

**ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2012
FOR
DYNAMIC APPLICATIONS CORP.**

Part A General Company Information

Item I. The exact name of the issuer and its predecessor (if any).

Dynamic Applications Corp. was organized under the laws of the State of Delaware on March 7, 2008.

Item II. The address of the issuer's principal executive offices.

14 Menachem Begin Street, Ramat Gan, 52700 Israel
Phone: (972) 3-7523922

Item III. The jurisdiction(s) and date of the issuer's incorporation or organization.

The Company was incorporated in the State of Delaware on March 7, 2008.

Part B Share Structure

Item IV. The exact title and class of securities outstanding

The Company has 500,000,000 authorized shares of common stock, par value \$0.00001 per share ("Common Stock") and 20,000,000 authorized shares of preferred stock, par value \$0.00001 per share ("Preferred Stock"). Subject to the requirements of the State of Delaware, the Board of Directors is authorized and empowered to issue shares of Preferred Stock in one or more series and with such designations, preferences and limitations as the Board of Directors, in its business judgment, determines is in the best interest of the Company.

CUSIP number: 26784V 10 8

The Company's trading symbol is DYAP and its shares of Common Stock are subject to quotation on the OTCQB.

Item V. Par or stated value and description of the security: Common Stock Par value \$0.001; Preferred Stock no par value.

Shareholders of the Company's Common Stock have full voting rights on all matters submitted to the shareholders for a vote. There are no cumulative voting or preemptive rights. Shareholders will have the right to participate pro rata on any dividend declared by the Company in the future. There are no shares of Preferred Stock issued or outstanding.

Item VI. The number of shares and total amount of the securities outstanding for each class of securities authorized.

There are no shares of Preferred Stock issued or outstanding.

Shares of Common Stock issued and outstanding at December 31, 2012:

- (i) Period and end date: 12/31/2012
- (ii) Number of shares of common stock authorized: 500,000,000 of which 15,829,450 are outstanding
- (iii) Number of shares of preferred stock authorized: 20,000,000
- (iv) Freely tradable shares (public float): 142,182
- (v) Total number of beneficial shareholders: 8 and
- (vi) Total number of shareholders of record: 67

Shares of Common Stock issued and outstanding at December 31, 2011:

- (i) Periods and end dates: 12/31/2011;
- (ii) Number of shares authorized: 500,000,000;
- (iii) Number of shares outstanding: 15,449,450;
- (iv) Freely tradable shares (public float): 142,182;
- (v) Total number of beneficial shareholders: 8; and
- (vi) Total number of shareholders of record: 67.

List of securities offerings and shares issued for services in the past two years ended Dec. 31, 2012 and 2011.	
Number of shares Issued in Lieu of Cash Compensation in 2012	Shares Valued at
None	-0-
Number of shares Issued in Lieu of Cash Compensation in 2011	Shares Valued at
None.	-0-

Part C Business Information

Item VII. The name and address of the transfer agent.

Nevada Agency and Transfer Co. (NATCO)
50 W. Liberty Street, Suite 880
Reno, NY 89501

NATCO is registered under the Securities Exchange Act of 1934.

Item VIII and Item IX. The nature of the issuer's business and the nature of products or services offered.

General Background

We were incorporated in Delaware on March 7, 2008 and are a development stage company engaged in the business of developing equipment covered by a patent that we acquired from Appelfeld Zer Fisher ("AZF"), an Israeli law firm that specializes in intellectual property law including among other things the filing, prosecuting and the commercialization of patents, in a patent transfer and sale agreement dated March 27, 2008 (the "Patent Agreement") for consideration of \$17,000.

The patent and related technology covers the design and development of an electromagnetic percussion device with a striking piston made of a single monolithic block (the "Patented Device").

On May 5, 2008, we filed a registration statement on Form S-1 pursuant to which we offered and sold to the public 2,000,000 shares of our common stock at \$0.04 per share, resulting in gross proceeds of \$80,000 and net proceeds of approximately \$60,000. Notwithstanding our successful IPO and a subsequent raise of approximately \$200,000 in December 2008, the Company cash resources were applied to a significant extent to executive compensation and consulting fees, without devoting resources to the development of the Patented Device.

During 2011 and early 2012, we had discussions with a limited number of unaffiliated persons and shareholders who expressed an interest in investing in our Company as part of a plan to renew our efforts for the development of our Patented Device. As part of the renewed interest in development of our Patented Device with view to its commercial exploitation, we became current with the OTC Markets by filing all requisite reports required by SEC Rule 15c2-11. We have continued to be current under the rules of the OTC Markets and we filed a Form 10/12G to again become a reporting company under the Exchange Act.

We increased our efforts to develop our Patented Device in 2012, utilizing the limited funding from our investors, and in January 15, 2013, the Company entered into a consulting agreement with Gennady Nickelshur to serve as the Company's chief scientific advisor ("CSO"). Mr. Nickelshpur has a specialty in electromagnetics and percussion engineering. The agreement with Mr. Nickelshpur provides for cash compensation based upon an hourly rate and the grant to the CSO of options pursuant to an ESOP to be adopted by the board of directors.

On March 5, 2013, the Company and GUMI Tel Aviv Ltd, a major, privately-held Israeli technology company ("GUMI"), entered into development/manufacturing/marketing agreement ("GUMI Agreement"). GUMI is engaged in the manufacture, import/export, marketing and install industrial equipment and designing technical solutions to major Israeli customers, including, among others, the Israeli Defense Forces (IDF), El-Al Airlines, major Israeli Aerospace companies, as well as foreign industrial customers. Further, GUMI recently entered into a Joint Venture with a large Indian industrial company to build a factory in India to manufacture specially designed pipes for the

aviation industry. GUMI has eight operating subsidiaries, approximately 200 full-time employees, more than 100 sub-contractors, and is among Israel's largest manufacturers and distributors of industrial equipment.

Pursuant to the GUMI Agreement, which was amended in April 2013, GUMI agreed to: (i) complete the development of the Prototype of the Patented Device; (ii) manufacture the commercial model(s) of the Patented device; and (iii) market the commercial model(s) of the Patented Device.

In consideration for developing the Prototype and manufacturing and marketing/distributing commercial models of the Patented Device as well as incurring all related costs and expenses in connection therewith, the Company shall compensate GUMI as follows: (i) upon the execution of the GUMI Agreement, the Company granted GUMI warrants (the "Warrants") exercisable to purchase 200,000 shares of the Company's common stock ("Warrant Shares") at an exercise price of \$0.05 per share (the "Exercise Price"); (ii) upon completion of the Prototype, granting GUMI additional Warrants to purchase 200,000 additional Warrant Shares at the Exercise Price; and (iii) upon completion of a Commercial Device ready for manufacture and sale, granting GUMI additional Warrants to purchase 200,000 additional Warrant Shares at the Exercise Price. The Warrants shall expire 3 years from the date of each grant and shall be subject to adjustment in the event of any recapitalization of the Company's capital stock.

In addition to the consideration represented by the grant of Warrants, the Agreement further provides that following commencement of sale of the Commercial Device and until such time that GUMI has recouped all costs and expenses that it has incurred and paid in connection with the completion of development of the Prototype and the manufacture of the Commercial Device ("Date of Recoupment"), one hundred (100%) percent of the net sales revenues shall be paid and distributed to GUMI. Based upon the April 2013 amendment to the GUMI Agreement, the payout of net sales revenues, on and after GUMI's Date of Recoupment, shall be paid sixty (60%) percent to GUMI and forty (40%) percent to the Company. This represents an increase in the Company's participation from 35% in the initial agreement and is the result of the Company's agreement to contribute \$10,000 toward the compensation expense GUMI will incur upon GUMI's engagement of an engineer to be hired specifically to oversee the development of the Prototype of the Patented Device and thereafter manufacturing models of the Commercial Device.

