

Beyond Oil Ltd.

Unaudited Interim Condensed Financial Statements

As of March 31, 2022

Expressed in U.S. dollars

NOTICE TO SHAREHOLDERS

The accompanying unaudited interim condensed financial statements of Beyond Oil Ltd. for the three months ended March 31, 2022 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (Note 2). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited interim condensed financial statements, management is satisfied that these unaudited interim condensed financial statements have been fairly presented.

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

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

Beyond Oil Ltd.

Unaudited Interim Condensed Financial Statements

As of March 31, 2022

Expressed in U.S. dollars

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Beyond Oil Ltd.

Unaudited Interim Condensed Statements of Financial Position In U.S. dollars

	Note	March 31, 2022	December 31, 2021
Assets			
Current			
Cash and cash equivalents	\$	127,118	\$ 388,154
Restricted deposit		21,822	22,285
Other accounts receivable		52,073	62,298
Total current assets		201,013	472,737
Non-current			
Lease asset, net		75,510	78,493
Intangible asset, net		4,016,661	4,163,124
Property and equipment, net		146,448	151,235
Total non-current assets		4,238,619	4,392,852
Total assets	\$	4,439,632	\$ 4,865,589
Liabilities			
Current liabilities			
Trade accounts payable	\$	26,567	\$ 42,368
Loan from others	7	939,195	791,092
Other accounts payable		307,082	269,707
Related Party	6	379,072	339,787
Derivative liability – Warrants and Options		6,760	6,760
Advanced payment		44,378	40,000
Total current liabilities		1,703,054	1,489,714
Non-current liabilities			
Preferred share liability		735,000	735,000
Lease liability		90,587	93,821
Total non-current liabilities		825,587	828,821
Shareholders' equity			
Share capital and premium		1,129,271	1,129,271
Reserve from share-based compensation transactions		7,608,980	7,587,731
Reserve from transaction with controlling shareholder	5	920,245	920,245
Foreign currency translation reserve		845,506	902,244
Accumulated deficit		(8,593,011)	(7,992,437)
Total Shareholders' equity		1,910,991	2,547,054
Total Liabilities and Shareholders' equity	\$	4,439,632	\$ 4,865,589

Going Concern (Note 1B)

May 26, 2022
Date of approval of the
financial statements

Director -
Jonathan Or

CEO and Director -
Tamir Gedo

The accompanying notes are an integral part of these Interim Condensed Financial Statements

Beyond Oil Ltd.**Unaudited Interim Condensed Statements of Comprehensive Loss****In U.S. dollars, except per share data**

	Three-month period ended March 31,	
	Note	
Revenues	\$	-
Cost of revenues		-
Gross profit		-
Operating expenses		
Research and development	(130,938)	(72,028)
General and administrative	(377,174)	(320,933)
Sales and marketing	(33,890)	-
Total operating expenses	(542,002)	(392,961)
Loss from operations	(542,002)	(392,961)
Finance income	-	18,191
Finance expenses	(58,772)	(4,726)
Net loss before tax	(600,574)	(379,496)
Tax expenses	-	-
Net loss	\$ (600,574)	\$ (379,496)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Translation adjustment to the presentation currency	(56,738)	(97,823)
Total comprehensive loss	\$ (657,312)	\$ (477,319)
Basic and Diluted loss per share	(0.22)	(0.14)
Weighted Average Number of Shares Outstanding	2,699,094	2,699,094

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

Beyond Oil Ltd.

Unaudited Interim Condensed Statements of Changes in shareholders' equity

In U.S. dollars

For the Three-month period ended March 31, 2022:

	Note	Share Capital and Premium	Reserve from share-based compensation transactions	Reserve from transaction with controlling shareholder	Accumulated deficit	Foreign currency translation reserve	Total
Balance, December 31, 2021		\$ 1,129,271	\$ 7,587,731	\$ 920,245	\$ (7,992,437)	\$ 902,244	\$ 2,547,054
Comprehensive loss for the year							
Loss		-	-	-	(600,574)	-	(600,574)
Other Comprehensive loss in for the period		-	-	-	-	(56,738)	(56,738)
Total comprehensive loss for the year		-	-	-	(600,574)	(56,738)	(657,312)
Share based compensation	5	-	21,249	-	-	-	21,249
Balance, March 31, 2022		\$ 1,129,271	\$ 7,608,980	\$ 920,245	\$ (8,593,011)	\$ 845,506	\$ 1,910,991

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

Beyond Oil Ltd.

