



VVT MED INC.

(FORMERLY KNOWN AS DXI CAPITAL CORP.)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AS AT AND FOR THE THREE AND SIX MONTHS
ENDED JUNE 30, 2026**

(UNAUDITED)

VVT MED INC.
(formerly known as DXI Capital Corp.)

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VVT MED INC.
(formerly known as DXI Capital Corp.)

NOTICE TO READERS

The accompanying unaudited condensed interim consolidated financial statements of VVT MED INC. (formerly known as DXI Capital Corp.) as at and for the three and six months ended June 30, 2026, have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (Note 2). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed interim financial statements, management is satisfied that these unaudited condensed interim consolidated financial statements have been fairly presented.

Under National Instrument 51-102, part 4, sub-section 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

VVT MED INC.
(formerly known as DXI Capital Corp.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(US Dollars in thousands)

	<u>Note</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>
CURRENT ASSETS:			
Cash and cash equivalents		9	145
Trade accounts receivables		28	32
Other accounts receivables		37	36
Inventory		303	283
Total current assets		377	496
NON-CURRENT ASSETS:			
Long-term deposit		46	43
Right of use assets		380	355
Plant and equipment		26	22
Total non-current assets		452	420
TOTAL ASSETS		829	916
CURRENT LIABILITIES:			
Current portion of lease liabilities		224	209
Short-term loans		678	602
Derivative liability	5	123	205
Trade accounts payables		814	1,095
Other accounts payables	6	556	380
Total current liabilities		2,395	2,491
NON-CURRENT LIABILITIES:			
Lease liabilities		263	245
Total non-current liabilities		263	245
TOTAL LIABILITIES		2,658	2,736
SHAREHOLDERS' DEFICIT:			
	7		
Share capital		23,977	22,932
Currency translation reserve		(382)	(335)
Capital reserve on share-based payment		243	221
Warrant reserve		86	-
Retained deficit		(25,753)	(24,638)
Total shareholders' deficit		(1,829)	(1,820)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		829	916

August 28, 2026

Date of the approval of the
financial statements

"Yair Aloni"

Yair Aloni
Chairman of the Board of
Directors

"Stephen Gledhill"

Stephen Gledhill
Director and Chairman of the
Audit Committee

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statement

VVT MED INC.
(formerly known as DXI Capital Corp.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(US Dollars in thousands)

	Note	Six months ended June 30		Three months ended June 30	
		2026	2025	2026	2025
Revenues		87	80	33	14
Cost of revenues		(34)	(25)	(16)	(5)
Gross profit		53	55	17	9
Research and development expenses		(146)	(71)	(33)	(28)
General and administrative expenses	9	(939)	(558)	(506)	(242)
Sales and marketing expenses		(94)	(118)	(47)	(50)
Operating loss		(1,126)	(692)	(569)	(311)
Financing income		43	-	22	-
Financing expenses		(32)	(291)	(11)	(149)
Loss before taxes on income		(1,115)	(983)	(558)	(460)
Taxes on income		-	-	-	-
Loss for the period		(1,115)	(983)	(558)	(460)
Other comprehensive profit (loss):					
Item that will not be reclassified to profit or loss:					
Exchange rate differences		(47)	(579)	(35)	(724)
Total comprehensive loss for the periods		(1,162)	(1,562)	(593)	(1,184)
Basic and diluted loss per share attributable to shareholders:					
		(0.016)	(0.158)	(0.008)	(0.074)
Weighted average number of common shares outstanding*:		69,226,966	6,197,843	71,435,080	6,197,843

*The share split has been retroactively presented in all periods for both common and preferred shares

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

VVT MED INC.
(formerly known as DXI Capital Corp.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(US Dollars in thousands)

	Number of shares*	Share capital	Capital reserve on share-based payment	Retained deficit	Currency translation reserve	Warrants reserve	Total
Balance at January 1, 2026	66,933,350	22,932	221	(24,638)	(335)	-	(1,820)
Net loss	-	-	-	(1,115)	-	-	(1,115)
Other comprehensive loss	-	-	-	-	(47)	-	(47)
Total comprehensive loss	-	-	-	(1,115)	(47)		(1,162)
Warrants exercised	193,840	37	-	-	-	-	37
Share-based payment	-	-	22	-	-	-	22
Shares for debt	1,203,410	271	-	-	-	-	271
Private placement - first tranche	4,262,654	737	-	-	-	86	823
Balance at June 30, 2026	<u>72,593,254</u>	<u>23,977</u>	<u>243</u>	<u>(25,753)</u>	<u>(382)</u>	<u>86</u>	<u>(1,829)</u>

