VAXIL BIO LTD

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

INDEX

NOTICE OF NO AUDITOR REVIEW OF THE

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 - *Continuous Disclosure Obligations*, of the Canadian Securities Administrators, the Company (as defined herein) discloses that its auditors have not reviewed the accompanying unaudited condensed interim consolidated financial statements.

The accompanying unaudited condensed interim consolidated financial statements of Vaxil Bio Ltd ("Vaxil" or the "Company") for the three and six months ended June 30, 2025, have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors.

(Expressed in Thousands of Canadian Dollars, except per share data)

	Note		June 30, 2025		December 31, 2024
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**347**	$	448
Unsecured note	**3**		**27**		27
Secured note	**3**		**239**		239
Amounts receivable and prepaid expenses			**12**		19
Total assets		**$**	**625**	$	733
Non-current assets					
Investments			**72**		-
Total Assets		**$**	**697**	$	733
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**6**	$	17
Total liabilities			**6**		17
Shareholders' equity					
Share capital	**6**		**16,074**		16,074
Equity reserves	**6**		**4,260**		4,260
Accumulated other comprehensive loss			**(80)**		(83)
Accumulated deficit			**(19,563)**		(19,535)
Total shareholders' equity			**691**		716
Total liabilities and shareholders' equity		**$**	**697**	$	733

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on August 29, 2025:

"Gadi Levin"	*"Ari Kellen"*
Gadi Levin, Director	Ari Kellen, Director

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

(Expressed in Thousands of Canadian Dollars, except per share data)

	Note	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Expenses:					
General and administration costs	**5**	**$ 37**	$ 40	**103**	$ 89
Share based compensation		**-**	2	**-**	5
Total Expenses		**37**	42	**103**	94
Operating Loss		**(37)**	(42)	**(103)**	(94)
Financial income	**3**	**73**	-	**77**	-
Net profit (loss) for the period from continuing operations		**36**	(42)	**(26)**	(94)
Net gain (loss) from dicontinued operations	**4**	**6**	(7)	**(2)**	(13)
Net profit (loss) for the period		**42**	(49)	**(28)**	(107)
Other comprehensive loss					
Foreign currency translation adjustment		**7**	(1)	**5**	(2)
Comprehensive profit (loss) for the period		**49**	(50)	**(23)**	(109)
Basic and fully diluted earnings (loss) per share (**)		**$ 0.02**	$ (0.00)	**$ (0.01)**	$ (0.04)
Weighted average number of shares outstanding (*)		**2,739,579**	2,739,579	**2,739,579**	2,739,579

(*) On May 15, 2025, the Company effected a 1-for-50 reverse split of its issued and outstanding common shares, pursuant to which holders of the Company's common shares received 0.02 of a common share for every one common share held. All share amounts have been retroactively restated for all periods presented.

(**) Basic and diluted earnings per share are the same for the three month period ended June 30, 2025, as the Company had no dilutive potential ordinary shares. Although the Company has outstanding warrants and stock options, these were anti-dilutive for the period presented because the exercise prices exceeded the average market price of the shares.

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

(Expressed in Thousands of Canadian Dollars, except per share data)

	Share capital				Equity reserves		Accumulated other comprehensive loss		Accumulated deficit		Total Shareholders' equity
	Number of shares (*)		**Amount**								
Balance - December 31, 2023	**2,739,579**	**$**	**16,074**	**$**	**4,255**	**$**	**(81)**	**$**	**(19,357)**	**$**	**891**
Share based compensation	**-**		**-**		5		**-**		**-**		5
Net loss and comprehensive loss for the period	-		-		-		(2)		(94)		(96)
Balance - June 30, 2024	**2,739,579**	**$**	**16,074**	**$**	**4,260**	**$**	**(83)**	**$**	**(19,451)**	**$**	**800**
Balance - December 31, 2024	**2,739,579**	**$**	**16,074**	**$**	**4,260**	**$**	**(85)**	**$**	**(19,535)**	**$**	**714**
Net loss and comprehensive loss for the period	**-**		**-**		**-**		5		(28)		(23)
Balance - June 30, 2025	**2,739,579**	**$**	**16,074**	**$**	**4,260**	**$**	**(80)**	**$**	**(19,563)**	**$**	**691**

(*) On May 15, 2025, the Company effected a 1-for-50 reverse split of its issued and outstanding common shares, pursuant to which holders of the Company's common shares received 0.02 of a common share for every one common share. All share amounts have been retroactively restated for all periods presented.

