

Teathers Financial Interim Report 01 November 2016 – 31 May 2017

Teathers Financial Plc (“Teathers”) (“the Company”) is pleased to report its unaudited results for the seven-month period to 31 May 2017.

Highlights

- Turnover £116,818, including:
 - £28,479 revenue generated through the Teathers App (“the App”)
 - £52,771 cash surplus generated from trading the Company’s stock portfolio
 - £35,567 of “sales” includes sums the board negotiated off legacy debts, which were reversed as revenue back into the P&L
- Net profit of £28,399 for the period
- Net R&D Tax Credit received of £59,992
 - Not reflected in P&L, as is a balance sheet item
- Net assets £98,188 as of 31 May 2017
 - Net current assets of £76,968 versus £48,569 on 31 Oct 2016
- 8 deals offered through the relaunched App*
 - £921,500 raised for companies*
- Held Annual General Meeting, all resolutions passed, David Kipling retired from the board
- Acquired 95% of the website www.valuethemarkets.com

* As of 9/6/17

Chief Executive’s report

In Teathers’ most recent Annual Report I stated that your board has three strategic aims for 2017. These are:

1. To re-launch the Teathers App and initiate an income stream for the business
2. To increase the value of the Company’s stock portfolio
3. To introduce a new project to the Company and seek a re-listing.

I am extremely pleased to report that we have made excellent progress on all three fronts, during the first seven months of the current financial year.

The Teathers App

We successfully re-launched the Teathers App service on 19 December 2016, raising £292,000 for the Big Sofa Technologies (AIM:BST) IPO. We have since completed another 7 deals through the App (of which 6 were fully subscribed), generating £28,479 in revenue and raising £921,500 for companies. We achieved this while impeded by the technology we inherited from the former Teathers board.

Tactu Applico (“Tactu”), a company controlled by Teathers’ former CEO Jason Drummond, built the current version of the App. Sadly, despite the former Teathers board having spent the best part of £300,000 with Tactu, the current version of the App is not fit for purpose. It is only available on iOS devices and

suffers from a number of design defects. We've managed to fix some of these, but took the decision that continuing development work on this was throwing good money after bad.

As such, we replaced Tactu with a new development team, Sputnik Digital (<https://sputnik.digital>), to rebuild the App and the broker console. We are delighted with the progress that Sputnik has made. The new version of the console went live in May and we expect the new version of the App to be completed in June.

The new version of the App will be available on iOS and Android devices. We also plan to release a browser-based version of the App. With the new App in place this will remove the technological shackles we have found ourselves locked in and will better position us to accelerate Teathers' growth.

Our working relationship with Shard Capital Stockbrokers continues to flourish. Both Shard and Teathers continue to take care to ensure that our respective business models maintain their independence, but Stuart and I believe Shard is an ideal partner to help Teathers grow.

The Teathers asset-trading arm

During the first seven months of the current financial year your board has generated a cash surplus of £52,771, through trading the Company's stock portfolio. We achieved this through certain proprietary trades and participating in a number of deals through the App.

Frustratingly this positive performance has not yet been fully reflected in the Company's net assets, as we have had to use any spare capital to repay the legacy debts and liabilities incurred by the former board. The good news is that the surplus we have generated through trading has significantly contributed to the stabilisation of Teathers' financial position, as I explain in more detail below.

We have also secured a number of warrants in several listed Plcs. These warrants are not reflected on the balance sheet and we have assigned a carrying value of zero to them. However, they do offer the potential for further upside to the Company.

Plan to relist Teathers

Throughout the period we have received a number of unsolicited approaches, concerning potential direct investment into Teathers. Although we have not actively sought yet to raise money for the Company, we have had initial discussions to get a feel for the level of interest.

Under your board's direction, Teathers is currently exploring a number of possible funding routes to introduce new working capital to the business to accelerate the Company's growth. One of the possible options currently being considered is to combine a fundraising with an application to join the NEX Exchange. This process is at a very early stage and may or may not be taken

further. I will provide further updates on any possible future fundraising, as plans develop into shape.

Legacy debts

As galling as it has been to be forced to pay debts and liabilities accrued by the former board, I am pleased to report that Teathers is nearly free of the legacy debts. During the period your board completed negotiations with all legacy creditors to the Company. As a result of these discussions, your board has:

- Saved Teathers £83,332, in cash balances forgiven by various creditors
- Saved Teathers a further £92,700, in waived notice periods due under the terms of former board members' service agreements
- Has repaid all but £16,000 of the legacy debts. The outstanding balance will be settled in Q3 this year.

