	446
Accumulated profits/(losses)		372	(240)
		3,710	**1,883**
Total Equity and Liabilities		**5,649**	**3,740**

Consolidated statements of changes in equity

For the year ended 31 December 2014

	Share capital	Share premium	Share based payment reserve	Accumulated profits/ (losses)	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 31 December 2012	**27**	**1,649**	**-**	**236**	**1,912**
Total comprehensive loss for the year	-	-	-	(476)	(476)
Share based payment	-	-	446	-	446
Issue of shares	-	1	-	-	1
Balance at 31 December 2013	**27**	**1,650**	**446**	**(240)**	**1,883**
Total comprehensive income for the year	-	-	-	612	612
Share based payment	-	-	111	-	111
Issue of shares	1	1,103	-	-	1,104
Balance at 31 December 2014	**28**	**2,753**	**557**	**372**	**3,710**

Consolidated Statements of Cash Flows

For the year ended 31 December 2014

The consolidated statements of cash flow for the Group for the years ended 31 December 2013 and consolidated for the year ended 31 December 2014 are set out below:

	Years ended 31 December	
	2014	**2013**
	US$'000	**US$'000**
Cash Flow from operating activities		
Profit/(loss) before tax for the period	1,917	(353)
Adjustment for:		
Profit on disposal of property and equipment	-	-
Depreciation of property and equipment	73	56
Share option charge	111	446
Operating cash flows before movements in working capital		
Decrease/(increase) in trade and other receivables	162	(954)
(Decrease)/ increase in trade and other payables	(125)	454
Interest Expenses	2	-
Income tax paid	(19)	(123)
Net cash generated from/(used in) operating activities	**2,121**	**(474)**
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	-	-
Redemption of restricted bank deposits	120	63
Development of intangible assets	(1,445)	(873)
Acquisition of property, plant and equipment	(138)	(42)
Net cash used in investing activities	**(1,463)**	**(852)**
Cash flow from financing activities		
Interest Paid	(7)	-
Investment in Equity	1,104	-
Net cash used in financing activities	**1,097**	**-**
Net increase/ (decrease) in cash and cash equivalents	**1,755**	**(1,326)**
Cash and equivalents at beginning of period	982	2,332
Exceptional loss on group reorganisation	(1,125)	-
Effect of changes in exchange rates on Cash	51	(24)
Cash and equivalents at end of period	**1,663**	**982**

Supplemental schedule of significant non-cash transactions:

On 1 August 2014 the company signed an agreement with NetMavrik Ltd. following which, effective 31 October 2014 the services agreement between the parties ended.

On 14 November 2014, NetMavrik Ltd purchased 73,035 shares of common stock of the Company for an aggregate purchase price of US$1,104,000.

The purchase amount was paid by way of conversion of the outstanding debt of the company to NetMavrik, for services provided through 31 October 2014. Following the completion of the transaction, NetMavrik holdings in the Company represents 2.57% of the total shares issued by the company.

Prior to 31 October 2014 NetMavrik was considered to be under the control of the group by virtue of common shareholders and provided services integral to the operations of the group. Its operations and net assets were therefore consolidated into the group's results. With effect from 1 November 2014 NetMavrik' s service agreement with the group was terminated and it ceased to provide services integral to the operations of the group and on November 14 2014 invested US$1,104,000 in the Company as a shareholder. The directors have determined therefore that with effect from 1 November 2014 NetMavrik ceased to be under the control of the Group and its operations and net assets were de-recognised with nil consideration received, resulting in a deemed loss on disposal of the entity of US$1,125,000.

The net effect of the issue of shares to NetMavrik for US$1,104,000 and the associated deemed loss on disposal of the entity of US$1,125,000 was to reduce capital and reserves by US$21,000. As the adjustment has taken place in the consolidated Group accounts, the Company's distributable reserves are unaffected (see Note 7).

Net fair value of the assets and liabilities leaving the group due to group reorganisation was as follows:

	As at 14 November 2014
	US$'000
Working capital, net	257
Investment	1,104
Long term loan to bank	(161)
Deferred income taxes liabilities	(75)
Amount of assets removed from the Group/Exceptional loss on group reorganisation	**(1,125)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. General Information

The financial statements present the consolidated results of the Group for each of the years ended 31 December 2014 and 2013, following the reorganisation described in Note 7.

