V.V.T. MED LTD

Management's Discussion and Analysis

For the three and six months ended June 30, 2025 and 2024

(Expressed in US Dollars)

Forward-Looking Information

Certain statements and information contained in this MD&A may constitute forward-looking information under applicable securities laws. Such forward-looking information is used in this MD&A for the purpose of providing information about management's current expectations and plans relating to the future development of the Company's business. All statements and information other than statements of historical fact or historical information may be forward-looking information. Readers are cautioned that reliance on such forward-looking information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as "expect", "intend", "estimate", "will", "anticipated", "possible", "potential" or similar words, including negatives thereof, suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to, statements or information with respect to: The Company's strategies and objectives, both generally and in respect of its existing business and planned businesses; as of the date of this MD&A.

The forward-looking information is based on a number of factors, expectations and assumptions which have been used to develop such information, and which may prove to be incorrect. Such material factors, expectations and assumptions include, but are not limited to: the ability of the Company to successfully implement its strategic plans and initiatives and whether such strategic plans and initiatives will yield the expected benefits; the receipt by the Company of necessary licenses, permits and authorizations from regulatory authorities, and the timing thereof; applicable tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; assumptions of costs associated with business plans; consistency of laws and regulation relating to the retail cannabis industry; the timely receipt of any required regulatory approvals for the business plans and the ability to obtain financing on acceptable terms when and if needed. Although the Company believes that the factors, expectations and assumptions on which the forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurances that they will prove to be correct.

Since forward-looking information addresses future events and conditions, by its very nature it involves inherent known and unknown risks and uncertainties which are beyond the control of the Company. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These factors and risks include, without limitation:; the risk that the Offering does not close as anticipated or at all; the impact of general economic conditions; changes in industry conditions; changes in laws and regulations and changes in how they are interpreted and enforced; increased competition; the lack of availability of qualified personnel or management; the ability of the Company to effectively manage its growth and operations;; the ability to capitalize on changes to the marketplace; and the factors and risks identified under the "*Risk Factors*" section of this MD&A. Readers are cautioned that the foregoing list of factors and risks is not exhaustive. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom.

The forward-looking information included in this MD&A is made as of the date hereof and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise, except as required by applicable law.

Introduction

This following Management's Discussion and Analysis (this "**MD&A**") of the financial results of V.V.T. MED LTD ("**VVT**", "**VVT Medical**" or the "**Company**") should be read in conjunction with the unaudited condensed interim financial statements of the Company for the three and six months ended June 30, 2025 and 2024 (the "**Financial Statements**") and the audited financial statements of the Company for the years ended December 31, 2024 and 2023. The Financial Statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (IASB). References to the symbol "CAD$" mean the Canadian dollar. References to the symbol "NIS" mean the New Israeli Shekel, the official currency of Israel and functional currency of the Company. Except as otherwise set out herein, all amounts expressed herein are in thousands of United States dollars, denominated by "$" or "US$", the presentation currency of the Company. As a result of the rounding of dollar differences, certain total dollar amounts in this MD&A may not add exactly to their constituent amounts. Throughout this MD&A, percentage changes are calculated using numbers rounded as they appear. Readers are cautioned that this MD&A contains certain forward-looking information. Please see the "Forward Looking Statements" section.

The information in this MD&A is current as of August 29, 2025, unless otherwise noted.

Overview

The Company was 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 has no subsidiaries. VVT is controlled by AVNAN VVT (Limited Partnership), a limited partnership incorporated under the laws of the state of Israel.

Since its establishment, the Company has not generated significant revenues from sales. As of June 30, 2025 and as of December 31, 2024, the Company had incurred a retained deficit of $21,645 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; (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

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 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 Corporate continues to assess the effects of the state of war on its financial statements and business.

Description of the Business

VVT Medical is a medical device company, focused on developing and commercializing a range of minimally invasive technologies for treating varicose veins. VVT's research and development activities are based in Israel.

VVT proudly boasts three products within its portfolio that have achieved commercial production status and are currently accessible in the market. These products have undergone meticulous design processes, obtaining regulatory approvals across multiple countries. Their availability in the market signifies their contribution to enhancing the well-being of patients and healthcare professionals globally.

Description of the Business (cont.)

VVT Medical develops, manufactures, and commercializes minimally invasive, non-thermal, non-tumescent ("NT-NT") solutions for the treatment of varicose veins. Products have a wide range of competitive advantages over alternatives including fast and painless treatment without anesthesia and immediate results and recovery.

The products are backed by wholly owned extensive IP portfolio of patents and strong clinical evidence. The products are market-ready for United States of America, Korea, Brazil, India, Europe and Israel.

VVT's product line centers around its exclusive ScleroSafe platform, which incorporates VVT's innovative double-lumen catheter and inverse action dual syringe mechanism. This platform boasts high adaptability, enabling the administration of various endovenous chemical ablations (ECA) substances such as liquid sclerosant and foam by healthcare professionals.

Additionally, VVT offers the V-Block embolization device designed for treating Great Saphenous Vein (GSV) reflux disease and valve incompetence.

The Company was founded by Mr. Zeev Brandeis, an inventor listed on several international patents within this industry, who held executive positions in the Israeli hi-tech industry, with over 20 years of experience in product development and medical devices. Zeev, together with a group of leading vascular surgeons and interventional radiologists was the driving force behind the development of a family of innovative and minimally invasive technologies to treat incompetence, reflux, and chronic venous disorders.