We were informed by GUMI on April 4, 2013 that it has made significant progress toward completion of the development of the Prototype. GUMI has further informed us that it identified and is negotiating with an engineer with extensive R&D experience to lead the development project in order to expedite their efforts to produce a working Prototype. Gumi also reported that as soon as the engineer is engaged, they expect that they will be able to present us with commercial models of our Patented Device within approximately 12 to 16 weeks. As a result, it is our hope and expectation that we will have commercial models available for sale during 2013.

Electromagnetic Percussion Devices

Generally, an electromagnetic percussion device is comprised of the following: (a) a housing; (b) an instrument connected to, and extending beyond, the housing; (c) a driving member reciprocal within the housing, the driving member including an intermediate region of a first diameter and an enlarged anterior head of a second diameter, the second diameter being larger than the first diameter; (d) a piston body reciprocal within the housing and adapted to impact the instrument, the piston body including a coupling element for slidably accommodating the head of the driving member, thereby coupling the driving member and the piston body together, the coupling element including a plurality of leaves which enclose and confine the head of the driving member when the coupling element is within the housing but which can be moved apart when the coupling element is outside the housing to allow the head of the driving member to be inserted into, or removed from, the coupling element; (e) an electromagnetically active body connected to the driving member; and (f) an electromagnetic coil connected to the housing, the coil operationally coupled to the electromagnetically active body so as to cause the reciprocation of the driving member. From our inception through December 31, 2012, we were unable and, in fact, did not devote any significant efforts to develop, either alone or with third parties, a Prototype of our Patented Device. Notwithstanding the foregoing, our management, which has remained virtually unchanged since inception, continued to believe in the potential of our Patented Device.

Based upon the information that we received when we acquired the rights to the Patented Device we believed, and continue to believe, that our Patented Device incorporated a unique design in which the positions of the electromagnetic coil and electromagnetically active body are reversed. This advantage, we understood, should successfully address the shortcomings of the previously known configurations by providing an electromagnetic percussion device whose striking piston is made of a single monolithic block of material and which, as a result, should be more durable and rugged than heretofore comparable devices described above. Further, in our Patented Device, our design provides that prior to impact between the anterior end of piston body and the posterior end of the instrument, the current in the electromagnetic coil switches direction. This is designed to decelerate the motion of driving member leaving the piston body unaffected by the switch in current direction, creating a small gap between itself and driving member so that at this moment piston body strikes the instrument there is no direct contact between piston body and the driving member. As a result, no impact shock is transmitted from piston body to driving member thereby reducing wear on driving member and its permanent magnet thereby significantly increasing its useful life and reliability.

Our management's position is that its belief in the Patented Device, notwithstanding the rather lengthy delay in development and its mistaken determination in July 2011 to cease development efforts, was justified based upon its ability to successfully conclude the agreement with GUMI, as described more fully below as well as in its Form 8-K filed with the SEC on March 5, 2013.

Third-Party Manufacturers-Relationship with GUMI Tel Aviv Ltd

Because of our limited financial and personnel resources, our plan since the acquisition of the Patent, has been to rely on third parties to develop a Prototype of the Patented Device and thereafter to contract for the manufacture and marketing of commercial models of our Patented Device. To that end, subsequent to our year ended December 31, 2012, we entered into a distribution agreement with GUMI Tel Aviv Ltd, a major, privately-held Israeli technology company engaged in the manufacture and sale of industrial equipment.

Intellectual Property

On March 27, 2008, we executed the Patent Agreement with AZF, the owner of the technology, pursuant to which we acquired all right, title and interest in, the Patented Device and the underlying patent, the application for which was filed with the United States Patent and Trademark Office ("USPTO") on December 19, 1994. On April 13, 2008, the patent assignment to the Company was recorded in the USPTO. We understand that no actions were taken with respect to exploitation of the patent from December 1994 through April 2008.

For patent applications that were pending and for patents that were still in force on June 8, 1995, the patent term is the later of either 17 years from the patent issue date or 20 years from the filing date of the earliest U.S. application to which priority is claimed. All patents that issued on an application that was filed before June 8, 1995, have a term that is the greater of the 20 year term or 17 years from the patent grant (See 35 U.S.C. 154(c).) Because our US patent 5,497,555 is based on US application filed Dec. 19, 1994 (i.e. before 08/06/1995), our patent will expire 20 years to application file date of Dec. 19, 1994, or an expiration date of Dec.18, 2014.

Competition

There are many companies in the electromagnetic percussion field, including major international manufacturers, having far greater financial and other resources, together with significantly greater operating histories, than the Company. We are not, however, aware of any other company that has developed, manufactured, and/or marketed a device of a similar nature that incorporates a design in which the positions of the electromagnetic coil and electromagnetically active body are reversed.

We believe our patented technology and design incorporated in our Patented Device, should permit us to successfully address certain shortcomings of the presently known configurations by providing an electromagnetic percussion machine whose striking piston is made of a single monolithic block of material. The Company believes that its technology is more durable and rugged than previous technologies and/or methods. Notwithstanding the foregoing, in view of the fact that we have not yet produced a working Prototype nor any commercial models of our Patented Device, there can be no assurance that our beliefs about the durability will prove to be correct.

Existing Or Potential Future Government Regulations

We may be subject to the provisions of the Federal Consumer Product Safety Act and the Federal Hazardous Substances Act, among other laws. These acts empower the CPSC to protect the public against unreasonable risks of injury associated with consumer products. The CPSC has the authority to exclude from the market articles that are found to be hazardous and can require a manufacturer to repair or repurchase such devices under certain circumstances. Any such determination by the CPSC is subject to court review. Violations of these acts may also result in civil and criminal penalties. Similar laws exist in some states and cities in the U.S. and in many jurisdictions throughout the world.

Employees

Other than our current officers and directors, and our recently retained chief scientific advisor, Gennady Nickelshpur, we have no other full-time or part-time employees. During the next twelve months, we believe that we may be required to hire a limited number of either full or part-time employees to further our business plan related to our Patented Device as well as retain one or more additional advisors to supplement the efforts of Mr. Nickelshpur.

Our hiring plan is dependent upon available financial resources. We expect that when we complete development of our Patented Device, principally with the efforts of Mr. Nickelshpur, the timing of which we cannot assure, and assuming that our resources are sufficient, that we will need to hire up both part-time and full-time employees and scientific advisors for our operations as they grow.

Legal Proceedings

There are no pending legal proceedings to which the Company is a party or in which any director, officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of voting securities of the Company, or security holder is a party adverse to the Company or has a material interest adverse to the Company. The Company's property is not the subject of any pending legal proceedings.

Item X. The nature and extent of the issuer's facilities.

The Company's corporate office is located at the offices of Terra Holdings, 14 Menachem Begin Street, Ramat Gan, Israel. Terra Holdings is a company owned and controlled by Mr. Gonen, the Company's chairman, and provides this office space, consisting of approximately 100 square feet, to the Company on a rent-free basis. The Company believes that these facilities are sufficient for the near future.

Part D Management Structure and Financial Information

Item XI. The name of the chief executive officer, members of the board of directors, as well as control persons.

Each of our three directors serves for a term of one year or until their respective successors are elected and qualified,

subject to removal by our shareholders. Each officer serves at the pleasure of our board of directors, for a term of one year and until the successor is elected at the annual meeting of the board of directors and is qualified.