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

(Expressed in Thousands of Canadian Dollars, except per share data)

	Six months ended June 30, 2025	Six months ended June 30, 2024
Cash flows from operating activities		
Net loss for the period	**$ (26)**	$ (94)
Items not affecting cash:		
Share-based compensation	**-**	5
Interst income		
Interest on deposit	**(77)**	-
Changes in non-cash working capital:		
Amounts receivable and prepaid expenses	**11**	14
Accounts payable and accrued liabilities	**(7)**	(12)
Net cash flows used in operating activities	**(99)**	(87)
Net cash flows for discontinued operations	**(2)**	(13)
Cash flows from investing activities		
Unsecured and secured notes	**-**	(250)
Net cash flows used in investing activities	**-**	(250)
Net decrease in cash before effect of exchange rate changes	**(101)**	(350)
Effect of changes in foreign exchange rates	**-**	1
Net decrease in cash	**(101)**	(349)
Cash, beginning of period	**448**	938
Cash, end of period	**$ 347**	$ 589
Supplementary disclosure of cash flow information:		
Significant non-cash transactions		
Receipt of shares in Green Data Centers	**$ 72**	**$ -**

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

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

a. Vaxil Bio Ltd. ("Vaxil, and with its subsidiaries, the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 26, 2006. Vaxil was incorporated as a biotechnology company and had been focused on a novel drug discovery and development platform based on Signal Peptides ("SPs") to fight infectious diseases and cancer. In recent years, the Company had been more focused on P-Esbp-DOX.

   Following a decision in August 2023, given the need for additional investment to continue to pursue the biotechnology work, the Company began exploring new sources of capital and potential partners to support continued development of this platform. In parallel, the board of directors began actively exploring strategic options for maximizing shareholder value from the Company's assets and on May 15, 2025, the Company sold its Israeli subsidiary that held its patents and had been performing all the research and development work, for $8. The Company's remaining subsidiary (which was inactive) is in the process of being deregistered (see note 4).

   Vaxil's common shares (the "Common Shares") trade on the TSX Venture Exchange (the "TSXV") under the symbol "VXL.V". The Company's head office is located at 559 Briar Hill Avenue, Toronto, ON M5N 1N1, Canada.

   These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2025.

b. The accompanying condensed interim consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception of $19,634, is currently in the development stage and has not commenced commercial operations. The Company's ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. As of June 30, 2025, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business plan, all of which may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

c. On April 3, 2025, the Company announced that the TSXV has placed the Company on a 90-day notice to transfer to the NEX board of the TSX Venture Exchange. However, as of the date of this report, there has been no change.

d. On April 10, 2025, the Company's Board of Directors (the "Board") approved a 1-for-50 reverse split of its issued and outstanding common shares, effective as of May 15, 2025, pursuant to which holders of the Company's common shares received 0.02 of a common share for every one common share held.

   All issued and outstanding common shares or instruments convertible into common shares contained in these condensed interim consolidated financial statements have been retroactively restated.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") with an effective date of June 30, 2025.

2. BASIS OF PREPARATION (CONTINUED)

Statement of Compliance (continued)

These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended 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 consolidated financial statements.

Basis of Presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented in thousands and are in Canadian dollars unless otherwise specified.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of Vaxil and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated on consolidation.

Significant Accounting Judgments and Estimates

The preparation of these condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

The critical judgments and significant estimates required in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are:

- Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.
- Management assesses the fair value of options and warrants granted in accordance with the accounting policy disclosed in share-based payments. The fair value of stock options granted is measured using the Black-Scholes option valuation model. The same model is used by the Company in order to arrive at a fair value for the issuance of warrants.
- Management expenses the costs directly associated with research and development activities. Indirect costs are estimated using management's calculation of the amount of the activity that is deemed to be associated with research and development.
- In order to assess whether it is appropriate for the company to continue as a going concern, management is required to apply judgment and make estimates with respect to future cash flow projections. In arriving at this judgment, there were a number of assumptions and estimates involved in calculating these future cash flow projections. This includes making estimates regarding the timing and amounts of future expenditures and the ability and timing to raise additional financing.

