GOTO LTD (Formerly known as Neratec Media Ltd)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED

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Audit's report for the shareholders of
GOTO LTD (Formerly known as NeraTech Media Ltd).

Preamble

We have reviewed the accompanying financial information of the GoTo Global Mobility Ltd. Company and Subsidiaries (hereinafter the " **Group**"), which includes the condensed consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of profit or loss and other comprehensive profit, changes in equity (deficit) and cash flows for the period of six months that ended on the same date. The Board of Directors and the Management are responsible for the preparation and presentation of the financial information for this interim period, in accordance with the accounting standard IAS 34 - "interim financial report", as well as the preparation of financial information for such interim period as provided for in chapter D of the Securities Regulations (period and immediate reports) 5730-1970. Our responsibility is to express an opinion on this interim financial information based on our review.

We did not audit the interim condensed financial statements of a certain subsidiary, classified as a discontinued operation, whose assets included in such consolidation constitute about 6% of all consolidated assets as of June 30, 2023, and whose losses as such discontinued operation, came up to ILS 3,640K during the 6-month period, which had ended on the above-mentioned date. The interim financial statements of that company for such period, were reviewed by the other accountant, whose reports have been furnished to us and our opinion, insofar as it relates to such company's financial statements, is based on the reports of the other accountant.

Scope of Review

We conducted our review in accordance with the Institute of Certified Public Accountants' Review Standard (Israel) 2410 - "Review of Interim Financial Information Performed by the Auditor of the Entity." A review of any separate financial information for the interim period consists of inquiries, primarily with persons responsible for financial and accounting matters, and the implementation of analytical and other review procedures. A review's scope is substantially lower than that of an audit conducted in accordance with Generally Accepted Auditing Standards in Israel, and therefore, does provide an assurance of us being aware of any significant issues that could be identified by an audit. Accordingly, this is not an audit opinion.

Conclusion

Based on our review and the review of reports of the other accountant, nothing has come to our attention that would cause us to believe that the foregoing financial information is not, in all material respects, prepared in accordance with International Accounting Standards (IAS) 34.

In addition to the foregoing in the previous paragraph, nothing has come to our attention that would cause us to believe that the foregoing financial information is not, in all material respects, prepared in accordance with chapter D of the Securities Regulations (period and immediate reports) 5730-1970.

Not to qualify our foregoing conclusions, we hereby wish to draw attention to the Company's financial position in note 1c in the financial statements, and the plans devised by its management and board of directors in this context.

Tel-Aviv, Israel

August 15, 2023

KOST FORER GABBAY
& KASIERER
Accountants

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of June 30		As of December 31
	2023	2022	2022
	Unaudited		Audited
	ILS in Thousands		
CURRENT ASSETS			
Cash and cash equivalents	32,775	72,904	28,086
Clients, net	9,906	6,953	8,037
Other accounts receivable	9,961	6,950	4,272
Financial derivative	2,257	4,578	1,686
Assets held for sale	20,978	11,922	20,483
	75,877	103,307	62,564
NON-CURRENT ASSETS			
Mortgaged deposit	7,764	6,996	7,664
Intangible assets, net	5,405	8,968	6,367
Right of use assets, net	9,792	21,707	15,990
Fixed assets, net	20,936	22,389	8,309
Reputation	-	61,657	-
	43,897	121,717	38,330
	119,774	225,024	100,894

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of June 30		As of December 31
	2023	2022	2022
	Unaudited		Audited
	ILS in Thousands		
CURRENT LIABILITIES			
Credit from banking and other corporations	9,821	12,377	2,689
Loan from non-controlling interests	13,605	11,905	12,496
Liabilities due to current lease obligations	6,329	12,592	11,360
suppliers and service providers' payables	9,727	17,247	13,457
Creditors and credit balances	18,172	11,229	10,773
Liabilities related to assets held for sale	4,718	6,514	3,939
	62,372	71,864	54,714
NON-CURRENT LIABILITIES			
suppliers' long-term payables	3,740	4,610	3,839
Loans from banking and other corporations	17,680	8,198	327
Lease related liability	3,579	9,736	5,242
Long-term deferred incomes	-	43	-
	24,999	22,587	9,408
CAPITAL ATTRIBUTABLE TO COMPANY SHAREHOLDERS			
Share capital and premium	270,981	270,328	270,981
Loss balance	(238,110)	(139,754)	(233,391)
Other capital funds	13,438	10,161	11,239
	46,309	140,735	48,829
Non-controlling interests	(13,906)	(10,162)	(12,057)
Total capital	32,403	130,573	36,772
	119,774	225,024	100,894

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

August 15, 2023			
Date of Confirmation of Financial Statements	Yossi Ben Shalom Board Chairman	Gil Sin Laser CEO	Tomer Geller CFO