Name	Age	Title	Date Became Executive Officer/Director
Eli Gonen	62	Chairman	02/02/2009
Ori Goore	39	CEO and Director	02/02/2009
Asher Zwebner	47	CFO and Director	11/01/2008

Certain Relationships and Related Transactions

Related Party Common Stock Transactions During the Most Recent Two Fiscal Years

9/29/2011	Common Stock	40,000	Gonen, Eli - related party - Chairman	\$0.00317 per share in cash pursuant to Section 4(2)
9/29/2011	Common Stock	40,000	Goore, Ori - related party - CEO, Director	\$0.00317 per share in cash pursuant to Section 4(2)
1/10/2012	Common Stock	40,000	Goore, Ori - related party - CEO, Director	\$0.00317 per share in cash pursuant to Section 4(2)
1/10/2012	Common Stock	40,000	Gonen, Eli - related party - Chairman	\$0.00317 per share in cash pursuant to Section 4(2)

Related Party Transaction

As of December 31, 2012, a total of \$28,436 was owed to Asher Zwebner, CFO and a director, and represented accrued but unpaid compensation for services during the period from 2008 to 2009. The amount owed advances is not formalized by a written agreement, does not carry a specific due date and is non-interest bearing.

Part E Financial Information

Item XII. Financial information for the issuer's most recent fiscal period.

Dynamic Applications Corp.
(A Development Stage Company)
Balance Sheets

	December 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash	\$ 8,101	\$ 7,927
Total current assets	<u>8,101</u>	<u>7,927</u>
Total Assets	<u>\$ 8,101</u>	<u>\$ 7,927</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable - trade	\$ -	\$ 280
Accrued interest	9,458	1,809
Advances payable to related parties	28,436	28,436
Current portion of convertible notes payable net of discount	50,470	-
Total current liabilities	<u>88,364</u>	<u>30,525</u>
Long-term debt		
Convertible notes payable, net of discount	-	12,055
Stockholders' deficit:		
Preferred stock, \$0.00001 par value; 20,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$0.00001 par value; 500,000,000 shares authorized; and 15,829,450 and 15,449,450 issued and outstanding at December 31, 2012 and 2011, respectively	158	154
Additional paid in capital	424,474	393,476
Common stock subscriptions receivable	-	(10,801)
Deficit accumulated during development stage	(504,895)	(417,482)
Total stockholders' deficit	<u>(80,263)</u>	<u>(34,653)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 8,101</u>	<u>\$ 7,927</u>

The accompanying notes to the financial statements are integral part of these financial statements.

Dynamic Applications Corp.
(A Development Stage Company)
Statements of Operations

For the Years Ended December 31, 2012 and 2011 and From Inception (March 7, 2008) to December 31, 2012

	For the year ended December 31, 2012	For the year ended December 31, 2011	For the period from Inception (March 7, 2008) to December 31, 2012
Revenues	\$ -	\$ -	\$ -
Expenses			
General and administrative	41,350	64,633	394,955
Research and development	-	-	45,000
	<u> </u>	<u> </u>	<u> </u>
Loss from operations	(41,350)	(64,633)	(439,955)
Other income (expense):			
Loss on foreign currency transactions	-	-	(5,014)
Interest expense	(7,648)	(1,808)	(9,456)
Amortization of debt discount	(38,415)	(12,055)	(50,470)
Total costs and expenses	<u>(46,063)</u>	<u>(13,863)</u>	<u>(64,940)</u>
Net loss before income taxes	(87,413)	(78,496)	(504,895)
Income tax	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Net loss	<u>\$ (87,413)</u>	<u>\$ (78,496)</u>	<u>\$ (504,895)</u>
Basic and diluted per share amounts:			
Basic and diluted net loss	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	
Weighted average shares outstanding (basic and diluted)	<u>15,827,756</u>	<u>5,143,587</u>	

The accompanying notes to the financial statements are integral part of these financial statements.

Dynamic Applications Corp.
(A Development Stage Company)

Statement of Changes in Stockholders' Equity (Deficit)

For the Years Ended December 31, 2012 and 2011 and From Inception (March 7, 2008) to December 31, 2012

	Common		Additional		Subscription Receivable	Deficit Accumulated During Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Paid-in Capital				
Inception (March 7, 2008)	-\$	-\$	-\$		-\$	-\$	-
Stock issued for cash	750,000		8 240,292		-	-	240,300
Net loss	-	-	-		-	(89,785)	(89,785)
Balance at December 31, 2008	750,000\$		8\$ 240,292\$		-\$	(89,785)\$	(150,515)
Stock issued for cash	114,450		1 52,149		-	-	52,150
Stock issued for services	5,000		- 15,000		-	-	15,000
Net loss	-	-	-		-	(246,097)	(246,097)
Balance at December 31, 2009	869,450\$		9\$ 307,441		-\$	(335,882)\$	(28,432)
Net loss	-	-	-		-	(3,100)	(3,100)
Balance at December 31, 2010	869,450\$		9\$ 307,441\$		-\$	(338,985)\$	(31,535)
Stock issued for cash	14,580,000		146 46,035	(10,801)	-	-	35,380
Impact of beneficial conversion feature	-		- 40,000		-	-	40,000
Net loss	-	-	-		-	(78,497)	(78,497)
Balance at December 31, 2011	15,449,450\$		154\$ 393,476	(10,801)\$	-	(417,482)\$	(34,653)
Stock issued for cash	380,000		4 1,198	10,801	-	-	12,003
Impact of beneficial conversion feature	-		- 29,800		-	-	29,800
Net loss	-	-	-		-	(87,413)	(87,413)
Balance at December 31, 2012	15,829,450\$		158\$ 424,474\$		-\$	(504,895)\$	(80,263)

The accompanying notes to the financial statements are integral part of these financial statements.

Dynamic Applications Corp.
(A Development Stage Company)
Statements of Cash Flows

For the Years Ended December 31, 2012 and 2011 and From Inception (March 7, 2008) to December 31, 2012

	<u>For the year ended December 31, 2012</u>	<u>For the year ended December 31, 2011</u>	<u>For the period from Inception (March 7, 2008) to December 31, 2012</u>
Cash flows from operating activities:			
Net loss	\$ (87,413)	\$ (78,496)	\$ (504,895)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of debt discount	38,415	12,055	50,470
Common stock issued for services	-	-	15,000
Changes in net assets and liabilities:			
(Increase) decrease in current assets	-	-	-
Increase (decrease) in accounts payable and accrued expenses	7,369	(1,016)	9,457
Cash used in operating activities	<u>(41,629)</u>	<u>(67,457)</u>	<u>(429,968)</u>
Cash flow from financing activities:			
Proceeds from issuance of common stock	12,003	35,380	339,833
Proceeds of debt borrowings	29,800	40,000	69,800
Related party advances	-	-	28,436
Cash provided by financing activities	<u>41,803</u>	<u>75,380</u>	<u>438,069</u>
Change in cash	174	7,923	8,101
Cash - beginning of period	7,927	4	-
Cash - end of period	<u>\$ 8,101</u>	<u>\$ 7,927</u>	<u>\$ 8,101</u>
Supplement cash flow information:			
Non-cash transactions:			
Debt discount	\$ 29,800	\$ 40,000	\$ 69,800

The accompanying notes to the financial statements are integral part of these financial statements.

Dynamic Applications Corp.
Notes to Financial Statements
December 31, 2012

The Company

Organizational Background: Dynamic Applications Corp. (“Dynamic Applications” or the “Company”) is a Delaware corporation in the development stage and has not commenced operations. The Company was incorporated under the laws of the State of Delaware on March 7, 2008. The business plan of the Company is to develop a commercial application of the design in a patent of a “Electromagnetic percussion device” which is a device intended to provide an electromagnetic percussion hammer. The Company also intends to enhance the existing prototype, obtain approval of its patent application, and manufacture and market the product and/or seek third party entities interested in licensing the rights to manufacture and market the device. The accompanying financial statements of Dynamic Applications were prepared from the accounts of the Company under the accrual basis of accounting.