Unaudited Interim Condensed Statements of Changes in shareholders' equity

In U.S. dollars

For the Three-month period ended March 31, 2021:

	Note	Share Capital and Premium	Reserve from share-based compensation transactions	Accumulated deficit	Foreign currency translation reserve	Total
Balance, December 31, 2020		\$ 1,129,271	\$ 7,203,835	\$ (5,529,292)	\$ 774,345	\$ 3,578,159
Comprehensive loss for the period						
Loss		-	-	(379,496)	-	(379,496)
Other Comprehensive loss in for the period		-	-	-	(97,823)	(97,823)
Total comprehensive loss for the period		-	-	(379,496)	(97,823)	(477,319)
Balance, March 31, 2021		\$ 1,129,271	\$ 7,203,835	\$ (5,908,788)	\$ 676,522	\$ 3,100,840

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

Beyond Oil Ltd.
Unaudited Interim Condensed Statements of Cash Flows
In U.S. dollars

	Three-month period ended March 31,		
	Note	2022	2021
Cash flows from operating activities:			
Net loss for the period		\$ (600,574)	\$ (379,496)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization		75,351	73,114
Fair value adjustments of derivative liability – warrants and options		-	(262)
Fair value adjustments of derivative liability – preferred shares		-	(17,929)
Finance expenses, net		2,511	2,917
Share based compensation		21,249	-
Changes in operations assets and liabilities:			
Change in related party transactions		46,043	154,198
Change in other accounts receivables		8,872	14,028
Change in other advanced payment		-	(36,420)
Changes in trade payables and other trade payables		86,832	37,781
Cash used in operations		(359,716)	(151,648)
Interest paid		(2,511)	(2,917)
Net cash used in operating activities		(362,227)	(154,565)
Cash flow from investing activities:			
Purchase of property and equipment		(7,663)	-
Net cash used in financing activities		(7,663)	-
Cash flow from financing activities			
Payments of lease liabilities		(6,428)	(4,915)
Short term loan from others		125,000	-
Net cash provided by (used in) financing activities		118,572	(4,915)
Translation differences on cash and cash equivalents		(9,718)	(14,242)
Decrease in cash and cash equivalents		(251,318)	(159,480)
Cash and cash equivalents at the beginning of the year		388,154	486,032
Cash at the end of the period		\$ 127,118	\$ 312,310

The accompanying notes are an integral part of these Interim Condensed Financial Statements.

Beyond Oil Ltd.

Notes to the Unaudited Interim Condensed Financial Statements

FOR THE THREE MONTHS ENDED MARCH 31, 2022

In U.S. dollars, except per share data

NOTE 1- GENERAL:

A. Formation of the Company, Merger transaction and Description of business:

Formation of the Company

Beyond Oil Ltd. (the “Company”) was incorporated under the Business Corporations Act of Israel on November 25, 2018, and commenced its activity in January 2019. The registered address of the company is Kibbutz Yifat 3658300, Israel.

Description of Business

The Company is a food-tech company that has developed a solution to reduce free fatty acid from oil while preserving the oil's quality and nutritional values. The Company develops products that extend the usable life of frying oil, improves food quality, and reduce frying oil costs.

For additional information for the acquisition by Beyond Oil Ltd. (formerly, FTC Cards Inc.) of all the issued and outstanding shares of the Company, please see note 7.

B. Going concern:

As of March 31, 2022, the Company incurred losses from operations since its inception and as of March 31, 2022, the Company has an accumulated deficit of \$8,593,011. In addition, the Company generated negative cash flows from operating activities of \$362,227 and a loss in the amount of \$600,574 for the period ended March 31, 2022. As of the date of the issuance of these financial statements, the Company has not yet commenced generating significant sales, and therefore depends on fundraising from new and existing investors to finance its activities. These factors create material uncertainties that may create substantial doubt about the Company's ability to continue as a going concern.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

C. COVID-19:

The continued global spread of COVID-19 could have an adverse impact on the business, operations and financial results of the Company, including with respect to challenges in finalizing the implementation of research and development processes of the Company, which also affected the marketing agreement with a new distributor in early 2020. The Company has already implemented a number of precautionary measures, which would not have otherwise been implemented prior to the COVID-19 outbreak, at its facility to ensure the safety of its personnel, and to potential clients and partners, which may adversely impact the Company's productivity from an R&D perspective and its business in the supply chain sector. The Company is also fully compliant with local rules and regulations instituted during COVID 19 and understands that mandatory or voluntary self-quarantines may limit the staffing at the Company's facility which will have a further impact on productivity. Management continues to be fully engaged in assessing the impact of COVID-19 and adjusting its operations accordingly to minimize the impact on business performance.

Amidst this highly challenging operating environment, the Company assesses that COVID-19, had an effect on its business, mainly from sales and development of the Company, due to the fact that the Company could not do meetings abroad and do marketing and sells transactions.

Beyond Oil Ltd.

