

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

APPYEA, INC.

102 NE 2nd Street PMB 265

Boca Raton, FL 33432

(800) 674-3561

www.appyea.com

info@appyea.com

7371

Annual Report

For the Period Ending: December 31, 2021
(the "Reporting Period")

As of March 31, 2022, the number of shares outstanding of our Common Stock was:

218,246,326

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

33,166,248

As of September 30, 2021, the number of shares outstanding of our Common Stock was:

32,466,248

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

33,166,248

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Yes: No:

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

AppYea, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Incorporated: November 26, 2012

Jurisdiction Nevada

Status: Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On August 2nd, 2021, the Company entered into a stock exchange agreement with SleepX Ltd., a company formed under the laws of the State of Israel ("SleepX"), pursuant to which the outstanding equity capital of SleepX was exchanged for shares of common stock of the Company and SleepX became a wholly owned subsidiary of the Company. On December 31, 2021, the terms of the agreement were fulfilled; however the issuance of the shares to SleepX shareholders, due to technical reasons, was not completed. On March 14, 2022 the Company completed a reverse Stock Split at a ratio of two hundred (200) to one (1) and has issued the shares in exchange for the shares of SleepX as reflected in this report. The reverse Stock Split has been given retroactive effect in this report on both Common and Preferred shares.

The address(es) of the issuer's principal executive office:

16 Nathan Alterman St.,
Gan Yavne, Israel

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading symbol: APYP
Exact title and class of securities outstanding: Common Stock
CUSIP: 03834R106
Par or stated value: \$0.0001

Total shares authorized: 10,000,000,000 as of date: December 31, 2021
Total shares outstanding: 33,166,248 as of date: December 31, 2021
Number of shares in the Public Float²: 31,809,514 as of date: December 31, 2021
Total number of shareholders of record: 48 as of date: December 31, 2021

All additional class(es) of publicly traded securities (if any):

Trading symbol: NA
Exact title and class of securities outstanding: Convertible Preferred Stock
CUSIP: NA
Par or stated value: \$0.0001
Total shares authorized: 500,000 as of date: December 31, 2021
Total shares outstanding: 300,000 as of date: December 31, 2021

Transfer Agent

Name: Vstock Transfer, LLC
Phone: 212,828,8436
Email: info@vstocktransfer.com
Address: 18 Lafayette Place, Woodmere, NY 11598

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>December 31, 2020</u> <u>Opening Balance</u> Common: <u>27,201,114*</u> Preferred: <u>300,000</u>									
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>03/14/2022</u>	<u>Cancellation (reverse stock split 1:200)</u>	<u>(6,972,870,058)</u>	<u>Common</u>	<u>0.0001</u>	<u>N/A</u>	<u>All Shareholders</u>	<u>Reverse Stock split</u>	<u>N/A</u>	<u>N/A</u>
<u>2/05/20</u>	<u>Issuance</u>	<u>251,250</u>	<u>Preferred</u>	<u>0.0315</u>	<u>No</u>	<u>Todd Violette</u>	<u>Employment</u>	<u>N/A</u>	<u>Section 4(a)2</u>
<u>06/30/20</u>	<u>Cancellation</u>	<u>(1,179,590)</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>See footnote⁽¹⁾</u>	<u>Cancellation</u>	<u>N/A</u>	<u>N/A</u>
<u>12/15/2020</u>	<u>Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital LP⁽²⁾</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>12/24/2020</u>	<u>Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>12/31/2020</u>	<u>Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>1/7/2021</u>	<u>Issuance</u>	<u>600,000</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>

<u>1/26/2021</u>	<u>Issuance</u>	<u>139,695</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>2/5/2021</u>	<u>Issuance</u>	<u>513,306</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>3/30/2021</u>	<u>Issuance</u>	<u>150,000</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Greentree Financial Group, Inc ⁽³⁾</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>5/18/2021</u>	<u>Issuance</u>	<u>392,327</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>6/28/2021</u>	<u>Issuance</u>	<u>806,750</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>8/4/2021</u>	<u>Issuance</u>	<u>711,964</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>8/4/2021</u>	<u>Issuance</u>	<u>297,662</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Caro Partners LLC ⁽⁴⁾</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>9/23/2021</u>	<u>Issuance</u>	<u>653,433</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>

<u>10/13/2021</u>	<u>Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Evergreen Venture Partners LLC ⁽⁵⁾</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>11/25/2021</u>	<u>Issuance</u>	<u>200,000</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Leonite Fund I, LP ⁽⁶⁾</u>	<u>Debt</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>01/01/2022</u>	<u>Issuance</u>	<u>1,698,103</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Bellridge Capital</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/22/2022</u>	<u>Issuance</u>	<u>99,754,464</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>IBI Trust management in trust for Boris Molchadsky</u>	<u>Share Exchange</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/22/2022</u>	<u>Issuance</u>	<u>1,519,104</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>IBI Trust management in trust for Ron Mekler</u>	<u>Share Exchange</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/22/2022</u>	<u>Issuance</u>	<u>2,228,019</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>IBI Trust management in trust for Scorpio investments (A.W.) LTD ⁽⁷⁾</u>	<u>Share Exchange</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/22/2022</u>	<u>Issuance</u>	<u>2,228,019</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>IBI Trust management in trust for Ron Weisberg</u>	<u>Share Exchange</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/22/2022</u>	<u>Issuance</u>	<u>1,316,557</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>IBI Trust management in trust for Yair Dahan</u>	<u>Share Exchange</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>

<u>03/22/2022</u>	<u>Issuance</u>	<u>67,549,471</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>IBI Trust management in trust for Nexense Technologies USA Inc. ⁽⁸⁾</u>	<u>Share Exchange</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/22/2022</u>	<u>Issuance</u>	<u>125,000</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Caro Partners LLC</u>	<u>Consulting services</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/22/2022</u>	<u>Issuance</u>	<u>1,500,000</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Evergreen Venture Partners LLC</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/22/2022</u>	<u>Issuance</u>	<u>7,059,667</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Plutus Investments L.P ⁽⁹⁾</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/22/2022</u>	<u>Issuance</u>	<u>99,890</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Byron Young</u>	<u>Conversion</u>	<u>Restricted</u>	<u>Exemption: Section 4(a)(2) of the Securities Act</u>
<u>03/30/2022</u>	<u>Issuance</u>	<u>1,783</u>	<u>Common</u>	<u>0.0001</u>	<u>Yes</u>	<u>Cede & Co</u>	<u>Reverse split roundup</u>	<u>Unrestricted</u>	<u>Section 4(a)2</u>

Shares Outstanding on Date of This Report:

Date March 31, 2022

Common: 218,246,326

Ending Balance Year end: December 31, 2021

Common: 33,166,248

Preferred: 300,000

*On August 2nd, 2021, the Company entered into a stock exchange agreement with SleepX Ltd., a company formed under the laws of the State of Israel ("SleepX"), pursuant to which the outstanding equity capital of SleepX was exchanged for shares of common stock of the Company and SleepX became a wholly owned subsidiary of the Company. On December 31, 2021, the terms of the agreement were fulfilled; however the issuance of the shares to SleepX shareholders, due to technical reasons, was not completed. On March 14, 2022 the Company completed a reverse Stock Split at a ratio of two hundred (200) to one (1) and has issued the shares in exchange for the shares of SleepX as reflected in this report. The reverse Stock Split has been given retroactive effect in this report on both Common and Preferred shares.

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

Disclosure of Control Person:

- (1) On March 19, 2019 and May 13, 2019, Bellridge Capital L.P. and Greentree Financial Group, Inc., converted debt for Common shares of 659,290 and 520,300, respectively. The shares have not been issued by the stock transfer agent to the note holders on their respective conversion notices, as such, the Company has cancelled these common shares, during the year ended June 30, 2020. The impact of this cancellation is entirely in equity, convertible notes and the net impact to the financial statements is \$24,344.
- (2) Bellridge Capital LP – Robert Klimov, Managing Partner
- (3) Greentree Financial Group, Inc. – Chris Cottone, Vice President
- (4) Caro Partners LLC - Brian John, Manager
- (5) Evergreen Venture Partners LLC - Douglas McKinnon – Former officer/director of Appyea
- (6) Leonite Fund I, LP - Avrohom Geller
- (7) Scorpio investments (A.W.) LTD – Arie Weber
- (8) Nexense Technologies USA Inc. – Controlling shareholder is Boris Molchadsky, the Chairman of our Board.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>10/20/2016</u>	<u>0*</u>	<u>105,911</u>	<u>0</u>	<u>3/31/2018</u>	<u>Lesser of (i) the lowest Trading Price for 25 trading days and (ii) 55% of lowest Trading Price over 25 Trading Days, with penalties and adjustments.</u>	<u>Evergreen Venture Partners, LLC</u> <u>(Douglas McKinnon – Former officer/director of Appyea)</u>	<u>Loan</u>
<u>11/15/2016</u>	<u>0*</u>	<u>250,000</u>	<u>0</u>	<u>06/30/2018</u>	<u>55% of lowest trading price for prior 10 days, with a \$0.02 floor.</u>	<u>Plutus investments LP</u> <u>(Leon Sviri)</u>	<u>Loan</u>
<u>11/16/2017</u>	<u>0*</u>	<u>8,333</u>	<u>0</u>	<u>5/16/2018</u>	<u>Conversion at Market Price.</u>	<u>Byron Young</u>	<u>Loan</u>
<u>6/25/2018</u>	<u>292,895*</u>	<u>521,053</u>	<u>14,574</u>	<u>06/25/2019</u>	<u>the lesser of \$0.04 and 65% of lowest VWAP in prior 20 trading days</u>	<u>Sold to Plutus investments LP</u> <u>(Leon Sviri) on 11.2021</u>	<u>Loan</u>

<u>02/02/2020</u>	<u>10,000</u>	<u>10,000</u>	<u>2,686</u>	<u>08/18/2020</u>	<u>68% of the lowest trading price in the prior 20 days.</u>	<u>Jimmy Chan</u>	<u>Loan</u>
<u>05/25/2021</u>	<u>66,000</u>	<u>66,000</u>	<u>4,774</u>	<u>05/25/2022</u>	<u>65% of lowest sale price in prior 7 trading days</u>	<u>Sold to Plutus investments LP</u> <u>(Leon Sviri) on 11.2021</u>	<u>Loan</u>
<u>8/4/2021</u>	<u>75,000</u>	<u>75,000</u>	<u>950</u>	<u>1/29/2023</u>	<u>65% of the highest daily trading over the 10 trading days prior to the date of the applicable Notice</u>	<u>BK investment LLC</u> <u>(Brian John)</u>	<u>Loan</u>
<u>8/26/2021</u>	<u>25,000</u>	<u>265,000</u>	<u>194</u>	<u>2/22/2023</u>	<u>65% of the highest daily trading over the 10 trading days prior to the date of the applicable Notice</u>	<u>Evergreen Venture Partners, LLC</u> <u>(Douglas McKinnon – Former officer/director of Appyea)</u>	<u>Loan</u>

Use the space below to provide any additional details, including footnotes to the table above:

* The notes were converted, however, the issuance became effective post quarter end. A total number of 10,482,660 shares were issued.

