



V.V.T. MED LTD

CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE THREE AND SIX MONTHS
ENDED OF JUNE 30, 2025

(UNAUDITED)

V.V.T. MED LTD

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V.V.T. MED LTD

NOTICE TO SHAREHOLDERS

The accompanying unaudited condensed interim financial statements of V.V.T. MED LTD for the three and six months ended June 30, 2025, 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 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 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.

V.V.T. MED LTD
UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(US Dollar in thousands)

	<u>Note</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
CURRENT ASSETS:			
Cash and cash equivalents		271	104
Trade accounts receivables		20	25
Other accounts receivables		124	22
Inventory		237	219
Total current assets		652	370
NON-CURRENT ASSETS:			
Long-term deposit		41	38
Right of use assets		402	371
Plant and equipment		20	18
Prepaid issuance costs		202	188
Total non-current assets		665	615
TOTAL ASSETS		1,317	985
CURRENT LIABILITIES:			
Current portion of lease liabilities		178	165
Short-term loans		970	768
Convertible debentures – Series A	4	-	3,109
Advance payment toward convertible debentures – Series B	4	1,503	453
Derivative liability		66	61
Convertible short-term loan		1,266	1,170
Trade accounts payables		395	504
Other accounts payables		681	479
Total current liabilities		5,059	6,709
NON-CURRENT LIABILITIES:			
Lease liabilities		309	286
Non-convertible long-term loan		419	370
Total non-current liabilities		728	656
TOTAL LIABILITIES		5,787	7,365
SHAREHOLDERS' DEFICIT:			
Common share capital	5	53	12
Preferred A share capital		11	11
Additional paid in capital		17,421	13,572
Currency translation reserve		(532)	47
Capital reserve on share-based payment		222	640
Retained deficit		(21,645)	(20,662)
Total shareholders' equity		(4,470)	(6,380)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		1,317	985

August 29, 2025

Date of the approval of the
financial statements

"Yair Aloni"

Yair Aloni
Chairman of the Board of Directors

"Erez Tetro"

Erez Tetro
Chief Executive Officer and Director

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

V.V.T. MED LTD
UNAUDITED CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(US Dollars in thousands, except for share and per share amounts)

	Six months ended June 30		Three months ended June 30	
	2025	2024	2025	2024
Revenues	80	463	14	34
Cost of revenues	(25)	(92)	(5)	(25)
Gross profit	55	371	9	9
Research and development expenses	(71)	(77)	(28)	(28)
General and administrative expenses	(558)	(650)	(242)	(300)
Sales and marketing expenses	(118)	(39)	(50)	(27)
Other income	-	-	-	(4)
Operating loss	(692)	(395)	(311)	(350)
Financing income	-	40	-	31
Financing expenses	(291)	(115)	(149)	(54)
Loss before taxes on income	(983)	(470)	(460)	(373)
Taxes on income	-	-	-	-
Loss for the period	(983)	(470)	(460)	(373)
Other comprehensive profit (loss):				
Item that will not be reclassified to profit or loss:				
Exchange rate differences	(579)	197	(724)	119
Total comprehensive loss for the periods	(1,562)	(273)	(1,184)	(253)
Basic and diluted loss per share attributable to shareholders:	(0.158)	(0.1)	(0.074)	(0.079)
Weighted average number of common shares outstanding:	6,197,843	4,655,207	6,197,843	4,683,259

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

V.V.T. MED LTD
UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(US Dollars in thousands)

	<u>Common share capital</u>	<u>Preferred A share capital</u>	<u>Additional paid- in capital</u>	<u>Capital reserve on share-based payment</u>	<u>Retained deficit</u>	<u>Currency translation reserve</u>	<u>Total</u>
Balance at January 1, 2025	12	11	13,572	640	(20,662)	47	(6,380)
Net loss					(983)		(983)
Other comprehensive income (loss):							
Exchange rate differences						(579)	(579)
Total comprehensive loss	-	-	-	-	(983)	(579)	
Option exercise	6	-	418	(418)	-	-	1
Series A exercise	35	-	3,431	-	-	-	3,466
Balance at June 30, 2025	53	11	17,421	222	(21,645)	(532)	(4,470)
	<u>Common share capital</u>	<u>Preferred A share capital</u>	<u>Additional paid- in capital</u>	<u>Capital reserve on share-based payment</u>	<u>Retained deficit</u>	<u>Currency translation reserve</u>	<u>Total</u>
Balance at January 1, 2024	12	11	13,520	692	(19,622)	31	(5,356)
Net loss					(470)		(470)
Other comprehensive income (loss):							
Exchange rate differences						197	197
Total comprehensive loss	-	-	-	-	(470)	197	(273)
Balance at June 30, 2024	12	11	13,520	692	(20,092)	228	(5,629)