Basis of Presentation: The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has not established any source of revenue to cover its operating costs, and as such, has incurred an operating loss since inception. Further, as of December 31, 2012, the cash resources of the Company were insufficient to meet its current business plan, and the Company had negative working capital. These and other factors raise substantial doubt about the Company’s ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

Significant Accounting Policies

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Cash and Cash Equivalents: For financial statement presentation purposes, the Company considers those short-term, highly liquid investments with original maturities of three months or less to be cash or cash equivalents. There were no cash or cash equivalents as of December 31, 2012 or 2011.

Property and Equipment New property and equipment are recorded at cost. Property and equipment included in the bankruptcy proceedings and transferred to the Trustee had been valued at liquidation value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 years.

Expenditures for renewals and betterments are capitalized. Expenditures for minor items, repairs and maintenance are charged to operations as incurred. Gain or loss upon sale or retirement due to obsolescence is reflected in the operating results in the period the event takes place.

Development Stage Enterprise The Company has been in the development stage since inception.

Valuation of Long-Lived Assets: We review the recoverability of our long-lived assets including equipment, goodwill and other intangible assets, when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of the asset from the expected future pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment

loss is recognized for the difference between estimated fair value and carrying value. Our primary measure of fair value is based on discounted cash flows. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

Stock Based Compensation: Stock-based awards are accounted for using the fair value method in accordance with ASC 718, Share-Based Payments. Our primary type of share-based compensation consists of stock options. We use the Black-Scholes option pricing model in valuing options. The inputs for the valuation analysis of the options include the market value of the Company's common stock, the estimated volatility of the Company's common stock, the exercise price of the warrants and the risk free interest rate.

Accounting For Obligations And Instruments Potentially To Be Settled In The Company's Own Stock: We account for obligations and instruments potentially to be settled in the Company's stock in accordance with FASB ASC 815, Accounting for Derivative Financial Instruments. This issue addresses the initial balance sheet classification and measurement of contracts that are indexed to, and potentially settled in, the Company's own stock.

Fair Value of Financial Instruments: FASB ASC 825, "Financial Instruments," requires entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value. FASB ASC 825 defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. At December 31, 2012 and 2011, the carrying value of certain financial instruments (cash and cash equivalents, accounts payable and accrued expenses.) approximates fair value due to the short-term nature of the instruments or interest rates, which are comparable with current rates.

Fair value measurements: The Company measures fair value under a framework that utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of inputs which prioritize the inputs used in measuring fair value are:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table presents assets that were measured and recognize at fair value on December 31, 2012 and the year then ended on a recurring basis:

Description of asset; None	December 31, 2012			
	(Level 1)	(Level 2)	(Level 3)	Realized Loss
	\$ -	\$ -	\$ -	\$ -

Description of asset; None	December 31, 2011			
	(Level 1)	(Level 2)	(Level 3)	Realized Loss
	\$ -	\$ -	\$ -	\$ -

When the Company changes its valuation inputs for measuring financial assets and liabilities at fair value, either due to changes in current market conditions or other factors, it may need to transfer those assets or liabilities to another level in the hierarchy based on the new inputs used. The Company recognizes these transfers at the end of the reporting period that the transfers occur. For the fiscal periods ended December 31, 2011 and 2011, there were no significant transfers of financial assets or financial liabilities between the hierarchy levels.

Earnings per Common Share: We compute net income (loss) per share in accordance with ASC 260, Earning per Share. ASC 260 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 shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period 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 shares if their effect is anti dilutive. All per share disclosures retroactively reflect shares outstanding or issuable as though the reverse split had occurred January 1, 2010.

Income Taxes: We have adopted ASC 740, Accounting for Income Taxes. Pursuant to ASC 740, we are required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

We must make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of certain tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes.

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax basis of assets and liabilities using the tax rates and laws in effect when the differences are expected to reverse. ASC 740 provides for the recognition of deferred tax assets if realization of such assets is more likely than not to occur. Realization of our net deferred tax assets is dependent upon our generating sufficient taxable income in future years in appropriate tax jurisdictions to realize benefit from the reversal of temporary differences and from net operating loss, or NOL, carryforwards. We have determined it more likely than not that these timing differences will not materialize and have provided a valuation allowance against substantially all of our net deferred tax asset.

Management will continue to evaluate the realizability of the deferred tax asset and its related valuation allowance. If our assessment of the deferred tax assets or the corresponding valuation allowance were to change, we would record the related adjustment to income during the period in which we make the determination. Our tax rate may also vary based on our results and the mix of income or loss in domestic and foreign tax jurisdictions in which we operate.

In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on our estimate of whether, and to the extent to which, additional taxes will be due. If we ultimately determine that

payment of these amounts is unnecessary, we will reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We will record an additional charge in our provision for taxes in the period in which we determine that the recorded tax liability is less than we expect the ultimate assessment to be.

ASC 740 which requires recognition of estimated income taxes payable or refundable on income tax returns for the current year and for the estimated future tax effect attributable to temporary differences and carry-forwards. Measurement of deferred income tax is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized.

Uncertain Tax Positions

The Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109, Accounting for Income Taxes" ("FIN No. 48") which was effective for the Company on January 1, 2007. FIN No. 48 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN No. 48, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. FIN No. 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure requirements.

Our federal and state income tax returns are open for fiscal years ending on or after December 31, 2007. We are not under examination by any jurisdiction for any tax year. At December 31, 2012 we had no material unrecognized tax benefits and no adjustments to liabilities or operations were required under FIN 48.

Recent Accounting Pronouncements

We qualify as an "emerging growth company" under the 2012 JOBS Act. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. As an emerging growth company, we can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period.

In October 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2012-04, "Technical Corrections and Improvements" in Accounting Standards Update No. 2012-04. The amendments in this update cover a wide range of Topics in the Accounting Standards Codification. These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will be effective for fiscal periods beginning after December 15, 2012. The adoption of ASU 2012-04 is not expected to have a material impact on our financial position or results of operations.

In August 2012, the FASB issued ASU 2012-03, "Technical Amendments and Corrections to SEC Sections: Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin (SAB) No. 114, Technical Amendments Pursuant to SEC Release No. 33-9250, and Corrections Related to FASB Accounting Standards Update 2010-22 (SEC Update)" in Accounting Standards Update No. 2012-03. This update amends various SEC paragraphs pursuant to the issuance of SAB No. 114. The adoption of ASU 2012-03 is not expected to have a material impact on our financial position or results of operations.

In July 2012, the FASB issued ASU 2012-02, "Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment" in Accounting Standards Update No. 2012-02. This update amends ASU 2011-08, Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment and permits an entity first to assess qualitative factors to determine whether it is more likely than not that an

indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test in accordance with Subtopic 350-30, Intangibles - Goodwill and Other - General Intangibles Other than Goodwill. The amendments are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012, if a public entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance. The adoption of ASU 2012-02 is not expected to have a material impact on our financial position or results of operations.

In December 2011, the FASB issued ASU 2011-12, "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items out of Accumulated Other Comprehensive Income" in Accounting Standards Update No. 2011-05. This update defers the requirement to present items that are reclassified from accumulated other comprehensive income to net income in both the statement of income where net income is presented and the statement where other comprehensive income is presented. The adoption of ASU 2011-12 is not expected to have a material impact on our financial position or results of operations.

In December 2011, the FASB issued ASU No. 2011-11 "Balance Sheet: Disclosures about Offsetting Assets and Liabilities" ("ASU 2011-11"). This Update requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS. The amended guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Company is currently evaluating the impact, if any, that the adoption of this pronouncement may have on its results of operations or financial position.

Management does not anticipate that the adoption of these standards will have a material impact on the financial statements.

1. Stockholders' Equity

Common Stock

On February 5, 2009, the Company implemented a 3 for 1 forward stock split on its issued and outstanding shares of common stock to the holders of record as of February 5, 2009. As a result of the split, each holder of record on the record date automatically received two additional shares of the Company's common stock. After the split, the number of shares of common stock issued and outstanding were 86,145,000 (861,450 post most recent 1 for 100 reverse stock split) shares.