The Company's board of directors consists of: (1) Mr. Yair Aloni, who is Chairman of the Board and has over 30 years of experience in Israeli and international start-ups; (2) Mr. Doron Birger, who is a highly accomplished med-tech executive known for his strategic leadership, having led major acquisitions and served as CEO and chairman for multiple pioneering companies; (3) Mr. Eitan Machover, who has more than 25 years of healthcare experience and founded two medical device venture capital funds and invested in more than 20 companies; (4) Mr. Yacov Reizman, a private savvy investor; and (5) Mr. Erez Tetro, who is also the CEO, and is an experienced executive with over 16 years working in the healthcare industry.

The company has 8 employees: CEO, CFO, VP R&D, R&D engineer, QA&RA Director, VP Global Marketing, Customer Success Manager and a COO.

On October 1, 2024, the Company entered into a definitive agreement dated September 30, 2024 (the "**Definitive Agreement**") (following a previously announcement on November 24, 2023) with the following parties:

i. DXI Capital Corp. ("**DXI**"), a Canadian Company listed in the TSX Venture Exchange (the "**TSXV**" or the "**Exchange**").
ii. Exiteam Acquisition Corp. ("**EAC**"), a Canadian-based corporation incorporated under the laws of the Province of British Columbia. EAC's main activity is raising funds from investors in order to acquire VVT and going public on a Canadian exchange.
iii. 1502987 B.C. Ltd. ("**DXI Subco**"), a wholly-owned subsidiary of DXI.

Under the terms of the Definitive Agreement, 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. Pursuant to the terms of the Definitive Agreement, (i) DXI Subco and EAC will amalgamate to form an amalgamated entity under the Business Corporations Act (British Columbia), and (ii) DXI and each of the securityholders of VVT will enter into securities exchange agreements.
As consideration for the completion of the Proposed Transaction, and subject to customary adjustments, including a proposed 4.67 to 1 share consolidation (the "**DXI Consolidation**") of the issued and outstanding common shares of DXI (the "**Resulting Issuer Shares**"), holders of EAC Shares will receive one (1) Resulting Issuer Share for each EAC Share (the "**EAC Exchange Ratio**"). Any outstanding warrants or other exchangeable or convertible securities of EAC will be exchanged, on an equivalent basis, for securities of the Resulting Issuer.
In addition, as consideration for the completion of the Proposed Transaction, and subject to customary adjustments, pursuant to the securities exchange agreements, each VVT Share will be exchanged for Resulting Issuer Shares on the basis of the VVT Exchange Ratio, as defined below.

Description of the Business (cont.)

Based on the halt price of DXI's common shares on November 24, 2023, the effective transaction price for the acquisition of VVT and EAC will be CAD$0.56 per Resulting Issuer Share issued (the "**Transaction Price**").
"**VVT Exchange Ratio"** means (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). As a pre-condition of closing the Proposed Transaction, DXI will settle unsecured indebtedness owed to certain of its principal shareholders in the current aggregate sum of CAD$1,150,000, including accrued interest, immediately prior to or concurrent with the completion of the Proposed Transaction, which will be settled for Resulting Issuer Shares at CAD$0.56 per share (the "**Concurrent Debt Settlement**").The completion of the Proposed Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to: (i) receipt of all requisite regulatory, stock exchange, court or governmental approvals, authorizations and consents; (ii) the absence of any material change or a change in a material fact or a new material fact affecting DXI, DXI Subco, EAC or VVT; (iii) the Resulting Issuer Shares, and all securities convertible into or exchangeable for Resulting Issuer Shares shall have been conditionally approved for listing on the Exchange; (iv) completion of the Concurrent EAC Financing for minimum gross proceeds of CAD$4,500,000; and (v) the DXI Consolidation and the Concurrent Debt Settlement shall have been completed. There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.

Significant developments for the six months ended June 30, 2025 and to the date of this report

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.

In Q1 2025, VVT entered discussions with the American Vein & Lymphatic Society (AVLS) leadership, including its newly elected president, regarding an endorsement letter for ScleroSafe. These efforts followed previous support from the American Venous Forum (AVF). VVT began working closely with coding consultants and the American Medical Association (AMA) to validate the use of a CPT code for reimbursement of ScleroSafe.

In early 2025, Portugal and North Macedonia placed repeat commercial orders, following successful initial introductions in Q4 2024. These recurring orders signal growing physician trust and early commercial traction.

In 2025, R&D efforts shifted toward development of the V-Block Gen 2, a next-generation embolization device designed to expand indications and enhance performance. Simultaneously, VVT initiated efforts to qualify a second guidewire supplier to improve resilience across its supply chain.

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.

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.

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.

On July 16, 2025, DXI had changed its name (the "**Name Change**") to "VVT Med Inc." - the Resulting Issuer.

.

Significant developments for the six months ended June 30, 2025 and to the date of this report (Cont.)

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.

On July 31, 2025, at market open, the Company Shares commenced trading on the TSX Venture Exchange under the symbol "VVTM".

