שלמה צדוק
משרד רואי חשבון
Since 1962

מייסד המשרד ומקימו רו"ח **שלמה צדוק** ז"ל SHLOMO ZADOK C.P.A (isr)

SHLOMO ZADOK
Certified Public Accountants (isr.)

רו"ח **יובל צדוק**
Yuval Zadok C.P.A (isr)

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Nizan Zadok C.P.A (isr)

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Identifai Genetics Ltd

Financial Statements as of December 31, 2024

Pvt.Co./ 516377033

Identifai Genetics Ltd

Financial Statements as of December 31, 2024

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Auditor's Report to the Shareholders

Identifai Genetics Ltd

We have audited the accompanying reports on the financial position of Identifai Genetics Ltd. (hereinafter - the Company) as of December 31, 2024 and 2023 and the profit and loss statements and statements on changes in equity for each of the years ended on those dates. These financial statements are the responsibility of the Company's board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We have conducted our audit in accordance with generally accepted auditing standards in Israel, including standards set in the Auditor's Regulations (Auditor's Mode of Performance), 1973. These standards require that we plan and perform the audit to obtain reasonable assurance that 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 an assessment of the accounting principles used and significant estimates made by the Company's board of directors and management, as well as an evaluation of the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the above financial statements adequately reflect, in all material respects, the Company's financial position as of December 31, 2024 and 2023 and the results of its operations and changes in its equity for each of the years ended on those dates in accordance with generally accepted accounting standards in Israel (Israeli GAAP).

Shlomo Zadok
CPAs

Bnei Brak: 07.12.2025

Identifai Genetics Ltd.
Statements of Financial Position

	Note	As of December 31			
		2024		2023	
		NIS	USD	NIS	USD
ASSETS					
Current assets					
Cash and cash equivalents		2,544,512	697,700	6,745,761	1,859,873
Debtors and debit balances	3	80,125	21,970	1,757,807	481,295
Total current assets		2,624,637	719,670	8,503,568	2,341,168
Non-current assets					
Fixed assets, net	4	97,168	27,382	108,489	30,981
Intangible assets	5	462,597	133,876	310,681	93,061
Investments, loans and long-term debit balances	6	61,605	16,892	57,440	15,837
Total non-current assets		621,370	178,150	476,610	139,879
		3,246,007	897,820	8,980,178	2,481,047
LIABILITIES					
Current liabilities					
Current liabilities					
Suppliers and service providers	7	104,323	28,605	81,923	22,587
Creditors and credit balances	8	220,209	60,381	149,237	41,146
Total current liabilities		324,532	88,986	231,160	63,733
Non-current liabilities					
Capital notes	9	65,220	20,142	65,220	20,142
Capital deficit					
Share Capital	10	18,791	5,585	18,791	5,585
Capital Reserves		-	(82,976)	-	(92,620)
Share premium		15,432,956	4,360,896	15,652,695	4,422,331
Accumulated losses		(12,595,492)	(3,494,813)	(6,987,688)	(1,938,124)
		2,856,255	788,692	8,683,798	2,397,172
		3,246,007	897,820	8,980,178	2,481,047

The attached notes are an integral part of the financial statements

7.12.2025
Financial Statements Approval Date

Signature _____

Identifai Genetics Ltd.

Statements of Profit or Loss

		For the Year ended December 31			
		2024		2023	
	Note	NIS	USD	NIS	USD
Research and development expenses	11	4,745,254	1,282,848	3,135,148	850,417
Administrative and general expenses	12	1,107,294	299,865	849,955	231,119
Operating loss		(5,852,548)	(1,582,713)	(3,985,103)	(1,081,536)
Financing expenses	13	4,092	(1,106)	286,467	(1,057)
Financing income	14	240,788	24,954	91,745	24,886
Other expanses	15	8,048	2,176	-	-
Net loss for the year		5,607,804	1,556,689	4,179,825	1,057,707

The attached notes are an integral part of the financial statements

Identifai Genetics Ltd.