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE PROFIT

	Note	For the 6 months ending on the day of June 30 2023	For the 6 months ending on the day of June 30 2022(*)	In the year ending on the day of December 31 2022(*)
		Unaudited	Unaudited	Audited
		ILS in Thousands		
incomes	4	33,555	31,255	69,360
Cost of services		31,170	32,496	64,824
Gross profit (loss)		2,385	(1,241)	4,536
R&D costs		3,288	3,019	5,689
Sales and marketing expenses		3,930	5,980	11,948
Administrative and general expenses		13,943	16,923	31,346
Other incomes	6b	(14,509)	(3,089)	(5,487)
Other expenses		-	11,567	78,100
Operational loss		(4,267)	(35,641)	(117,060)
Financing incomes		2,552	2,048	1,785
Financing expenses		716	1,035	1,451
Loss prior to taxes on income		(2,431)	(34,628)	(116,726)
Income taxes		1	-	457
Loss due to continuous operations		(2,432)	(34,628)	(117,183)
Loss due to discontinued operations	3	(4,136)	(10,399)	(22,635)
Loss		(6,568)	(45,027)	(139,818)
Sums re-classified as profit or loss under specific conditions:				
Being transferred to profit or loss due to the realization of foreign operations		867	-	1,207
Adjustments due to translations of foreign operations' financial statements		352	(1,209)	(2,980)
Other comprehensive profit (loss)		1,219	(1,209)	(1,773)
Total comprehensive loss		(5,349)	(46,236)	(141,591)
Loss attributable to:				
Company shareholders		(4,719)	(43,912)	(137,549)
Non-controlling interests		(1,849)	(1,115)	(2,269)
		(6,568)	(45,027)	(139,818)
Loss attributable to:				
Company shareholders		(3,500)	(44,813)	(138,273)
Non-controlling interests		(1,849)	(1,423)	(3,318)
		(5,349)	(46,236)	(141,591)

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE PROFIT

	For the 6 months ending on the day of June 30		In the year ending on the day of December 31
	2023	2022(*)	2022(*)
	Unaudited		Audited
Loss in a share, attributable to company's shareholders (in ILS)			
Basic and diluted loss in the continuous operation (in ILS)	(0.45)	(11.48)	(27.95)
Basic and diluted loss in the continuous operation (in ILS)	(0.77)	(3.45)	(5.4)
Total Basic and diluted loss to company's shareholders (in ILS)	(1.22)	(14.93)	(33.35)

(*) Displayed again due to a discontinued operation, see note 3.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

	Share capital	premium Shares	Balance of Loss	A principal in a rights carrying transaction with non-controlling interests	A principal in share-based payment transactions	Adjustments from translations of foreign operations' financial statements of	A principal in a convertible owner's loan	A principal in a transaction with controlling shareholders	A principal in a re-measurement of defined benefit plans	Total	Non-controlling interests	Total Capital
	Unaudited											
	ILS in Thousands											
Balance on January 1, 2023	-	270,981	(233,391)	2,882	3,787	693	2,647	1,208	22	48,829	(12,057)	36,772
Loss	-	-	(4,719)	-	-	-	-	-	-	(4,719)	(1,849)	(6,568)
Adjustments from translations of foreign operations' financial statements	-	-	-	-	-	1,219	-	-	-	1,219	-	1,219
Total comprehensive loss	-	-	(4,719)	-	-	1,219	-	-	-	(3,500)	(1,849)	(5,349)
Cost of a share-based Payment	-	-	-	-	980	-	-	-	-	980	-	980
Balance on June 30, 2023	-	270,981	(238,110)	2,882	4,767	1,912	2,647	1,208	22	46,309	(13,906)	32,403

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

	Share capital	premium for Shares	Balance Loss	A principal in a transaction with non-controlling interests	A principal in share-based payment transactions	Adjustments from translations of foreign operations' financial statements	A principal in a convertible owner's loan	A principal in a transaction with controlling shareholders	Fund from re-measurement of defined benefit plans	Total	Non-controlling interests	Total Capital
	Unaudited											
	ILS in Thousands											
Balance on January 1, 2022	-	176,002	(95,842)	2,882	1,069	1,417	2,647	1,208	22	89,405	(8,739)	80,666
Loss	-	-	(43,912)	-	-	-	-	-	-	(43,912)	(1,115)	(45,027)
Adjustments from translations of foreign operations' financial statements	-	-	-	-	-	(901)	-	-	-	(901)	(308)	(1,209)
Total of other comprehensive Loss	-	-	(43,912)	-	-	(901)	-	-	-	(44,813)	(1,423)	(46,236)
Shares issuance, net	-	16,678	-	-	-	-	-	-	-	16,678	-	16,678
Reverse purchase and issuance of capital in the course of a merger (see note 1a)	-	76,850	-	-	-	-	-	-	-	76,850	-	76,850
Cost of a share-based Payment	-	798	-	-	1,817	-	-	-	-	2,615	-	2,615
Balance on June 30, 2022	-	270,328	(139,754)	2,882	2,886	516	2,647	1,208	22	140,735	(10,162)	130,573