Selected Annual Information

The following table provides a brief summary of the Company's financial information for each of the three most recently completed financial years. For more detailed information, please refer to the Financial Statements of the Company for the years ended December 31, 2024, 2023 and 2022:

	Years ended December 31		
(US$000s)	**2024**	**2023**	**2022**
Revenues	492	41	81
Net loss	(1,040)	(2,196)	(2,594)
Basic and diluted loss per share	(0.23)	(0.50)	(0.56)
Total assets	985	889	885
Total non-current liabilities	656	1,699	780

Results of Operations

The following table summarizes the results of operations of the Company for the six months ended June, 2025 and 2024:

	Six months ended June 30	
(US$000s)	**2025**	**2024**
Revenues	80	463
Cost of revenues	(25)	(92)
Gross profit	55	371
Research and development expenses	(71)	(77)
General and administrative expenses	(558)	(650)
Sales and marketing expenses	(118)	(39)
Other income	-	-
Operating loss	(692)	(395)
Financial expenses, net	(291)	(75)
Net loss	(983)	(470)
Comprehensive loss	(1,562)	(273)
Basic comprehensive loss per share	(0.08)	(0.02)

Revenues

Total revenue for the six months ended June 30, 2025 and 2024, decreased by $451. The decrease is primarily attributable to the large order placed by the U.S. distributor in Q1 2024. This order was made pursuant to a distribution agreement signed during that period and was intended to stock inventory in preparation for the product launch and market penetration efforts in the United States. As a result, Q1 2024 revenues were significantly higher than typical quarterly levels.

Operating Expenses

Research and development expenses for the six months ended June 30, 2025 and 2024, decreased by $6. R&D efforts shifted toward development of the V-Block Gen 2. Simultaneously, VVT initiated efforts to qualify a second guidewire supplier to improve resilience across its supply chain.

General and administrative expenses for the six months ended June 30, 2025 and 2024, decreased by $92 primarily due to the allocation of certain expenses, mainly the CEO's compensation, to sales and marketing expenses, reflecting the CEO's increased involvement in commercial activities during the period.

Sales and marketing expenses for the six months ended June 30, 2025 and 2024, increased by $79. The increase is mainly attributable to the Company's strategic decision to invest additional resources in exploring new ways to expand its sales volume, both in existing territories and in new markets with a high potential for successful product adoption. These efforts involve active participation from marketing and medical partners who are closely involved in the market entry process.

Operating Loss

The operating loss for the six months ended June 30, 2025 increased by $297 as a result of the factors outlined above.

.

Summary of Quarterly Results

The following table sets out certain unaudited selected financial information for the eight most recently completed quarters:

	Three months ended							
(US$000s)	**30/06/2025**	**31/03/2025**	**31/12/2024**	**30/09/2024**	**30/06/2024**	**31/03/2024**	**31/12/2023**	**30/09/2023**
Revenue	14	66	23	15	25	429	3	6
Loss for the period	(460)	(378)	(249)	(414)	(279)	(97)	(976)	(399)
Basic loss per share	(0.074)	(0.078)	(0.05)	(0.09)	(0.06)	(0.02)	(0.21)	(0.09)
Diluted loss per share	(0.074)	(0.078)	(0.05)	(0.09)	(0.06)	(0.02)	(0.21)	(0.09)

Liquidity and Capital Resources

The Financial Statements are prepared by management in accordance with IFRS on a going concern basis, which assumes that the Company will be able to continue to operate for the foreseeable future. However, the Company is exposed in varying degrees to a variety of financial risks, including liquidity risk and market risks with respect to its ability to raise capital through equity markets under acceptable terms and conditions.

The Company has incurred losses since incorporation, and as of June 30, 2025 had an accumulated deficit of $21,645 (2024 - $20,662). The Company is in the research and development phase for some of its products, while others are already in the stage where they are ready for sale and commercial distribution.

Liquidity

The Company believes it has sufficient liquidity to support continued operations and meet its short-term liabilities and commitments as they become due. Liquidity is primarily influenced by the level of research and development expenditures, the amount of spending on marketing initiatives, and, the ability to obtain external sources of financing, and sales of the Company's products. The Company's objectives when managing its liquidity and capital resources are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk.

The Company monitors its liquidity on a continuous basis to ensure there is sufficient capital to meet business requirements and to provide shareholder value. In the longer term, the Company's ability to continue as a going concern is dependent upon its ability to continue generating positive cash flow and generate net income or raise additional capital and then continue generating positive cash flow and generate net income. If the Company requires additional capital, there can be no assurance that equity or debt financings will be available to it in the future on terms satisfactory to the Company or at all. Circumstances that could impair the Company's ability to raise additional funds include general economic conditions and its ability to expand operations worldwide.

Capital Resources

The Company does not currently have any commitments for capital expenditures.

With the anticipated Proposed Transaction, as well as no current commitments for capital expenditures, the Company is expected to have adequate capital resources for the 2025 and 2026 financial years.

Cash Flow Statement

	Six months ended June 30	
(US$000s)	**2025**	**2024**
Cash provided by (used in) the following activities:		
Operating activities	(769)	(358)
Investing activities	-	-
Financing activities	893	341
Effect of foreign exchange rate and currencies on cash	43	60
Change in cash	167	43
Cash at the beginning of the year	104	71
Cash at the end of the year	271	114

Operating Activities

For the six months ended June 30, 2025 and 2024, total cash used in operating activities was $769 and 358, respectively.

Investing Activities

For the six months ended June 30, 2025 and 2024, total cash used in investing activities was $nil and $nil, respectively.

Financing Activities

For six months ended June 30, 2025 and 2024, cash provided by financing activities was $893 and $341, respectively.

In Q22025, the Company received $847 (2024 - $nil) of net proceeds through the issuance of convertible debentures.

The funds raised were utilized for research and development of the Company's products as well as for general working capital purposes, mainly the completion of the going public transaction.

Statement of Financial Position

The following table sets out certain selected financial position data as at June 30, 2025 and December 31, 2024:

(US$000s)	**June 30, 2025**	**December 31, 2024**
Total current assets	652	370
Total non-current assets	665	615
Total assets	1,317	985
Total current liabilities	5,059	6,709
Total non-current liabilities	728	656
Total liabilities	5,787	7,365
Total shareholders' deficit	(4,470)	(6,380)
Total liabiliteis and deficit	1,317	985

Statement of Financial Position (Cont.)