* See Note 7 for number of shares details

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VVT MED INC.
(formerly known as DXI Capital Corp.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(US Dollars in thousands)

	Number of shares*	Share capital	Capital reserve on share-based payment	Retained deficit	Currency translation reserve	Total
Balance at January 1, 2025	2,562,291	13,595	640	(20,662)	47	(6,380)
Net loss	-	-	-	(983)	-	(983)
Other comprehensive loss	-	-	-	-	(579)	(579)
Total comprehensive loss	-	-	-	(983)	(579)	(1,562)
Option exercise	792,899	424	(418)	-	-	6
Series A exercise	11,082,395	3,466	-	-	-	3,466
Balance at June 30, 2025	14,437,585	17,485	222	(21,645)	(532)	(4,470)

* See Note 7 for number of shares details

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

VVT MED INC.
(formerly known as DXI Capital Corp.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(US Dollars in thousands)

	Six month ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the period	(1,115)	(983)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	3	2
Financing expenses	31	289
Change in fair value of derivatives	43	-
Decrease in trade receivables	4	6
Increase in other receivables	(1)	(94)
Increase in long-term deposit	(3)	-
Increase in inventory	(20)	-
Decrease in trade payables	(10)	(141)
Increase in other payables	176	152
Net cash used in operating activities	(892)	(769)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	4	-
Net cash used in investment activities	4	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(66)	(60)
Advance proceeds toward convertible debentures	-	847
Advance proceeds toward Private Placement	50	-
Proceeds from Private Placement, net	761	-
Proceeds from loans	-	102
Warrant exercise	3	-
Option exercise	-	4
Net cash provided by financing activities	748	893
Effect of foreign exchange rate and currencies on cash	4	43
Decrease in cash and cash equivalents	(136)	167
Cash and cash equivalents at beginning of the period	145	104
Cash and cash equivalents at the end of the period	9	271

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

V.V.T. MED LTD
UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS - APPENDICES
(US Dollars in thousands)

	Six month ended June	
	30	
	2026	2025
<u>Additional information – Non-Cash activity</u>		
Series A exercise	15	3,206
Shares for debt	271	-

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

VVT MED INC.
(formerly known as DXI Capital Corp.)
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(US Dollars in thousands)

NOTE 1 – GENERAL

A. Nature and continuance of operation

VVT MED INC. (formerly known as DXI Capital Corp.) (the "**Company**" or "**VVT Med Inc.**") is a public company trading on the TSX Venture Exchange ("**TSXV**" or the "**Exchange**") in Canada under the symbol of "VVTM". The address of its registered office is 404 – 999 Canada Place, Vancouver, British Columbia. The Company and its business as presented are the result of the Reverse Takeover Transaction (the "**RTO**") of VVT MED INC. by V.V.T. MED LTD ("**VVT**") (see Note 1C).

V.V.T. MED LTD is an Israeli-based private company incorporated under the laws of the State of Israel on June 14, 2007, company number 513991166. VVT's head and registered office is located at Hasadna 6, Kfar-Saba, Israel. VVT is a medical device company that develops, manufactures, and commercializes minimally invasive, non-thermal, non-tumescent solutions for the treatment of varicose veins. VVT's products, which received the Food and Drug Administration (the "**FDA**") approval, have a wide range of competitive advantages over alternatives, including fast and painless treatment without anesthesia and immediate results and recovery.

B. Going concern

Since its establishment, the Company has not generated significant revenues from sales. As of June 30, 2026 and December 31, 2025, the Company had incurred a retained deficit of \$25,753 and \$24,638, respectively. The Company expects to continue to fund its operations through financing activities and through revenues from customers. The Company is taking action in order to obtain additional sources of financing in order to enable the continuation of the Company's operations beyond the abovementioned period. These sources may include, inter alia: (a) business development activity, which is intended for the performance of a strategic move; (b) a public recruitment of equity or debt; (c) the start of sales and the expansion of the marketing activity for its products and the imbedding thereof in the markets; and (d) the receipt of government grants for development projects. In light of the aforesaid, there are significant doubts regarding the Company's continued existence as a going concern. The unaudited condensed interim consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company were unable to continue as a going concern.