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

	Capital Shares	premium Shares	Balance Loss	A principal in a transaction with non-controlling interests	A principal in share-based payment transactions	Adjustments from translations of foreign operations' financial statements	A principal in a convertible owner's loan	A principal in a transaction with controlling shareholders	Fund from re-measurement of defined benefit plans	Total	Non-controlling interests	Total Capital
	Audited											
	ILS in Thousands											
Balance on January 1, 2022 (*)	-	176,002	(95,842)	2,882	1,069	1,417	2,647	1,208	22	89,405	(8,739)	80,666
Loss	-	-	(137,549)	-	-	-	-	-	-	(137,549)	(2,269)	(139,818)
Adjustments from Translations of foreign Operations' financial statements	-	-	-	-	-	(724)	-	-	-	(724)	(1,049)	(1,773)
Total of other comprehensive Loss	-	-	(137,549)	-	-	(724)	-	-	-	(138,273)	(3,318)	(141,591)
Issuance of share capital, net	-	17,331	-	-	-	-	-	-	-	17,331	-	17,331
Reverse purchase and capital issuance	-	76,850	-	-	-	-	-	-	-	76,850	-	76,850
Cost of a share-based payment	-	798	-	-	2,718	-	-	-	-	3,516	-	3,516
Balance on December 31, 2022	-	270,981	(233,391)	2,882	3,787	693	2,647	1,208	22	48,829	(12,057)	36,772

(*) The balances and activities prior to the time of the merger were displayed again, due to the implementation of such reverse purchase, see note 1b of the annual financial statements.

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

	For the 6 months ending on the day of June 30		In the year ending on the day of December 31
	2023	2022	2022
	Unaudited		Audited
	ILS in Thousands		
Cash flow from on-going operations			
Loss	(6,568)	(45,027)	(139,818)
Adjustments necessary to display the cash flows generated by such on-going operations (a)	3,808	29,910	104,332
Net cash used in such on-going operations	(2,760)	(15,117)	(35,486)
Cash flows generated by an investing activity			
Reverse purchase constituting a joint venture	-	35,692	35,692
Proceeds generated by investments in the previously consolidated subsidiary (c)	5,782	-	-
Acquisition of intangible assets	-	-	(145)
Mortgaged deposit, net	(1,125)	379	(232)
Purchase of a fixed property	(7,690)	(981)	(2,128)
Giving a loan to a held-for-sale realization group	(928)	-	(3,836)
Proceeds generated by the sale of fixed assets	1,416	38	2,648
Net cash generated from (used for) investment operations	(2,545)	35,128	31,999
Cash flows generated by a financing activity			
Receiving a loan from a banking corporation	15,040	1,750	1,750
Repayment of a loan from a banking corporation	(573)	(4,304)	(19,166)
Repayment of loan from other sources	-	(316)	(1,559)
Issuance of shares, after deduction of such issuance costs	-	49,128	49,781
Repayment of a lease obligation	(5,682)	(6,506)	(12,449)
Net cash generated from a financing operation	8,785	39,752	18,357
Exchange rate differences in cash and cash Equivalents balances	1,209	164	239
Increase of cash and cash equivalents	4,689	59,927	15,109
Cash and cash equivalents at the beginning of the period	28,086	12,977	12,977
Cash and cash equivalents balances at period's end	32,775	72,904	28,086

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the 6 months ending on the day of June 30		In the year ending on the day of December 31
	2023	2022	2022
	Unaudited		Audited
	ILS in Thousands		
(a) Adjustments necessary to display cash flows generated in the course of continuous operations			
Adjustments for profit or loss items:			
Depreciation and amortizations	13,704	14,376	27,624
Cost of a share-based payment	980	2,615	2,718
Proceeds from the sale of fixed assets	(1,111)	420	264
Capital gain generated by a previously consolidated subsidiary, net	(5,557)	-	-
Funding expenses (incomes), net	1,119	(378)	(1,454)
Derivative value depreciation (appreciation)	(571)	-	2,892
Depreciation of reputation	-	11,567	74,672
	8,564	28,600	106,716
Changes in items of assets and liabilities:			
Increase in number of clients	(2,036)	(809)	(1,755)
Increase in receivables and receivable balances	(6,558)	(2,928)	(207)
Increase (decrease) in liabilities to suppliers and service providers	(2,568)	5,469	1,503
Increase in affiliated parties	496	195	106
Increase (decrease) in creditors and credit balances	6,272	451	(193)
	(4,394)	2,378	(546)
Cash paid during this period for:			
Interest paid	(362)	(1,068)	(1,838)
	3,808	29,910	104,332
(b) Material non-cash transactions			
Purchase of fixed assets by credit	9,518	-	-
Acknowledging an easement asset against a lease Liability	2,973	593	2,642
(c) A consideration generated by investing in a previously consolidated subsidiary			
A consolidated company's assets and liabilities as of the date of sale			
Working capital (with the exception of cash and cash equivalents)	2,683	-	-
Fixed property	403	-	-
Intangible assets	56	-	-
An easement related asset	6,383	-	-
Other liabilities	(2,686)	-	-
Lease related liability	(6,614)	-	-
Capital gain generated by the sale of a previously consolidated subsidiary	5,557	-	-
	5,782	-	-