As at June 30, 2025, the Company had total assets of $1,317 (2024 - $985), an increase of $332.

As at June 30, 2025, the Company had total liabilities of $5,787 (2024 - $7,365), an decrease of $1,578. The decrease in total liabilities resulted mainly from the exercise of Convertible Debentures A on June 15, 2025. Total amount of common shares issued following the conversion of Series A is 11,082,395.

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**

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Commitments

As of the date of this MD&A, the Company does not have any commitments not disclosed and accounted for in the Financial Statements.

Related Parties

Other Related Party Transactions

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.

Key Management

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company. Key management personnel include members of the board of directors, and executive officers. Compensation of key management personnel may include short-term and long-term benefits. Short-term benefits include salaries and consulting fees, while long-term benefits include stock options.

Compensation provided to current key management and directors as follows:

Related Parties (Cont.)

	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

Outstanding Share Data And Fully Diluted Share Data

The authorized share capital of the Company consists of a limited number of Common Shares at par value NIS0.01 and a limited number of preferred shares at par value NIS0.01.

The following table sets out the share capital structure of the Company as of June 30, 2025:

Securities Outstanding	Number Outstanding
Ordinary share capital	17,280,238
Preferred share capital	3,876,478

Convertible and exercisable Securities Outstanding	Number Outstanding	Number of Common Shares Outstanding or Issuable Upon Conversion or Exercise
Stock options	481,600	481,600
Series A Convertible Debenture warrants	7,807,287	7,807,287
Series B Convertible Debenture warrants	3,459,291	3,459,291
Series B Convertible Debentures including accumulated interest	3,459,291	3,459,291

The convertible securities outstanding are based on management calculations with respect to the 8% carried and accumulated interest as described in the Company's financial statements.

The exercisable securities outstanding are based on the Company's Trustee report.

Financial Instruments and Risk Management

Fair Values

On June 30, 2025, the Company's financial instruments consist of cash and cash equivalents, trade receivables, other receivables, trade payables, other payables, convertible debentures, short-term loan and long-term loan. The fair values of cash, receivable, and payable items approximate their carrying values due to the relatively short-term maturity of these instruments.

Convertible debentures which are classified as current approximate their fair value due to their short-term nature. The non-current convertible bonds and the long-term loan approximate their fair value as they have been discounted using a market rate of interest.

Fair Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

During the periods ended June 30, 2025 and 2024, there were no transfers of amounts between levels.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk;
- Interest rate risk; and
- Foreign currency risk.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash, short term deposits, loan to franchise partners and accounts receivable.

All of the Company's cash is held at a financial institution. Management believes that the risk of loss held at the financial institution is minimal.

A large portion of the trade and other receivables at June 30, 2025, were collected subsequent to the period ended; accordingly, no provision for expected credit losses was determined for these balances. The net carrying value of accounts receivable as at the period ended represents the Company's maximum exposure to credit risk. The Company assessed the credit loss risk to be nominal. The maximum credit risk exposure associated with cash, short-term deposits, and accounts receivable is the total carrying value.

Financial Instruments and Risk Management (cont.)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash.

The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the year.

Market Risk

The market in which VVT participates is highly competitive and VVT's business and financial condition may be affected if VVT cannot compete effectively.

The market for VVT's product is highly competitive and rapidly evolving. VVT faces competition from large and established medical technology companies and start-ups that may offer similar services, products, and use cases. In addition, there may be companies who are developing similar technology of which VVT is currently unaware. Some established competitors with greater financial and operating resources, brand recognition, global reach, and larger customer bases may be able to develop a more comprehensive product with attractive pricing options or make acquisitions to offer a more comprehensive product or service offering, which may allow them to effectively compete with VVT's product. VVT expects competition to intensify in the future with the introduction of new technologies, new market entrants and the evolution of current and proposed technological solutions. Increased competition, pricing pressure and more advanced products could result in reduced sales, reduced margins, losses, and the failure of VVT to maintain its current customer base or a successful entrance of its subsequent products.

If VVT fails to predict customers' needs and demands, and achieve further market acceptance in the industry it serves, or if a competitor establishes a similar technological solution that is more widely adopted, VVT's ability to grow its business and operations could be harmed. In order for VVT to differentiate its offering from these competitors, among others, VVT believes, in part, that it must continue developing and enhancing its products and engage current and potential customers, particularly large enterprises, may elect to develop or acquire their own solutions for the treatment of varicose veins that would reduce or eliminate the demand for VVT's products.

VVT is reliant on key personnel with specialized expertise, and the inability to retain and attract key personnel will materially adversely affect the business.

The success of VVT depends on the expertise, leadership and efforts of its executive officers and key employees. VVT relies on its management team and other key employees in the areas of marketing and sales, information technology and security, and research and development, among others. In addition, in order to execute its growth plan, VVT must attract and retain highly qualified personnel. Competition for these personnel in Israel, Canada and in other locations where VVT currently maintains and expects to maintain teams and operations is intense, especially for employees experienced in designing and developing medical technology products. The loss of one or more of VVT's executive officers, especially the CEO or the CFO, could disrupt VVT's business and negatively impact its revenues and operational effectiveness. An inability to attract and retain talented personnel will have a material adverse effect on VVT's performance or its scalability opportunities.

Failure to adequately protect VVT's intellectual property could adversely affect its business, financial condition, and results of operations.