Statements of Changes in Equity

	Share capital	Share premium	Receipts on account of shares	Capital reserve from translation differences	Accumulated losses	Total
				USD		
Balance as of January 1, 2023	3,776	1,174,647	250,000	(27,547)	(880,416)	520,460
Issuance of share capital (after deduction of issue expenses)	1,809	3,247,684				3,249,493
Receipts on account of preferred share A capital			(250,000)			(250,000)
Capital reserves, translation differences				(65,073)		(65,073)
Net loss for the year	-	-	-	-	(1,057,708)	(1,057,708)
Balance as of December 31, 2023	5,585	4,422,331	-	(92,620)	(1,938,124)	2,397,172
Capital fundings issue expenses	-	(61,435)	-	-	-	(61,435)
Capital reserves, translation differences	-	-	-	9,644	-	9,644
Net loss for the year	-	-	-	-	(1,556,689)	(1,556,689)
Balance as of December 31, 2024	5,585	4,360,896	-	(82,976)	(3,494,813)	788,962

	Share capital	Share premium	Receipts on account of shares	Accumulated losses	Total
			NIS		
Balance as of January 1, 2023	12,219	3,728,221	881,000	(2,807,863)	1,813,577
Issuance of share capital (after deduction of issue expenses)	6,572	11,924,474	-	-	11,931,046
Receipts on account of preferred share A capital	-	-	(881,000)	-	(881,000)
Net loss for the period	-	-	-	(4,179,825)	(4,179,825)
Balance as of December 31, 2023	18,791	15,652,695	-	(6,987,688)	8,863,798
Capital raising issuance expenses	-	(219,739)	-	-	(219,739)
Net loss for the year	-	-	-	(5,607,804)	(5,607,804)
Balance as of December 31, 2024	18,791	15,432,956	-	(12,595,492)	2,856,255

The attached notes are an integral part of the financial statements

Identifai Genetics Ltd

Notes to Financial Statements

Note 1 - General

A. The Company was incorporated and registered under the Companies Law as a limited liability company on April 12, 2021 and began its business activities on that date. The Company engages in genomic bioinformatics and develops tools in the field of digital health and using technologies of "Big Data" and AI. The Company offers digital solutions that allow broad identification of genetic syndromes in the fetus, during pregnancy, using the mother's blood test.

B. **Use of Estimates: -**

The Company's management has occasionally to use estimates or assessments in accounting when preparing financial statements and their presentation according to generally accepted accounting principles. The determination of an accounting estimate can be either simple or complex. The Company's management operates most of its cumulative discretion and experience in order to reach the best accounting estimate, though the final effects of transactions that have been assessed or evaluated may be different from the original estimate.

C. **"Swords of Iron War"**

On October 7, 2023, following attacks on Israel and the security situation, the Government of Israel declared the "Iron Swords War," which is still ongoing after the date of the financial statements. The Company has, in general, taken all necessary steps to operate under this situation in all matters relating to its business activity and to make prudent business decisions in this regard.

Note 2 - Significant Accounting Policies

Below are the main accounting policies that have been consistently applied in the preparation of the financial statements for the previous years:

A. Presentation of the reports in nominal values and changes in the general purchasing power of the Israeli currency: -

The financial statements are prepared in nominal amounts and accordingly do not take into account the changes in the general buying power of the shekel which are expressed in changes in the consumer price index that were as follows: -

For tax year 2024 - 3.24%

For tax year 2023 - 2.96%

B. Cash and cash equivalents: -

The term cash and cash equivalents includes current bank balances and bank deposits for immediate withdrawal or which were deposited for a period not exceeding three months.

C. Statements of cash flows: -

The Company has not prepared reports on cash flows since they do not add significant information.

D. Fixed assets: -

The fixed assets are registered according to the cost less accumulated depreciation calculated using the straight-line method according to customary rates for income tax purposes.