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL

a) The Goto Ltd Company (formerly known as Neratec Media Ltd) (hereinafter **"the Company"**), was founded and associated in Israel on the day of November 26, 2020. The Company's registered offices are in Tel Aviv, Israel. The Company is a public company, whose shares are registered for trade in the Tel Aviv Stock Exchange.

b) These financial statements were prepared in a condensed format as of June 30, 2023 and for a 6-month period ending on the same date (hereinafter: "**the interim consolidated financial statements**") These reports should be reviewed in the context of the Group's annual financial statements as of December 31, 2022 and the year ending on that date, and the accompanying notes (hereinafter: "**the consolidated annual financial statements**")

c) The Company shows ILS 6,568K in losses and a ILS 2,760K negative cash flow generated by its continuous operations for the period ending on June 30, 2023, while showing an ILS 13,505K positive working capital as of the same date. Barring the held-for-sale realization group, the Company shows an ILS 2,755K negative working capital.

Let it be pointed out that the Company's management and board of directors have reviewed the entirety of sources that might facilitate settling the Company's liabilities in the foreseeable future. Since no additional fund raisings are currently a certainty, the Company has adopted a profit-focused strategy, including a streamlining process, involving inter alia: improving the structure of its operational expenses by optimizing its existing fleet in Israel; reducing its expenses in Germany by optimizing and replacing vehicles as deemed necessary; as well as streamlining administration and generalities. On HQ level, the Company has reduced administration and general expenses, including re-organizing its administrative and executive structure. The Company's board of directors and management believe that the premises upon which this plan is based are reasonable. In light of the foregoing, the Company's board of directors and management believe that such streamlining measures shall enable the Company to meet all of its obligations in the foreseeable period.

d) Pursuant to the foregoing in note 5a in the Company's financial statements, regarding the operations in the Maltese subsidiary, and the owners' loans given to such subsidiary, whereby, on June 14, 2022, the Company received a copy of notice before legal actions from a minority shareholder in such subsidiary, demanding, inter alia, that such loan to the subsidiary be re-paid. Furthermore, the Company has also appealed to its board of directors to collect any loans it had given to such subsidiary. As of the date of this report, the Company and the minority shareholders in GoTo Malta are deliberating the possibility of the extension of any mutual operations in Malta, in which the parties have no claims towards each other, and all subject to the approval of the Maltese Ministry of Transport. On August 30, 2022, the board of directors of GoTo Global Mobility Ltd gave the Company's management its permission to take steps to shut down the Malta GoTo operations, in case no agreements can be reached with the minority shareholders of GoTo Malta regarding the extension of such operations.
As of the date of this report, the financial statements of the Maltese subsidiaries contain a going-concern notice, because such agreement with the shareholder in such subsidiaries regarding the failure to settle the loans given to them was not reached within the following 12 months.

NOTE 1:- GENERAL (CONT.)

e) The effects of inflation and the increase in interest rates

During 2022, global macro-economic developments have begun, which have led and continue to lead to an increase in inflation rates in Israel and around the world.

In their efforts to curtail price increase, central banks, The Bank of Israel included, have taken steps to increase interest rates.
The Company examined the ramifications of such change in interest rates, concluding them not likely to have any significant impact of its financial statements.

NOTE 2: - PRINCIPLES OF ACCOUNTING POLICY

a) The format of the Interim Consolidated Financial Statements

The Interim Consolidated Financial Statements are prepared in accordance with International Accounting Standard 34 Financial Reporting for Interim Periods, and in accordance with the disclosure directives pursuant to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 5730-1970.

The accounting policy applied in the preparation of the Interim Consolidated Financial Statements is consistent with those applied in the preparation of the Consolidated Annual Financial Statements, except as stated herein:

b) First time implementation of amendments in existing accounting standards

1. *Amendment of IAS 8 Accounting Policy, changes in accounting estimates and errors*

In February 2021, the IABS published an amendment to the IAS 8 Accounting Policy, changes in accounting estimates and errors (hereinafter "**the amendment**"). The purpose of such amendment is to re-define the term "**accounting estimates.**"

accounting estimates are defined as "financial sums in the financial statements subject to measurement ambiguity." The amendment clarifies what are such changes in accounting estimates and in what way they differ from changes in accounting policy and from correction of errors.

The amendment was implemented prospectively for annual periods that begin on January 1, 2023, and applies to changes in accounting policy and estimates, occurring at the onset of - or after - such period.

The foregoing amendment has had no material impact on the Company's consolidated interim financial statements.

NOTE 2: - PRINCIPLES OF ACCOUNTING POLICY (CONT.)

2. *An amendment of IAS 12, income taxes*

In May 2021, the IABS published an amendment to the international accounting standard 12 Taxes on Income (hereinafter IAS 12 or "**the standard**") , reducing the application of the "initial recognition irregularity" (hereinafter "**the irregularity**") in deferred taxes, as set forth in sections 15 and 24 of the IAS 12 (hereinafter "**the amendment**").