The financial information for the years ended 31 December 2014 and 31 December 2013 contained in this announcement do not constitute the Group's audited financial statements. The comparative financial information is based on the audited Group financial statements for the financial year ended 31 December 2013. Those financial statements, upon which the auditors issued an unqualified audit opinion, are available on the Company's website.

The audited Annual Report and financial statements for the 12 months ended 31 December 2014 and notice of AGM which is taking place on 1 July 2015 will shortly be sent to shareholders and published at https://group.techfinancials.com.

1.1. The Group

TechFinancials Inc. (formerly Mika Holdings Inc.), a company incorporated in the British Virgin Islands on 16 June 2009 as a British Virgin Island company under the BVI Business Companies Act, 2004, is the holding company for the Group.

The financial statements of the Group includes the financial statements of B.O.TradeFinancials Limited a Cyprus Investment Firm (''CIF'') in accordance with license no. 216/13 granted by the Cyprus Securities and Exchange Commission (''CySEC'') on 27 September 2013, Techfinancials (Israel) 2014 Ltd, an Israeli incorporated company and NetMavrik Ltd. an Israeli incorporated company held by common direct shareholders with the Company until 14 November 2014.

The companies within the Group are set out below, all of which are private companies limited by shares.

Registered office	County of registration or incorporation	percentage of ownership	Principal activity
TechFinancials, Inc.	British Virgin Islands		Development and licensing of financial trading platforms.
B.O. TradeFinancials Limited	Cyprus	100%	The provision of investment services, being the operation of the OptionFair trading platform.
Techfinancials (Israel) 2014 Ltd.	Israel	100%	The provision of services to the Group from November until December 2014
NetMavrik Ltd	Israel	see Note 7	The provision of services to the Group until the end of October 2014.

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.

B.O.TradeFinancials Limited: 1, Kosta Hadjikakou, Kyriakos Tower, 1st Floor

4107, Agios Athanasios, Limassol, Cyprus.

Techfinancials Israel Ltd: 3 Hamada St. Herzliya, Israel.

NetMavrik Ltd: 3 Hamada St. Herzliya, Israel.

1.2. Primary Activity

The principal activity of the Company is to act as a holding company to a group involved in the development and licensing of financial trading platforms to businesses.

The Group is engaged in the provision of marketing, investment services, including reception and transmission of orders in relation to one or more financial instruments, execution of orders on behalf of clients in relation to one or more financial instruments and ancillary services which comprise the safekeeping and administration of financial instruments for the account of clients.

2. Basis of preparation

The Company was incorporated on 16 June 2009, under BVI Business Companies Act, 2004.

In October 2014 the Company entered into an agreement to acquire the entire issued share capital of B.O. Trade and in September 2014 formed a new entity TechFinancials Israel (2014) Ltd. to assume the role of NetMavrik on 1 November 2014.

B.O. TradeFinancials and NetMavrik were previously held by parties under common control with the Company (NetMavrik left the group on 14 November 2014). Until 31 October 2014, the Financial Statements were prepared on the basis of presenting the results for the Company and subsidiaries on a combined basis.

In determining the appropriate accounting treatment for this transaction, the Directors considered IFRS 3 – Business Combinations (Revised 2008). However, they concluded that this transaction fell outside the scope of IFRS 3 (revised 2008) since the transaction described above represents a combination of entities under common control. In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, in developing an appropriate accounting policy, the Directors have considered the pronouncements of other standard setting bodies and specifically looked to accounting principles generally accepted in the United Kingdom ("UK GAAP") for guidance (FRS 6 – Acquisitions and Mergers) which does not conflict with IFRS and reflects the economic substance of the transaction.

Under UK GAAP, the assets and liabilities of both entities are recorded at book value, not fair value. Intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the legal acquirer in accordance within applicable IFRS, no goodwill is recognised, any expenses of the combination are written off immediately to the income statement and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting period presented.

Therefore, although the Group reorganisation did not become unconditional until 14 November 2014, these consolidated financial statements are presented as if the Group structure has always been in place, including the activity from incorporation of the Group's principal subsidiary. Both entities had the same management as well as majority shareholders.

The Financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") issued by the International Accounting Standards Board ("IASB") including related interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared in a manner consistent with the accounting policies to be adopted by the Company in its financial statements.