C. Reverse takeover of VVT Med Inc.

- 1) On October 1, 2024, the Company entered into a definitive agreement dated September 30, 2024 (the "**Definitive Agreement**") with:
 - (i) V.V.T. MED LTD; and
 - (ii) EXITEAM ACQUISITION CORP. ("**EAC**"), a Canadian company incorporated under the BCBCA on March 19, 2020. Its principal business activity is raising funds for VVT's Transaction (as defined below);

VVT MED INC.
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NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
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(US Dollars in thousands)

NOTE 1 – GENERAL (CONT.)

Pursuant to the Definitive Agreement, the Company has agreed to acquire all of the issued and outstanding shares in the capital of VVT (the "**VVT Shares**") and EAC (the "**EAC Shares**"), as well as all other issued securities of VVT and EAC (the "**Transaction**"). Following the completion of the Transaction, the Company (the "**Resulting Issuer**") will continue the business of VVT, being a new medical treatment for varicose veins and will be listed on the TSXV under the life sciences sector.

As at December 31, 2025, EAC has not yet completed its formal dissolution in accordance with applicable laws. It is expected that the dissolution will be completed by the end of the current year.

- 2) On July 22, 2025, the Transaction was completed according to the terms of a Definitive Agreement pursuant to which (i) the Company acquired all of the issued and outstanding securities of EAC by way of a three-cornered amalgamation with a wholly-owned subsidiary of the Company under the laws of the Province of British Columbia; and (ii) the Company acquired all of the issued and outstanding securities of VVT pursuant to a share exchange agreement entered into among the Company and each of VVT's securityholders. Following the Transaction, each common share of the Company was reversed split in a 4.67 exchange ratio. As consideration, each VVT Share was exchanged for Company Shares on the basis of the exchange ratio for the VVT Shares set out in the Definitive Agreement (each VVT Share equivalent to 3.226 Company Shares). Each EAC Share was exchanged for one VVT MED INC. Share.
 - 3) On July 31, 2025, at market open, the Company Shares commenced trading on the TSX Venture Exchange under the symbol "VVTM".
- D. Since October 7, 2023, Israel has been engaged in armed conflict with Hamas, a terror militant group in the Gaza Strip, alongside ongoing hostilities with Hezbollah operating from Lebanon. On June 13, 2025, the conflict escalated into direct military hostilities between Israel and Iran, increasing military activity across the region. Subsequently, on February 28, 2026, Israel and the United States launched coordinated military operations targeting Iran. On April 8, 2026, a suspension of hostilities was announced between the parties involved with Iran conflict. While this development may reduce immediate military activity, the situation in the region remains uncertain and could evolve. These developments have resulted in heightened security tensions and disruptions to business and economic activity throughout the area. Despite these circumstances, the Company has continued to operate its business activities in Israel. The Company continues to monitor the situation closely, as the evolving geopolitical environment may affect economic conditions and business operations in the region.
- E. These unaudited condensed interim consolidated financial statements have been approved for filing by the board of directors on August 28, 2026.

VVT MED INC.
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NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(US Dollars in thousands)

NOTE 2 – MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 - *"Interim Financial Reporting"*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financials were prepared based on the same accounting policy as the annual financial statements. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2025. Certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS are not included in these unaudited condensed interim consolidated financial statements. The accounting policies adopted in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended December 31, 2025.

Basis of consolidation

The financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions and any unrealized income and expenses arising from such transactions are eliminated upon consolidation.

Use of estimates and assumptions in the preparation of the financial statements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and are reviewed periodically and adjustments, if necessary, are made in the year in which they are identified. Actual results could differ from those estimates.

Functional, presentation and foreign currency

The consolidated financial statements are presented in United States Dollar (the "USD\$").

The functional currencies of the Company and its subsidiaries, determined based on the primary economic environment in which each entity operates, are as follows:

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NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
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(US Dollars in thousands)

NOTE 2 – MATERIAL ACCOUNTING POLICIES (CONT.)

Functional, presentation and foreign currency (cont.)