As part of the directions regarding recognition in assets and deferred taxes liabilities, IAS 12 excludes such recognition in deferred taxes pertaining to assets and liabilities, due to time differences stemming from the initial recognition in assets and liabilities in specific transactions. The amendment reduces the application of the irregularity, thus clarifying that it does not apply to recognition of deferred taxes assets and liabilities generated by a transaction that is not a joint venture, in which case, the time differences in both debit and credit is the same, even where all other terms of such irregularity are upheld.

The amendment was implemented prospectively for annual periods that begin on January 1, 2023. Where lease transactions and recognition of liability due to liquidation and restoration are concerned - the amendment shall be implemented as

of the beginning of the earliest report period in the financial statements, which is presented in the financial statements at the time of the initial implementation, attributing the initial implementation's cumulative effect to the opening balance of the surpluses (or any other component in the capital as relevant) at such time.

The foregoing amendment has had no material impact on the Company's consolidated interim financial statements.

Or

The foregoing amendment has had no material impact on the Company's consolidated interim financial statements; however, such amendment may affect vehicle disclosure and deferred taxes in the Company's consolidated annual financial statements.

Amendment in - IAS 1, Disclosure of the accounting policy

In February 2021, the IABS published an amendment to the IAS 1 Presentation of Financial Statements (hereinafter "**the amendment**"). According to such amendment, companies are required to provide a disclosure of their material accounting policy, in lieu of the current requirement to disclose their significant accounting policy. One of the main reasons for this amendment is that the term "significant" has no definition in the IFRS, while the term "material" is defined in various standards, especially IAS 1.

The amendment was implemented prospectively for annual periods that begin on January 1, 2023.

The foregoing amendment has had no impact on the Company's extract of consolidated interim financial statements; however, such amendment may affect accounting policy disclosures in the Company's consolidated annual financial statements.

NOTE 3: - A HELD-FOR-SALE REALIZATION GROUP AND A DISCONTINUED OPERATION

a) A held-for-sale realization group

The Company has an audio advertising activity and **Voice**, operated by Trinity Audio Ltd (hereinafter "**Trinity**"), a fully owned subsidiary. As of the date of this report, and as provided for in the merger agreement, the Company is taking steps to sell this activity or find an advertising company to invest in, which shall lead to a loss of control in Trinity. Accordingly, such activity is classified in the Company's financial statements as a held-for-sale realization group.

As of June 30, 2023. the balance of held-for-sale assets is at about ILS 15,196K, while held-for-sale liabilities are ILS 4,718K.

the Company gages Trinity according to the lower among fair worth, minus sale expenses and its cost at the time of its initial acquisition.

According to such worth evaluation received close to the publication of the financial statements for the first half of 2023, no depreciation pertaining to Trinity was acknowledged.

For details regarding the sale of about 35% of Trinity shares after the date of this report, see note 6 herein.

Shutting down the Maltese operations

On September 29, 2022, as part of the Company's decision to concentrate on profitability focused operations, including, inter alia, shutting down loosing operations, the management decided to shut down operations of the Maltese sector (hereinafter "**the discontinued operation**") and GoTo Malta. Pursuant to such decision, the management notified its clients, workers and the Maltese Ministry of Transport of its intention to shut down operations. As of September 30, 2022. As of December 31, 2022, the Company's service is no longer available in Malta and the operations are in fact discontinued.

At the same time, the Company is holding deliberations with its existing minority shareholders who participate in the Maltese operations, to forego any mutual claims among the parties, including inter alia the balance of the owners' loans.

The balance of fixed property in Malta consists primarily of a fleet of transport means, destined to be sold in order to repay their creditors in the order these liabilities were imposed, and the sum remaining after such sale of vehicles is to be distributed according to the loans they have given to the Company by such minority shareholders.

So therefore, the fixed property in Malta is classified as a held-for-sale asset.

As of June 30, 2023, the balance of held-for-sale fixed property corresponds with its reduced cost at about ILS 5,782K.

NOTE 3: - A HELD-FOR-SALE REALIZATION GROUP AND A DISCONTINUED OPERATION (CONT.)

Shutting down the Madrid operations

For the sale of shares, Astra paid the Company a consideration reflecting the GoTo Spain's net value as of May 31, 2023, estimated at about Euro 0, plus the value of its reputation, estimated at about Euro 1.6M ("sale price"), subject to a mechanism adjusting such sale price as defined herein.

It is hereby stated that in order to complete such transaction, the evaluation of the net value of GoTo Spain's assets is based on the financial statements as of May 31, 2023. At the end of 15 days as of the completion of such transaction, the Company submitted to Astra the GoTo Spain's final financial statements dated May 31, 2023, and the sale price was recalculated.

On June 29, 2023, an additional consideration of Euro 103K against the sale price was received by the Company, in accordance with the sale price's adjustment mechanism, so the total consideration for such transaction is Euro 1.703M.

It was further stipulated in the agreement that the Company shall provide Astra with an exclusive license to use its name and trade mark, only within Spanish territory, for a period of 24 months as of the date of completing the transaction, and all without getting any additional consideration.