VVT's business will depend substantially on its intellectual property, including the VVT's licensed patents (both current and pending) and other licensed rights. Consequently, the protection of VVT's licensed intellectual property rights is expected to be crucial to the success of its business. Policing and enforcing VVT's intellectual property rights is difficult and may not always be effective. In particular, VVT may need to enforce its licensed rights under the laws of countries that do not protect proprietary rights to as great an extent as do the laws of the United States, Canada and Israel.

Numerous patents and pending patent applications owned by others exist in the field where VVT has commercialized, and expects to further commercialize its licensed technology, and sell its products or services. These patents and patent applications might have priority over the VVT's intellectual property applications and could subject VVT's applications to invalidation and/or prevent one or more of such applications to be granted to provide an enforceable patent right. VVT may be unable to obtain adequate patent protection or any patent protection for technology claimed in its applications or such patent protection may not be obtained quickly enough to meet its business needs.

Furthermore, the patent prosecution process is expensive, time-consuming, and complex. VVT therefore may not be able to prepare, file, prosecute, maintain, and enforce all necessary or desirable patents or patent applications at a reasonable cost or in a timely manner. The scope of any patent protection obtained can be reinterpreted after issuance and any issued patents may be invalidated. Even if VVT's patent applications do result in the successful issuance of patents, they may not necessarily be issued in a form that is sufficiently broad to protect VVT's technology, prevent competitors or other third parties from competing with VVT, and/or otherwise provide any competitive advantage.

In addition, any intellectual property rights, including VVT's licensed patent rights, may be challenged, narrowed, invalidated, held unenforceable and/or circumvented in litigation or other administrative proceedings, including, where applicable, opposition, re-examination, *inter partes* review, post-grant review, interference, nullification and derivation proceedings and equivalent proceedings in foreign jurisdictions. Such challenges to VVT's intellectual property rights may result in substantial cost and require significant time from management, even if the eventual outcome is favorable. VVT may be required to spend significant resources to monitor and protect its intellectual property and other proprietary rights. VVT may conclude that in at least some instances the benefits of protecting its intellectual property or other proprietary rights may be outweighed by the expense or distraction to its management. Effective protection of VVT's intellectual property rights including its licensed patent rights may not be available in every country in which its products or services are available. The laws of some countries may not be as protective of intellectual property rights as those in the United States, Canada and Israel, and mechanisms for enforcement of intellectual property rights may be inadequate. Accordingly, any enforceable patent or other intellectual property rights obtained may be lost or no longer provide VVT meaningful competitive advantages.

Third parties may also legitimately and independently develop products, services, and technology similar to, or duplicative of, VVT's products and services. Despite VVT's best efforts, third parties may attempt to disclose, obtain, copy, or use VVT's intellectual property rights or other proprietary information or technology without authorization. Efforts to protect intellectual property and other proprietary rights may not prevent such unauthorized disclosure or use, misappropriation, infringement, reverse engineering or other infringement of these rights.

VVT may initiate claims or litigation against third parties for infringement, misappropriation or other violation of its intellectual property rights or other proprietary rights or to establish the validity of its intellectual property rights or other proprietary rights. Any such litigation, whether or not resolved in VVT's favor, could be time-consuming, result in significant expense to and divert the efforts of technical and management personnel. Furthermore, attempts to enforce intellectual property rights against third parties could also provoke these third parties to assert their own intellectual property rights or other claims against VVT or result in a holding that invalidates or narrows the scope of VVT's rights, in whole or in part.

In addition to protection under intellectual property laws, VVT will rely on confidentiality or license agreements that it will generally enter into with corporate partners, employees, consultants, contractors, advisors, vendors and customers. VVT will generally limit access to and distribution of its proprietary information. However, VVT cannot be certain that it will have entered into such agreements with all parties who may have or had access to confidential information or that the agreements entered into will not be breached or challenged or that such breaches will be detected. Furthermore, non-disclosure provisions can be difficult to enforce, and even if successfully enforced, may not be entirely effective. VVT cannot guarantee that any of the measures it will have taken will prevent infringement, misappropriation, or other violation of its technology or other intellectual property or proprietary rights. VVT also may be a target for a cyberattack, which poses a risk of unauthorized access to, and misappropriation of, its proprietary and competitively sensitive information.

Intellectual property infringement assertions by third parties could result in significant costs and adversely affect VVT's business, financial condition, results of operations, and reputation.

VVT's success and ability to compete also depend in part on its ability to operate without infringing, misappropriating or otherwise violating the intellectual property or other proprietary rights of third parties. These third-party rights may preclude VVT from making, using or selling its commercial products and services. This risk exists independently of VVT's licensed patent rights. Current and potential competitors may own patents, copyrights, trademarks and trade secrets and may pursue litigation based on allegations of infringement, misappropriation or other violations of intellectual property rights. VVT may receive notices that claim it has infringed, misappropriated, misused or otherwise violated other parties' intellectual property rights. These other parties may have the capability to dedicate substantial resources to enforce their intellectual property rights and to defend claims that may be brought against them. Although to-date VVT has not received any notices that it has violated intellectual rights of any third party, to the extent VVT gains greater commercial visibility, VVT faces a higher risk of being the subject of intellectual property infringement, misappropriation or other violation claims. Any intellectual property litigation initiated against VVT may involve non-practicing patent assertion entities or companies who use their patents as a means to extract license fees by threatening costly litigation or that have minimal operations or relevant product revenue. VVT's licensed patent rights may provide little or no deterrence or protection against such non-practicing patent assertion entities. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments in any dispute involving intellectual property rights. If securities analysts or investors perceive these announcements or results to be negative, it could have a substantial adverse effect on the price of the Resulting Issuer Shares.