- The Company - Canadian dollar ("CAD\$")
- V.V.T. MED LTD - New Israeli Shekel ("NIS")
- EXITEAM ACQUISITION CORP. - Canadian dollar

Transactions and balances in foreign currencies are converted into US Dollars in accordance with the principles set forth by International Accounting Standard (IAS) 21 - *"The Effects of Changes in Foreign Exchange Rates"*. Exchange differences arising from the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss, except for a net investment in a foreign operation, in which case exchange differences are recognized in other comprehensive income and accumulated in the foreign exchange reserve, along with the exchange differences arising from the retranslation of the foreign operation. On consolidation, the results of overseas operations are translated as follows: All assets and liabilities of overseas operations, are translated at the rate prevailing on the reporting date. Exchange differences arising from translating the opening net assets at the opening rate and the results of overseas operations at the actual rate are recognized in other comprehensive income and accumulated in the foreign exchange reserve. On disposal of a foreign operation, the cumulative exchange differences recognized in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Transactions and balances have been converted as follows:

- Assets and liabilities – at the rate of exchange applicable at the statements of the financial position date.
- Expense and revenue items – at exchange rates applicable as of the date of recognition of those items.
- Exchange gains and losses from the aforementioned conversion are recognized in the statement of comprehensive income.
- Net exchange differences recognized in other comprehensive income are accumulated in a separate component of the shareholders' equity.

All the amounts in the report, regardless of currency, are referenced in thousands (other than amounts relating to the exercise price of securities or per share amounts).

NOTE 3 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- 1) On February 2, 2026, the Company received instructions to exercise 23,165 Finder Warrants at an exercise price of CAD\$0.02 per share.
- 2) On February 6, 2026, the Company received instructions to exercise 76,585 Finder Warrants at an exercise price of CAD\$0.02 per share.

VVT MED INC.
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NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
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(US Dollars in thousands)

NOTE 3 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (CONT.)

- 3) On March 18, 2026, the Company announced its intention to complete a non-brokered private placement offering of up to 12,000,000 units at a price of CAD\$0.25 per unit, for total gross proceeds of up to CAD\$3,000 (the "**Offering**" or "**Private Placement**"). Each unit consists of one common share and one-half of one common share purchase warrant (each, a "**Unit**"). Each whole warrant entitles the holder to purchase one additional common share at an exercise price of CAD\$0.375 for a period of 24 months following the date of issuance. The funds are intended to support global commercialization efforts, manufacturing, and general working capital. The offering is subject to a four-month statutory hold period and remains subject to the receipt of all necessary regulatory approvals, including the approval of the Exchange.
- 4) On April 15, 2026, the Company has closed its previously announced debt settlement (the "**Debt Settlement**") with various vendors of the Company (the "**Creditors**"). Pursuant to the Debt Settlement, the Company entered into debt settlement agreements with the Creditors to settle an aggregate of \$271 (equivalent to CAD\$373) of debt owed by the Company to the Creditors by issuing an aggregate of 1,203,410 common shares of the Company at a deemed price of CAD\$0.31 per share. All securities issued pursuant to the Debt Settlement have been issued pursuant to a prospectus exemption and are subject to a four month and one day hold period that expires on August 16, 2026.
- 5) On April 22, 2026, the Company completed the first tranche of its Offering, issuing 4,262,654 Units at a price of CAD\$0.25 per Unit for gross proceeds of \$781 (equivalent to CAD\$1,066). In connection with the Offering, the Company paid certain eligible finders a cash fee of up to 8% of the gross proceeds raised in respect of the Offering from subscribers introduced by such finders to the Company, for a total of \$20 (equivalent to CAD\$28). In addition, the Company issued to eligible finders such number of finder warrants (each, a "**Finder Warrant**") equal to 8% of the number of Units sold under the Offering to subscribers introduced by such finders to the Company, for a total of 111,200 Finder Warrants. Each Finder Warrant will entitle the holder to acquire one Common Share at an exercise price of CAD\$0.375 per share for a period of 24 months following the date of issuance.
- 6) On May 1, 2026, the Company's application to the British Columbia Securities Commission ("**BCSC**") (made on April 17, 2026) for a temporary management cease trade order (the "**MCTO**") to be imposed in respect of its delay in filing its annual financial statements, management's discussion and analysis and related officer certifications for the financial year ended December 31, 2025 (collectively, the "**Required Filings**"), was granted by the BCSC. The MCTO does not affect the ability of shareholders who are not employees or insiders of the Company to trade their securities of the Company. The MCTO prohibits the chief executive officer and the chief financial officer of the Company from trading in securities of the Company for so long as the Required Filings are not filed.