According to the agreement, the Company has undertaken to refrain from competing with Astra (directly or indirectly) on Spanish territory, for a period of two years as of completing the transaction.

It is further stated that concurrently with signing the agreement and completing the transaction subject if such agreement, the Company has entered an agreement with Astra to provide technological services for a period of 12 months, for operating the Astra's vehicle sharing service (the service agreement"). The anticipated proceeds for the Company deriving from entering such service agreement is at about Euro 360K in a period of 12 months.

Furthermore, the Madrid company's financial outcomes in the period of January-May 2023 are included in the outcomes of the discontinued operation.

NOTE 3: - HELD-FOR-SALE ASSETS AND A DISCONTINUED OPERATION (CONT.)

b) Below are data of the outcomes with regards to the discontinued operation in Malta:

	For the 6 months ending on the day of June 30		In the year ending on the day of December 31
	2023	2022	2022
	Unaudited		Audited
	ILS in Thousands		
Incomes	4	3,721	6,137
Cost of services	1,022	4,302	7,730
Gross loss	(1,018)	(581)	(1,593)
Sales and marketing expenses	-	384	659
Administrative and general expenses	923	736	2,596
Other incomes - capital gain from sales of vehicles	429	-	-
Operational loss	(1,512)	(1,702)	(4,848)
Financing expenses (incomes)	223	220	(595)
Loss due to discontinued operations	(1,735)	(1,922)	(4,253)
Net loss generated by the realization of a discontinued operation.	1,905	-	1,207
Net loss deriving from a discontinued operation.	(3,640)	(1,922)	(5,460)
Loss attributable to:			
Company shareholders	(1,791)	(807)	(3,191)
Non-controlling interests	(1,849)	(1,115)	(2,269)
	(3,640)	(1,922)	(5,460)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: - A HELD-FOR-SALE REALIZATION GROUP AND A DISCONTINUED OPERATION (CONT.)

b) Below are data of the outcomes with regards to the discontinued operation in Spain:

	For the 6 months ending on the day of June 30		in the year ending on the day of December 31
	2023	2022	2022
	Unaudited		Audited
	ILS in Thousands		
Incomes	3,670	3,611	7,913
Cost of services	7,099	8,129	16,690
Gross loss	(3,429)	(4,518)	(8,777)
Sales and marketing expenses	802	1,732	4,073
Administrative and general expenses	1,215	1,822	3,227
Operational loss	(5,446)	(8,071)	(16,077)
Financing expenses	198	406	1,098
Loss due to discontinued operations	(5,644)	(8,477)	(17,175)
Net profit generated by the realization of a discontinued operation	5,148	-	-
Net loss deriving from a discontinued operation.	(496)	(8,477)	(17,175)
Loss attributable to:			
Company shareholders	(496)	(8,477)	(17,175)
Non-controlling interests	-	-	-
	(496)	(8,477)	(17,175)

NOTE 3: - HELD-FOR-SALE ASSETS AND A DISCONTINUED OPERATION (CONT.)

c) Below are data regarding net cash flows relating to the discontinued operations in Malta and in Spain, attributed to (used for) such operations:

	For the 6 months ending on the day of June 30		in the year ending on the day of December 31
	2023	2022	2022
	Unaudited		Audited
	ILS in Thousands		
On-going Operations	(12,339)	(3,457)	(11,294)
Financing Operations	7,940	4,132	8,524
Investing Operations	940	(428)	3,044

d) Below are data regarding other comprehensive profit (loss) balances, relating to the Company's shareholders, attributable to capital and relating to the discontinued operation:

	September 30		December 31
	2023	2022	2022
	Unaudited		Audited
	ILS in Thousands		
A principal due to adjustments deriving from the translation of financial statements	867	(452)	303

NOTE 4: - INCOMES SPLIT

	For the 6 months ending on the day of June 30		in the year ending on the day of December 31
	2023	2022	2022
	Unaudited		Audited
	ILS in Thousands		
Two way service	10,275	9,807	21,336
One way service	11,004	10,662	21,410
Electric motorcycles service	8,822	7,426	16,809
Incomes from membership fees and others	3,454	3,360	9,805
	33,555	31,255	69,360
Primary client	36%	36%	33%

NOTE 5: - ACTIVITY SECTORS

An activity sectors report

The activity sectors were established based on the information examined by the chief operational decision maker (CODM) for the purpose of making decisions about resources allocation and performance evaluation. Accordingly, for executive purposes, the group's structure is that of geographical activity sectors. The Company's operations in Spain began in 2020, and in 2021 the German GoTo vehicle sharing company was also purchased.

The Israeli sector - in this activity sector, the Company operates a sharing service of two-way and one-way vehicles.

The German sector - as part of this activity sector, the Company operates a sharing service of electric scooters.

For details regarding the termination of the Spanish and Maltese activity sectors, see note 3 above.

The activity sectors' accounting policy is identical to the accounting policy set forth in note 2 of the consolidated financial statements as of December 31, 2022.

The sectors' performance evaluation is based on operational profit (loss), as shown on the financial statements.