(Expressed in Thousands of Canadian Dollars, except per share data)

3. SECURED AND UNSECURED NOTES

On August 20, 2024, the Company and Green Data Center Real Estate Inc. ("Green Data Centers") signed an amalgamation agreement (the "Agreement") pursuant to a previously signed non-binding letter of intent ("LOI"). The Agreement was subsequently terminated in 2024, however, pursuant to the LOI, on June 4, 2024, and on June 27, 2024, the Company advanced Green Data Centers $25 and $225, respectively, and on June 24, 2024, Green Data Centers issued the Company an unsecured promissory note ("Unsecured Note") in the amount of $25 and a secured promissory note ("Secured Note") in the amount of $225 (Unsecured Note and Secured Note, together, the "Notes").

The Notes bear interest at 12% per annum and may be repaid by Green Data Centers at any time.

The principal amount and any accrued interest on the Secured Note is secured by a general security agreement provided by the Green Data Centers in favor of the Company over all of the present and after-acquired property of Green Data Centers, including all of the assets, and undertakings, of whatever nature or kind and wheresoever situated and all proceeds thereof.

Following the termination of the Agreement, on January 16, 2025, the Company and Green Date Centers mutually agreed that Green Data Centers will repay the loan and interest it owes to Vaxil, by July 9, 2025. The Unsecured Note, including interest, was repaid subsequent to the period end (see note 8).

As consideration for the covenants and agreements of the Company, Green Data Centers issued the Company 3,333 Green Data Centre shares ("GDCS"), having an aggregate value of $72. The GDCS are included in the Condensed Interim Consolidated Statement of Financial Position under Investments, with a corresponding credit to Financial Income in the Condensed Interim Consolidated Statement of Profit and Loss and Comprehensive Profit and Loss.

The Company is currently in negotiations with Green Data Centers to extend the repayment date of the Secured Note.

4. DISCONTINUED OPERATIONS

On May 15, 2025, the Company sold its Israeli subsidiary that held the patents and had been performing all the research and development work, for $8. The remaining subsidiary (which was inactive) is in the process of being deregistered.

The Company's operating results from discontinued operations included in the Consolidated Statements of Operations and Comprehensive loss are summarized as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Expenses:				
General and administration costs	**$ 2**	$ 20	**6**	$ 6
Research and development costs	**-**	(13)	**3**	7
Total Expenses	**2**	7	**9**	13
Operating Loss from discontinued operations	**(2)**	**(7)**	**(9)**	**(13)**
Proceeds from sale of discontinued operations	**8**	**-**	**8**	**-**
Loss on sale of discosnitnued operations	**6**	**(7)**	**(1)**	**(13)**

(Expressed in Thousands of Canadian Dollars, except per share data)

5. RELATED PARTY TRANSACTIONS

The following are the expenses incurred related to key management for the period ended June 30, 2025 and 2024 and the balances owing as of June 30, 2025 and 2024:

For the period ended June 30, 2025

	Directors Fees	Consulting Fees	Share based awards	Total	Amounts owing at June 30, 2025
Gadi Levin, Director and CEO	$ -	$ 18	$ -	$ 18	$ 3
Alan Rootenberg, CFO	-	11	-	11	2
Daniel Bloch, Director	-	-	-	-	-
Ari Kellen, Director	-	-	-	-	-
Shawn Langer, Director	-	-	-	-	-
Total	$ -	$ 29	$ -	$ 29	$ 5

For the period ended June 30, 2024

	Directors Fees	Consulting Fees	Share based awards	Total	Amounts owing at June 30, 2024
Gadi Levin, Director and CEO	$ -	$ 18	$ 1	$ 19	$ 3
Alan Rootenberg, CFO	-	11	2	13	4
Daniel Bloch, Director	-	4	1	5	-
Ari Kellen, Director	-	-	-	-	-
Shawn Langer, Director	-	-	-	-	-
Total	$ -	$ 33	$ 4	$ 37	$ 7

(Expressed in Thousands of Canadian Dollars, except per share data)

6. SHARE CAPITAL AND RESERVES

a) Issued and authorized share capital:

(i) On May 15, 2025, the Company effected a 1-for-50 reverse split of its issued and outstanding common shares, pursuant to which holders of the Company's common shares received 0.02 of a common share for every one common share. All share amounts have been retroactively restated for all periods presented.