With respect to the Chelsea office lease, we had reached an agreement with Jason Drummond's company Gametech Ltd, whereby it would assume responsibility for the lease. Gametech paid one month's worth of rent, only subsequently to go into administration. We have made a claim to Gametech's administrator for the outstanding balance of just over £55,000, but have limited expectations what we might be able to recover on behalf of the Company. We have reflected this expenditure as a cost to Teathers, which cannot be reclaimed.

As of writing, we have paid the latest quarter's rent in advance. This leaves one final payment due, estimated to be £14,800. We have confirmed in writing with the landlord's agent that Teathers will not renew the lease when it expires in December this year.

Financial Performance

As shown in the profit and loss table below, Teathers made a profit of £28,399 during the period. This is extremely pleasing and reflects the success we've had navigating Teathers out of the difficult waters it found itself in.

Your board has gone to great lengths to slash Teathers cost base. Fixed monthly running costs are currently roughly £7,000 per month. To put this into context this figure is less than the monthly salary former CEO Jason Drummond took from the company in Full Year 2015.

We have also improved Teathers net current asset position from £48,569 on 31 October 2016 to £76,968 as of 31 May 2017. This represents solid progress for the company, during a period when it has had to repay the majority of the debt burden amassed by the former directors.

Moving forward, your board anticipates running costs might rise once the new version of the App is released and the Company increases deal flow, but we are confident this should also lead to a corresponding increase in profitability and further improvement of the Company's balance sheet.

Annual General Meeting

Teathers held its Annual General Meeting on Saturday 11 February 2017. I am pleased to report that all resolutions were passed.

Sadly, Professor David Kipling retired from the board at the AGM owing to other work commitments. David made a highly valuable contribution to the saving of Teathers and has remained in communication to help with issues as they have arisen. Once again I would like to thank David for all he has done for Teathers.

Acquisition of 95% ValueTheMarkets.com

During the period Teathers acquired 95% of the website www.valuethemarkets.com. As part of your board's plan for growth, we identified the need for the company to own a content driven website. The ValueTheMarkets.com acquisition provides Teathers with an established web-presence for the Company to start delivery of its content strategy. We expect to make further announcements about this and the redevelopment of the website in the coming months.

Teathers financial position and outlook

We entered the second half of Full Year 2017 confidently. The new App is nearing completion and we continue to witness an ever-increasing amount of interest in our business, both from retail investors and corporate clients. The one constraint holding us back at the moment is access to sufficient working capital to enable us to grow the business more quickly.

June 28 marks the first anniversary since Stuart and I took over the running of Teathers. In our first year in charge we have saved the Company from insolvency, restored value to the balance sheet and turned Teathers into a moderately profitable enterprise. Our aim in the second half is to deliver a full year maiden profit for the Company, since it changed its business model and moved into the crowd equity market.

As mentioned above, we are currently exploring different alternatives to introduce new capital to the Company and will update shareholders accordingly.

Teathers Financial Plc Management Account Profit & Loss for the seven months ended 31 May 2017

Teathers Financial plc						
Management Accounts						
for the seven months ended 31 May 2017						
					£	£
Turnover						
Sales					64,046.05	
Income from sale of shares					52,771.84	
						116,817.89
Cost of sales						
						-
Gross profit						116,817.89
Overheads						
Payroll costs					2,340.34	
Directors' fees					12,083.35	
Ex employee compensation					11,500.00	
Rent & rates					37,880.37	
Insurance					935.77	
Computer expenses					1,288.83	
Printing & stationery					747.80	
Telephone & postage					1,489.32	
Travel & entertainment					4,045.05	
Legal & professional					(3,516.22)	
Audit & accountancy					8,000.00	
Bank charges					(479.32)	
Donations & subscriptions					10.00	
Trade & sundry expenses					1,700.00	
Corporation tax					200.00	
TEA App costs					10,193.17	
						88,418.46
Net profit						28,399.43

Teathers Financial Management Accounts Balance Sheet as at 31 May 2017

	May 2017	Oct 2016
	£	£
Assets		
Non-current assets		
Intangibles	21,220	21,220
Total non-current assets	21,220	21,220
Current assets		
Trade and other receivables	11,621	82,402
Investments	81,069	97,686
Cash and cash equivalents	35,941	658
Total current assets	128,631	180,746
TOTAL ASSETS	149,851	201,966
Equity attributable to owners of the company		
Share capital	322,709	322,709
Share premium	1,518,752	1,518,752
Share based payments	7,395	7,395
Retained earnings	(1,750,668)	(1,779,067)
Total equity	98,188	69,789
Liabilities		
Current liabilities		
Trade and other payables	51,663	132,177
Total current liabilities	51,663	132,177
TOTAL EQUITY AND LIABILITIES	149,851	201,966

The financial statements were approved and authorised for issue by the Board on 27 June 2017

M.B. Turney

Chief Executive

Teathers Financial plc Registered No. 00092343