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

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

	Six months ended	
	June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the period	(983)	(470)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	2	2
Financing expenses	289	103
Decrease (increase) in trade receivables	6	(13)
Increase in other receivables	(94)	(1)
Decrease in short-term deposit	-	11
Decrease in trade payables	(141)	(35)
Increase in other payables	152	45
Net cash used in operating activities	(769)	(358)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	-	-
Net cash used in investment activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(60)	(65)
Advance proceeds toward convertible debentures	847	-
Proceeds from loans	102	406
Option exercise	4	-
Net cash provided by financing activities	893	341
Effect of foreign exchange rate and currencies on cash	43	60
Increase (decrease) in cash and cash equivalents	167	43
Cash and cash equivalents at beginning of the period	104	71
Cash and cash equivalents at the end of the period	271	114

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

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

	Six months ended	
	June 30	
	2025	2024
<u>Additional information – Non-Cash activity</u>		
Series A exercise	3,206	-

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

V.V.T. MED LTD
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(US Dollars in thousands)

NOTE 1 – GENERAL

- A. V.V.T MED LTD ("VVT" or the "**Company**") was incorporated in Israel and commenced its operations on June 14, 2007.
- B. The Company is controlled by AVNAN V.V.T. (Limited Partnership), incorporated under the laws of the state of Israel.
- C. Since its establishment, the Company has been engaged in research, development, production, marketing and the sale of innovative technologies for treating varicose veins.
- D. Since its establishment, the Company has not generated significant revenues from sales. As of March 31, 2025 and as of December 31, 2024, the Company had incurred a retained deficit of \$21,185 and \$20,662, 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 private or public recruitment of equity (see Note 1F); (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 adjustments in respect of the values of the assets and the liabilities, which might be required if the Company is unable to continue to operate as a going concern, have not been recorded in the financial statements.
- E. On October 7, 2023, an attack was launched against Israel by Hamas (a terror organization) which thrust Israel into a state of war in Israel and in the Gaza strip, Lebanon and other territories (the "**Conflict**"). The Company is continuing with its operations both in Israel and globally, as the state of war had no substantial impact on its operations or business results. The Company continues to assess the effects of the state of war on its financial statements and business.
- F. On October 1, 2024, the Company entered into a definitive agreement dated September 30, 2024 (the "**Definitive Agreement**") with DXI Capital Corp. ("**DXI**"), a Canadian Company listed in the TSX Venture Exchange (the "**TSXV**" or the "**Exchange**") and Exiteam Acquisition Corp. ("**EAC**"), a Canadian-based corporation incorporated under the laws of the Province of British Columbia, and 1502987 B.C. Ltd. ("**DXI Subco**"), a wholly-owned subsidiary of DXI, pursuant to which DXI 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 "**Proposed Transaction**"). The Proposed Transaction is expected to enable DXI to meet the initial listing requirements of the TSXV for the reactivation of DXI. Following the completion of the Proposed Transaction, DXI (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.

V.V.T. MED LTD
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(US Dollars in thousands)

NOTE 2 – MATERIAL ACCOUNTING POLICIES

These condensed interim 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 financials. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ending December 31, 2024. Certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS are not included in these condensed interim financial statements.

The accounting policies adopted in the preparation of the unaudited condensed interim financial statements are consistent with those followed in the preparation of the Company's audited financial statements for the year ended December 31, 2024.

Functional, presentation and foreign currency

The Company's functional currency is the New Israeli Shekel (the "NIS").

The Financial Statements are presented in US Dollar (the "USD").

In these financial statements, Canadian dollars are occasionally referred to as "CAD\$".

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*".

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.

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

The preparation of 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 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.

V.V.T. MED LTD
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(US Dollars in thousands)

NOTE 3 – SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- 1) On March 24, 2025, the Company, DXI and EAC, received conditional acceptance from the TSXV for the Proposed Transaction. Final approval by the Exchange is subject to the Company satisfying various conditions including submission of final documentation, regulatory approvals, and completion of financing arrangements.
- 2) On May 21, 2025, DXI, VVT and EAC has filed a filing statement, dated effective May 15, 2025, with the Exchange in connection with its previously announced reverse take-over transaction (the "**RTO**") (the "**Filing Statement**"). The Filing Statement contains complete information regarding the RTO.
- 3) On June 15, 2025, all outstanding Convertible Debentures A, including the accrued interest thereon, were converted into ordinary shares of the Company in accordance with the terms of the debentures (see note 4). Total amount of common shares issued following the conversion of Series A is 11,082,395.