The individual financial statements of each group entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group are presented in US Dollars, which is the presentation currency for the financial statements.

3. Intangible assets – development expenditure

	Project A	Project B	Project C	Computer software	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
As at 31 December 2013					
Cost					
At 1 January 2013	-	-	-	-	-
Additions	305	306	262	-	873
At 31 December 2013	**305**	**306**	**262**	**-**	**873**
Accumulated amortisation					
At 1 January 2013	-	-	-	-	-
Charge for the year	-	-	-	-	-
At 31 December 2013	**-**	**-**	**-**	**-**	**-**
Net book value					
At 31 December 2013	**305**	**306**	**262**	**-**	**873**
As at 31 December 2014					
Cost					
At 1 January 2014	305	306	262	-	873
Additions	479	552	411	4	1,446
At 31 December 2014	**784**	**858**	**673**	**4**	**2,319**
Accumulated amortisation					

At 1 January 2014	-	-	-	-	-
Charge for the year	-	-	-	1	1
At 31 December 2014	**-**	**-**	**-**	**1**	**1**
Net book value					
At 31 December 2014	**784**	**858**	**673**	**3**	**2,318**

Project A – Forex trading solution.

Project B – Mobile and tablet native applications adjusted to different screen sizes.

Project C – Trading solution for the US market.

Computer software – expenditure incurred on major software development projects where it is reasonably anticipated that the costs will be recovered through future commercial activity.

Capitalised development costs are amortised over the estimated useful life of project. The amortisation charge is recognised in cost of sales expenses. During the period reported no amortization cost was recognised.

Current estimates of useful economic live of intangible assets are as follows:

Project A (internally generated)	5 years
Project B (internally generated)	5 years
Project C (internally generated)	5 years
Computer software	3 years

The intangible assets are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the recoverable amount of intangible assets is determined based on a value in use calculation using cash flow forecasts derived from the most recent financial model information available.

The recoverable amounts of all the above have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five year period to

31 December 2019. The key assumptions used in these calculations include discount rates and turnover projections. Management estimates the discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks specific to expected future projects.

Major assumptions are as follows:

	2014			
	Project A	Project B	Project C	Computer software
	US$'000	US$'000	US$'000	US$'000
Discount rate	15%	15%	15%	N/A
IRR	84%	84%	42%	N/A

A 25% increase in the discount rate would result in no impairment charge.

The Group has reviewed intangible assets for impairment at the end of the period. As of 31 December 2014, no impairment was recorded.

4. Share capital

	As at 31 December	
	2014	2013
Authorised	Number of Shares	Number of Shares
The Company Ordinary share of US$1 (**2014**: US$ 0.01)	5,000,000	50,000
Authorised	**5,000,000**	**50,000**

	As at 31 December	
	2014	2013
Issued and fully paid	US$'000	US$'000
The Company Ordinary share of US$1 (**2014**: US$0.01)	**28**	**27**

On 29 October 2014, the Company divided the authorised and issued shares of the company from US$1.00 shares to US$0.01 shares. The weighted average number of shares for year ended

31 December 2013 are presented above as US$0.01 shares despite the split having occurred after this date.

On 14 November 2014, The Company issued to NetMavrik Ltd. 73,035 shares of common stock for an aggregate purchase price of US$1,104,000.

5. Share-based payment transactions (Group)

During the year ended 31 December 2013, the Group introduced a share-based payment arrangements which are summarised below.

Employee Stock Option Plan:

	Year ended 31 December 2013	
	Number of Options	**Weighted Average Exercise Price (US$)**
Balance at beginning of period	-	-
Granted	185,700	0. 001
Lapsed during the period	-	-
Balance at end of period	**185,700**	**0.001**

	Year ended 31 December 2014	
	Number of Options	**Weighted Average Exercise Price (US$)**
Balance at beginning of period	**185,700**	**0.001**
Granted	-	**-**
Lapsed during the period	-	-
Balance at end of period	**185,700**	**0.001**

Type Share Option Plan on behalf of certain senior employees of the Group

Date of Grant:	15 October 2013
Number Granted:	187,500 options to purchase ordinary shares of US$1each.
Contractual life:	6 years
Vesting conditions:	120,700 on the date of grant, 12,500 option a year after the date of grant and 52,500 vest on monthly equal quantity over a period of 3 years.
Earliest Exercise date:	15 October 2013
Exercise price:	US$0.01

The estimated fair value of each share option granted in the senior employee share option plan is US$352 and is now US$3.52 following the split.