VVT MED INC.
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NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
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NOTE 3 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (CONT.)

Additionally, for so long as the Required Filings are not filed, the Company will not, directly or indirectly, issue securities or acquire securities from an insider or employee of the Company except in accordance with legally binding obligations to do so. The delay in filing the Required Filings is due to external circumstances beyond the Company's control.

While the Company has worked diligently to meet its continuous disclosure obligations, the ongoing armed conflict in the Middle East has caused significant disruptions to the operational and administrative processes required to finalize the Company's annual reporting and audit. These regional challenges, which include restricted access to personnel availability at the Company and various service providers in Israel, have necessitated an extension of the reporting timeline. The Company wishes to clarify that this delay was administrative in nature, did not arise from any disagreement with its auditors. On June 30, 2026, the Company its filings and restrictions were revoked on July 2, 2026 (See Note 12)

- 7) On May 6, 2026, the Company received instructions to exercise 94,090 Finder Warrants at an exercise price of CAD\$0.02 per share.

NOTE 4 – CONVERTIBLE DEBENTURES

Convertible Debentures – Series A

- 1) From August 2021 to December 31, 2023, VVT issued convertible debentures ("**Series A**") to investors, some of which included the issuance of warrants (the "**Series A Warrants**").
- 2) On June 15, 2025, all outstanding VVT's Series A, including the accrued interest thereon, were converted into ordinary shares of VVT and on July 22, 2025, to ordinary share of the Company, in accordance with the terms of the debentures. The conversion of the Series A resulted in the issuance of 11,082,395 common shares and 7,807,287 Series A Warrants (see Note 5 and Note 11) allowing the holder to purchase one common share of the Company.

Convertible Debentures – Series B

- 1) From November 2024 to July 15, 2026, VVT issued convertible debentures ("**Series B**") to investors, which included the issuance of warrants (the "**Series B Warrants**").
- 2) On July 15, 2025, following the fulfillment of all closing conditions and in anticipation of the RTO transaction, all outstanding VVT's Series B, including the accrued interest thereon, were converted into ordinary shares of VVT and on July 22, 2025, to ordinary share of the Company, in accordance with the terms of the debentures. The conversion at a conversion price of CAD\$0.56 per share of the Series B resulted in the issuance of 4,372,967 common shares and 4,372,967 Series B Warrants (see Note 5 and Note 11) allowing the holder to purchase one common share of the Company.

VVT MED INC.
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NOTE 5 – DERIVATIVE LIABILITY

General

In connection with its corporate transactions and capital-raising activities, the Company has issued various groups of warrants. These comprise: (i) warrants issued upon the conversion of Series A and Series B Convertible Debentures (collectively, the "**CD Warrants**"); (ii) warrants issued as part of the RTO units ("**RTO Warrants**"); (iii) warrants issued as finder's fees in connection with the RTO ("**RTO Finder Warrants**"); (iv) warrants issued as part of the Private Placement units ("**PP Warrants**"); and (v) warrants issued as finder's fees in connection with the Private Placement ("**PP Finder Warrants**").

The warrants were valued by an independent external valuator.

A summary of the Company's warrant activity for the periods ended June 30, 2026, and December 31, 2025, is as follows:

	<u>Number of warrants</u>	<u>Weighted average exercise price (CAD\$)</u>
Balance as of January 1, 2026	23,608,140	CAD\$0.79
PP Warrants issued during the period	2,131,327	CAD\$0.375
PP Finder Warrants issued during the period	111,200	CAD\$0.375
RTO Finder Warrants exercised during the period	(193,840)	CAD\$0.02
Balance as of June 30, 2026	25,656,827	CAD\$0.79
Warrants exercisable at year-end	25,656,827	CAD\$0.79

	<u>Number of warrants</u>	<u>Weighted average exercise price (CAD\$)</u>
Balance as of July 22, 2025	23,901,390	CAD\$0.78
RTO Finder Warrants exercised during the period	(293,250)	CAD\$0.02
Balance as of December 31, 2025	23,608,140	CAD\$0.79
Warrants exercisable at year-end	23,608,140	CAD\$0.79

NOTE 6 – OTHER ACCOUNTS PAYABLE

	<u>As of June 30, 2026</u>	<u>As of December 31, 2025</u>
Employees and related liabilities	355	232
Provision for vacation	175	116
Shareholders	24	20
Expenses payable	2	12
Total	556	380