The sector's outcomes reported to the CODM contain items directly - as well as reasonably - attributed to such sector.

Items not allowed, including reputation depreciation, costs of R&D, technology, marketing, and global management and generalities are managed on a group level.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: - ACTIVITY SECTORS (CONT.)

	The Israeli sector	The German sector	Adjustments	Total
	Unaudited			
	ILS in Thousands			
For the period ending on June 30, 2023				
Incomes from externals	24,225	9,202	128	33,555
Gross profit (loss)	3,931	(6,932)	17	(2,984)
Expenses not attributable to sectors				(1,283)
Net financing expenses				1,836
Loss prior to taxes on incomes generated by an on-going operation				(2,431)

	The Israeli sector	The German sector	Adjustments	Total
	Unaudited			
	ILS in Thousands			
For the period ending on June 30, 2023				
Incomes from externals	23,390	7,865	-	31,255
Gross profit (loss)	612	(10,493)	-	(9,881)
Expenses not attributable to sectors				(14,193)
Depreciation of reputation and other assets				(11,567)
Net financing expenses				1,013
Loss prior to taxes on incomes generated by an on-going operation				(34,628)

NOTE 5: - ACTIVITY SECTORS (CONT.)

	The Israeli sector	The German sector	Adjustments	Total
	Audited			
	ILS in Thousands			
For the year ending on December 31, 2022				
Incomes from externals	48,717	19,843	800	69,360
Gross profit (loss)	3,153	(16,238)	104	(12,981)
Expenses not attributable to Sectors				(29,407)
Depreciation of reputation and other assets				(74,672)
Net financing expenses				334
Loss prior to taxes on incomes generated by an on-going operation				(116,726)
Additional information: Amortization and depreciation - Cost of services	(9,335)	(5,800)	-	(15,135)

NOTE 6: - EVENTS DURING THE REPORTING PERIOD

a) On December 29, 2022 ELECTRIC MOBILITY CONCEPTS GMBH, a fully owned subsidiary of the Company (hereinafter EMI), entered an agreement with an unrelated third party (hereinafter "**the seller**") to purchase 100% of the issued and paid for share capital of a foreign company H under the law of Germany, who operates in the field of mopeds in Germany ("the purchased company" and "the agreement" respectively) as set forth herein:
EMI purchased from the seller full ownership (100%) over the purchased company for one Euro. In exchange for that consideration, EMI received the part of such purchased company as set forth herein; EMI shall further undertake to settle a debt the seller has with the financing company (an unrelated third party) pertaining to such assets at about Euro 2.536M ("the debt" and "the financing entity" respectively).
Repayment of such loan to the financing entity as set forth above shall come from the Company's independent sources.
To the best of the Company's knowledge, the transaction subject of this agreement is not expected to impose tax charges or levies.
It is hereby clarified that the foregoing details do not contain full information regarding any previous activity of the purchased company, whereas, according to the transaction's terms, the Company only purchased specific assets and liabilities out of such previous activity as set forth above.
EMI has several leasing agreements with local suppliers for the operation of the electric motorcycles service.

NOTE 6: - EVENTS DURING THE REPORTING PERIOD (CONT.)

b) On December 29, 2022, the Company has entered a services and technology development agreement with an Astra Mobility S.L shareholder, under which the Company must provide Astra with services based on its knowledge and technological developments, and shall also assist in the development of a vehicle sharing platform, to be fully owned by Astra ("the platform" and "the agreement" respectively).

According to the terms of this agreement, Astra shall pay the Company a sum of Euro 4M ("the consideration"), to be divided as follows: (1) an Euro 1M down payment, which shall be paid within 30 days of receiving the Company's invoice; (2) twelve (12) equal monthly installments of Euro 250,000 (each), which shall be paid every month during the year following the time of concluding the agreement. In exchange of such consideration, the Company shall provide Astra with services of development, support, operation and maintenance of the platform for a period of 12 months. Astra may extend such period by another 24 months, subject to the payment of an additional consideration (to be derived from the scope of development inputs required from the Company), with the Company's consent.

As of the time of this report, the entirety of payments have been made per the agreement among the parties.

According to this agreement, Astra may use the platform to operate vehicle leasing services for a period of seven (7) calendar days or more, for users around the world not including Israel. The Company may use the platform to operate and provide vehicle sharing services for a period of less than seven (7) calendar days around the world ("the Company's right of use"). The agreement contains a contractual mechanism in case any of the parties might wish to operate such services in the region or area where the other party is operating, provided an advanced notice is given and the option of promoting cooperation is included.

Each party may terminate this agreement, inter alia for the following reasons: (1) at the end of the initial 12 months after signing the agreement (and not before) for any reason whatsoever, subject to a three (3) month notice to the other party; (2) in cases of insolvency, bankruptcy, receivership, a creditors' plan or any similar proceeding against

the other party, not resolved within 30 days of receiving such notice; (3) a fundamental breach of this agreement and its terms.

As of the time of this report, the Company has acknowledged incomes from Astra for its services, at a sum of about ILS 7.7M as entered in the 'other incomes' clause in the profit or loss statement.