NOTE 4 – CONVERTIBLE DEBENTURES

Convertible Debentures – Series A

From August 2021 to December 31, 2023, the Company issued convertible debentures (the "**Convertible Debentures A**" or "**Series A**") to 60 investors, some of which included the issuance of warrants (the "**CD A Warrants**"), with gross proceeds of \$2,773 (equivalent to CAD\$3,745).

According to the terms of Series A, in the event of a direct listing or public offering of the shares on a recognized stock exchange in Canada or the United States (including TSX, TSXV, CSE, or Nasdaq), the outstanding balance of the Convertible Debentures A will automatically convert immediately prior to completion of such event into ordinary shares of the Company, with a par value of NIS 0.01 each, together with one common share purchase warrant for each converted share, each warrant exercisable at CAD\$0.84 per share.

The following table demonstrates the allocation of common shares and warrants upon conversion of the Convertible Debentures A, distinguishing between principal and accrued interest components on June 15, 2025:

Component of Series A	Amount (CAD\$)	Conversion Price (CAD\$/share)	Ordinary Shares Issuable	Warrants Issuable*
Principal	3,380	0.42	8,048,069	
Accrued interest	830	0.42	1,975,261	
Principal	365	0.45	813,878	
Accrued interest	110	0.45	244,787	
Total	4,684		11,082,395	7,807,287

*One (1) warrant is issued for each ordinary share issued upon conversion.

V.V.T. MED LTD
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(US Dollars in thousands)

NOTE 4 – CONVERTIBLE DEBENTURES (CONT.)

Advance payment toward Convertible Debentures – Series B

From November 2024 to June 30, 2025, the Company entered into convertible debentures Purchase Agreement (the "**Agreement**") with certain investors for the issuance of convertible debentures (the **Convertible Debentures B**" or "**Series B**"). The Company aims to raise up to CAD\$1,000 (one million) through the sale of Convertible Debentures B, with the proceeds intended to support the Company's ongoing operations, including research and development, marketing, and sales, with an emphasis on expenses related to the Proposed Transaction. Total amount that had been raised as of June 30, 2025 is \$1,201 (equivalent to CAD\$1,641).

During the three and six months ended June 30, 2025, the Company recognized interest expenses at a rate of 18% on the advances received in respect of Series B which amounted to \$155 (equivalent to CAD\$204).

NOTE 5 – SHARE CAPITAL

A. Registered, issued and paid-up capital

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
	<u>Number of shares</u>	
Registered capital		
Common shares of par value NIS 0.01 each	296,000,000	296,000,000
Preferred A shares of par value NIS 0.01 each	4,000,000	4,000,000
Total	<u>300,000,000</u>	<u>300,000,000</u>
Issued and paid-up capital		
Common shares at the beginning of the year	94,158,939	93,969,370
Common shares held by the Company	<u>(89,323,344)</u>	<u>(89,323,344)</u>
Issued and paid-up capital at the beginning of the year	4,835,595	4,646,026
Changes during the period		
Convertible Debentures A including accrued interest	11,082,395	-
Director option exercise	245,784	-
Employee option exercise	857,221	-
Service providers option exercise	259,243	189,569
Common shares at the end of the period	<u>17,280,238</u>	<u>4,835,595</u>
Preferred shares at the beginning and end of the period	3,876,479	3,876,479
Total issued and paid-up capital	<u>21,156,717</u>	<u>8,712,074</u>

V.V.T. MED LTD
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(US Dollars in thousands)

B. NOTE 5 – SHARE CAPITAL (CONT.)

The rights ancillary to the shares

The common shares in the Company confer upon their holders the right to receive notice, to participate and vote in general meetings of the Company and the right to receive dividends, if and when declared and a distribution in the event of liquidation or in the case of an event similar to liquidation (such as sale of shares of the Company, the sale of the Company's main assets and similar cases). In addition to the common shares' rights, the preferred shares confer upon their holders' preferential rights in the distribution of the Company's assets on liquidation.

Common share capital held by the Company

On March 2009, the par value of each share was changed from NIS 1 to NIS 0.01. Following this change, each shareholder returned 99 shares of par value NIS 0.01 to the Company out of the shares that they held. In total, 89,323,344 shares of NIS 0.01 with an overall par value of NIS 893, were returned to the Company. The Company's shares held by the Company itself (treasury shares) are presented as a deduction from the Company's equity and therefore, it does not appear in the statement of changes in shareholders' equity.