On October 19, 2012, we filed a Certificate of Amendment to our Certificate of Incorporation with the State of Delaware to change the authorized capital stock to 520,000,000 shares consisting of 500,000,000 shares of common stock, par value \$0.00001 and 20,000,000 shares of preferred stock, par value \$0.00001. The certificate of amendment also authorized a reverse split of common stock at the ratio of 1:100. The accompanying financial statements and related notes thereto have been adjusted accordingly to reflect this forward stock split and the reverse split in 2012. All per share disclosures retroactively reflect shares outstanding or issuable as though the reverse split had occurred at inception.

On March 17, 2008, the Company issued 9,000,000 (90,000 post most recent 1 for 100 reverse stock split) shares of its common stock to two individuals who are Directors and officers for proceeds of \$300.

The Company has completed a capital formation activity in accordance with a Registration Statement on Form S-1 submitted to the SEC to register and sell in a self-directed offering 6,000,000 (60,000 post most recent 1 for 100 reverse stock split) shares of newly issued common stock at an offering price of \$0.04 per share (\$4.00 adjusted for most recent 1 for 100 reverse stock split) for proceeds of \$80,000. The Registration Statement on Form S-1 was filed

with the SEC on May 6, 2008 and declared effective on May 15, 2008. The Company had incurred \$20,000 of deferred offering costs related to this capital formation activity.

As of December 10, 2008 the Company raised \$200,000 and issued 60,000,000 (600,000 post most recent 1 for 100 reverse stock split) shares of its common stock pursuant to a private placement offering of 84,000,000 (840,000 post most recent 1 for 100 reverse stock split) shares, at a purchase price of \$0.01 per share (\$1.00 adjusted for most recent 1 for 100 reverse stock split). The Company received proceeds of \$200,000. The Company incurred \$20,000 of deferred offering costs related to this capital formation activity.

On January 28, 2009 the Company raised \$37,150 and issued 111,450 shares of its common stock pursuant to a private placement offering.

On September 16, 2009, the Company raised \$15,000 and issued 3,000 shares of its common stock pursuant to a private placement offering, at a purchase price of \$5.00 per share.

On October 13, 2009 Dynamic Applications Corp. entered into an amendment to the Executive Employment Agreement between the Company and Mr. Asher Zwebner, the Company's chief financial officer. Under the Amendment, Mr. Zwebner's term of employment was extended until October 31, 2010 and in lieu of the existing employment compensation set forth in the employment agreement, Mr. Zwebner received 5,000 shares of common stock in the Company. The shares were valued at the trading price on the day that the shares were issued less 40% discount for restricted trading.

On August 23, 2011, the Company raised \$3,487 and issued 1,100,000 shares of its common stock pursuant to a private placement offering, at a purchase price of \$0.00317 per share.

On September 8, 2011, the Company amended its Certificate of Incorporation to increase the authorized share and to change the par value to \$0.00001.

On September 27, 2011, the Company raised \$26,844 and issued 8,480,000 shares of its common stock pursuant to a private placement offering, at a purchase price of \$0.00317 per share .

On December 21, 2011, the Company raised \$15,850 (of which \$10,801 was receivable at December 31, 2011) and issued 5,000,000 shares of its common stock pursuant to a private placement offering, at a purchase price of \$0.00317 per share.

On January 9, 2012, the Company raised \$1,202 and issued 380,000 shares of its common stock pursuant to a private placement offering, at a purchase price of \$0.00317 per share.

On October 19, 2012, we filed a Certificate of Amendment to our Certificate of Incorporation with the State of Delaware to change the authorized capital stock to 520,000,000 shares consisting of 500,000,000 shares of common stock, par value \$0.00001 and 20,000,000 shares of preferred stock, par value \$0.00001. The certificate of amendment also authorized a reverse split of common stock at the ration of 1:100. All per share disclosures retroactively reflect shares outstanding or issuable as though the reverse split had occurred January 1, 2008.

2. Related Party transactions not disclosed elsewhere

Due Related Parties: As of December 31, 2012, a total of \$28,436 was owed to Asher Zwebner, CFO and a director, and represented accrued but unpaid compensation for services during the period from 2008 to 2009. The amount owed is not formalized by a written agreement, does not carry a specific due date and is non-interest bearing.

3. Convertible Notes

In August, 2011 we issued a \$40,000 convertible promissory note. The note, which has a maturity date of December 31, 2013, bears interest at 15% per annum until paid or converted. The note is convertible at the option of the holder at any time and from time to time, on or after June 30, 2013, into our common stock at a fixed conversion price of \$0.01 per share.

The convertible debt security was issued with a non-detachable conversion feature. We evaluate and account for such securities in accordance with ASC 470-20, “*Debt – Debt with Conversion and Other Options*”. The note was considered to have an embedded beneficial conversion feature because the effective conversion price was less than the quoted market price at the time of the issuance. This resulted in a discount to the carrying amount of the note equal to:

- the difference between the effective conversion rate and the market price of our common stock on the date of issuance; multiplied by
- the number of shares into which the notes are convertible.

The initial beneficial conversion feature of \$40,000 was recorded separately based on the intrinsic value method.

The value of the beneficial conversion feature was recorded as a discount to the note which was amortized over the term of the note using the effective interest method. Amortization of \$12,055 of the discount arising from the beneficial conversion feature of was included in interest expense during the fiscal period ended December 31, 2011 and \$27,945 in 2012.

During 2012 the Company signed a series of seven promissory notes with unrelated parties for an aggregate of \$29,800. The notes bear interest at 15% per annum and are due approximately one year from the date of issuance. The notes have conversion rights that allow the holder of the note to convert the principal balance into the Company’s common stock at any time after June 30, 2013 at the lender's sole discretion at \$0.01 per share.

In accordance with ASC 470, the Company has analyzed the beneficial nature of the conversion terms and determined that a beneficial conversion feature (BCF) exists. The Company calculated the value of the BCF using the intrinsic method as stipulated in ASC 470. The BCF has been recorded as a discount to the notes payable and to Additional Paid-in Capital. As of December 31, 2012, the aggregate balance of convertible notes payable is \$10,470 net of unamortized discounts of \$19,330.

For the period ended December 31, 2012 the Company has recognized \$1,632 in interest expense related to these notes and has amortized \$10,470 of the beneficial conversion features which has also been recorded as interest expense. The aggregate carrying value of these notes is as follows:

	<u>December 31, 2012</u>
Face amount of the notes	\$29,800
Less unamortized discount	<u>(19,330)</u>
Carrying Value	<u>\$10,470</u>

As of December 31, 2012, the Company is not in default on any of its debt covenants.

4. Income Taxes

We have adopted ASC 740 which provides for the recognition of a deferred tax asset based upon the value the loss carry-forwards will have to reduce future income taxes and management's estimate of the probability of the realization of these tax benefits. Our net operating loss carryovers incurred prior to 2008 considered available to reduce future income taxes were reduced or eliminated through our recent change of control (I.R.C. Section 382(a)) and the continuity of business limitation of I.R.C. Section 382(c).

We have a current operating loss carry-forward of \$ 453,999 resulting in deferred tax assets of \$158,900. We have determined it more likely than not that these timing differences will not materialize and have provided a valuation allowance against substantially all our net deferred tax asset.

Future utilization of currently generated federal and state NOL and tax credit carry forwards may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended and similar state provisions. The annual limitation may result in the expiration of NOL and tax credit carry forwards before full utilization.

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Individual components giving rise to the deferred tax assets are as follows::		
Future tax benefit arising from net operating loss carryovers	\$158,900	\$141,750
Less valuation allowance	<u>(158,900)</u>	<u>(141,750)</u>
Net deferred	<u>\$ -</u>	<u>\$ -</u>

The Company is not under examination by any jurisdiction for any tax year. Our federal and state income tax returns are open for fiscal years ending on or after December 31, 2008.