VVT MED INC.
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NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
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(US Dollars in thousands)

NOTE 7 – SHARE CAPITAL

A. Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares that are non-voting, subject to non-cumulative dividends at a rate set by the Board at the time of their issuance, redeemable at paid up capital both the holder's and the Company's option. The Authorized and Issued and outstanding share capital, is as follows:

	As of June 30			
	Authorized		Issued and outstanding (*)	
	2026	2025	2026	2025
Common shares without a nominal par value	Unlimited	Unlimited	72,593,254	14,437,585

(*) The shares of the Company were reversed split in a 4.67 exchange ratio and the shares of VVT split in a 3.226 exchange ratio. The shares have been retroactively presented in all periods.

B. Issued and outstanding

A summary of the change in the issued and outstanding Common Shares for the periods ended June 30, 2026 and December 31, 2025, as follows:

	Issued shares (*)
Outstanding shares as of January 1, 2025	2,562,291
Issued shares of V.V.T. MED LTD in the RTO (1)	32,500,000
Issued shares of V.V.T. MED LTD due to Series A conversion (2)	11,082,395
Issued shares of V.V.T. MED LTD due to Series B conversion (3)	4,372,967
Issued shares of EAC in the RTO (4)	7,113,378
Issued shares of EAC subscription receipts (5)	6,955,498
Issued shares due to debt settlement (6)	2,053,571
Warrants exercised during the year (7)	293,250
Outstanding shares as of December 31, 2025	66,933,350
Warrants exercised during the period	193,840
Shares for debt	1,203,410
Issued shares in the Private Placement	4,262,654
Outstanding shares as of June 30, 2026	72,593,254

(*) The shares of the Company were reversed split in a 4.67 exchange ratio and the shares of VVT split in a 3.226 exchange ratio. The shares have been retroactively presented in all periods.

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NOTE 7 – SHARE CAPITAL (CONT.)

- (1) Refer to Note 11 with respect to the conversion of VVT shares to a total of 32,500,000 Common Shares at a share price of CAD\$0.56.
- (2) Refer to Note 4 with respect to the conversion of VVT Convertible Debentures Series A, dated June 15, 2025, to a total of 1,058,665 Common Shares at a share price of CAD\$0.45 and a total of 10,023,967 Common Shares at a share price of CAD\$0.42.
- (3) Refer to Note 4 with respect to the conversion of VVT Convertible Debentures Series B, dated July 15, 2025, to a total of 4,372,967 Common Shares at a share price of CAD\$0.56.
- (4) Refer to Note 11 with respect to the conversion of EAC shares to a total of 7,113,378 Common Shares.
- (5) Refer to Note 11 with respect to the conversion of EAC subscription receipts to a total of 6,955,498 Common Shares at a share price of CAD\$0.56.
- (6) Refer to Note 11 with respect to the conversion of the debt settlement shares to a total of 2,053,571 Common Shares at a share price of CAD\$0.56.
- (7) See Note 5 with respect to warrants exercised during the period.

NOTE 8 – SHARE-BASED COMPENSATION

The following is a summary of the status of the Company's option plan:

	Six months ended June 30				For the year ended	
	2026		2025		December 31, 2025	
	Number of Options	Exercise price	Number of Options	Exercise price	Number of Options	Exercise price
Outstanding at the beginning of period	1,489,131	CAD\$1.07	2,033,417		1,843,848	
Granted	400,000	CAD\$0.34	-		-	
Exercised	-		(371,348)	NIS0.01	(1,362,248)	NIS0.01
Forfeited and cancelled	-		-		(20,000)	
Outstanding at July 22, 2025*	1,489,131				461,600	
Outstanding at the end of period	1,889,131		1,662,069		1,489,131	

*As of July 22, 2025, the outstanding number of Options of 461,600 converted into 1,489,131 in accordance to VVT's exchange ratio.

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NOTE 8 – SHARE-BASED COMPENSATION (CONT.)