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: **Asaf Porat**
Title: **CFO**
Relationship to Issuer: **Officer/Director**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
D. Statement of Income;
E. Statement of Cash Flows;
F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
G. Financial notes; and
H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

AppYea is a research and development company that has developed several solutions for identifying, monitoring and treating sleep apnea and snoring.

- B. Please list any subsidiaries, parents, or affiliated companies.

AppYea's current main operations are of research and development, conducted through it's wholly owned subsidiary, SleepX LTD, a company formed under the laws of the State of Israel. SleepX Ltd. (hereinafter "the Subsidiary"), has incorporated, together with a third party, a privately held company under the laws of the State of Israel named Ta-nooma Ltd.

In addition to SleepX, the Company has four wholly owned subsidiaries with no active operations.

- C. Describe the issuers' principal products or services.

DreamIT – Biofeedback snoring treatment wristband, combined with the SleepX App.

The unique algorithms of SleepX, combined with the wristband sensors, monitor physiological parameters during sleep, and when necessary, the wrist band vibrates according to real time reactions of the user, in order to decrease and cease snoring events.

SleepX PRO – Smartphone Medical Application, with a unique algorithm, for identification of Sleep Apnea, without direct contact with the user.

DreamIT PRO – wristband for the treatment of Sleep Apnea using biofeedback in combination with SleepX PRO app. Differentiated from the mechanism of DreamIT by the algorithms necessary to treat Sleep Apnea disorder.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have

complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Since the global pandemic, we have decided all the officers and directors will work remotely from their residents. Maintaining safety is essential. The Company maintains a post office box to collect mail.

All of the current developments and manufacturing of our products are done in service providers facilities.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Todd Violette</u>	<u>CEO / Director</u>	<u>Boca Raton, FL</u>	<u>26,250</u>	<u>Preferred Shares</u>	<u>8.75%</u>	
<u>Douglas McKinnon</u>	<u>Owner of more than 5%</u> <u>(Former Officer/Director)</u>	<u>Boca Raton, FL</u>	<u>32,084</u>	<u>Preferred Shares</u>	<u>10.7%</u>	
<u>Asaf Porat</u>	<u>CFO / Director</u>	<u>Kfar Saba, Israel</u>	<u>0</u>	<u>=</u>	<u>=</u>	<u>—</u>

<u>Boris Molchadsky</u>	<u>Chairman/Director</u>	<u>Gan Yavne, Israel</u>	<u>224,998</u>	<u>Preferred Shares</u>	<u>75%</u>	
<u>Boris Molchadsky</u>	<u>Chairman/Director</u>	<u>Gan Yavne, Israel</u>	<u>99,754,464</u>	<u>Common Shares</u>	<u>45.7%</u>	
<u>Nexense Technologies USA Inc.</u>	<u>Owner of more than 5%</u>	<u>Wilmington Delaware.</u>	<u>67,549,471</u>	<u>Common Shares</u>	<u>31.0%</u>	Controlled by Boris Molchadsky, Gan Yavne, Israel
<u>Neil Kline</u>	<u>Independent Director</u>	<u>Philadelphia, PA</u>	<u>0</u>	<u>=</u>	<u>=</u>	<u>_____</u>

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: David Aboudi
Firm: Aboudi Legal Group PLLC
Address 1: 745 Fifth Ave
Address 2: New York, NY 10151
Phone: +972 52-398-3707
Email: david@aboudilegal.com

Investor Relations

Name: Ravit Levrann
Firm: The Investor
Address 1: WeWork Sarona
Address 2: Tel-Aviv, Israel
Phone: +972-50-2460624
Email: ravit@theinvestor.co.il

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: Rivka Steiner
Firm: Barzily & Co
Nature of Services: Accountant
Address 1: 19 Hartom St
Address 2: Har Hotzvim, Israel 9777518
Phone: +972-73-2366200
Email:

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Todd Violette certify that:

1. I have reviewed this annual disclosure statement of Appyea, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 31, 2022 [Date]

/s/ Todd Violette [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Asaf Porat certify that:

1. I have reviewed this annual disclosure statement of Appyea, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 31, 2022 [Date]

/s/ Asaf Porat [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

APPYEA INC. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

APPYEA INC. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021
(Unaudited)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Deficiency	5
Consolidated Statements of Cash Flows	6-7
Notes to the Consolidated Financial Statements	8-21

APPYEA INC.
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)
(Unaudited)

		December 31,	December 31,
		2021	2020
ASSETS			
Current assets			
Cash and cash equivalents		206	11
Other accounts receivables	3	13	-
Related parties receivables	7(a)	137	2
Total current assets		356	13
Non-current assets			
Property and equipment, net	4	2	-
Intangible assets	5	163	-
Total non-current asset		165	-
Total assets		521	13
LIABILITIES AND DEFICIENCY			
Current liabilities			
Trade payables		30	4
Other accounts payable	6	65	2
Short-term loans from related party	7(b)	192	-
Convertible loans	8	1,987	-
Warrants	8	212	-
Total current liabilities		2,486	6
Non-current liabilities			
Long-term loans from related parties	7(c)	41	44
Convertible loan	8	415	-
Warrants	8	48	-
		504	44
Total liabilities		2,990	50
DEFICIENCY			
Appyea Inc. Stockholders' Deficiency:			
Convertible preferred stock, \$0.0001 par value	9	-	-
Common stock, \$0.0001 par value	9	21	8
Common stock to be issued		1,678	0
Capital fund		(3,554)	(7)
Accumulated deficit		(600)	(26)
Total Appyea Inc. stockholders' deficiency		(2,455)	(25)
Non-controlling interests		(14)	(12)
Total Deficiency		(2,469)	(37)
Total liabilities and deficiency		521	13

APPYEA INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands)
(Unaudited)

		For the year ended December 31,	
		2021	2020
		<u> </u>	<u> </u>
Research and development expenses		83	(-)
Sales and marketing		5	1
General and administrative expenses	10	<u>482</u>	<u>2</u>
Operating loss		(570)	(3)
Financial expenses, net		<u>6</u>	<u>1</u>
Consolidated net loss		<u>(576)</u>	<u>(4)</u>
Non-controlling interests		<u>(2)</u>	<u>-</u>
Net loss attributable to Appyea Inc.		<u>(574)</u>	<u>(4)</u>
Net Income (Loss) Per Common Share:			
Basic and Diluted		\$ <u>(0.0044)</u>	\$ <u>(0.00)</u>
Weighted Average Number of Common Shares			
Outstanding:			
Basic and Diluted		<u>128,827,296</u>	<u>80,768,818</u>

The equity presented in the financial statement is attributed to SleepX according to the issuance ratio agreed upon in the stock exchange agreement. The equity of AppYea has been added to that, and it includes all of the shares issued to the shareholders in AppYea due to conversions of their CLA.

The accompanying notes are an integral part of the financial statements

APPYEA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(U.S. dollars in thousands except share data)
(Unaudited)

	Preferred Stock		Common Stock		Common stock to be issued	Capital Fund	Accumulated Deficit	Total	Non-controlling interests	Total Equity
	Number	Amount	Number	Amount						
Balance as of January 1, 2020			78,478,677	8	-	(7)	(22)	(21)	(12)	(33)
Adjusting the amount of shares in light of issuance of Appyea shares	-	-	4,580,282	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	(4)	(4)	-	(4)
Balance as of December 31, 2020			83,058,958	8	-	(7)	(26)	(25)	(12)	(37)
Issuance of shares	-	-	60,134,686	6	-	294	-	300	-	300
Adjusting the amount of shares in light of issuance of Appyea shares	-	-	31,401,990	3	-	-	-	3	-	3
Consolidation of Subsidiary	300,000	-	43,650,692	4	1678	(4193)	-	(2511)	-	(2511)
Share based Compensation	-	-	-	-	-	352	-	352	-	352
Net loss	-	-	-	-	-	-	(574)	(574)	(2)	(576)
Balance as of December 31, 2021	<u>300,000</u>	<u>-</u>	<u>218,246,326</u>	<u>21</u>	<u>1678</u>	<u>(3,554)</u>	<u>(600)</u>	<u>(2,455)</u>	<u>(14)</u>	<u>(2,469)</u>

*) Represent an amount less than 1 thousand USD.