There may be third-party intellectual property rights, including issued patents or pending patent applications that cover significant aspects of VVT's technologies, products, services or business methods. There may also be third-party intellectual property rights, including trademark registrations, pending trademark applications and non-registered common law use, which covers the way VVT markets its goods and services. VVT may also be exposed to increased risk of being the subject of intellectual property infringement, misappropriation, or other violation claims as a result of acquisitions and/or its incorporation of third-party products and services (e.g., hardware and software) into its product and service offerings. VVT has a lower level of visibility into the development process with respect to such third-party products and services or the care taken by any third-party to safeguard their products and services against infringement, misappropriation, or other intellectual property violation risks. Claims in this regard could also result in having to stop using technology or product branding found to be in violation of a third-party's rights. VVT could be required to seek a license for third-party intellectual property, which may not be available on commercially reasonable terms or at all. Even if a license were available, VVT could be required to pay significant royalties, which would increase its expenses.

As a result of any such allegations of intellectual property infringement, VVT may need to redesign or rebrand its products and services. This may include developing alternative non-infringing technology or branding, which could require significant effort and expense. If VVT cannot license rights or develop alternative technology for any infringing aspect of its business, it would be forced to limit or stop sales of one or more of its products or services, it could lose existing customers, and it may be unable to compete effectively. Any of these results would harm VVT's business, financial condition, and results of operations.

Further, VVT's agreements with customers and other third parties may include indemnification provisions under which it agrees to indemnify them for losses suffered or incurred as a result of third- party claims of intellectual property infringement, misappropriation, or other violations of intellectual property rights, damages caused by VVT to property or persons, or other liabilities relating to or arising from its platforms, services, or other contractual obligations. Large indemnity payments could harm the business, financial condition and operations of VVT. Any dispute with a customer with respect to such obligations could have adverse effects on its relationship with that customer, other existing customers and new customers which could harm the business and results of operations.

VVT is subject to substantial government regulation that could have a material adverse effect on its business.

VVT's products are regulated major regulatory bodies like the FDA, CE, ANVISA, TGA, and CDSCO. The production and marketing of VVT's products and its ongoing research and development are subject to extensive regulation and review by numerous governmental authorities both in North America and abroad. These regulations govern the

design, development, testing, clinical trials, premarket clearance and approval, safety, marketing and registration of medical devices, in addition to regulating manufacturing practices, reporting, labeling and recordkeeping procedures. The regulatory process requires significant time, effort and expenditures to bring VVT's products to market, and VVT cannot be assured that any of its products will be approved. The regulations to which VVT is subject to are complex and have tended to become more stringent over time. VVT's failure to comply with applicable regulatory requirements could result in these governmental authorities issuing warning letters or untitled letters, imposing fines and penalties, preventing VVT from manufacturing or selling products, bringing civil or criminal charges against VVT, delaying the introduction of new products into the market, recalling or seizing products or withdrawing, suspending or denying approvals or clearances for its products.

If VVT experiences problems with, or is required to change its manufacturers, VVT may be unable to meet customer orders for its products in a timely manner or within its budget.

VVT does not have its own manufacturing facilities or capabilities. VVT's business is wholly reliant on third-party manufacturers and outsourcing of materials to build and produce its commercial products. If VVT is unable to receive adequate quantity or quality of its products on a timely basis, VVT's ability to become profitable may be adversely affected and VVT may not have adequate resources to execute its business strategy. VVT's third-party manufacturers may not prioritize the production of VVT's products compared to their larger customers, so VVT may experience longer delays in receiving its requested orders. If one of VVT's third-party manufacturers is unable to manufacture or supply to VVT as expected or contractually obligated, it may have adverse effects on VVT.

Furthermore, if VVT is required to change the manufacturer of its products, it will be required to verify that the new manufacturer maintains facilities, procedures and operations that comply with its quality standards and applicable regulatory requirements, which could further impede VVT's ability to manufacture its products in a timely manner. Transitioning to a new manufacturer could be time-consuming and expensive, may result in interruptions in its operations and product delivery, could affect the performance specifications of its products or could require that VVT modify the design of those products. A change in manufacturer could trigger the requirement to submit and obtain a new 510(k) clearance from the FDA, or similar international regulatory authorization before implementing the change, which could cause substantial delays. The occurrence of any of these events could harm VVT's ability to meet the demand for its products in a timely and cost-effective manner. VVT cannot assure investors that any need to change manufacturers will not cause interruptions in its operations.

VVT may not receive, or may be delayed in receiving, the necessary clearances or approvals for future products or modifications to current products, and failure to timely obtain necessary clearances or approvals for its future products or modifications to current products would adversely affect the ability to grow VVT's business.

In the United States, before VVT can market a new medical device, or a new use of, new claim for or significant modification to an existing product, VVT must first receive either clearance under Section 510(k) of the FD&C Act or approval of a premarket approval ("**PMA**"), from the FDA, unless an exemption applies. In the 510(k) clearance process, before a device may be marketed, the FDA must determine that a proposed device is "substantially equivalent" to a legally-marketed "predicate" device, which includes a device that has been previously cleared through the 510(k) process, a device that was legally marketed before May 28, 1976 (pre-amendments device), a device that was originally on the U.S. market pursuant to an approved PMA and later down-classified, or a 510(k)-exempt device. To be "substantially equivalent," the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data is sometimes required to support substantial equivalence. In the process of obtaining PMA approval, the FDA must determine that a proposed device is safe and effective for its intended use based, in part, on extensive data, including, but not limited to, technical, pre-clinical, clinical trial, manufacturing and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices.

