12 ANGELS FUND II

2024 ANNUAL REPORT

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REPORT OF INDEPENDENT AUDITORS

To the partners of

12 ANGELS FUND II

We have audited the accompanying statements of net assets, including the schedules of portfolio investments of 12 Angels Fund II (hereafter - the "Fund") as of December 31, 2024 and 2023, and the related statements of operations, of changes in partners' capital and of cash flows for the years then ended. These financial statements are the responsibility of the Fund's management and the General Partner of the Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2024 and 2023, and the results of its operations, the changes in its partners' capital and its cash flows for the years then ended, in conformity with accounting principles generally accepted in Unites States of America.

Tel-Aviv, Israel
June 26, 2025

Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International Limited

12 ANGELS FUND II

STATEMENTS OF NET ASSETS

U.S. DOLLARS IN THOUSANDS

	Note	December 31, 2024	December 31, 2023
ASSETS:			
Cash and cash equivalents		616	418
Investments, at fair value	5	5,556	5,021
T O T A L ASSETS		6,172	5,439
LIABILITIES:			
Accounts payable and accruals		7	7
Investment commitment		-	300
T O T A L LIABILITIES		7	307
NET ASSETS		6,165	5,132
PARTNERS' CAPITAL:	3		
Accumulated capital contributions		4,715	3,055
Accumulated net loss from operations		(1,033)	(771)
Accumulated realized gain of investments		(643)	-
Accumulated unrealized gain of investments		3,126	2,848
TOTAL PARTNERS' CAPITAL		6,165	5,132

iAngels Crowd Ltd.
General Partner

12Wingut Friedman Ltd.
General Partner

Date of approval of the financial statements: June 26, 2025**.**

The accompanying notes are an integral part of these financial statements.

12 ANGELS FUND II

SCHEDULES OF PORTFOLIO INVESTMENTS

U.S. DOLLARS IN THOUSANDS

	December 31, 2024				
	Cost	Fair value	% (1)	Basis of fair value valuation	Industry
Triple Whale Inc.	180	3,306	0.81	Recent Transaction Price	e-Commerce
Dim Ltd. (N.D Next)	300	300	2.45	Recent Transaction Price	Fintech
Shtar Inc. (Convertible Note)	500	500	-	Recent Transaction Price	Fintech
Reflectiz Ltd. (Convertible Note)	250	250	-	Recent Transaction Price	Cyber Security
Conext Global Ltd. (SAFE)	300	300	-	Recent Transaction Price	Concrete Technologies
Bring Web3 Ltd (SAFE)	400	400	-	Recent Transaction Price	Fintech
Bet FC Ltda. (Convertible Note)	500	500	-	Recent Transaction Price	Business intermediation
Total	2,430	5,556			

	December 31, 2023				
	Cost	Fair value	% (1)	Basis of fair value valuation	Industry
Triple Whale Inc.	180	3,306	0.81	Recent Transaction Price	e-Commerce
Dim Ltd. (N.D Next)	300	300	2.45	Recent Transaction Price	Fintech
Shtar Inc. (Convertible Note)	500	500	-	Recent Transaction Price	Fintech
Reflectiz Ltd. (Convertible Note)	250	250	-	Recent Transaction Price	Cyber Security
Phonedo Call Centers Ltd.	643	365	4.05	Recent Transaction Price	Software Services
Conext Global Ltd. (SAFE)	300	300	-	Recent Transaction Price	Concrete Technologies
Total	2,173	5,021			

1) The share in each investment is computed on a fully diluted basis.

Investments categorized by country of incorporation:

	December 31, 2024		December 31, 2023	
Country	Fair value	% of net assets	Fair value	% of net assets
Israel	1,250	20.28%	1,215	23.67%
USA	3,806	61.74%	3,806	74.16%
Brazil	500	8.11%	-	-
Total	5,556	90.13%	5,021	97.83%

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

12 ANGELS FUND II

STATEMENTS OF OPERATIONS

U.S. DOLLARS IN THOUSANDS

	Year ended on December 31,	
	2024	**2023**
OPERATING EXPENSES:		
Management fees	260	374
Organizational expenses	-	10
Other operating expenses	2	7
T O T A L OPERATING EXPENSES	262	391
NET LOSS RESUALTING FROM OPERATIONS	262	391
INCREASE (DECREASE) IN UNREALIZED APPRECIATION OF INVESTMENT	278	(278)
DECREASE IN REALIZED APPRECIATION OF INVESTMENT	(643)	-
NET DECREASE IN NET ASSETS RESUALTING FROM OPERATIONS	(627)	(669)

The accompanying notes are an integral part of these financial statements.