E. Intangible assets

An intangible asset is property that is non-current, non-financial, has no physical existence, and the Company recognizes it as an intangible asset in light of the economic benefits that possession of it confers. The Company does not reduce intangible assets until a useful life is defined and the actual identification of economic benefits from it is identified.

Note 2 - Significant Accounting Policies(contd.)

F. Related parties: -

For transactions with related parties as defined in Public Statement 29 of the Institute of Certified Public Accountants in Israel, a detailed disclosure was given

(See Note 16)

G. Research and development expenses: -

Expenses related to research activities carried out in order to acquire new scientific or technical knowledge and understanding, are recorded to profit and loss with their formation. Development activities related to the plan to produce new products or processes or to significantly improve products or existing processes. Exits for development activities are recorded as an intangible asset if, and only if: development costs can be reliably measured; the product or process is technically and commercially applicable; a future economic benefit is expected from the product and the group has sufficient intention and resources to complete the development and use the asset or its sale. Other costs for development activities are recorded to profit and loss with their formation.

H. Capital note: -

The Company undertook a long-term capital note (which constitutes an undertaking to receive a loan from a related company) which does not bear interest and is not linked and is included under the long-term liability section.

I. Deferred taxes: -

The Company adopts the Tax Accounting Standard Guidelines 19 (Income Taxes) of the Israeli Accounting Standards Institution according to which an asset should not be created for deferred taxes if it cannot be exploited against taxable income in the future and/or the expected date for its exploitation is unclear.

Note 3 - Debtors and Debit Balances

	As of December 31			
	2024		2023	
	NIS	USD	NIS	USD
Advance payments to suppliers	7,858	2,155	-	-
Prepaid expenses	6,990	1,917	35,765	9,861
Payable income	-	-	19,584	5,400
Government institutions	37,170	10,192	57,299	15,797
Shareholders and stakeholders	395	108	626	173
Debtors for receivables on account of share capital (*)	-	-	1,644,300	450,000
Others	27,712	7,598	233	64
	80,125	21,970	1,757,807	481,295

Note 4 - Fixed assets, net

A. Composition:

		As of December 31				As of December 31			
		2024			2023	2024			2023
		Cost	Accumulated depreciation:	Amortized cost	Amortized cost	Cost	Accumulated depreciation:	Amortized cost	Amortized cost
	%	USD				NIS			
Computer equipment	15-33	12,904	12,904	8,223	10,027	73,750	43,676	30,074	35,443
Furniture and equipment	7-33	3,547	3,547	14,479	14,890	63,551	12,444	51,107	52,345
Installations and renovations	10	3,844	1,011	2,833	3,217	13,133	3,454	9,679	10,992
Website	25	4,001	2,154	1,847	2,847	13,600	7,292	6,308	9,709
		46,998	19,616	27,382	30,981	164,034	66,866	97,168	108,489

B. Registration method and reduction policy: - See Note 2D above.

Note 5 - Intangible assets

	As of December 31			
	2024		2023	
	NIS	USD	NIS	
Patent-related technologies (*)	462,597	133,876	310,681	93,061

(*) See Note 2E.

Note 6 - Investments, loans and long-term debit balances

	As of December 31			
	2024		2023	
	NIS	USD	NIS	USD
Rent Deposit	57,440	15,750	57,440	15,837
Leasing Deposit	4,165	1,142	-	-
	61,605	16,892	57,440	15,837

Note 7- Suppliers and service providers

	As of December 31			
	2024		2023	
	NIS	USD	NIS	USD
Outstanding debts	104,323	28,605	70,288	19,379
Checks payable	-	-	11,635	3,208
	104,323	28,605	81,923	22,587

Note 8 - Accounts Payable and Credit Balances

	As of December 31			
	2024		2023(*)	
	NIS	USD	NIS	USD
Accrued expenses	19,499	5,347	37,527	10,347
Government institutions	4,352	1,193	8,762	2,416
Accounts payable for salary	173,358	47,534	102,948	28,383
Others	23,000	6,307	-	-
	220,209	60,381	149,237	41,146

(*) Re-sorting

Note 9 - Capital notes

	As of December 31			
	2024		2023	
	NIS	USD	NIS	USD
Capital notes (*)	65,220	20,142	65,220	20,142

(*) On June 1, 2021, the Company issued to a related company a capital note that does not bear interest , unlinked and has not yet been scheduled for repayment.