The equity presented in the financial statement is attributed to SleepX according to the issuance ratio agreed upon in the stock exchange agreement. The equity of AppYea has been added to that, and it includes all the shares issued to the shareholders in AppYea due to conversions of their CLA.

The accompanying notes are an integral part of the financial statements

APPYEA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)
(Unaudited)

	December 31	December 31
	2021	2020
Cash flows from operating activities:		
Consolidated net loss	(576)	(4)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1	
Share based compensation	352	
Changes in operating assets and liabilities:		
Other current assets	54	
Accounts payable	1	(1)
Related Parties		15
Net cash used in operating activities	(168)	10
Cash flows from investing activities:		
Cash acquired from acquisition of subsidiary (Appendix A)	170	
Loans granted to stock holders	(135)	(15)
Purchase of property and equipment	(3)	
Net cash provided by investing activities	32	(15)
Cash flows from financing activities:		
Issuance of shares of Common Stock	131	
Loans received from a related company	200	15
Net cash provided by financing activities	331	15
Foreign currency translation adjustments on cash and cash equivalents		
Change in cash and cash equivalents	195	10
Cash and cash equivalents at beginning of year	11	1
Cash and cash equivalents at end of year	206	11
Supplementary information on activities not involving cash flows:		
Conversion of loans from related company into shares of Common Stock	1,680	-
Purchase of property and equipment by issuing shares of subsidiaries Common Stock	163	-

APPYEA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)
(Unaudited)

Appendix A - Acquisition of subsidiary

	December 31	December 31
	2021	2020
Working capital (excluding cash and cash equivalents), net	135	-
Shares of Common Stock and warrants issued	(2,810)	-
Capital fund	2,505	-
Cash paid for the acquisition of subsidiary	(170)	-

APPYEA INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands)
(Unaudited)

NOTE 1 - GENERAL

AppYea, Inc. (“AppYea”, “the Company”, “we” or “us”) was incorporated in the State of South Dakota on November 26, 2012 to engage in the acquisition, purchase, maintenance and creation of mobile software applications. The Company is in the development stage with no significant revenues and no operating history. On November 1, 2021 the Company was redomiciled in the State of Nevada.

The Company’s common stock is traded on the OTC Markets, pink tier, under the symbol “APYP”.

On August 2nd, 2021, the Company entered into a stock exchange agreement with SleepX Ltd., a company formed under the laws of the State of Israel (“SleepX”), pursuant to which the outstanding equity capital of SleepX was exchanged for shares of common stock of the Company and SleepX became a wholly owned subsidiary of the Company. On December 31, 2021, the terms of the agreement were fulfilled; however, the issuance of the shares to SleepX shareholders, due to technical reasons, was not completed. On March 14, 2022 the Company completed a reverse Stock Split at a ratio of two hundred (200) to one (1) and has issued those shares. As a result of the reverse Stock Split the common and preferred shares in these financial statements are reflected as if the Reverse Split occurred in the past.

SleepX is an Israeli research and development company that has developed a unique product for monitoring and treating sleep apnea and snoring. The technology is protected by several international patents and, subject to raising working capital, of which no assurance can be provided, the Company plans to start serial production in 2022. The merged entity will focus on further development and commercialization of the products. Its strategy will include continued R&D investment and new initiatives in sales and marketing.

SleepX (hereinafter "the Subsidiary"), has incorporated, together with a third party, a privately held company under the laws of the State of Israel named Ta-nooma Ltd. ("Ta-nooma"). Ta-nooma has developed sleeping monitoring technology for which patent applications were filed and has no revenue from operation. Since its incorporation and as of the financial statements date, the Subsidiary holds 67% of Ta-nooma.

In addition to SleepX, the Company has four wholly owned subsidiaries with no active operations.

The Company has not yet generated any material revenues from its current operations, and therefore is dependent upon external sources for financing its operations. As of December 31, 2021, the Company has an accumulated deficit of \$576,000.

The Company intends to continue to finance its operating activities by raising capital. Other than the \$390,000 to which the Company is entitled to under its agreement with Investor 2 as discussed in Note 8, currently the Company has no commitments for such capital and there are no assurances that the Company will be successful in obtaining an adequate level of financing needed for its long-term research and development activities on commercially reasonable terms or at all. If the Company will not have sufficient liquidity resources, the Company may not be able to continue the development of its product candidates or may be required to implement cost reduction measures and may be required to delay part of its development programs.

The financial statements do not include any adjustments to the values of assets and liabilities and their classification that would possibly be necessary in the event that the Company is no longer able to continue its operations as a "going concern".

In accordance with the conditions set forth in the Accounting Standards Codification Topic 805, "Business Combinations (Topic 805)" ("ASC 805"), and as Appyea does not have an operation as of the date of the transaction, the transaction described above was treated as a reverse acquisition. The entity that issues securities (the legal acquirer or Appyea) is identified as the acquiree for accounting purposes. The entity whose interests are acquired (the legal acquired or SleepX.) is the acquirer for accounting purposes and Since SleepX is considered the accounting acquirer, these consolidated financial statements are prepared as a continuation of the financial statements of SleepX. As a result, comparative information included herein is solely that of SleepX. The capital structure is on the basis of 4:1 for the common shares of Appyea.

Following the above, as of December 31, 2021, date of the transaction, the fair value of assets and liabilities of AppYea without the subsidiary, were \$684,362 and \$2,833,145 respectively.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

The significant policies in the preparation of the consolidated financial statements are:

a. Use of estimates:

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimations. See note 8 regarding the Convertible Loans and Warrants estimations.

b. Financial statements in United States dollars:

The functional currency of the Company is the U.S. dollar, as the U.S. dollar is the currency of the primary economic environment in which the Company operates. The Company's transactions and balances denominated in U.S. dollars are present at their original amounts. Non-dollar transactions and balances have been re-measure to U.S. dollars in accordance with ASC 830, "Foreign Currency Matters". All transaction gains and losses from re-measurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the statements of operations and are included in the Financial Expenses – net line item.

c. Cash and Cash equivalents:

Cash equivalents are short-term highly liquid investments that are readily convertible to cash when originally purchased with maturities of three months or less.

d. Property, plant and equipment, net:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets at the following annual rates:

	%
Computers equipment and software	33

e. Severance pay:

Certain of the Company's employees have subscribed to Section 14 of Israel's Severance Pay Law, 5723-1963 ("Section 14"). According to this section, these employees are entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments in accordance with section 14 release the Company from any future severance liabilities (under the above Israeli Severance Pay Law) in respect of those employees. Neither severance pay liability nor severance pay fund under Section 14 is recorded on the Company's balance sheet.

f. Fair value of financial instruments:

As defined in ASC 820 "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 (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based on the observability of those inputs. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The following table summarizes fair value measurements by level at December 31, 2021 measured at fair value on a recurring basis:

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
None	\$ -	\$ -	\$ -	\$ -
Liabilities				
Derivative liabilities	\$ -	\$ -	\$ 2,799,513	\$ 2,799,513

g. Concentrations of credit risks:

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash and cash equivalents are invested in major banks in Israel and US. Generally, these deposits may be redeemed upon demand and therefore, management believes there is minimal risk. The Company has no significant off-balance-sheet concentration of credit risk such as foreign exchange contracts, option contracts or other foreign hedging arrangements.

h. Research and development costs:

Research and development consist of costs incurred in the process of developing product improvements or new products, and are expensed to the statement of operations as incurred. As of now the company does not capitalize any of its research and development costs.

i. General and administrative expenses:

General and administrative expenses consists of all corporate overhead costs incurred by the Company.

j. Income taxes:

The Company accounts for income taxes in accordance with Accounting Standards Codification Topic 740, "Accounting for Income Taxes" ("ASC 740"), using the liability method whereby deferred tax assets and liability account balances are determined based on the differences between financial reporting and the tax basis for assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company accounts for uncertain tax provisions in accordance with ASC 740-10-05, "Accounting for Uncertainty in Income Taxes." The ASC clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

k. Basic and Diluted Net Income (Loss) per Share:

The Company computes net income (loss) per share in accordance with ASC 260, "Earnings per Share" which requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and Convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive. As of December 31, 2021 and 2020, there were shares of convertible preferred stock outstanding and conversion privileges attached to convertible promissory notes payable. The common share equivalents of these securities have not been included in the calculations of loss per share because such inclusions would have an antidilutive effect as the Company has incurred losses during the years ended December 31, 2021 and 2020.

NOTE 3 - OTHER ACCOUNTS RECEIVABLES

	December 31,	
	2021	2020
Governmental authorities	7	-
Other receivables	6	-
	<u>13</u>	<u>-</u>

NOTE 4 - PROPERTY AND EQUIPEMENT, NET

	December 31,	
	2021	2020
Computers		
Cost	-	-
Purchases	3	-
Depreciation	(1)	-
Balance, Net	<u>2</u>	<u>-</u>

NOTE 5 - INTANGIBLE ASSETS

On May 12, 2021, the Subsidiary has entered into license agreement with Nexense Technologies USA Inc. a related party, which a controlled by Boris Molchadsky one of our shareholders, (the "Licensor") pursuant to which the Subsidiary will receive from the Licensor the legal rights to use all of the Licensor's owned intellectual property (the "IP") for any commercial purposes. Management believes that the IP is not currently ready for private or commercial use and therefore, the Subsidiary will research, develop, apply for patents and invest in the IP in order to bring the IP to a state where it is ready for commercial use. Any change, improvement, inventive addition, progress, results of research or a new product with respect to the intellectual property rights, will all be owned solely by the Subsidiary.

The payment terms for the license agreement will be 3% of the gross revenue arising from the sale of the products based on the licensed IP and up to an aggregate amount of \$2,000,000. As part of the agreement, the Subsidiary has issued the third-party shares equivalent to 40% of the Subsidiary, after dilution.