12 ANGELS FUND II

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

U.S. DOLLARS IN THOUSANDS

	General partner	Limited partners	Total
BALANCE AT DECEMBER 31, 2022	539	4,425	4,964
CHANGES DURING 2023:			
Capital contributions	-	837	837
Unrealized depreciation of investments	(124)	(154)	(278)
Net loss from operations	-	(391)	(391)
BALANCE AT DECEMBER 31, 2023	415	4,717	5,132
CHANGES DURING 2024:			
Capital contributions	-	1,660	1,660
Unrealized appreciation of investments	124	154	278
Realized depreciation of investments	-	(643)	(643)
Net loss from operations	-	(262)	(262)
BALANCE AT DECEMBER 31, 2024	539	5,626	6,165

The accompanying notes are an integral part of these financial statements.

12 ANGELS FUND II

STATEMENT OF CASH FLOWS

U.S. DOLLARS IN THOUSANDS

	Year ended on December 31,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net change in net assets resulting from operations	(627)	(669)
Adjustments for:		
Net unrealized depreciation (appreciation) of investments	(278)	278
Net realized depreciation of investments	643	-
Changes in operating assets and liabilities items:		
Investments in portfolio companies	(900)	(143)
Investment commitment	(300)	-
Accounts payable and accruals	-	(58)
Net cash used in operating activities	(1,462)	(592)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Receivables due from capital contributions	-	40
Capital contributions	1,660	837
Net cash provided by financing activities	1,660	877
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	198	285
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	418	133
CASH AND CASH EQUIVALENTS AT END OF YEAR	616	418
Supplementary information on activities not involving cash flows-		
Investment commitment	-	300

The accompanying notes are an integral part of these financial statements.

12 ANGELS FUND II

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - GENERAL:

a. The Fund

12 Angels Fund II (the "Fund") is a Series of iAngels Technologies, L.P., a Delaware series limited partnership, formed in order to invest mainly in Israeli or Israeli-related technology-oriented companies, pursuant to an agreement (the "LP Agreement") between iAngels Crowd Ltd. and 12 Wingut Friedman Ltd. (collectively refer as the "General Partner") and a group of investors (the "Limited Partners").

As of December 31, 2024, the total capital commitment of the Fund amounted to $9.7 million.

The term of the Fund is ten years from the commencement date and may be extended for up to two years, under certain conditions.

b. The General Partner

According to the agreement between iAngels Crowd Ltd. and 12 Wingut Friedman Ltd., 12 Wingut Friedman Ltd. will manage the Fund and will be in charge of the sourcing and execution of the investment opportunities and annual reporting to the Limited Partners. In addition, 12 Wingut Friedman Ltd. shall be in charge of any legal proceedings regarding the investment as approved by the investments committee. iAngels Crowd Ltd. will provide only, a back office for the operation of the Fund.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of presentation

The Fund is an investment entity that follows the accounting and reporting guidance in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946 and applies the specialized accounting and reporting guidance in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

b. Functional currency

The financial statements are prepared in U.S. dollars, since the currency of the primary economic environment in which the operations of the Fund are conducted is the U.S. dollar.

c. Cash and cash equivalents

Short-term bank deposits with an original maturity of three months or less, that are not restricted as to withdrawal or use, are considered to be cash equivalents.

d. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The most significant assumptions and estimates relate to the valuation of portfolio investments. Actual results could differ from those estimates.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued):

e. Income taxes

The Fund is a transparent entity for income tax purpose and as such is not subject to income tax. Certain partners may be subject to income tax based on their interest in the Fund and in accordance with specific characteristics relevant to each partner. The partners are required to report their respective interest of the Fund's taxable income or loss in their income tax returns and are personally liable for any related taxes thereon. Accordingly, no provision for income taxes is made in the financial statements of the Fund.

f. Valuation of portfolio investments

Investments may consist of investments in stock, notes and loans. The fair value of the Fund's is based on observable market prices when available. Such prices are based on the last sales price on the measurement date. Investments that are not currently traded in a public market and that are subject to restriction on resale are carried at fair value as determined in good faith by the General Partner. Accordingly, various inputs are used in determining the value of the Fund's investments. Additional information regarding these inputs is provided in Note 5 to the financial statements. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Because of the inherent uncertainty of these valuations, however, estimated fair values may differ significantly from the values that would have been used had a ready market for the securities existed or from those which will ultimately be realized, and the differences could be material.