5. Commitments

The Company is not a party to any leases and does not have any commitments.

6. Development Stage Activities and Going Concern

The Company has been in the development stage since inception. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has not established any source of revenue to cover its operating costs, and as such, has incurred an operating loss since inception. Further, as of December 31, 2012, the cash resources of the Company were insufficient to meet its current business plan. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of asset or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

7. Subsequent Events:

On January 15, 2013, the Company entered into a consulting agreement with Gennady Nickelshur to serve as the Company's chief scientific advisor ("CSO"). The agreement with Mr. Nickelshpur provides for cash compensation based upon an hourly rate and the grant to the CSO of options pursuant to an ESOP to be adopted by the board of directors. The terms of the ESOP have yet to be determined.

On March 5, 2013, the Company and GUMI Tel Aviv Ltd, a major, privately-held Israeli technology company ("GUMI"), entered into development/manufacturing/marketing agreement ("GUMI Agreement"). GUMI is engaged in the manufacture, import/export, marketing and install industrial equipment and designing technical solutions to major Israeli customers, including, among others, the Israeli Defense Forces (IDF), El-Al Airlines, major Israeli Aerospace companies, as well as foreign industrial customers. Further, GUMI recently entered into a Joint Venture with a large Indian industrial company to build a factory in India to manufacture specially designed pipes for the aviation industry. GUMI has eight operating subsidiaries, approximately 200 full-time employees, more than 100 sub-contractors, and is among Israel's largest manufacturers and distributors of industrial equipment.

Pursuant to the GUMI Agreement, GUMI agreed to: (i) complete the development of the Prototype of the Patented Device; (ii) manufacture the commercial model(s) of the Patented device; and (iii) market the commercial model(s) of the Patented Device.

In consideration for developing the Prototype and manufacturing and marketing/distributing commercial models of the Patented Device as well as incurring all related costs and expenses in connection therewith, the Company shall compensate GUMI as follows: (i) upon the execution of the GUMI Agreement, the Company granted GUMI warrants (the "Warrants") exercisable to purchase 200,000 shares of the Company's common stock ("Warrant Shares") at an exercise price of USD\$0.05 per share (the "Exercise Price"); (ii) upon completion of the Prototype, granting GUMI additional Warrants to purchase 200,000 additional Warrant Shares at the Exercise Price; and (iii) upon completion of a Commercial Device ready for manufacture and sale, granting GUMI additional Warrants to purchase 200,000 additional Warrant Shares at the Exercise Price. The Warrants shall expire 3 years from the date of each grant and shall be subject to adjustment in the event of any recapitalization of the Company's capital stock.

In addition to the consideration represented by the grant of Warrants, the Agreement further provides that following commencement of sale of the Commercial Device and until such time that GUMI has recouped all costs and expenses that it has incurred and paid in connection with the completion of development of the Prototype and the manufacture of the Commercial Device ("Date of Recoupment"), one hundred (100%) percent of the net sales revenues shall be paid and distributed to GUMI. On and after the Date of Recoupment, net sales revenues shall be paid sixty-five (65%) percent to GUMI and thirty-five (35%) percent to the Company.

Item XIII. Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

N/A.

Item XIV. Beneficial Owners.

The table below discloses any person (including any "group") who is known to the Registrant to be the beneficial owner of more than five (5%) percent of the Registrant's common stock securities and the beneficial ownership of Registrant's director and executive officer. As of November 15, 2012, the Registrant had 15,829,450 shares of common stock issued and outstanding.

Name of Beneficial Owner	Common Stock Beneficially Owned	Percentage of Common Stock Owned
Jacky Shenker 78 Uziel Street, Jerusalem, Israel	8,000,000	50.54%
Levi Krasney 8 Paamoni, Tel Aviv, Israel	1,300,000	8.21%
Amir Uziel 9 Hakormim Street, Misgav, Tel Aviv	1,300,000	8.21%
Elimelech Krasney 43 Yehuda Hamakabi Street, Tel Aviv, Israel	1,300,000	8.21%
Ruth Katz 26 Kadish Luz Street, Jerusalem, Israel	1,300,000	8.21%
Guil Mediouni 14 Netaaim Street, Rishon Letzion, Israel	1,300,000	8.21%
Eli Gonen, Chairman 16/2 Hazamir Street, Mevaseret Zion, Israel	80,000	0.51%
Ori Goore, CEO and Director 36/1 Yaholom Street, Modi'In, Israel	80,000	0.51%
Asher Zwebner, CFO and Director 216 Jaffa Street, Jerusalem, Israel	0	0.00%
Director and Officer (3 person)	160,000	1.02%

Item XV. The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

1. Investment Banker: None
2. Promoters: None.
3. Counsel: Thomas J. Craft, Jr., Esq., 5420 North Ocean Drive, Singer Island, FL, 33404
4. Accountant/Auditor: M&K CPAS, PLLC, 4100 N. Sam Houston Freeway W., Suite 200-B, Houston, TX 77086
5. Public relations Consultant(s): None.
6. Investor Relations Consultant: None.
7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure documentation – the information shall include the telephone number and email address of each advisor. None.

Item XVI. Management's Discussion and Analysis or Plan of Operation.

The following discussion contains forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use of words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. From time to time, we also may provide forward-looking statements in other materials we release to the public.

Plan of Operation

We are a development stage company that acquired the technology and received a patent for an electromagnetic percussion system, our Patented Device in 2008. From 2008 until 2011, we devote minimal resources and efforts to development of our Patented Device. During the later part of 2011 and into 2012, we renewed our interest in pursuing development of our Patented Device. Subsequent to our year-ended December 31, 2012, we entered into an

agreement with GUMI Tel Aviv Ltd, a major, privately-held Israeli technology company engaged in the manufacture and sale of industrial equipment, to develop the Prototype and thereafter manufacture and distribute models of our Patented Device. We will continue to be dependent upon the ability of GUMI to successfully complete a fully-operational Prototype of our Patented Device and to manufacture and market commercial models.

Our auditors have issued an opinion on our financial statements which includes a statement describing concern about our ability to continue as a going concern. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills and meet our other financial obligations. This is because we have not generated any revenues and no revenues are anticipated until GUMI is successful in generating sufficient sales revenues to recoup its costs and thereafter generate additional revenues that profits we will share with GUMI on 60%/40% basis. Accordingly, we must raise capital from sources other than the actual sale of the product until such time, if ever, that GUMI is successful with our Patented Device.

In 2008, the Company completed a capital formation activity in accordance with a Registration Statement on Form S-1 submitted to the SEC to register and sell in a self-directed offering 2,000,000 shares of newly issued common stock at an offering price of \$0.04 per share for proceeds of \$80,000. The Company had incurred \$20,000 of deferred offering costs related to this capital formation activity. In December 2008, the Company was successful in raising an additional \$200,000 in equity capital. These funds were not sufficient, given the relatively high costs of executive compensation and consulting expenses, to permit the Company to devote sufficient resources to development of its Patented Device.

Our plan also contemplates that as we begin to generate revenues from our Patented Device, together with our belief in our ability to raise either debt or equity funding from both affiliated persons and from third parties, neither of which can there be any assurance, we will seek to enhance our revenue stream by entering into joint ventures or other business arrangements with third parties engaged in technology development. While there can be no assurance that we will be successful in such efforts, we believe that in Israel alone there are many opportunities that have and will continue to be presented to us as well as to our shareholders.