- 1) Following the Transaction, The Stock Option Plan (the "**New Plan**") is a 10% "rolling" plan pursuant to which the number of common shares reserved for issuance is 10% of the Company's issued and outstanding common shares as constituted on the date of any grant of options. The New Plan provides for the grant of Options to purchase common shares to eligible directors, senior officers, employees and consultants of the Company ("**Participants**"). The exercise periods and vesting periods of options granted under the New Plan are to be determined by the Company with approval from the Board of Directors.
The expiration of any option will be accelerated if the participant's employment or other relationship with the Company terminates. The exercise price of an option is to be set by the Company at the time of grant but shall not be lower than the market price (as defined in the Plan) at the time of grant.
- 2) On January 13, 2026, the Company has granted 400,000 Options to I3 Capital Group Ltd. ("**I3**"), a Toronto-based firm specializing in investor relations and capital markets advisory services, in connection with an investor relations agreement. Each Option is exercisable at a price of CAD\$0.34 for one common share of the Company for a period of two (2) years from the date of grant and are being issued under the terms of the Company's Omnibus Plan. The Options, and any Common Shares issued upon exercise of the Options, are subject to a four-month and one day resale restriction from the date of grant under applicable securities laws and the policies of the TSX Venture Exchange. The Options are subject to a 12-month vesting schedule, with 25% of the Options vesting every three (3) months following the date of grant.

NOTE 9 – GENERAL AND ADMINISTRATIVE EXPENSES

	Six months ended June 30	
	2026	2025
Salaries and social benefits	516	376
Professional services	170	49
Maintenance	187	120
Depreciation	3	2
Other expenses	63	11
Total	939	558

NOTE 10 – RELATED PARTIES AND SHAREHOLDERS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party. The Company has transactions with key management personnel, as summarized below. Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and approved by the related parties.

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NOTE 10 – RELATED PARTIES AND SHAREHOLDERS (CONT.)

A. Balances

	As of June 30, 2026	As of December 31, 2025
Trade payables - Directors	21	18
Other payables - Employees	17	24

B. Remuneration and benefits

For the six-month and three-month periods ended June 30, 2026 and 2025:

	Six months ended June 30	
	2026	2025
Directors who are not employed by the Company	18	-
Short term benefits to employees	236	184
Long term benefits to employees	59	47
Total	313	231
Number of people	6	2

	Three months ended June 30	
	2026	2025
Short term benefits to employees	141	97
Long term benefits to employees	32	25
Total	173	122
Number of people	6	2

NOTE 11 – REVERSE TAKEOVER

Completion of the RTO with VVT

On July 18, 2025, the Company completed its amalgamation with EAC (the "**Amalgamation**"). Pursuant to the Amalgamation, each common share in the capital of EAC was exchanged for one post-consolidation common share of the Company on a one-for-one basis.

On July 22, 2025, the Company completed the RTO with VVT. In connection with the RTO, the following share capital adjustments were affected:

- **Company Consolidation:** The common shares of the Company were consolidated on a 4.67-for-1 basis, whereby every 4.67 pre-consolidation common shares were exchanged for one post-consolidation common share.
- **VVT Share Exchange:** Each common share in the capital of VVT was exchanged for 3.226 post-consolidation common shares of the Company. The VVT exchange ratio means:

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NOTE 11 - REVERSE TAKEOVER (CONT.)

(i) 32,500,000 divided by (ii) the total number of VVT shares outstanding immediately prior to the closing date of the proposed transaction (including, without limitation, VVT shares issued upon the exercise or conversion of VVT stock options and VVT preferred shares), less the total number of VVT shares issued pursuant to the conversion of the VVT convertible bonds (including the conversion of the principal thereof and any interest due and payable thereon). Prior to the RTO and the share exchange ratio on July 22, 2025, the VVT's issued and outstanding share capital consisted of 4,835,596 common shares and 3,876,478 preferred shares as of December 31, 2024. During 2025 and up to the RTO date, an additional 1,362,248 common shares were issued upon the exercise of options, bringing the total pre-conversion balance to 10,074,322 common shares, which were subsequently exchanged for 32,500,000 common shares of the Issuer.

Pursuant to the Transaction: (i) 2,053,571 VVT Med Inc. Shares were issued to creditors of the VVT Med Inc. in settlement of \$843 (equivalent to CAD\$1,150) of debt, at a deemed price of CAD\$0.56 per VVT Med Inc. Share; (ii) 14,068,876 VVT Med Inc. Shares were issued in exchange for the outstanding EAC Shares (including 6,955,498 VVT Med Inc. Shares issued to holders of EAC subscription receipts); and (iii) 47,955,362 VVT Med Inc. Shares were issued to holders of the VVT Shares (including those issued upon conversion of the outstanding VVT convertible debentures Series A and Series B).