NOTE 3 - PARTNERS' CAPITAL:

a. Capital contributions

As of December 31, 2024, total capital contributions amounted to $4,715 thousand (i.e. 48% of total capital commitments).

b. Distributions

Distributions shall be made in such amounts and at such times as may be determined by the General Partner in accordance with the terms of the Limited Partnership Agreement as follows:

i. First, 100% to the partners in proportion to their capital account percentages, until such time as the partner has received cumulative distributions in an amount equal to its Unreturned Capital Contributions. "Unreturned Capital Contributions" shall mean with respect to each partner the difference between such partner's aggregate capital contributions to the Fund and the aggregate amounts distributed to such partner from the Fund until and including in the final liquidation of the Fund; and

ii. Second, 80% to the partners and 20% the General Partner (and/or such other party defined elsewhere). Amount distributed to the General Partner other than amounts distributed to the General Partner in connection with its investment in the Fund, if any, shall be considered "Carried Interest".

The General Partner may, in its discretion, make distributions in kind, in which case such distributions shall be valued by the General Partner as set forth in the LP Agreement.

NOTE 3 - PARTNERS' CAPITAL (continued):

c. Management fees

The annual management fee payable to the General Partner during the first five years from the initial closing of the Fund (the "Initial Period") shall be 2.5% of the capital commitments.

Following the Initial Period an annual management fee of 1.5% of the capital commitments.

NOTE 4 - FAIR VALUATION OF INVESTMENTS:

ASC No. 820 for Fair Value Measurements and Disclosures ("ASC 820") defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value which focuses on an exit price which is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date. The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The Fund's portfolio investments can include publicly held equity investments, generally obtained through the initial public offering of privately held equity investments or the acquisition of a privately held equity investments by a public company, and privately held equity investments. Publicly held investments that trade on an active exchange are marked-to-market at the quoted public value less adjustments for regulatory or contractual sales restrictions. Discounts for restriction are estimated by analyzing the length of the restriction period and the volatility of the equity security.

Marketable investments are included in level 1 of the valuation hierarchy. Restricted investments are included on level 2 of the valuation hierarchy.

The valuation of nonmarketable privately held equity investments requires significant judgment by the General Partner due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such assets. Such investments are valued initially based upon transaction price.

Valuations are reviewed periodically utilizing available market data and additional factors to determine if the carrying value of these investments should be adjusted. Market data includes observations of the trading multiples of public companies considered comparable to the private companies being valued.

NOTE 4 - FAIR VALUATION OF INVESTMENTS (continued):

Valuations are adjusted to account for company-specific issues, the lack of liquidity inherent in a non-public investment and the fact that comparable public companies are not identical to the companies being valued. In addition, a variety of additional factors are reviewed by the General Partner, including, but not limited to, estimates of liquidation value, prices of recent transactions in the same or similar issuer, current operating performance and future expectations of the particular investment, changes in market outlook and the financing environment. In determining valuation adjustments, emphasis is placed on market participants' assumptions and market-based information over entity specific information. Nonmarketable investments are included in level 3 of the valuation hierarchy.

The inputs considered by the General Partner in estimating the fair value of level 3 investments include the original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations or other transactions undertaken by the issuer, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the General Partner in the absence of market information. Assumptions used by the General Partner due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Fund's results of operations.

The following table presents the investments carried at fair value as of December 31, 2024 and 2023 by ASC 820 valuation hierarchy:

	Assets at fair value as of December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	U.S. dollars in thousands			
Investments	-	-	5,556	5,556
Total	-	-	5,556	5,556

	Assets at fair value as of December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	U.S. dollars in thousands			
Investments	-	-	5,021	5,021
Total	-	-	5,021	5,021

The following table includes a roll-forward for the year ended December 31, 2024 and 2023 for investment classified within level 3 of the fair value hierarchy:

Fair Value Measurements Using Level 3 Inputs:

	Investments
	U.S. dollars in thousands
2Balance as of December 31, 202	4,856
Investments in portfolio companies	443
Change in unrealized depreciation of investment	(278)
Balance as of December 31, 2023	5,021
Investments in portfolio companies	900
Change in realized depreciation of investment	(643)
Change in unrealized appreciation of investment	278
Balance as of December 31, 2024	5,556

NOTE 4 - FAIR VALUATION OF INVESTMENTS (continued):

While the General Partner believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the financial statements.

NOTE 5 - COMMITMENTS AND CONTINGENCIES:

In the normal course of business, the Fund enters into agreements that contain a variety of representations, warranties and general indemnifications. The Fund's maximum exposure under these arrangements cannot be estimated, as this would involve future claims that may be made against the Fund that have not yet occurred. The Fund has had no claims or losses pursuant to these agreements during 2024 and expects the risk of these to be remote.

NOTE 6 - SUBSEQUENT EVENTS:

During January 2025, the Fund invested an amount of $500 thousand through a SAFE agreement in DeepKeep LTD..