Results of Operations during the year ended December 31, 2012 as compared to the year ended December 31, 2011

We have not generated any revenues since inception. We have operating expenses related to general and administrative expenses being a public company and interest expenses. During 2012, we incurred a net loss of \$87,413 due to expenses consisting of general and administrative expenses of \$41,350, interest expenses of \$7,648 and amortization of debt discount of \$38,415 during the year ended December 31, 2012 compared to a net loss of \$78,496 due to general and administrative expenses of \$64,633, interest expenses of \$1,808 and amortization of debt discount of \$12,055 during the year ended December 31, 2011.

Liquidity and Capital Resources

On December 31, 2012, we had total assets of \$8,101, all of which was in cash as compared to total assets of \$7,927 as of December 31, 2011, all of which was in cash. We had total current liabilities of \$88,364 consisting of \$9,458 in accrued expenses \$28,436 in advances payable to related parties and \$50,470 which is the current portion of long term debt, compared to current liabilities of \$30,525, comprised of \$280 in account payable-trade, \$1,809 accrued interest, \$28,436 in advances payable to related parties, on December 31, 2011. Our accumulated deficits as of December 31, 2012 and 2011 were \$504,895 and \$417,482, respectively.

We used \$41,629 in our operating activities during the year 2012, which was mainly due to a net loss of \$87,413 offset by increases in amortization of debt discount of \$38,415 and accounts payable and accrued liabilities of \$7,369. We used \$67,457 in our operating activities during the year 2011, which was due to a net loss of \$78,496 offset by an increase in amortization of debt discount of \$12,055 less a decrease in accounts payable and accrued liabilities of \$1,016.

We financed our negative cash flow from operations in 2012 through proceeds from issuance of common stock in the amount of \$12,003 and proceeds of debt borrowings of \$29,800, representing total cash generated by financing activities of \$41,803. We financed our negative cash flow from operations in 2011 through proceeds of issuance of

common stock of \$35,380 and proceeds of debt borrowing of \$40,000 representing total cash generated by financing activities of \$75,380.

We do not have, at present, sufficient capital resources to fully implement our business plan. While we believe that we should be able to generate positive cash flow from operations during the 3rd or 4th quarters of 2013, there can be no assurance that this will prove to be correct or that revenues, if any, will be sufficient to fund our ongoing operating expenses. Accordingly, we plan to raise these funds through a private offering of our equity securities or through issuance of convertible debt instruments. There can be no assurance that additional capital will be available to us. We currently have no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources.

Our auditors have issued an opinion on our financial statements which includes a statement describing our going concern status. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills and meet our other financial obligations. This is because we have not generated any revenues and no revenues are anticipated until we begin marketing the product. Accordingly, we must raise capital from sources other than the actual sale of the product. We must raise capital to implement our project and stay in business. Even if we raise the maximum amount of money in this offering, we do not know how long the money will last, however, we do believe it will last at least twelve months.

There are no limitations in our articles of incorporation on our ability to borrow funds or raise funds through the issuance of restricted common stock. Our limited resources and lack of operating history may make it difficult to do borrow funds or raise capital. Our inability to borrow funds or raise funds through the issuance of restricted common stock required to facilitate our business plan may have a material adverse effect on our financial condition and future prospects. To the extent that debt financing ultimately proves to be available, any borrowing will subject us to various risks traditionally associated with indebtedness, including the risks of interest rate fluctuations and insufficiency of cash flow to pay principal and interest.

Off-Balance Sheet Arrangements

As of December 31, 2012, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated under the Securities Act of 1934.

Contractual Obligations and Commitments

As of December 31, 2012, we did not have any contractual obligations.

Critical Accounting Policies

Development Stage Enterprise and Going Concern: The Company has been in the development stage since inception. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has not established any source of revenue to cover its operating costs, and as such, has incurred an operating loss since inception. Further, as of December 31, 2012, the cash resources of the Company were insufficient to meet its current business plan. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of asset or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Cash and Cash Equivalents: For financial statement presentation purposes, the Company considers those short-term, highly liquid investments with original maturities of three months or less to be cash or cash equivalents. There were no cash equivalents as of December 31, 2012 or 2011.

Property and Equipment: New property and equipment are recorded at cost. Property and equipment included in the bankruptcy proceedings and transferred to the Trustee had been valued at liquidation value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 years. Expenditures for renewals and betterments are capitalized. Expenditures for minor items, repairs and maintenance are charged to operations as incurred. Gain or loss upon sale or retirement due to obsolescence is reflected in the operating results in the period the event takes place.

Valuation of Long-Lived Assets: We review the recoverability of our long-lived assets including equipment, goodwill and other intangible assets, when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of the asset from the expected future pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. Our primary measure of fair value is based on discounted cash flows. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

Stock Based Compensation: Stock-based awards are accounted for using the fair value method in accordance with ASC 718, *Share-Based Payments*. Our primary type of share-based compensation consists of stock options. We use the Black-Scholes option pricing model in valuing options. The inputs for the valuation analysis of the options include the market value of the Company's common stock, the estimated volatility of the Company's common stock, the exercise price of the warrants and the risk free interest rate.

Accounting For Obligations And Instruments Potentially To Be Settled In The Company's Own Stock: We account for obligations and instruments potentially to be settled in the Company's stock in accordance with FASB ASC 815, *Accounting for Derivative Financial Instruments*. This issue addresses the initial balance sheet classification and measurement of contracts that are indexed to, and potentially settled in, the Company's own stock.

Fair Value of Financial Instruments: As defined in ASC 820-10, Fair Value Measurements and Disclosures ("ASC 820-10"), fair value is based on the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, ASC 820-10 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:
 Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
 Level 2: Other inputs that are observable, directly or indirectly, such as quoted prices for similar assets and liabilities or market corroborated inputs.
 Level 3: Unobservable inputs are used when little or no market data is available, which requires the Company to develop its own assumptions about how market participants would value the assets or liabilities. The fair value hierarchy gives the lowest priority to Level 3 inputs.
 In determining fair value, the Company utilizes valuation techniques in its assessment that maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value Measurements at December 31, 2012

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
None	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ -	\$ -	\$ -	\$ -

Fair Value Measurements at December 31, 2011

Quoted Prices in Active	Significant Other	Significant
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	Total	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
None	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ -	\$ -	\$ -	\$ -

Earnings per Common Share: We compute net income (loss) per share in accordance with ASC 260, *Earning per Share*. ASC 260 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 shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period 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 shares if their effect is anti dilutive.

Income Taxes: We have adopted ASC 740, *Accounting for Income Taxes*. Pursuant to ASC 740, we are required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

We must make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of certain tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes.

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax basis of assets and liabilities using the tax rates and laws in effect when the differences are expected to reverse. ASC 740 provides for the recognition of deferred tax assets if realization of such assets is more likely than not to occur. Realization of our net deferred tax assets is dependent upon our generating sufficient taxable income in future years in appropriate tax jurisdictions to realize benefit from the reversal of temporary differences and from net operating loss, or NOL, carryforwards. We have determined it more likely than not that these timing differences will not materialize and have provided a valuation allowance against substantially all of our net deferred tax asset.

Management will continue to evaluate the realizability of the deferred tax asset and its related valuation allowance. If our assessment of the deferred tax assets or the corresponding valuation allowance were to change, we would record the related adjustment to income during the period in which we make the determination. Our tax rate may also vary based on our results and the mix of income or loss in domestic and foreign tax jurisdictions in which we operate.

In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. We recognize liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on our estimate of whether, and to the extent to which, additional taxes will be due. If we ultimately determine that payment of these amounts is unnecessary, we will reverse the liability and recognize a tax benefit during the period in which we determine that the liability is no longer necessary. We will record an additional charge in our provision for taxes in the period in which we determine that the recorded tax liability is less than we expect the ultimate assessment to be.

ASC 740 which requires recognition of estimated income taxes payable or refundable on income tax returns for the current year and for the estimated future tax effect attributable to temporary differences and carry-forwards. Measurement of deferred income tax is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized.

