

APPNEXT TECHNOLOGIES LTD

Financial Statements

As of December 31, 2022



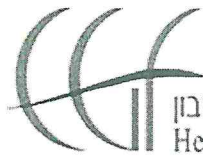
הנדלס, גולדשטיין, פליקס ושות' רואי חשבון
Hendeles, Goldshtein, Felix & Co. C.P.A

APPNEX TECHNOLOGIES LTD

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פינקו שרון, ר"ח
אושרי כהן, ר"ח

REPORT OF INDEPENDENT AUDITOR FOR THE SHAREHOLDERS OF APPNEXT TECHNOLOGIES LTD

We have audited the accompanying balance sheet of Appnext Technologies Ltd as of December 31, 2022 and 2021, and the statement of profit and loss for the years ended on those dates. These financial statements are the responsibility of the Company's Board of Directors and its Management. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audits in accordance with generally accepted auditing standards, including those prescribed in the Auditors' Regulations (Manner of Auditor's Performance), 5733-1973. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's Board of Directors and Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above properly represents as per the generally accepted accounting principles, in all material respects, the financial position of the Company as of December 31, 2022 and 2021 and the results of its operations for each of the years ending on these dates, in accordance with Israeli GAAP.

Sincerely,
Hendeles, Goldshtein, Felix & Co.
Certified Public Accountants

Tel Aviv, July 13, 2023

Appnext Technologies Ltd

Balance sheet

	<u>Note</u>	<u>As of December 31</u>	
		<u>2022</u>	<u>2021</u>
		<u>In NIS</u>	
<u>Current assets</u>			
Cash and cash equivalents		2,119,965	130,326
Prepaid expenses		9,898	8,332
Assessor		28,521	4,419
Institutions		84,204	41,944
Clients		-	131,638
Other receivables		<u>174,348</u>	=
		<u>2,416,936</u>	<u>316,659</u>
<u>Fixed assets, net</u>			
	3	<u>184,402</u>	=
		<u>2,601,338</u>	<u>316,659</u>
<u>Current liabilities</u>			
Suppliers		161,087	106,984
Payable expenses		260,041	12,000
Accounts payable	4	<u>1,597,705</u>	<u>90,160</u>
		<u>2,018,833</u>	<u>209,144</u>
<u>Capital and surpluses</u>			
Share capital	5	1,000	1,000
Surplus balance		<u>581,505</u>	<u>106,515</u>
		<u>582,505</u>	<u>107,515</u>
		<u>2,601,338</u>	<u>316,659</u>

The accompanying notes constitute an integral part of the financial statements.

Tel Aviv, July 13, 2023

Manager: 

Appnext Technologies Ltd

Statement of income

		<u>For the year ended on December 31</u>	
		<u>2022</u>	<u>2021</u>
		<u>In NIS</u>	
	<u>Note</u>		
Revenue		15,171,687	2,240,296
General and administrative expenses	6	<u>14,564,446</u>	<u>2,117,573</u>
Profit before funding revenue		607,241	122,723
Funding revenue, net		<u>29,743</u>	<u>2,031</u>
Profit after funding expenses		636,984	124,754
Current taxes		<u>161,994</u>	<u>28,448</u>
Net profit this year		474,990	96,306
Balance of profit for the beginning of the year		<u>106,515</u>	<u>10,209</u>
Balance of profit for the end of the year		<u>581,505</u>	<u>106,515</u>

The accompanying notes constitute an integral part of the financial statements.

Appnext Technologies Ltd

Notes to the financial statements

Note 1 - General

The company started operating in 2020.
The company engages in technological counseling.

Note 2 - Accounting policies

The significant accounting policies applied in the preparation of the financial statements are as follows:

A. The effect of the changes in the general purchase power of the Israeli currency on the financial statements

The financial statements have been prepared in accordance with generally accepted accounting principles on the basis of the convention of historical cost, without taking into account the decrease in the general purchasing power of the Israeli currency. The change in the overall purchasing power of the Israeli currency in the fiscal year was reflected in an increase in the consumer price index of 5.3% (2021 – increase of 2.8%).

Note 3 - Fixed assets, net

	Cost	Accrued depreciation	Deductible balance	Reduced cost previous year
Equipment and furniture	<u>277,267</u>	<u>92,865</u>	<u>184,402</u>	-
Total	<u>277,267</u>	<u>92,865</u>	<u>184,402</u>	-

Note 4 – Accounts payable

	<u>As of December, 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>In NIS</u>	
Employees	493,899	24,126
Provisions to vacation and convalescence	45,167	-
Institutions due to employees	518,719	66,034
Advances from customers	518,868	-
Other payables	<u>21,052</u>	-
	<u>1,597,705</u>	<u>90,160</u>

Note 5 – Capital share

	<u>As of December 31, 2022-2021</u>	
	<u>Registered NIS</u>	<u>Issued and repaid NIS</u>
Ordinary shares of 1 NIS nominal value each	<u>1,000</u>	<u>100</u>

Appnext Technologies Ltd

Notes to the financial statements

Note 6 – General and administrative expenses

	<u>For the year ended on December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>NIS</u>	
Wage and attached	12,570,256	687,472
Insurances	1,168	-
Professional services	98,189	1,403,975
Maintenance	108,938	24,993
Car allowance	44,826	-
Rent	975,648	-
Taxes and fees	1,162	1,133
Depreciation	92,865	-
Continuing education and professional literature	16,746	-
Advertising expenses	57,216	-
Refreshments	518,574	-
Communication	13,400	-
Travel	<u>65,458</u>	-
	<u>14,564,446</u>	<u>2,117,573</u>



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Appnext Technologies Ltd
Accountant Expert's Opinion
For Kfar Saba Assessment Officer

We have reviewed the reconciliation report of Appnext Technologies Ltd for 2022 tax year (to which the forms marked with our stamp have been attached to for identification purposes), which adjusts the Company's profit according to its statement of profit and loss for the year ended on December 31, 2022 per the income declared for tax purposes, for the said tax year.

An examination of the expenses detailed in the regulations concerning the "Conditions for the deduction of certain expenses", the calculations required under section 3 (j) of the Income Tax Ordinance and the fulfillment of the conditions detailed in Section 32A of the Ordinance were made in the scope agreed upon between the Income Tax Commission and the Institute of Certified Public Accountants in Israel, with all the implications thereof.

In our opinion, subject to the contents of the previous paragraph, the aforesaid adjustment was made in accordance with the provisions of the Income Tax Ordinance and the Income Tax (Inflationary Adjustments) Law, 5745-1985.

Sincerely,
Hendeles, Goldshtein, Felix & Co.
Certified Public Accountants

Tel Aviv, July 13, 2023

Appnext Technologies Ltd

Income Tax Adjustment Report for the 2022 tax year

Profit - according to the statement of income		636,984
<u>Additional -</u>		
Income tax interest	5,986	
Refreshments	11,212	
Gifts	<u>50,140</u>	
		<u>67,338</u>
Adjusted profit		<u>704,322</u>

Manager: 