Notes to the Unaudited Interim Condensed Financial Statements

FOR THE THREE MONTHS ENDED MARCH 31, 2022

In U.S. dollars, except per share data

NOTE 2 – BASIS OF PREPARATION

The interim condensed financial statements have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim condensed periods, as prescribed in International Accounting Standard No. 34 (“Interim condensed Financial Reporting”).

The interim condensed financial information should be read in conjunction with the annual financial statements as of December 31, 2021, and for the year then ended and with the notes thereto. The significant accounting policies applied in the annual financial statements of the Company as of December 31, 2021, are applied consistently in these interim condensed financial statements.

NOTE 3 – CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

New IFRSs adopted in the period

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to December 31, 2022 (the date on which the Company’s next annual financial statements will be prepared up to) that the Company has decided not to adopt early. The Company does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

Beyond Oil Ltd.
Notes to the Unaudited Interim Condensed Financial Statements
FOR THE THREE MONTHS ENDED MARCH 31, 2022
In U.S. dollars, except per share data

NOTE 4 - FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT:

This note provides an update on the judgments and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

The following table summarizes the information about the level 3 fair value measurements:

March 31, 2021					
Item		Fair value	Valuation technique	Fair value hierarchy level	Significant unobservable inputs
Derivative liability – Warrants and options	\$	463	Black-Scholes model	level 3	Volatility of firm's assets returns
Preferred share liability		381,346	Black-Scholes model	level 3	Volatility of firm's assets returns

December 31, 2021, and March 31, 2022					
Item		Fair value	Valuation technique	Fair value hierarchy level	Significant unobservable inputs
Derivative liability – Warrants and options	\$	6,760	Black-Scholes model	level 3	Volatility of firm's assets returns
Preferred share liability		735,000	Black-Scholes model	level 3	Volatility of firm's assets returns

		Derivative liability - Warrants	Preferred share liability
Balance as of January 1, 2021	\$	725	399,275
Profit recognized in Profit or loss:		(262)	(17,929)
Balance as of March 31, 2021		463	381,346
Balance as of January 1, 2021	\$	725	399,275
Profit recognized in Profit or loss:		6,035	335,725
Balance as of December 31, 2021		6,760	735,000
Balance as of January 1, 2022		6,760	735,000
Profit recognized in Profit or loss:		-	-
Balance as of March 31, 2022	\$	6,760	735,000

(i) The Company uses the Black-Scholes option pricing model to estimate the fair value of the options.

(ii) The following assumptions were used to estimate the fair value of the options:

	At Issuance Date September 9, 2020	March 31, 2022	March 31, 2021	December 31, 2021
Expected volatility	50%	50%	50%	50%
Risk-free interest rate	0.14%	0.14%	0.14%	0.14%

The Company considers the expected volatility of the shares of comparable companies and its common shares in estimating its future stock price volatility. The risk-free interest rate for the expected life of the options was based on the yield available on US dollar government benchmark bonds with an approximate equivalent remaining term at the time of the grant. The expected life is based on the contractual term.

Beyond Oil Ltd.
Notes to the Unaudited Interim Condensed Financial Statements
FOR THE THREE MONTHS ENDED MARCH 31, 2022
In U.S. dollars, except per share data

NOTE 5 - SHARE BASED COMPENSATION:

- 1) For additional information for CEO restricted share plan, please see note 6.1.
- 2) On June 24, 2021 the company adopted of a Share Option Plan (“Plan”) in accordance with Section 102 of the Israeli Income Tax Ordinances
- a. A summary of activity of options granted to purchase the Company's shares under the Company's share option is as follows:

	Three months ended March 31, 2022		Three months ended March 31, 2021		Year ended December 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	NIS		NIS		NIS	
Options outstanding as the beginning of the period	124,630	0.01	3,708	0.01	3,708	0.01
Changes during the period:						
Granted	-	-	-	-	120,922	0.01
Expired	-	-	-	-	-	-
Exercise	-	-	-	-	-	-
Options outstanding at end of period (*) (**)	124,630	0.01	3,708	0.01	124,630	0.01
Options exercisable at period end	3,708		3,708		3,708	

(*) The options outstanding on March 31, 2022, had a weighted-average contractual life of 9.25 years (December 31, 2021: 9.5 years).

(**) Following consummation of the FTC Transaction (see note 7 (1)), the Options shall be replaced with economically equivalent options to purchase common shares of FTC.