(ii) As at June 30, 2025, the authorized share capital of the Company comprises an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid (the "Common Shares"). As of June 30, 2025, the Company had 2,739,579 (December 31, 2024 – 2,739,579) Common Shares issued and outstanding.

b) Transactions during the period:

There were no changes to the Common Shares during the six months June 30, 2025 and 2024.

c) Stock options

(i) Stock option transactions during the year ended December 31, 2024 and the six months ended June 30, 2025 are summarized as follows:

	Options Issued	Average Exercise Price
Balance outstanding at December 31, 2024 and 2023	**44,000**	**$ 3.50**
Forfeited (i)	(8,000)	2.50
Balance outstanding at June 30, 2025	**36,000**	**$ 3.86**

(i) During the three and six months ended June 30, 2025, the Company expensed $Nil as share based compensation in respect of current and prior period option grants (for the three and six months ended June 30, 2024: $2 and $5, respectively).

(ii) As of June 30, 2025, the Company had outstanding stock options, enabling the holders to acquire Common Shares as follows:

Options Outstanding			Options Exercisable	
Number Outstanding at June 30, 2025	**Exercise Price**	**Expiry Date**	**Exercisable at June 30, 2025**	**Weighted Exercise Price**
14,000	$ 6.00	September 14, 2025	14,000	$ 6.00
22,000	2.50	August 2, 2028	22,000	2.50
36,000	**$ 3.86**		**36,000**	**$ 3.86**

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed in varying degrees, to a number of financial instrument related risks:

Fair value

The carrying value of due to/from related parties and accounts payable approximated their fair value because of the relatively short-term nature of these instruments. Cash, which is classified as held for trading and carried at fair value, has been determined using Level 1 inputs.

Foreign exchange risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company has limited operations in Israel with such operations incurred in NIS, and the balance of operations being incurred in Canadian dollars. The Company has not hedged its exposure to currency fluctuations. An increase or decrease of 5% of the NIS relative to the Canadian dollar would not have a significant effect on the Company's results.

Credit risk

The Company manages credit risk, in respect of cash and cash equivalents, by holding them at major Canadian and Israeli financial institutions in accordance with the Company's investment policy. Concentration of credit risk exists with respect to the Company's cash and cash equivalents, secured and unsecured promissory notes and other receivables and prepaid expenses. The Company's exposure as of June 30, 2025 and December 31, 2024 was $625 and $733, respectively, which consisted of $347 (December 31, 2024 - $448) in cash held in bank accounts, $12 (December 31, 2024 - $19) in amounts receivable and prepaid expenses and $266 (December 31, 2024 - $266) in secured and unsecured promissory notes. None of the Company's amounts receivable are overdue as of June 30, 2025.

Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its cash equivalents. The fixed interest on the secured and unsecured loans are not material to the Company's operations.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet current obligations and future commitments. The Company's approach to managing liquidity risk is to forecast cash requirements to provide reasonable assurance that it will have sufficient funds to meet its liabilities when due. As of June 30, 2025, the Company had cash and cash equivalents of $347 (December 31, 2024 - $448), amounts receivable and prepaid expenses of $12 (December 31, 2024 - $19) and $266 in secured and unsecured promissory notes (December 31, 2024 - $266) to settle current liabilities in the amount of $5 (December 31, 2024 - $17).

Capital management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments based on the funds available to the Company, in order to support the Company's activities. The Board of Directors have not established quantitative return on capital criteria for management but rely on the expertise of the Company's management to sustain future development of the business. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned activities and pay for administrative costs, the Company will need to raise additional funds. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

9. SUBSEQUENTS EVENTS

On August 26, 2025, Green Data Centers repaid the Unsecured Note, including interest, in the amount of $28.