On 29 October 2014, the Company divided the authorised and issued shares of the company from US$1.00 shares to US$0.01 shares. The number of options for year ended 31 December 2013 are presented above as US$0.01 shares despite the split having occurred after this date.

On 4 February 2015, the shares of the Company were split by 20, thus increasing the number of the issued shares from 2,844,235 to 56,884,700.

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 model inputs were:

* share prices at grant date of US$355 and is now US$3.55 following the split;
* exercise prices of US$ 0.01;
* expected volatility of 55 per cent;
* contractual life of 6 years; and
* a risk-free interest rate of 4.5 per cent.

The expense and equity reserve arising from share based payment transactions recognised in the Year ended 31 December 2013 and 2014 was US$446,000 and US$111,000 respectively.

6. Income tax expenses

	Years ended 31 December	
	2014	**2013**
	US$'000	**US$'000**
Current income tax*	182	123
	182	**123**

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	
	2014	2013
	US$'000	US$'000
Profit (Loss) before taxation and exceptional loss on group reorganisation	1,917	(353)
Profit multiplied by standard rate of EIT of 0%	-	-
Effect of:		
Different tax rates in different countries Israeli tax rates 2013: 25% in 2014 26.5%. Cyprus tax rates 2013-2014: 12.5%.	182	123
	182	123

7. Exceptional loss on group reorganisation

Until October 31 2014, NetMavrik Ltd provided services to the Group.

As part of a reorganisation which was effected in advance of the Company's admission to AIM, on 28 August 2014, TechFinancials Israel (2014) Limited was established as a wholly owned subsidiary of the group and started its operations on 1 November 2014 to assume the role of NetMavrik.

On November 14 2014 NetMavrik Ltd invested US$1,104,000 in the Company, following which, it became a shareholder of the Group.

Prior to 31 October 2014 NetMavrik was considered to be under the control of the group by virtue of common shareholders and provided services integral to the operations of the group. Its operations and net assets were therefore consolidated into the group's results. With effect from 1 November 2014 NetMavrik' s service agreement with the group was terminated and it ceased to provide services integral to the operations of the group and on November 14 2014 invested US$1,104,000 in the Company as a shareholder. The directors have determined therefore that with effect from 1 November 2014 NetMavrik ceased to be under the control of the Group and its operations and net assets were de-recognised with nil consideration received, resulting in a deemed loss on disposal of the entity of US$1,125,000.

The net effect of the issue of shares to NetMavrik for US$1,104,000 and the associated deemed loss on disposal of the entity of US$1,125,000 was to reduce capital and reserves by US$21,000. As the adjustment has taken place in the consolidated Group accounts, the Company's distributable reserves are unaffected.

8. Segment Information

The Group's primary format for reporting segment information is business segments, with each segment representing a product category.

The segment information provided to management for the reportable segments for the year ended 31 December 2014 is as follows:

Year ended 31 December 2014

	Trading platform	Licence income	Total
	US$'000	**US$'000**	**US$'000**
Revenue and result:			
Revenues from external customers	8,883	6,609	15,492
Segment profit/(loss)	23	1,894	1,917
Unallocated other income and expenses	-	-	-
Profit/(loss) before tax from recurring activities (excluding reorganisation costs)	**23**	**1,894**	**1,917**
Assets and liabilities			
Assets	1,447	4,203	5,649
Liabilities	1,079	862	1,941
Depreciation and additions			
Depreciation	37	37	74
Additions to property, plant and equipment	69	69	138

Revenues from the Group's top three customers represent approximately 20% of the total revenues.

Year ended 31 December 2013

	Trading platform	Licence income	Total
	US$'000	**US$'000**	**US$'000**
Revenue and results			
Revenues from external customers	4,202	4,183	8,385
Segment profit/(loss)	(8)	(345)	(353)
Unallocated other income and expenses			
Loss before tax	**(8)**	**(345)**	**(353)**
Assets and liabilities			

Assets	1,154	2,586	3,740
Liabilities	(1,093)	(765)	(1,858)
Depreciation and additions			
Depreciation	28	28	56
Additions to property, plant and equipment	21	21	42

Revenues from the Group's top three customers represent approximately 33% of the total revenues.

-Ends-