The IP asset is represented in the financial statements according to the original amount which was paid by the Licensor to acquire the IP and summarized to an amount of \$163,000. As of December 31, 2021 the company has not generated any revenues and accordingly no royalties were paid.

NOTE 6 - OTHER ACCOUNT PAYABLES

	December 31,	
	2021	2020
Accrued expenses	13	2
Deferred income	5	-
Government institutions	15	-
Employees and payroll accruals	32	-
	<u>65</u>	<u>2</u>

NOTE 7 - RELATED PARTY BALANCES

A. Related parties receivables

On October 2020, a Company's director loaned to the Company 40,000 NIS (approximately \$11,000 on the date of advance) to cover operating expenses. During the course of 2021, the Company lent to the Company's director referred to above, an aggregate amount of \$136,936 as of the date hereof. The loan bears interest at an annual rate of 3.4% and is repayable in full by December 31, 2022.

B. Short-term loans from related parties

During 2021, the Subsidiary has loaned from Nexense Technologies USA Inc. a related party, which a controlled by Boris Molchadsky one of our shareholders an aggregate amount of \$47,623. According to the agreement, the loan shall be repaid in an event that the Company's profits are sufficient to repay the aggregate loan amount and upon such terms and in such installments as shall be determined by the Board. The loan shall bear interest at an annual rate equal to the minimum rate approved by applicable law.

C. Long-term loans from related parties

During 2020, the Non-controlling interest (Keter Bracha LTD) has lent to Ta-nooma a long-term loan. As for the financials date, the loan balance amounts to \$41,082.

D. Convertible loans related party

On August 22, 2021 a related party, owned by a holder of over 5% of the outstanding shares of the Company (on an as converted basis), agreed to advance to the Company \$265,000 in tranches under the terms of an 18 month unsecured promissory note. Under the terms of the note, which bears interest at a rate of 8% per annum, the investor can convert the note into shares of common stock at 35% discount to the highest daily trading price over the 10 days' preceding conversion but in any event not less than \$0.1 per share. The note contains standard events of default. As of the December 31, 2021, the related party has advanced to the Company \$25,000 funds under the Note. As of December 31, 2021, the Company had a convertible note related party of \$31,958.

NOTE 8 - CONVERTIBLE LOANS AND WAARANTS

A. Warrants

During the year of 2017, the Company granted 1,931,819 warrants. As of December 31, 2021 the Warrants were valued at \$211,622. The expiry date of the warrants is on October 13, 2022. On November 24, 2021, the Company granted 300,000 warrants valued at \$43,270. The expiry date of the warrants is on November 23, 2025. See (b) below ("Investor 2"). In connection with the warrants issued to investor 2 the company also issued 8,334 warrants valued at \$5,000 to an introducing advisor with the same terms and conditions received by Investor 2.

These warrants are converted with the same cashless exercise formula, in lieu of a cash exercise, equal to the number of Common Shares computed using the following formula: the number of Warrants multiplied with the difference between the market price and the exercise price, divided by the market price. In order to calculate the fair value of the warrants, the Company used the services of an independent valuation appraiser and an option pricing model was used. The model requires six basic data inputs: the exercise or strike price, time to expiration, the risk-free interest rate, the current stock price, the estimated volatility of the stock price in the future, and the dividend rate.

For the Year ended December 31, 2021, the estimated fair values of the Warrants were measured as follows:

	Year ended December 31, 2021
Expected term	0.78 – 3.90 years
Expected average volatility	185.42 – 195.07%
Expected dividend yield	-
Risk-free interest rate	1.1% - 0.3%
Common Stock Market Value	\$0.16

The following table summarizes information relating to outstanding and exercisable warrants as of December 31st, 2021:

Warrants Outstanding and Exercisable		
Number of Warrants	Weighted Average Remaining Contractual life (in years)	Weighted Average Exercise Price
1,931,819	0.78	0.1
308,334	3.9	0.6

On March 14, 2022 a reverse Stock Split was done at a ratio of two hundred (200) to one (1). The warrants Consolidation is reflected retrospectively in these consolidated financial statements.

B. Convertible loans

During the years of 2017-2021, the Company signed on convertible loan agreement (“CLA “) contracts with several investors.

The Convertible Promissory Note will accrue interest at rates of 5% - 12% per annum, default interest at rates of 12%-24% per annum.

Investor 1

Old CLA (Issued by the company During March 2019 - January 2021)

During the year of 2021, Investor 1 signed an SPA contract with an existing CLA holder and paid for the CLA held by the existing CLA holder. The CLA were issued by the company during March 2019 – Jan 2021. The principal amount signed in the agreement is \$358,895.

The Convertible Promissory Note will be convertible at a price equal to the lesser of (i) \$0.04, and (ii) the variable conversion price, which is defined as 65% of the lowest daily VWAP in the twenty (20) Trading Days prior to the Conversion Date. Maturity date for the CLA above is up to May 2022.

The CLA was evaluated as one component because in each scenario the investors will prefer to convert the company shares instead of receiving the loan.

In order to calculate the fair value of the CLA, the independent valuation appraiser used Monte Carlo model and the Company assumptions regarding to the expected conversion date. Using this model and assumptions, the expected conversion amount was evaluated for \$1,918,376 as of December 31, 2021.

For the Year ended December 31, 2021, the estimated fair values of the Convertible Loan measured as follows:

	Year ended December 31, 2021
Expected term	1.09 years
Expected average (Monte Carlo) volatility	195.07%
Expected dividend yield	-
Risk-free interest rate	0.7%

New CLA (Issued by the Company at the year of 2021)

During the year 2021, the Company signed a new CLA contract with Investor 1. In exchange to the CLA, the Company received an amount of \$250,000.

The Convertible Promissory Note will be convertible at a price equal to the variable conversion price, which is defined as 60% of the lowest daily VWAP in the twenty (20) Trading Days prior to the Conversion Date.

The CLA was evaluated as one component because in each scenario the investors will prefer to convert the company shares instead of receiving the loan.

In order to calculate the fair value of the CLA, the independent valuation appraiser used the Company assumptions regarding the expected conversion date. Using these assumptions, the expected conversion amount was evaluated for \$318,156 as of December 31, 2021.

For the Year ended December 31, 2021, the estimated fair values of the Convertible Loan measured as follows:

	Year ended December 31, 2021
Expected term	1.87 years
WACC	25%

Investor 2

On November 24, 2021, the Company signed CLA, Warrants and SPA agreements with Investor 2 for an aggregate amount of \$500,000. As of December 2021, the Company received an amount of \$110,000 out of the aggregate committed amount.

The Company's obligations under the CLA are secured by a security interest in substantially all of its assets pursuant to a Security Agreement dated as of November 24, 2021 between it and the Company.

On November 24, 2021, the investment was evaluated as separate components: Warrants, common shares, Loan (Part of the CLA) and conversion component. First, the independent valuation appraiser evaluated the Warrants and the stocks in Fair Value, and the residual attributed to the CLA components. As of December 31, 2021, Warrants and stocks were evaluated \$43,270 and \$44,000 respectively.

The Convertible Promissory Note will be convertible at a price equal to \$0.5. The conversion component was evaluated in separate from the loan.

In order to calculate the fair value of the CLA components as of December, 31 2021, the independent valuation appraiser used Monte Carlo model and Company assumptions regarding to the expected conversion date and the expected return date of the principal amount. Using this model and assumptions, the expected conversion amount was evaluated. As of December 31, 2021 the Loan and conversion component (Part of the CLA) were evaluated \$111,828 and \$54,439 respectively

For the Year ended December 31, 2021, the estimated fair values of the CLA measured as follows:

	Year ended December 31, 2021
Expected term	1.87 years
WACC	25%

Rest of the investors

During the year of 2021, the Company signed additional CLA with an investor for an amount of \$75,000 in exchange to the component in the agreement.

The Convertible Promissory Note will be convertible at a price equal to the variable conversion price, which is defined as 55% - 65% of the lowest daily VWAP in the twenty (20) Trading Days prior to the Conversion Date.

The CLA was evaluated as one component because in each scenario the investors will prefer to convert the company shares instead to receive the loan.

In order to calculate the fair value of the CLA, the independent valuation appraiser used Company assumptions regarding the expected conversion date. Using Company WACC, the expected conversion amount was evaluated for \$97,226 as of December 31, 2021.

For the Year ended December 31, 2021, the estimated fair values of the CLA measured as follows:

	Year ended December 31, 2021
Expected term	1.4 – 1.87 years
WACC	25%

NOTE 9 - STOCKHOLDERS' EQUITY

A. Convertible Preferred Stock

Each convertible preferred share is convertible into 1,500 shares of common stock and has the voting rights of 1,000 shares of common stock.

As of December 31, 2021 and December 31, 2020, 300,000 shares of the Company's convertible preferred stock were issued and outstanding. There are 500,000 convertible preferred shares authorized.

On July 2, 2021, Boris Molchadsky, a resident of Israel, acquired in a private transaction two hundred and twenty five thousand (225,000) Shares of Series A Preferred Stock of the Company. The Series A Preferred Shares have the right to vote 1,000 to 1 as shares of common stock and convert into 1,500 to 1 of the shares of common stock of the Company. The acquisition of the Preferred Shares makes Boris Molchadsky the majority shareholder, with the Company's voting control. As of the result of this transaction, Mr. Molchadsky controls approximately 68% of the total voting power of AppYea Inc

B. Common Stock

During the three months ended December 2021, the Company issued 500,000 shares of common stock for conversion of debt and accrued interest of \$105,911. The Company has also issued 200,000 shares of common stock as part of an agreement with Investor 2 (see Note 8).

Additional 1,500,000 common shares should be issued to a related party for the conversion of debt. See Related Party Transaction for additional details.