NOTE 6: - EVENTS DURING THE REPORTING PERIOD (CONT.)

c) On February 7, 2023, the shareholders general assembly has decided to approve the consolidation of the Company's capital, at a ratio of 1:50, whereby each fifty (50) NPV regular shares of the Company shall be consolidated into one (1) NPV regular share of the Company (including amending the Company's articles accordingly) (hereinafter "**capital consolidation**").
Following such capital consolidation, the Company's registered capital is 8,000,000 NPV regular shares. Concurrently, the registered company capital was increased as approved by the shareholders assembly. Thus, following such capital consolidation and the increase of the Company's registered capital, the Company's registered capital is 50,000,000 NPV regular shares.
The Company's issued and paid for capital following its consolidation is 5,381,813 NPV regular shares.
According to the terms of the Company's (untradable) warrants and (untradable) rights to shares, no change will be made in the number of warrants and rights to shares, however, they shall be adjusted following such capital consolidation, so that any realization share allocated due to the realization of such warrants or rights to shares is decreased to ensure that each such warrant or right to share may be realized at one per fifty (1:50) ratio of the Company's NPV regular share.
Where, as a result of such capital consolidation, some shareholders' shares consolidation leaves fractions of shares, such fractions must be dealt with by the SE (the Tel Aviv stock Exchange") and/or bank Hapoalim's registration company and/or as applicable by relevant SE members.

d) On February 27, 2023, the Company took out a loan from a banking corporation in the amount of ILS 2,667K to finance the purchase of vehicles, for a period of 36 months. The loan is unlinked and carries a variable annual interest at a premium rate of 1.85%. The loan will be repaid in 12 equal monthly installments, as of March 2023.
The Company has registered a level 1 mortgage to the bank for 50 vehicles it owns.

e) On February 27, 2023, the Company took out a loan from a banking corporation in the amount of ILS 620K to finance the purchase of vehicles, for a period of 60 months. The loan is unlinked and carries a variable annual interest at a premium rate of 0.9%. The loan will be repaid in 12 equal monthly installments, as of March 2023.
The Company has registered a level 1 mortgage to the bank for such vehicles.

f) On March 20 2023, a consolidated company took a loan of Euro 3,467K (ILS 13,406K) to finance the purchase of scooters. The loan is not linked and carries an annual interest prime rate of 7%. to be repaid in 49 monthly principal + interest installments.

g) On May 7, 2023, the Company took out a loan from a banking corporation in the amount of ILS 2,667K to finance the purchase of vehicles, for a period of 36 months. The loan is unlinked and carries a variable annual interest at a premium rate of 1.85%. The loan will be repaid in 12 monthly installments, starting May 2023.
The Company has registered a level 1 mortgage to the bank for vehicles.

h) On May 7, 2023, the Company took out a loan from a banking corporation in the amount of ILS 358K to finance the purchase of vehicles, for a period of 36 months. The loan is unlinked and carries a variable annual interest at a premium rate of 0.9%. The loan will be repaid in 60 monthly installments, starting August 2023.
The Company has registered a level 1 mortgage to the bank for vehicles.

NOTE 6: - EVENTS DURING THE REPORTING PERIOD (CONT.)

i) On June 5, 2023, the chairman of the board of directors, the Company's CEO, Mr. Tomer Geller, Mr. Yonatan Shalev, members of the board (among whom Mr. Shuky Abramowitz) and other workers of the Company, had entered agreements with the Shagrir Vehicle Services Ltd ("the Shagrir Group"), under which about 754 thousands of company shares held by the Shagrir Group be purchased outside the SE ("purchase agreements" and "the purchased shares" respectively).
According to such purchase agreements, the purchased shares shall be bought from the Shagrir Group for an average price of a company share within the last 7 trading days after signing the purchase agreements, so the consideration Shagrir Group shall be entitled to will match the share price of about ILS 3.98.
Following such share sale, Shagrir Vehicle Services Ltd shall be in possession of GoTo Ltd's shares at about 7% (11% after a full dilution discount).

j) On July 9, 2023, the Company had entered a frame agreement with Trinity Audio Ltd ("Trinity"), a fully owned subsidiary of the Company (100% and about 85.14% at full dilution), the essentials of which as set forth herein ("the frame agreement"):

1. Trinity shall allocate shares and warrants to four (4) of its founders. Following such allocation, the Company shall hold 85.14% of Trinity's issued and paid for share capital (about 50% at full dilution). It was agreed by the parties that the decision making mechanism must be unanimous, which may lead to the Company's losing its control in Trinity.

2. Pursuant to an immaterial owners' loan of about USD 314K, which was given to Trinity in December 2022 and during 2023 first quarter ("the existing owners' loan"), the various terms of such loan have been resolved, added and determined, including, inter alia, that should Trinity reach a cash flow profit (as defined in the loan agreement), and a cash balance of about USD 150K, the Company's obligation to transfer any additional funds to Trinity as part of such existing owners loan shall be ceased. After the date of this report that condition came to be.

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