NOTE 6 – SHARE-BASED COMPENSATION

- 1) In 2019, the Company's Board of Directors approved an option plan (the "**Plan**") for employees, directors and service providers (the "**Options**"). Pursuant to the Plan, each Option is exercisable into one common share of the Company. An Option that has not been exercised within 10 years from the time of its grant will expire.
- 2) On June 9, 2024, the Company received instructions to exercise 159,569 Options granted to a director at an exercise price of NIS 0.01 per share.
- 3) On July 7, 2024, the Company received instructions to exercise 30,000 Options granted to a director at an exercise price of NIS 0.01 per share.
- 4) On March 2025, the Company received instructions to exercise 245,784 Options granted to directors, 34,205 Options granted to service providers and 91,359 Options granted to employees, all at an exercise price of NIS 0.01 per share.
- 5) On April 2025, the Company received instructions to exercise 225,038 Options granted to service providers and 765,862 Options granted to employees (of which one is also a director), all at an exercise price of NIS 0.01 per share.

V.V.T. MED LTD
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(US Dollars in thousands)

NOTE 6 – SHARE-BASED COMPENSATION (CONT.)

The following is a summary of the Options granted:

	Six months ended June 30				For the year ended December 31, 2024	
	2025	2024			Number of Options	Exercise price
Outstanding at the beginning of period	1,843,848	2,033,417	2,033,417			
Granted	-	-	-			
Exercised	(1,362,248)	NIS 0.01 (159,569)	(189,569)			NIS 0.01
Forfeited and cancelled	-	-	-			
Outstanding at the end of the period	481,600	1,873,848	1,843,848			

As of June 30, 2025, the outstanding number of Options was 481,600 of which 421,600 has an exercise price of \$2.55 and 60,000 has an exercise price of \$2.72.

NOTE 7 – 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.

A. Balances

	June 30, 2025	December 31, 2024
Trade payables	131	121
Other payables	44	39

B. Remuneration and benefits

	Six months ended June 30	
	2025	2024
Short term benefits	184	155
Long term benefits	47	40
Total	231	195-
Number of people	2	3

	Three months ended June 30	
	2025	2024
Short term benefits	97	78
Long term benefits	25	21
Total	122	99
Number of people	2	3

V.V.T. MED LTD
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
(US Dollars in thousands)

NOTE 23 – SUBSEQUENT EVENTS

- 1) On July 16, 2025, DXI had changed its name to "VVT Med Inc." - the Resulting Issuer.
- 2) On July 22, 2025, VVT Med Inc. (formerly DXI Capital Corp.) has completed its previously announced acquisition of all of the outstanding securities of VVT and EAC pursuant to the terms of a definitive agreement dated September 30, 2024.

In connection with the completion of the Transaction, the Exchange conditionally approved the listing of the VVT Med Inc. common shares under the new ticker symbol "VVTM". The Transaction constituted a reverse takeover of the Company by VVT pursuant to Policy 5.2 of the TSXV.

The Transaction was completed according to the terms of a definitive agreement dated September 30, 2024 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.

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 EAC Share was exchanged for one VVT Med Inc. Share. Any outstanding warrants or other exchangeable or convertible securities of EAC and VVT were exchanged, on an equivalent basis, for securities of VVT Med Inc.

Pursuant to the Transaction: (i) 2,053,571 VVT Med Inc. Shares were issued to creditors of the VVT Med Inc. in settlement of \$1,150,000 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) 47,626,693 VVT Med Inc. Shares were issued to holders of the VVT Shares (including those issued upon conversion of the outstanding VVT convertible debentures). Additionally, VVT Med Inc. has the following convertible securities issued and outstanding following the closing of the Transaction: (i) 1,553,651 stock options to purchase VVT Med Inc. Shares; (ii) 23,199,131 common share purchase warrants to purchase VVT Med Inc. Shares; and (iii) 299,915 broker warrants to purchase VVT Med Inc. Shares.

Following the Transaction, there are 66,311,431 VVT Med Inc. Shares issued and outstanding.

For further details regarding the capitalization of the Company and VVT Med Inc., please see the Filing Statement.

- 4) On July 15, 2025, Convertible Debentures B, including the accrued interest thereon, were converted into ordinary shares of the Company in accordance with the terms of the debentures (see note 4). Total amount of common shares issued following the conversion of Series B is 4,372,967.
- 5) On July 31, 2025, at market open, the Company Shares commenced trading on the TSX Venture Exchange under the symbol "VVTM".