As of December 31, 2021, and 2020, 165,831,238 and 108,804,456 shares of the Company's common stock were issued and outstanding respectively. There are 10,000,000,000 authorized common shares. In relation to the reverse takeover transaction as described in Note 1, on December 31, 2021, the common shares of APPYEA INC. were consolidated on a 4:1 basis (the "Share Consolidation"). The Share Consolidation is reflected retrospectively in these consolidated financial statements

The holder of the shares of Common Stock are entitled to the following rights:

1. Right to participate and vote in the Company's general meetings, whether regular or extraordinary. Each share will entitle its holder, when attending and participating in the voting in person or via agent or letter, to one vote;
2. Right to share in distribution of dividends, whether in cash or in the form of bonus shares; the distribution of assets or any other distribution pro rata to the par value of the shares held by them;
3. Right to a share in the distribution of the Company's excess assets upon liquidation on a pro rata basis to the par value of the shares held by them.

Common Stock to be Issued

As of December 31, 2021 and 2020 there are CLA that were converted but Shares were not issued in the amount of \$1,746,281 and 0 respectively.

NOTE 10 - GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31,	
	2021	2020
Salaries and related costs	395	-
Professional services	67	2
Vehicle expenses	7	-
Rent and building maintenance	5	-
Others	8	-
	482	2

NOTE 11 - COMMITMENT AND CONTINGENCIES

On March 15, 2020, the Subsidiary entered into license agreement with B.G Negev Technologies and Applications Ltd. and Mor Research Application Ltd. (the "Licensors"). According the license agreement, the Subsidiary will receive from the licensors an exclusive worldwide sub licensable license for 15 years to research, develop, manufacture use, market, distribute, offer for sale and sell the licensed products in which mentioned in the license agreement (the "Licensed Products"). The payment terms for the license agreement are as follow:

1. Annual license fee – annual payments as follow:

Year	USDK
1-4	0
5	10
6	20
7	30

8	40
9-15	50

1. Running royalties – 3% of all net sales received from the licensed products for a period of up to 15 years from initiation of sales in each state using licensed IP.
2. Sublicense payments –
 - a. 25% of sublicense income received prior to attainment of all regulatory approval for marketing and sale of the licensed products in the first jurisdiction where the licensed products is intended to be sold.
 - b. 15% of sublicense income received after the date recorded in section (a) above, but prior to the first commercial sale of the licensed product.
 - c. 10% of sublicense income received after the date recorded in section (b) above.
3. Milestone payment – payment of thousand \$60 upon the attainment of regulatory approval from applicable authority in USA or Europe to market and sell the licensed products.
4. Exit Fee Varies according to its kind upon consummation of the Exit event.

In addition to the payment terms mentioned above, the Subsidiary will reimburse the licensors for all incurred in the filing, prosecution and maintenance of the licensor’s patents prior to the effective date. The amount of such expenses were \$61,757 which were paid and are included in the financial statements.

NOTE 12 - EMPLOYEE BENEFITS

- A. The Subsidiary’s liability for severance pay is calculated according to Section 14 of the Israeli Severance Compensation Act, 1963 (“Section 14”), pursuant to which Holdings' severance pay liability to its employees is fully discharged by monthly deposits to pension fund accounts in the employees’ names, at a rate of 8.33% of the employees’ monthly salary. Under Israeli employment law, payments in accordance with Section 14 release from any future severance payment obligations in respect of those employees. The fund is made available to the employee at the time the employer-employee relationship is terminated, regardless of the cause of termination. The severance pay liabilities and deposits under Section 14 are not reflected in the consolidated balance sheets as the severance pay risks have been irrevocably transferred to the severance funds.
- B. On July 1st, 2021, the Subsidiary has begun the employment of 2 employees, the Chief Financial Officer and another employee who is a related party. According to the agreement with the employees, they are entitled to receive salary increase and a success bonus in the event of capital raise. In addition, the Chief Financial Officer is entitled to Share-Based Compensation according the Company's Global Share Incentive Plan.

The table below depicts the number of options granted to such employee:

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Chief Financial Officer	07.01.2021	2,204,490	6,613,471	\$0.0001	07.01.2031

For the year ended December 31, 2021 the company recognized \$352,501 in expenses related to such options.

NOTE 13 - TAXES ON INCOME

A. Taxation under Various Laws

1. Tax rate applicable to SleepX Ltd. and Ta-nooma Ltd. is 23%.
Federal tax rate applicable to AppYea Inc. is 21%.

2. Tax rates applicable to the Company:

The enactment of the Tax Cuts and Jobs Act (“Tax Act”) in December 2017, reduced the federal income tax rates from an average of 35% to a 21% flat rate, beginning in the 2018 tax year. The Tax Act also includes a provision designed to currently tax global intangible low-taxed income (“GILTI”), beginning in 2018 tax year. As the Company is currently in a loss position, there was no tax effect in the current year. The Company will record the U.S. income tax effect of future GILTI inclusions in the period in which they arise, if relevant.

After the enactment of the Tax Act, the SEC issued Staff Accounting Bulletin No. 118 (“SAB 118”) which provided guidance on accounting for the enactment effect of the Tax Act. SAB 118 addressed the application of U.S. GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act. SAB 118 provided or a measurement period of up to one year from the Tax Act enactment date for companies to complete their accounting under ASC 740. During the quarter ended December 31, 2019, the Company completed the accounting for the income tax effects of the Tax Act, which resulted in an immaterial change in the net deferred tax asset, before valuation allowance, at the enactment date.

B. Net operating losses carryforward

The annual limitation may result in the expiration of net operating losses before utilization.

C. Income taxes on foreign subsidiaries

Foreign subsidiaries are taxed according to the tax laws in their respective country of residence. Neither Israeli income taxes, foreign withholding taxes nor deferred income taxes were provided in relation to undistributed earnings of the Company's foreign subsidiaries. This is because the Company has the intent and ability to reinvest these earnings indefinitely in the foreign subsidiaries and therefore those earnings are continually redeployed in those jurisdictions.

D. Income tax expenses

Income tax expense for the years ended December 31, 2021 and 2020 are as follows:

	December 31,	
	2021	2020
Current income tax	-	-
Deferred taxed	-	-

- -

E. Tax Assessments

The Company have not received final tax assessments for income tax purposes since incorporation.

F. Deferred income taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets are as follows:

	Year Ended December 31,	
	2021	2020
Deferred tax assets:		
Net operation loss carryforward	\$ 4,238	\$ 123
Net deferred tax asset before valuation allowance	4,238	123
Valuation allowance	(4,238)	(123)
Net deferred tax asset	\$ -	\$ -

The Company has a valuation allowance against its net deferred tax assets due to the uncertainty of realization of the deferred tax assets due to the operating loss history of the Company. The Company currently provides a valuation allowance against deferred taxes when it is more likely than not that some portion, or all of its deferred tax assets will not be realized. The valuation allowance could be reduced or eliminated based on future earnings and future estimates of taxable income.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report.

- A.** On February 1st, 2022, Neil Kline was appointed to the Company's board of directors.
- B.** On January 1st, 2022, Professor Amir Geva was appointed to the Company's Advisory Board.
- C.** On January 1st, 2022, \$67,924 in outstanding principal and accrued interest on a convertible note (in an original principal amount of \$65,000) was converted into 1,698,103 shares of the Company's common stock
- D.** On March 14th the company completed the process of reverse Stock Split process at a ratio of two hundred (200) to one (1).
- E.** On March 23, 2022, the company issued all its stock payable and the shares to the former holders of SleepX, according to the stock exchange agreement, in exchange for their shares. All their shares were issued to IBI Trust Management, according to the Israeli tax ruling, under their names.

APPYEA INC. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

APPYEA INC. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021
(Unaudited)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Deficiency	5
Consolidated Statements of Cash Flows	6-7
Notes to the Consolidated Financial Statements	8-21

APPYEA INC.
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)
(Unaudited)

		December 31,	December 31,
		2021	2020
ASSETS			
Current assets			
Cash and cash equivalents		206	11
Other accounts receivables	3	13	-
Related parties receivables	7(a)	137	2
Total current assets		356	13
Non-current assets			
Property and equipment, net	4	2	-
Intangible assets	5	163	-
Total non-current asset		165	-
Total assets		521	13
LIABILITIES AND DEFICIENCY			
Current liabilities			
Trade payables		30	4
Other accounts payable	6	65	2
Short-term loans from related party	7(b)	192	-
Convertible loans	8	1,987	-
Warrants	8	212	-
Total current liabilities		2,486	6
Non-current liabilities			
Long-term loans from related parties	7(c)	41	44
Convertible loan	8	415	-
Warrants	8	48	-
		504	44
Total liabilities		2,990	50
DEFICIENCY			
Appyea Inc. Stockholders' Deficiency:			
Convertible preferred stock, \$0.0001 par value	9	-	-
Common stock, \$0.0001 par value	9	21	8
Common stock to be issued		1,678	0
Capital fund		(3,554)	(7)
Accumulated deficit		(600)	(26)
Total Appyea Inc. stockholders' deficiency		(2,455)	(25)
Non-controlling interests		(14)	(12)
Total Deficiency		(2,469)	(37)
Total liabilities and deficiency		521	13

APPYEA INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands)
(Unaudited)

		For the year ended December 31,	
		2021	2020
		<u> </u>	<u> </u>
Research and development expenses		83	(-)
Sales and marketing		5	1
General and administrative expenses	10	<u>482</u>	<u>2</u>
Operating loss		(570)	(3)
Financial expenses, net		<u>6</u>	<u>1</u>
Consolidated net loss		<u>(576)</u>	<u>(4)</u>
Non-controlling interests		<u>(2)</u>	<u>-</u>
Net loss attributable to Appyea Inc.		<u>(574)</u>	<u>(4)</u>
Net Income (Loss) Per Common Share:			
Basic and Diluted		\$ <u>(0.0044)</u>	\$ <u>(0.00)</u>
Weighted Average Number of Common Shares			
Outstanding:			
Basic and Diluted		<u>128,827,296</u>	<u>80,768,818</u>

The equity presented in the financial statement is attributed to SleepX according to the issuance ratio agreed upon in the stock exchange agreement. The equity of AppYea has been added to that, and it includes all of the shares issued to the shareholders in AppYea due to conversions of their CLA.