Modifications to products that are approved through a PMA application generally require FDA approval. Similarly, certain modifications made to products cleared through a 510(k) may require a new 510(k) clearance. Both the PMA

and the 510(k)-clearance process can be expensive, lengthy and uncertain. The FDA's 510(k) clearance process usually takes from three to twelve months, but can last longer. The process of obtaining a PMA is much costlier and uncertain than the 510(k)-clearance process and generally takes from one to three years, or even longer, from the time the application is submitted to the FDA. In addition, a PMA generally requires the performance of one or more clinical trials. Despite the time, effort and cost, a device may not be approved or cleared by the FDA. Any delay or failure to obtain necessary regulatory clearances or approvals could harm VVT's business. Furthermore, even if VVT is granted regulatory clearances or approvals, they may include significant limitations on the indicated uses for the device, which may limit the market for the device.

Risks related to regulation.

VVT will be subject to a variety of laws and regulations domestically and abroad that involve intellectual property, advertising, marketing, distribution, data and information security, electronic communications, competition, consumer protection, unfair commercial practices, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance, online payment and payment processing services. VVT may introduce new products, expand its activities in certain jurisdictions, or take other actions that may subject it to additional laws, regulations or other government scrutiny.

These laws, regulations and legislation, along with other applicable laws and regulations, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations, including pre-existing laws regulating communications and commerce in the context of VVT's business, particularly in the new and rapidly evolving industries in which VVT operates, may be interpreted and applied inconsistently across jurisdictions and inconsistently with its future policies and practices.

These laws and regulations, as well as any changes to the same and any related inquiries, investigations or any other government actions, may be costly to comply with and may delay or impede new product development, result in negative publicity, increase VVT's operating costs, require significant management time and attention, and subject it to remedies that may harm its business including fines or demands or orders that modify, or cease certain or all existing business practices, or implement costly and burdensome compliance measures. Any such consequences could adversely affect VVT's business, results of operations or financial condition.

Product liability and recalls.

VVT risks exposure to product liability claims, regulatory actions and litigation if its products are alleged to have caused significant loss, injury, illness or death. A product liability claims or regulatory action against VVT could result in increased costs, could adversely affect VVT's reputation with its customers and could have a material adverse effect on VVT's results of operations and financial condition.

Further, if any of VVT's products are recalled due to an alleged product defect or for any other reason, VVT could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. VVT may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although VVT has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A product recall could lead to decreased demand for VVT's products and could have a material adverse effect on the results of operations and financial condition of VVT. Product recalls may lead to increased scrutiny of VVT's operations by governmental regulatory authorities requiring further management attention and potential legal fees and other expenses.

Any further future international expansion will subject VVT to additional costs and risks that may have a material adverse effect on VVT's business, financial condition and results of operations.

The majority of VVT's sales are presently primarily to a customer in the United States. To the extent VVT enters into international markets in the future, there are significant costs and risks inherent in conducting business in international

markets. If VVT expands, or attempts to expand, into foreign markets, VVT will be subject to new business risks, in addition to regulatory risks. In addition, expansion into foreign markets imposes additional burdens on VVT's executive and administrative personnel, finance and legal teams, research and marketing teams and general managerial resources.

VVT has limited experience with regulatory environments and market practices internationally, and it may not be able to penetrate or successfully operate in new markets. VVT may also encounter difficulty expanding into international markets because of limited brand recognition in certain parts of the world. If VVT is unable to expand internationally and manage the complexity of international operations successfully, it could have a material adverse effect on its business, financial condition and results of operations. If VVT's efforts to introduce its products into foreign markets are not successful, VVT may have expended significant resources without realizing the expected benefit. Ultimately, the investment required for expansion into foreign markets could exceed the results of operations generated from this expansion.

Foreign currency risk

VVT's revenues are expected to be primarily denominated in United States dollars and VVT's expenses are expected to be primarily denominated in New Israeli Shekel, and therefore may be exposed to significant currency exchange fluctuations. The NIS and the Canadian dollar relative to the United States dollar or other foreign currencies is subject to fluctuations. VVT will be subject to risks and losses resulting from fluctuations in the relative value of the currencies of different countries where its customers, suppliers and operations are located. While VVT will attempt to be prudent in managing such foreign exchange risks, there can be no assurance that VVT will not suffer losses from such risks in the future. Any such losses could have a material adverse impact on results of operations and cash available to support operations.

VVT has limited sales history and is subject to the risks associated with early-stage businesses.

VVT is a company with a limited sales history and is subject to all the business risks and uncertainties associated with any early-stage or growth business enterprise, including under-capitalization, cash flow concerns, product-market fit, scalability, limitations with respect to personnel, financial, and other resources, and the risk that it will not be profitable or achieve its growth objectives. The near-term focus of VVT has been developing its customer base and supporting and enhancing its devices. VVT's future operations are dependent upon many factors, including its ability to generate sufficient profit and cash flows from operations and obtain additional funding. There is no assurance that VVT will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Information technology systems, cyber-attacks and security breaches.

VVT's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology ("**IT**") systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. VVT is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or malfunctioning technology. VVT's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays, increase in capital expenses, financial losses, the inability to process transactions, the unauthorized release of customer information and reputational risk. If there was a breach in security or if there was a failure of information systems or a component of information systems, it could, depending on the nature of any such breach or failure, adversely impact VVT's reputation, business continuity and results of operations.

VVT has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that VVT will not incur such losses in the future. VVT's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority.