Additionally, upon the RTO completion, VVT Med Inc. had the following convertible securities issued and outstanding following the closing of the Transaction: (i) 1,489,131 stock options to purchase VVT Med Inc. Shares (see Note 8); (ii) 22,834,575 common share purchase warrants to purchase VVT Med Inc. Shares (see Note 5); and (iii) 1,066,815 finder warrants to purchase VVT Med Inc. Shares (see Note 5). Following the Transaction, there are 66,640,100 VVT Med Inc. Shares issued and outstanding.

For accounting purposes, VVT is considered the accounting acquirer, and the Company is considered the acquired company. Since the Company's operations do not constitute a business, the acquisition of the Company is not a business combination pursuant to IFRS 3 - *Business Combinations*, and the transaction is accounted for as a reverse takeover of the publicly traded company. A reverse takeover transaction involving a non-public operating company and non-operating public company is in substance a share-based payment transaction, rather than a business combination.

The reverse takeover was accounted for under IFRS 2 - *Share-based Payments*. Accordingly, the acquisition of the Company was accounted for at the fair value of the consideration transferred by the accounting acquirer, which is the fair value of the equity instruments of VVT would have had to issue to the owners of the Company to effect the transaction. The difference between the net liabilities acquired, and the fair value of the consideration granted was accounted for as a listing expense.

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NOTE 11 - REVERSE TAKEOVER (CONT.)

Furthermore, while the Amalgamation of EAC was legally executed with the Company, for accounting purposes, EAC is treated as if it amalgamated with VVT (the accounting acquirer). Conceptually, VVT and EAC are viewed on a combined basis as the acquiring group that effected the reverse takeover of the Company. Consequently, the historical financial assets and operations reflected in these statements are those of VVT, combined with the effects of the EAC amalgamation from the transaction date.

Listing expenses are as follows:

	For the year ended December 31 2025
Fair value of consideration of 4,615,862 VVT Med Inc. Shares at CAD\$0.56	1,896
Net liabilities of VVT Med Inc. ⁽¹⁾	59
Reverse takeover transaction cost	1,955
Related issuance expenses ⁽²⁾	395
Listing expenses	2,350

- (1) Net liabilities of VVT Med Inc. amounted to \$59, as of the RTO completion on July 22, 2025, which mainly included \$52 for accounts payables.
- (2) Related issuance expenses are mainly referred to legal and accounting expenses and recognition of Prepaid issuance costs of \$188 which were classified as a current asset as of December 31, 2024.

NOTE 12 – SUBSEQUENT EVENTS

- On July 2, 2026, the Company's management cease trade order (MCTO) previously issued in connection with the Company's financial reporting requirements was revoked, following the filing of the required records. The revocation order was issued by the BCSC.
- On August 21, 2026, the Company announced that it intends to enter into agreements with various vendors to settle a total of CAD\$213 of outstanding indebtedness through the issuance of 586,096 common shares, of which 125,000 at a deemed price of CAD\$0.56 per share and 461,096 at a deemed price of CAD\$0.31 per share (the "**Proposed Debt Settlement**"). The issuance of shares pursuant to the Proposed Debt Settlement arrangement is subject to approval by the TSXV. The shares will be subject to a statutory hold period of four months and one day, in accordance with applicable securities laws and TSXV policies. Completion of the Proposed Debt Settlement remains conditional upon the execution of definitive agreements and receipt of final approval from the TSXV.

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NOTE 12 – SUBSEQUENT EVENTS (CONT.)

- 3) On August 21, 2026, the Company announced that it has granted 688,773 stock options ("**Participant Options**") to the Company's Advisory Board and to employees pursuant to the terms of the Company's stock option plan. Of this amount, 240,000 Participant Options were granted to the advisory board directors and the remaining 448,773 Participant Options were granted to employees. The Participant Options shall vest at a rate of 8.33% every quarter over a period of three years. All Participant Options shall have an exercise price of CAD\$0.56 and shall expire five years after their grant. In addition, the Company granted 912,519 Restricted Share Units ("**Participant RSUs**") to directors and employees pursuant to the terms of the Company's RSU plan. Of this amount, 792,519 Participant RSUs were granted to directors. The remaining 120,000 Participant RSUs were granted to employees.