The accompanying notes are an integral part of the financial statements

APPYEA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(U.S. dollars in thousands except share data)
(Unaudited)

	Preferred Stock		Common Stock		Common stock to be issued	Capital Fund	Accumulated Deficit	Total	Non-controlling interests	Total Equity
	Number	Amount	Number	Amount						
Balance as of January 1, 2020			78,478,677	8	-	(7)	(22)	(21)	(12)	(33)
Adjusting the amount of shares in light of issuance of Appyea shares	-	-	4,580,282	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	(4)	(4)	-	(4)
Balance as of December 31, 2020			83,058,958	8	-	(7)	(26)	(25)	(12)	(37)
Issuance of shares	-	-	60,134,686	6	-	294	-	300	-	300
Adjusting the amount of shares in light of issuance of Appyea shares	-	-	31,401,990	3	-	-	-	3	-	3
Consolidation of Subsidiary	300,000	-	43,650,692	4	1678	(4193)	-	(2511)	-	(2511)
Share based Compensation	-	-	-	-	-	352	-	352	-	352
Net loss	-	-	-	-	-	-	(574)	(574)	(2)	(576)
Balance as of December 31, 2021	<u>300,000</u>		<u>218,246,326</u>	<u>21</u>	<u>1678</u>	<u>(3,554)</u>	<u>(600)</u>	<u>(2,455)</u>	<u>(14)</u>	<u>(2,469)</u>

*) Represent an amount less than 1 thousand USD.

The equity presented in the financial statement is attributed to SleepX according to the issuance ratio agreed upon in the stock exchange agreement. The equity of AppYea has been added to that, and it includes all the shares issued to the shareholders in AppYea due to conversions of their CLA.

The accompanying notes are an integral part of the financial statements

APPYEA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)
(Unaudited)

	December 31	December 31
	2021	2020
Cash flows from operating activities:		
Consolidated net loss	(576)	(4)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1	
Share based compensation	352	
Changes in operating assets and liabilities:		
Other current assets	54	
Accounts payable	1	(1)
Related Parties		15
Net cash used in operating activities	(168)	10
Cash flows from investing activities:		
Cash acquired from acquisition of subsidiary (Appendix A)	170	
Loans granted to stock holders	(135)	(15)
Purchase of property and equipment	(3)	
Net cash provided by investing activities	32	(15)
Cash flows from financing activities:		
Issuance of shares of Common Stock	131	
Loans received from a related company	200	15
Net cash provided by financing activities	331	15
Foreign currency translation adjustments on cash and cash equivalents		
Change in cash and cash equivalents	195	10
Cash and cash equivalents at beginning of year	11	1
Cash and cash equivalents at end of year	206	11
Supplementary information on activities not involving cash flows:		
Conversion of loans from related company into shares of Common Stock	1,680	-
Purchase of property and equipment by issuing shares of subsidiaries Common Stock	163	-

APPYEA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)
(Unaudited)

Appendix A - Acquisition of subsidiary

	December 31	December 31
	2021	2020
Working capital (excluding cash and cash equivalents), net	135	-
Shares of Common Stock and warrants issued	(2,810)	-
Capital fund	2,505	-
Cash paid for the acquisition of subsidiary	(170)	-

APPYEA INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands)
(Unaudited)

NOTE 1 - GENERAL

AppYea, Inc. (“AppYea”, “the Company”, “we” or “us”) was incorporated in the State of South Dakota on November 26, 2012 to engage in the acquisition, purchase, maintenance and creation of mobile software applications. The Company is in the development stage with no significant revenues and no operating history. On November 1, 2021 the Company was redomiciled in the State of Nevada.

The Company’s common stock is traded on the OTC Markets, pink tier, under the symbol “APYPD”.

On August 2nd, 2021, the Company entered into a stock exchange agreement with SleepX Ltd., a company formed under the laws of the State of Israel (“SleepX”), pursuant to which the outstanding equity capital of SleepX was exchanged for shares of common stock of the Company and SleepX became a wholly owned subsidiary of the Company. On December 31, 2021, the terms of the agreement were fulfilled; however, the issuance of the shares to SleepX shareholders, due to technical reasons, was not completed. On March 14, 2022 the Company completed a reverse Stock Split at a ratio of two hundred (200) to one (1) and has issued those shares. As a result of the reverse Stock Split the common and preferred shares in these financial statements are reflected as if the Reverse Split occurred in the past.

SleepX is an Israeli research and development company that has developed a unique product for monitoring and treating sleep apnea and snoring. The technology is protected by several international patents and, subject to raising working capital, of which no assurance can be provided, the Company plans to start serial production in 2022. The merged entity will focus on further development and commercialization of the products. Its strategy will include continued R&D investment and new initiatives in sales and marketing.

SleepX (hereinafter "the Subsidiary"), has incorporated, together with a third party, a privately held company under the laws of the State of Israel named Ta-nooma Ltd. ("Ta-nooma"). Ta-nooma has developed sleeping monitoring technology for which patent applications were filed and has no revenue from operation. Since its incorporation and as of the financial statements date, the Subsidiary holds 67% of Ta-nooma.

In addition to SleepX, the Company has four wholly owned subsidiaries with no active operations.

The Company has not yet generated any material revenues from its current operations, and therefore is dependent upon external sources for financing its operations. As of December 31, 2021, the Company has an accumulated deficit of \$576,000.

The Company intends to continue to finance its operating activities by raising capital. Other than the \$390,000 to which the Company is entitled to under its agreement with Investor 2 as discussed in Note 8, currently the Company has no commitments for such capital and there are no assurances that the Company will be successful in obtaining an adequate level of financing needed for its long-term research and development activities on commercially reasonable terms or at all. If the Company will not have sufficient liquidity resources, the Company may not be able to continue the development of its product candidates or may be required to implement cost reduction measures and may be required to delay part of its development programs.

The financial statements do not include any adjustments to the values of assets and liabilities and their classification that would possibly be necessary in the event that the Company is no longer able to continue its operations as a "going concern".

In accordance with the conditions set forth in the Accounting Standards Codification Topic 805, "Business Combinations (Topic 805)" ("ASC 805"), and as Appyea does not have an operation as of the date of the transaction, the transaction described above was treated as a reverse acquisition. The entity that issues securities (the legal acquirer or Appyea) is identified as the acquiree for accounting purposes. The entity whose interests are acquired (the legal acquired or SleepX.) is the acquirer for accounting purposes and Since SleepX is considered the accounting acquirer, these consolidated financial statements are prepared as a continuation of the financial statements of SleepX. As a result, comparative information included herein is solely that of SleepX. The capital structure is on the basis of 4:1 for the common shares of Appyea.

Following the above, as of December 31, 2021, date of the transaction, the fair value of assets and liabilities of AppYea without the subsidiary, were \$684,362 and \$2,833,145 respectively.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

The significant policies in the preparation of the consolidated financial statements are:

a. Use of estimates:

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimations. See note 8 regarding the Convertible Loans and Warrants estimations.

b. Financial statements in United States dollars:

The functional currency of the Company is the U.S. dollar, as the U.S. dollar is the currency of the primary economic environment in which the Company operates. The Company's transactions and balances denominated in U.S. dollars are present at their original amounts. Non-dollar transactions and balances have been re-measure to U.S. dollars in accordance with ASC 830, "Foreign Currency Matters". All transaction gains and losses from re-measurement of monetary balance sheet items denominated in non-dollar currencies are reflected in the statements of operations and are included in the Financial Expenses – net line item.

c. Cash and Cash equivalents:

Cash equivalents are short-term highly liquid investments that are readily convertible to cash when originally purchased with maturities of three months or less.

d. Property, plant and equipment, net:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets at the following annual rates:

	%
Computers equipment and software	33

e. Severance pay:

Certain of the Company's employees have subscribed to Section 14 of Israel's Severance Pay Law, 5723-1963 ("Section 14"). According to this section, these employees are entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments in accordance with section 14 release the Company from any future severance liabilities (under the above Israeli Severance Pay Law) in respect of those employees. Neither severance pay liability nor severance pay fund under Section 14 is recorded on the Company's balance sheet.

f. Fair value of financial instruments:

As defined in ASC 820 "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 (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based on the observability of those inputs. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The following table summarizes fair value measurements by level at December 31, 2021 measured at fair value on a recurring basis:

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
None	\$ -	\$ -	\$ -	\$ -
Liabilities				
Derivative liabilities	\$ -	\$ -	\$ 2,799,513	\$ 2,799,513

g. Concentrations of credit risks:

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash and cash equivalents are invested in major banks in Israel and US. Generally, these deposits may be redeemed upon demand and therefore, management believes there is minimal risk. The Company has no significant off-balance-sheet concentration of credit risk such as foreign exchange contracts, option contracts or other foreign hedging arrangements.

h. Research and development costs:

Research and development consist of costs incurred in the process of developing product improvements or new products, and are expensed to the statement of operations as incurred. As of now the company does not capitalize any of its research and development costs.

i. General and administrative expenses:

General and administrative expenses consists of all corporate overhead costs incurred by the Company.

j. Income taxes:

The Company accounts for income taxes in accordance with Accounting Standards Codification Topic 740, "Accounting for Income Taxes" ("ASC 740"), using the liability method whereby deferred tax assets and liability account balances are determined based on the differences between financial reporting and the tax basis for assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company accounts for uncertain tax provisions in accordance with ASC 740-10-05, "Accounting for Uncertainty in Income Taxes." The ASC clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

k. Basic and Diluted Net Income (Loss) per Share:

The Company computes net income (loss) per share in accordance with ASC 260, "Earnings per Share" which requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and Convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive. As of December 31, 2021 and 2020, there were shares of convertible preferred stock outstanding and conversion privileges attached to convertible promissory notes payable. The common share equivalents of these securities have not been included in the calculations of loss per share because such inclusions would have an antidilutive effect as the Company has incurred losses during the years ended December 31, 2021 and 2020.