As cyber threats continue to evolve, VVT may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

There are risks relating to maintaining and enhancing a brand.

VVT has established its current brand and market position over time through its online and offline presence and marketing, its experience and relationship with its customers and industry leaders, and other protection of its brand as set out in this MD&A. However, as an early-stage growth company, VVT's reach and brand exposure are still limited, especially when compared to large industry competitors. VVT believes building and maintaining a more global brand is critical for its relationships with current customers, its ability to attract and engage new customers and overall, the long-term success of its business. There is no guarantee that VVT will be able to achieve and maintain a more global brand. The successful promotion of VVT's brand attributes will depend on various factors, including access to capital, current and proposed marketing strategies, success of its products in multiple markets, and VVT's ability to differentiate its products from its competitors. Negative commentaries and or word of mouth may have a damaging impact on the ability of VVT to reach its potential and may not necessarily be based on accurate data or real experience.

The principal operations, management, and corporate headquarters of VVT are located in Israel and, therefore, the business and operations may be adversely affected by political, economic and military conditions in Israel.

The corporate headquarters of VVT, including its principal executive, business development and financial departments as well as its key employees are located in Israel. Accordingly, political, economic, and military conditions in the Middle East in general, and in Israel in particular, may directly affect VVT's business, product development and results of operations, and VVT may be adversely affected by a significant increase in the rate of inflation or a significant downturn in economic or financial conditions in Israel.

Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries, and between Israel and the Hamas (an Islamist militia and political group in the Gaza Strip) and Hezbollah (an Islamist militia and political group in Lebanon).

In particular, in October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on the Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. These attacks resulted in thousands of deaths and injuries, and Hamas additionally kidnapped many Israeli civilians and soldiers. Following the attack, Israel's security cabinet declared war against Hamas and commenced a military campaign against Hamas and these terrorist organizations in parallel continued rocket and terror attacks. As a result of the events of October 7, 2023, whereby Hamas terrorists invaded southern Israel and launched thousands of rockets in a widespread terrorist attack on Israel, the Israeli government declared that the country was at a State of War and the Israeli military began to call-up reservists for active duty. As of the date of this MD&A, all of our personnel at our service providers or counterparties located in Israel have returned to full capacity, and we are no longer impacted by any absences of personnel at our service providers or counterparties located in Israel. Military service call ups that result in absences of personnel from us for an extended period of time may materially and adversely affect our business, prospects, financial condition and results of operations.

In addition, the intensity and duration of Israel's current war against Hamas is difficult to predict at this stage, as are such war's economic implications on VVT's business and operations and on Israel's economy in general. If the war extends for a long period of time or expands to other fronts, such as Lebanon, Syria, Iran and the West Bank, our operations may be adversely affected. These situations may potentially escalate in the future to more violent events which may affect Israel and VVT's business. Any armed conflicts, terrorist activities or political instability in the region could adversely affect business conditions, could harm results of operations and could make it more difficult for VVT to raise capital. The political and security situation in Israel may result in parties with whom VVT has agreements involving performance in Israel claiming that they are not obligated to perform their commitments under those agreements pursuant to force majeure provisions in such agreements. Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State

of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on VVT's operating results, financial condition or the expansion of VVT's business.

Political conditions within Israel may affect VVT's operations. Israel has held five general elections between 2019 and 2022, and prior to October 2023, the Israeli government pursued extensive changes to Israel's judicial system, which sparked extensive political debate and unrest. To date, these initiatives have been substantially put on hold. Actual or perceived political instability in Israel or any negative changes in the political environment, may individually or in the aggregate adversely affect the Israeli economy and, in turn, VVT's business, financial condition, results of operations and growth prospects.

Many Israeli citizens are obligated to perform several days or more of military reserve duty each year until they reach the age of 40 (or older, for reservists who are military officers or who have certain occupations) and, in the event of a military conflict, may be called to active duty. In response to increases in terrorist activity, there have been periods of significant call-ups of military reservists. It is possible that there will be further military reserve duty call-ups in the future. VVT's operations could be disrupted by such call-ups, particularly if such call-ups include the call-up of members of VVT's management. Such disruptions could materially adversely affect VVT's business, financial condition, and results of operations.

VVT may not be able to raise sufficient funds on favorable terms in order to meet its needs in the future.

The continued development of VVT will likely require additional financing. There is no certainty regarding the ability of VVT to raise sufficient funds to meet its needs and targets into the future. VVT may need to raise additional capital from equity or debt sources, or both, due to unforeseen circumstances. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for VVT to obtain additional capital and to pursue business opportunities, including potential acquisitions. There can be no assurance that VVT will be able to raise sufficient capital on favorable terms or at all. If VVT is unable to obtain adequate financing or financing on terms satisfactory to VVT, its ability to continue to grow or support its business and to respond to business challenges could be significantly limited.

VVT may become party to litigation or regulatory investigations which could adversely affect its business.

VVT may become party to litigation, either as a plaintiff or defendant, from time to time which could adversely affect its business. Should any litigation in which VVT becomes involved be determined against VVT, such a decision could impact VVT's ability to continue operating. Even if VVT is successful in litigation, litigation can redirect significant company resources.

In addition, VVT could be the subject of inquiries, investigations, and proceedings by customers, other third parties and regulatory and other government agencies governing its operating jurisdictions, which could lead to increased expenses or reputational damage. Responding to inquiries, investigations, and proceedings, regardless of the ultimate outcome of the matter, is time-consuming and expensive and can divert the attention of senior management and key personnel. The outcome of such proceedings may be difficult to predict or estimate until late in the proceedings, which may last a number of years.