Uncertain Tax Positions

The Financial Accounting Standards Board issued Interpretation No. 48, “Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109, Accounting for Income Taxes” (“FIN No. 48”) which was

effective for the Company on January 1, 2007. FIN No. 48 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN No. 48, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. FIN No. 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure requirements.

Our federal and state income tax returns are open for fiscal years ending on or after December 31, 2007. We are not under examination by any jurisdiction for any tax year. At December 31, 2012 we had no material unrecognized tax benefits and no adjustments to liabilities or operations were required under FIN 48.

Part F Issuance History

Item XVII. List of securities offerings and shares issued for services in the past two years.

Sale of Unregistered Securities

Date	Title	Shares Issued	Persons	Consideration Per Share
8/24/2011	Common Stock	1,100,000	Shenker, Jacky	\$0.00317 per share in cash pursuant to Section 4(2)
9/29/2011	Common Stock	40,000	Gonen, Eli - related party - Chairman	\$0.00317 per share in cash pursuant to Section 4(2)
9/29/2011	Common Stock	40,000	Goore, Ori - related party - CEO, Director	\$0.00317 per share in cash pursuant to Section 4(2)
9/29/2011	Common Stock	900,000	Uziel, Amir	\$0.00317 per share in cash pursuant to Section 4(2)
9/29/2011	Common Stock	900,000	Mediouni, Guil	\$0.00317 per share in cash pursuant to Section 4(2)
9/29/2011	Common Stock	900,000	Katz, Ruth	\$0.00317 per share in cash pursuant to Section 4(2)
9/29/2011	Common Stock	900,000	Krasney, Lavi	\$0.00317 per share in cash pursuant to Section 4(2)
9/29/2011	Common Stock	900,000	Krasney, Elimelech	\$0.00317 per share in cash pursuant to Section 4(2)
9/29/2011	Common Stock	3,900,000	Shenker, Jacky	\$0.00317 per share in cash pursuant to Section 4(2)
12/23/2011	Common Stock	3,000,000	Shenker, Jacky	\$0.00317 per share in cash pursuant to Section 4(2)
12/23/2011	Common Stock	400,000	Uziel, Amir	\$0.00317 per share in cash pursuant to Section 4(2)
12/23/2011	Common Stock	400,000	Mediouni, Guil	\$0.00317 per share in cash pursuant to Section 4(2)
12/23/2011	Common Stock	400,000	Katz, Ruth	\$0.00317 per share in cash pursuant to Section 4(2)
12/23/2011	Common Stock	400,000	Krasney, Lavi	\$0.00317 per share in cash pursuant to Section 4(2)
12/23/2011	Common Stock	400,000	Krasney, Elimelech	\$0.00317 per share in cash pursuant to Section 4(2)
1/10/2012	Common Stock	180,000	Fruchter, Lazar	\$0.00317 per share in cash pursuant to Section 4(2)
1/10/2012	Common Stock	120,000	Ehud Barzilay Holding &	\$0.00317 per share in cash pursuant to Section 4(2)
1/10/2012	Common Stock	40,000	Goore, Ori - related party - CEO, Director	\$0.00317 per share in cash pursuant to Section 4(2)
1/10/2012	Common Stock	40,000	Gonen, Eli - related party - Chairman	\$0.00317 per share in cash pursuant to Section 4(2)

In various private placement transactions from August 2011 through December 2012, the Company issued a total of 14,960,000 restricted shares in Regulation S offerings for an aggregate purchase price of \$47,387 to approximately 12 investors. The sales of these securities were exempt under either Section 4(2) of the Securities Act of 1933, as amended (the "Act") and the rules and regulations promulgated by the SEC thereunder, including Regulation S. The investors represented to the Company that they have sufficient knowledge and experience in financial and business matters to evaluate the risks and merits of the investment (the "sophisticated investor"), or be able to bear the investment's economic risk, have access to the type of information normally provided in a prospectus; and agreed not to resell or distribute the securities to the public other than in compliance with the Act. In addition, the Company did not use any form of public solicitation or general advertising in connection with the offerings.

On September 13, 2011, the Company issued a \$40,000 promissory note in connection with a loan from an unaffiliated third party. On December 22, 2011, the promissory note was converted to a convertible promissory note that bears interest at 15% per annum and is due on December 31, 2013. The note has conversion rights that allow the noteholder, at the lender's sole discretion, to convert the principal balance into the Company's common stock at any time after June 30, 2013 at \$0.01 at the lender's sole discretion.

Part G Exhibits

Item XVIII. Material Contracts.

On January 15, 2013, the Company entered into a consulting agreement with Gennady Nickelshur to serve as the Company's chief scientific advisor ("CSO"). The agreement with Mr. Nickelshpur provides for cash compensation based upon an hourly rate and the grant to the CSO of options pursuant to an ESOP to be adopted by the board of directors. The terms of the ESOP have yet to be determined.

The Company entered into the GUMI Agreement with GUMI Tel Aviv Ltd dated March 5, 2013, filed with the Company's Form 8-K on March 7, 2013. On April 17, 2013, the Company entered into a Modification Agreement, pursuant to which the above referenced distribution agreement with GUMI was modified and amended as follows: (i) GUMI engaged the services of Mr. Ygal Chapo, a Tel Aviv university trained mechanical engineer, to lead GUMI's design and engineering team developing a working prototype of the Company's patented electromagnetic percussion device ("Patented Device") and commercial models of the Patented Device; (ii) the Company agreed to contribute \$10,000 to the compensation GUMI is paying its newly designated mechanical engineer; and (iii) the revenue sharing arrangement between GUMI and the Company was changed to 60% to GUMI and 40% to the Company from 65% to GUMI and 35% to the Company.

On April 17, 2013, the Company entered into an agreement (the "Representative Agreement") with Sensoil Ltd, an Israeli company ("Sensoil"), a company engaged in the design, development, manufacture, installation and service of their Vaduze Monitoring Systems (VMS), a system designed to detect and monitor soil contamination, floods, breaching of dams and Heap Leaching processes. Pursuant to the Representative Agreement, the Company has been designated as Sensoil's sales representative for the United States on a non-exclusive basis. The Representative Agreement is for an initial term of one year with automatic renewal terms of one year each. The Company will receive a commission equal to 25% of the first \$5 million in sales revenues and 20% of sales revenues in excess of 45 million generated by the Company for Sensoil's products and services in the United States. The Representative Agreement with Sensoil Ltd is part of our plan to seek to enhance our revenue stream by entering into joint ventures or other business arrangements with third parties engaged in technology development, based upon our belief that there are many opportunities for us to develop relationships with technology companies in Israel that can generate revenues in the united States and elsewhere.

Item XIX. Articles of Incorporation and Bylaws.

- (a) Certificate of Incorporation and Certificate of Amendment filed with the State of Delaware were filed as exhibits to the Company's Registration Statement on Form 10/12G as filed with the Securities and Exchange Commission ("SEC") on November 21, 2012.
- (b) Bylaws of the Company were filed with the SEC as an exhibit to the Company's Registration Statement on Form 10/12G on November 21, 2012).

Item XX. Purchases of Equity Securities by the Issuer and Affiliated Purchases

A. In the following tabular format, provide the information specified in paragraph (B) of this item XX with respect to any purchase made by on or behalf of the issuer or any "Affiliated Purchaser" (as defined in paragraph(C) of this item XX) of shares or other units of any class of the issuers equity securities.

During the last two fiscal, neither the Company nor any affiliated party has repurchased any equity securities.

XXI Issuer's Certifications.

Certification of Chief Executive Officer

I, Ori Goore, certify that:

1. I have reviewed this initial disclosure statement of Dynamic Applications Corp. for the years ended December 31, 2012 and December 31, 2011.
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; 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 respect the financial conditions, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: April 24, 2013

/s/ Ori Goore, CEO
Dynamic Applications Corp.