NOTE 3 - OTHER ACCOUNTS RECEIVABLES

	December 31,	
	2021	2020
Governmental authorities	7	-
Other receivables	6	-
	<u>13</u>	<u>-</u>

NOTE 4 - PROPERTY AND EQUIPEMENT, NET

	December 31,	
	2021	2020
Computers		
Cost	-	-
Purchases	3	-
Depreciation	(1)	-
Balance, Net	<u>2</u>	<u>-</u>

NOTE 5 - INTANGIBLE ASSETS

On May 12, 2021, the Subsidiary has entered into license agreement with Nexense Technologies USA Inc. a related party, which a controlled by Boris Molchadsky one of our shareholders, (the "Licensor") pursuant to which the Subsidiary will receive from the Licensor the legal rights to use all of the Licensor's owned intellectual property (the "IP") for any commercial purposes. Management believes that the IP is not currently ready for private or commercial use and therefore, the Subsidiary will research, develop, apply for patents and invest in the IP in order to bring the IP to a state where it is ready for commercial use. Any change, improvement, inventive addition, progress, results of research or a new product with respect to the intellectual property rights, will all be owned solely by the Subsidiary.

The payment terms for the license agreement will be 3% of the gross revenue arising from the sale of the products based on the licensed IP and up to an aggregate amount of \$2,000,000. As part of the agreement, the Subsidiary has issued the third-party shares equivalent to 40% of the Subsidiary, after dilution.

The IP asset is represented in the financial statements according to the original amount which was paid by the Licensor to acquire the IP and summarized to an amount of \$163,000. As of December 31, 2021 the company has not generated any revenues and accordingly no royalties were paid.

NOTE 6 - OTHER ACCOUNT PAYABLES

	December 31,	
	2021	2020
Accrued expenses	13	2
Deferred income	5	-
Government institutions	15	-
Employees and payroll accruals	32	-
	<u>65</u>	<u>2</u>

NOTE 7 - RELATED PARTY BALANCES

A. Related parties receivables

On October 2020, a Company's director loaned to the Company 40,000 NIS (approximately \$11,000 on the date of advance) to cover operating expenses. During the course of 2021, the Company lent to the Company's director referred to above, an aggregate amount of \$136,936 as of the date hereof. The loan bears interest at an annual rate of 3.4% and is repayable in full by December 31, 2022.

B. Short-term loans from related parties

During 2021, the Subsidiary has loaned from Nexense Technologies USA Inc. a related party, which a controlled by Boris Molchadsky one of our shareholders an aggregate amount of \$47,623. According to the agreement, the loan shall be repaid in an event that the Company's profits are sufficient to repay the aggregate loan amount and upon such terms and in such installments as shall be determined by the Board. The loan shall bear interest at an annual rate equal to the minimum rate approved by applicable law.

C. Long-term loans from related parties

During 2020, the Non-controlling interest (Keter Bracha LTD) has lent to Ta-nooma a long-term loan. As for the financials date, the loan balance amounts to \$41,082.

D. Convertible loans related party

On August 22, 2021 a related party, owned by a holder of over 5% of the outstanding shares of the Company (on an as converted basis), agreed to advance to the Company \$265,000 in tranches under the terms of an 18 month unsecured promissory note. Under the terms of the note, which bears interest at a rate of 8% per annum, the investor can convert the note into shares of common stock at 35% discount to the highest daily trading price over the 10 days' preceding conversion but in any event not less than \$0.1 per share. The note contains standard events of default. As of the December 31, 2021, the related party has advanced to the Company \$25,000 funds under the Note. As of December 31, 2021, the Company had a convertible note related party of \$31,958.

NOTE 8 - CONVERTIBLE LOANS AND WAARANTS

A. Warrants

During the year of 2017, the Company granted 1,931,819 warrants. As of December 31, 2021 the Warrants were valued at \$211,622. The expiry date of the warrants is on October 13, 2022. On November 24, 2021, the Company granted 300,000 warrants valued at \$43,270. The expiry date of the warrants is on November 23, 2025. See (b) below ("Investor 2"). In connection with the warrants issued to investor 2 the company also issued 8,334 warrants valued at \$5,000 to an introducing advisor with the same terms and conditions received by Investor 2.

These warrants are converted with the same cashless exercise formula, in lieu of a cash exercise, equal to the number of Common Shares computed using the following formula: the number of Warrants multiplied with the difference between the market price and the exercise price, divided by the market price. In order to calculate the fair value of the warrants, the Company used the services of an independent valuation appraiser and an option pricing model was used. The model requires six basic data inputs: the exercise or strike price, time to expiration, the risk-free interest rate, the current stock price, the estimated volatility of the stock price in the future, and the dividend rate.

For the Year ended December 31, 2021, the estimated fair values of the Warrants were measured as follows:

	Year ended December 31, 2021
Expected term	0.78 – 3.90 years
Expected average volatility	185.42 – 195.07%
Expected dividend yield	-
Risk-free interest rate	1.1% - 0.3%
Common Stock Market Value	\$0.16

The following table summarizes information relating to outstanding and exercisable warrants as of December 31st, 2021:

Warrants Outstanding and Exercisable		
Number of Warrants	Weighted Average Remaining Contractual life (in years)	Weighted Average Exercise Price
1,931,819	0.78	0.1
308,334	3.9	0.6

On March 14, 2022 a reverse Stock Split was done at a ratio of two hundred (200) to one (1). The warrants Consolidation is reflected retrospectively in these consolidated financial statements.

B. Convertible loans

During the years of 2017-2021, the Company signed on convertible loan agreement (“CLA “) contracts with several investors.

The Convertible Promissory Note will accrue interest at rates of 5% - 12% per annum, default interest at rates of 12%-24% per annum.

Investor 1

Old CLA (Issued by the company During March 2019 - January 2021)

During the year of 2021, Investor 1 signed an SPA contract with an existing CLA holder and paid for the CLA held by the existing CLA holder. The CLA were issued by the company during March 2019 – Jan 2021. The principal amount signed in the agreement is \$358,895.

The Convertible Promissory Note will be convertible at a price equal to the lesser of (i) \$0.04, and (ii) the variable conversion price, which is defined as 65% of the lowest daily VWAP in the twenty (20) Trading Days prior to the Conversion Date. Maturity date for the CLA above is up to May 2022.

The CLA was evaluated as one component because in each scenario the investors will prefer to convert the company shares instead of receiving the loan.

In order to calculate the fair value of the CLA, the independent valuation appraiser used Monte Carlo model and the Company assumptions regarding to the expected conversion date. Using this model and assumptions, the expected conversion amount was evaluated for \$1,918,376 as of December 31, 2021.

For the Year ended December 31, 2021, the estimated fair values of the Convertible Loan measured as follows:

	Year ended December 31, 2021
Expected term	1.09 years
Expected average (Monte Carlo) volatility	195.07%
Expected dividend yield	-
Risk-free interest rate	0.7%

New CLA (Issued by the Company at the year of 2021)

During the year 2021, the Company signed a new CLA contract with Investor 1. In exchange to the CLA, the Company received an amount of \$250,000.

The Convertible Promissory Note will be convertible at a price equal to the variable conversion price, which is defined as 60% of the lowest daily VWAP in the twenty (20) Trading Days prior to the Conversion Date.

The CLA was evaluated as one component because in each scenario the investors will prefer to convert the company shares instead of receiving the loan.

In order to calculate the fair value of the CLA, the independent valuation appraiser used the Company assumptions regarding the expected conversion date. Using these assumptions, the expected conversion amount was evaluated for \$318,156 as of December 31, 2021.

For the Year ended December 31, 2021, the estimated fair values of the Convertible Loan measured as follows:

	Year ended December 31, 2021
Expected term	1.87 years
WACC	25%

Investor 2

On November 24, 2021, the Company signed CLA, Warrants and SPA agreements with Investor 2 for an aggregate amount of \$500,000. As of December 2021, the Company received an amount of \$110,000 out of the aggregate committed amount.

The Company's obligations under the CLA are secured by a security interest in substantially all of its assets pursuant to a Security Agreement dated as of November 24, 2021 between it and the Company.

On November 24, 2021, the investment was evaluated as separate components: Warrants, common shares, Loan (Part of the CLA) and conversion component. First, the independent valuation appraiser evaluated the Warrants and the stocks in Fair Value, and the residual attributed to the CLA components. As of December 31, 2021, Warrants and stocks were evaluated \$43,270 and \$44,000 respectively.

The Convertible Promissory Note will be convertible at a price equal to \$0.5. The conversion component was evaluated in separate from the loan.

In order to calculate the fair value of the CLA components as of December, 31 2021, the independent valuation appraiser used Monte Carlo model and Company assumptions regarding to the expected conversion date and the expected return date of the principal amount. Using this model and assumptions, the expected conversion amount was evaluated. As of December 31, 2021 the Loan and conversion component (Part of the CLA) were evaluated \$111,828 and \$54,439 respectively

For the Year ended December 31, 2021, the estimated fair values of the CLA measured as follows:

	Year ended December 31, 2021
Expected term	1.87 years
WACC	25%

Rest of the investors

During the year of 2021, the Company signed additional CLA with an investor for an amount of \$75,000 in exchange to the component in the agreement.