Note 10 - Share Capital

		As of December 31			
		2024	2023	2024	2023
	Registered	Issued and Paid-up		Issued and Paid-up	
		USD		NIS	
Ordinary shares of NIS 0.01 PV each	100,000	5,585	5,585	18,791	18,791

Note 11 - Research and Development Expenses

	For the Year ended December 31			
	2024		2023	
	NIS	USD	NIS	USD
Purchase of development materials	9,389	2,538	20,921	5,675
Wages	3,520,731	951,807	3,104,573	842,123
Social & benefits	863,685	233,491	646,541	175,376
Professional services - development	1,379,330	372,893	861,174	233,596
Miscellaneous	40,412	10,925	52,067	14,123
Deducting - Innovation Authority grant	(1,068,293)	(288,806)	(1,550,128)	(420,476)
	4,745,254	1,282,848	3,135,148	850,417

Note 12 - Management and general expenses

	For the Year ended December 31			
	2024		2023	
	NIS	USD	NIS	USD
Auditing	25,000	6,759	23,000	6,239
Office	3,952	1,068	4,011	1,088
Rent	255,919	69,186	172,319	46,742
Telephone and communication	2,822	763	1,752	475
Hospitality, refreshments and gifts	125,567	33,946	96,859	26,273
Maintenance and repairs	44,069	11,914	27,690	7,511
Prof. services	394,471	106,643	368,770	100,030
Taxes and fees	37,613	10,168	29,138	7,904
Legal	64,927	17,553	60,199	16,329
Insurances	44,288	11,973	21,342	5,789
Vehicle maintenance	38,230	10,335	-	-
Travels	4,173	1,128	3,912	1,062
Advertising	14,574	3,940	2,510	681
Conferences and trainings	1,925	520	1,369	371
Depreciation	29,749	8,558	23,340	6,898
Foreign travel	19,764	5,343	13,486	3,658
Fees and Balance cancellations	251	68	258	70
	1,107,294	299,865	849,955	231,120

Note 13 - Financing expenses

	For the Year ended December 31			
	2024		2023	
	NIS	USD	NIS	USD
Interest, exchange rate differences and bank fees	4,092	1,106	8,036	1,057
Exchange rate differences - investments	-	-	278,431	-
	4,092	1,106	286,467	1,057

Note 14 - Financing income

	For the Year ended December 31			
	2024		2023	
	NIS	USD	NIS	USD
Interest from government institutions	700	189	290	79
Interest income	83,170	22,484	83,653	22,691
Exchange rate differences	148,481	-	-	-
Revaluation of a bank deposit	8,437	2,281	7,802	2,116
	240,788	24,954	91,745	24,886

Note 15 – Other expanses

	For the Year ended December 31			
	2024		2023	
	NIS	USD	NIS	USD
	8,048	2,176	-	-

Note 16 - Related Parties

Shizim VS Ltd.

1. The Company and Shizim VS Ltd. are "related parties" as defined in Public Statement 29 of the Institute of Certified Public Accountants in Israel.

2. The Company maintains ongoing relationships with the company that are expressed in Note 9.

Shizim Ltd.

1. The Company and Shizim Ltd. are "related parties" as defined in Public Statement 29 of the Institute of Certified Public Accountants in Israel.
2. The Company maintains ongoing relationships with the company that are expressed in Note 3.