The Convertible Promissory Note will be convertible at a price equal to the variable conversion price, which is defined as 55% - 65% of the lowest daily VWAP in the twenty (20) Trading Days prior to the Conversion Date.

The CLA was evaluated as one component because in each scenario the investors will prefer to convert the company shares instead to receive the loan.

In order to calculate the fair value of the CLA, the independent valuation appraiser used Company assumptions regarding the expected conversion date. Using Company WACC, the expected conversion amount was evaluated for \$97,226 as of December 31, 2021.

For the Year ended December 31, 2021, the estimated fair values of the CLA measured as follows:

	Year ended December 31, 2021
Expected term	1.4 – 1.87 years
WACC	25%

NOTE 9 - STOCKHOLDERS' EQUITY

A. Convertible Preferred Stock

Each convertible preferred share is convertible into 1,500 shares of common stock and has the voting rights of 1,000 shares of common stock.

As of December 31, 2021 and December 31, 2020, 300,000 shares of the Company's convertible preferred stock were issued and outstanding. There are 500,000 convertible preferred shares authorized.

On July 2, 2021, Boris Molchadsky, a resident of Israel, acquired in a private transaction two hundred and twenty five thousand (225,000) Shares of Series A Preferred Stock of the Company. The Series A Preferred Shares have the right to vote 1,000 to 1 as shares of common stock and convert into 1,500 to 1 of the shares of common stock of the Company. The acquisition of the Preferred Shares makes Boris Molchadsky the majority shareholder, with the Company's voting control. As of the result of this transaction, Mr. Molchadsky controls approximately 68% of the total voting power of AppYea Inc

B. Common Stock

During the three months ended December 2021, the Company issued 500,000 shares of common stock for conversion of debt and accrued interest of \$105,911. The Company has also issued 200,000 shares of common stock as part of an agreement with Investor 2 (see Note 8).

Additional 1,500,000 common shares should be issued to a related party for the conversion of debt. See Related Party Transaction for additional details.

As of December 31, 2021, and 2020, 165,831,238 and 108,804,456 shares of the Company's common stock were issued and outstanding respectively. There are 10,000,000,000 authorized common shares. In relation to the reverse takeover transaction as described in Note 1, on December 31, 2021, the common shares of APPYEA INC. were consolidated on a 4:1 basis (the "Share Consolidation"). The Share Consolidation is reflected retrospectively in these consolidated financial statements

The holder of the shares of Common Stock are entitled to the following rights:

1. Right to participate and vote in the Company's general meetings, whether regular or extraordinary. Each share will entitle its holder, when attending and participating in the voting in person or via agent or letter, to one vote;
2. Right to share in distribution of dividends, whether in cash or in the form of bonus shares; the distribution of assets or any other distribution pro rata to the par value of the shares held by them;
3. Right to a share in the distribution of the Company's excess assets upon liquidation on a pro rata basis to the par value of the shares held by them.

Common Stock to be Issued

As of December 31, 2021 and 2020 there are CLA that were converted but Shares were not issued in the amount of \$1,746,281 and 0 respectively.

NOTE 10 - GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31,	
	2021	2020
Salaries and related costs	395	-
Professional services	67	2
Vehicle expenses	7	-
Rent and building maintenance	5	-
Others	8	-
	482	2

NOTE 11 - COMMITMENT AND CONTINGENCIES

On March 15, 2020, the Subsidiary entered into license agreement with B.G Negev Technologies and Applications Ltd. and Mor Research Application Ltd. (the "Licensors"). According the license agreement, the Subsidiary will receive from the licensors an exclusive worldwide sub licensable license for 15 years to research, develop, manufacture use, market, distribute, offer for sale and sell the licensed products in which mentioned in the license agreement (the "Licensed Products"). The payment terms for the license agreement are as follow:

1. Annual license fee – annual payments as follow:

Year	USDK
1-4	0
5	10
6	20
7	30

8	40
9-15	50

1. Running royalties – 3% of all net sales received from the licensed products for a period of up to 15 years from initiation of sales in each state using licensed IP.
2. Sublicense payments –
 - a. 25% of sublicense income received prior to attainment of all regulatory approval for marketing and sale of the licensed products in the first jurisdiction where the licensed products is intended to be sold.
 - b. 15% of sublicense income received after the date recorded in section (a) above, but prior to the first commercial sale of the licensed product.
 - c. 10% of sublicense income received after the date recorded in section (b) above.
3. Milestone payment – payment of thousand \$60 upon the attainment of regulatory approval from applicable authority in USA or Europe to market and sell the licensed products.
4. Exit Fee Varies according to its kind upon consummation of the Exit event.

In addition to the payment terms mentioned above, the Subsidiary will reimburse the licensors for all incurred in the filing, prosecution and maintenance of the licensor’s patents prior to the effective date. The amount of such expenses were \$61,757 which were paid and are included in the financial statements.

NOTE 12 - EMPLOYEE BENEFITS

- A. The Subsidiary’s liability for severance pay is calculated according to Section 14 of the Israeli Severance Compensation Act, 1963 (“Section 14”), pursuant to which Holdings' severance pay liability to its employees is fully discharged by monthly deposits to pension fund accounts in the employees’ names, at a rate of 8.33% of the employees’ monthly salary. Under Israeli employment law, payments in accordance with Section 14 release from any future severance payment obligations in respect of those employees. The fund is made available to the employee at the time the employer-employee relationship is terminated, regardless of the cause of termination. The severance pay liabilities and deposits under Section 14 are not reflected in the consolidated balance sheets as the severance pay risks have been irrevocably transferred to the severance funds.
- B. On July 1st, 2021, the Subsidiary has begun the employment of 2 employees, the Chief Financial Officer and another employee who is a related party. According to the agreement with the employees, they are entitled to receive salary increase and a success bonus in the event of capital raise. In addition, the Chief Financial Officer is entitled to Share-Based Compensation according the Company's Global Share Incentive Plan.

The table below depicts the number of options granted to such employee:

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Chief Financial Officer	07.01.2021	2,204,490	6,613,471	\$0.0001	07.01.2031

For the year ended December 31, 2021 the company recognized \$352,501 in expenses related to such options.

NOTE 13 - TAXES ON INCOME

A. Taxation under Various Laws

1. Tax rate applicable to SleepX Ltd. and Ta-nooma Ltd. is 23%.
Federal tax rate applicable to AppYea Inc. is 21%.

2. Tax rates applicable to the Company:

The enactment of the Tax Cuts and Jobs Act (“Tax Act”) in December 2017, reduced the federal income tax rates from an average of 35% to a 21% flat rate, beginning in the 2018 tax year. The Tax Act also includes a provision designed to currently tax global intangible low-taxed income (“GILTI”), beginning in 2018 tax year. As the Company is currently in a loss position, there was no tax effect in the current year. The Company will record the U.S. income tax effect of future GILTI inclusions in the period in which they arise, if relevant.

After the enactment of the Tax Act, the SEC issued Staff Accounting Bulletin No. 118 (“SAB 118”) which provided guidance on accounting for the enactment effect of the Tax Act. SAB 118 addressed the application of U.S. GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act. SAB 118 provided or a measurement period of up to one year from the Tax Act enactment date for companies to complete their accounting under ASC 740. During the quarter ended December 31, 2019, the Company completed the accounting for the income tax effects of the Tax Act, which resulted in an immaterial change in the net deferred tax asset, before valuation allowance, at the enactment date.

B. Net operating losses carryforward

The annual limitation may result in the expiration of net operating losses before utilization.

C. Income taxes on foreign subsidiaries

Foreign subsidiaries are taxed according to the tax laws in their respective country of residence. Neither Israeli income taxes, foreign withholding taxes nor deferred income taxes were provided in relation to undistributed earnings of the Company's foreign subsidiaries. This is because the Company has the intent and ability to reinvest these earnings indefinitely in the foreign subsidiaries and therefore those earnings are continually redeployed in those jurisdictions.

D. Income tax expenses

Income tax expense for the years ended December 31, 2021 and 2020 are as follows:

	December 31,	
	2021	2020
Current income tax	-	-
Deferred taxed	-	-

- -

E. Tax Assessments

The Company have not received final tax assessments for income tax purposes since incorporation.

F. Deferred income taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets are as follows:

	Year Ended December 31,	
	2021	2020
Deferred tax assets:		
Net operation loss carryforward	\$ 4,238	\$ 123
Net deferred tax asset before valuation allowance	4,238	123
Valuation allowance	(4,238)	(123)
Net deferred tax asset	\$ -	\$ -

The Company has a valuation allowance against its net deferred tax assets due to the uncertainty of realization of the deferred tax assets due to the operating loss history of the Company. The Company currently provides a valuation allowance against deferred taxes when it is more likely than not that some portion, or all of its deferred tax assets will not be realized. The valuation allowance could be reduced or eliminated based on future earnings and future estimates of taxable income.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report.

- A.** On February 1st, 2022, Neil Kline was appointed to the Company's board of directors.
- B.** On January 1st, 2022, Professor Amir Geva was appointed to the Company's Advisory Board.
- C.** On January 1st, 2022, \$67,924 in outstanding principal and accrued interest on a convertible note (in an original principal amount of \$65,000) was converted into 1,698,103 shares of the Company's common stock
- D.** On March 14th the company completed the process of reverse Stock Split process at a ratio of two hundred (200) to one (1).
- E.** On March 23, 2022, the company issued all its stock payable and the shares to the former holders of SleepX, according to the stock exchange agreement, in exchange for their shares. All their shares were issued to IBI Trust Management, according to the Israeli tax ruling, under their names.