Restricted shares

	March 31, 2022		March 31, 2021		December 31, 2021	
	Number of restricted shares	Weighted Average Exercise Price	Number of restricted shares	Weighted Average Exercise Price	Number of restricted shares	Weighted Average Exercise Price
	NIS		NIS		NIS	
Restricted shares outstanding as the beginning of the year	234,704	0.01	-	-	-	-
Changes during the period:						
Granted	-	-	-	-	234,704	0.01
Expired	-	-	-	-	-	-
Exercise	-	-	-	-	-	-
Restricted shares outstanding at end of period (*)	234,704	0.01	-	-	234,704	0.01
Restricted shares exercisable at period end	234,704	0.01	-	-	234,704	0.01

	Three months ended March 31, 2022		Three months ended March 31, 2021		Year ended December 31, 2021	
Options Expenses	\$	21,249	\$	-	\$	299,542

Beyond Oil Ltd.**Notes to the Unaudited Interim Condensed Financial Statements
FOR THE THREE MONTHS ENDED MARCH 31, 2022****In U.S. dollars, except per share data**

NOTE 6 – RELATED PARTIES TRANSACTIONS:**Related party transactions:**

	Three months ended March 31, 2022	Three months ended March 31, 2021	Year ended December 31, 2021
Compensation of key management personnel of the Company:			
CRDO (former CEO) Management fees (see 1)	\$ 54,054	\$ 48,426	\$ 200,204
CEO Management fees (see 3)	70,545	61,622	228,942
CMO Management fees (see 2)	29,915	24,909	89,640
Other related party transactions:			
Share base payments	10,449	-	341,639
CEO defined benefit plan	-	114,711	210,508

Balance with related parties:

	March 31, 2022	March 31, 2021	December 31, 2021
Loan to related party	\$ 379,072	\$ 147,060	\$ 339,787
Employee benefit	-	806,089	-

Beyond Oil Ltd.

Notes to the Unaudited Interim Condensed Financial Statements FOR THE THREE MONTHS ENDED MARCH 31, 2022

In U.S. dollars, except per share data

NOTE 7 -EVENTS DURING AND AFTER THE REPORTING DATE:

On September 26, 2021, the Company entered into a definitive share purchase agreement dated September 26, 2021 (the "SPA") with FTC Cards Inc. ("FTC") and the shareholders of the Company (the "Shareholders"). Pursuant to the SPA, FTC will acquire all the issued and outstanding securities of the Company, in exchange for securities of FTC, constituting a reverse takeover of FTC (the "Transaction"). In connection with the completion of the Transaction, FTC will apply to list on the Canadian Securities Exchange (the "CSE").

In June 2021, FTC completed a seed financing comprised of 12,000,000 FTC Shares at a price of C\$0.05 per share for gross proceeds of C\$600,000 (the "Seed Financing").

After completion of the Seed Financing, FTC loaned the Company US\$155,000 (on July 7, 2021 - \$50,000 and on October 1, 2021 - \$105,000) pursuant to an unsecured promissory note (the "Seed Loan"). Proceeds from the Seed Loan have been used by the Company for expenses related to the Transaction and for general working capital. The loan bears a 12% interest rate per year. As of March 31, 2022, the accrued interest for the Seed Loan is \$10,584. The loan amount together with all of the outstanding accrued and unpaid interest, shall be waived upon completion of the Transaction.

Pursuant to the SPA, FTC completed a bridge financing comprised of approximately 2,500,000 FTC Shares at a price of C\$0.50 per share, for gross proceeds of approximately C\$1,250,000 (the "Bridge Financing"). The net proceeds from the Bridge Financing were used by FTC for expenses related to the Transaction, for general working capital, and for making a secured loan to the Company (the "Bridge Loan"). As such, FTC loaned the Company US\$750,000 (on November 17, 2021- \$450,000, on December 22, 2021 - \$175,000, and on January 24, 2022 - \$125,000) pursuant to an unsecured promissory note (the "Bridge Loan"). The loan bears a 10% interest rate per year. As of March 31, 2022, the accrued interest for the Bridge Loan is \$23,611.

The Bridge Loan provides that the loan and interest payable amount is secured by the intellectual property rights owned by the Company.

At the completion of the Transaction, FTC will waive the loan and the interest payable amounts, and the lien on the intellectual property.

The proceeds from the Bridge Loan are being used by the Company to begin implementing Beyond Oil's business plan, for expenses related to the Transaction and for general working capital.

On May 12, 2022, all of the issued and outstanding shares of the Company were acquired by Beyond Oil Ltd. (formerly, FTC Cards Inc.) (the "**Purchaser**" and, upon the closing of the Transaction (as defined below), the "**Resulting Issuer**") pursuant to that definitive share purchase agreement dated September 26, 2021 (the "SPA") among the Purchaser, the Company and the shareholders of the Company (the "Shareholders") (the "**Transaction**"). The Company became a wholly owned subsidiary of the Purchaser upon the closing of the Transaction. In connection with the Transaction, the Purchaser issued to the Shareholders: (i) a total of 24,410,505 common shares of the Purchaser (the "**Payment Shares**"); (ii) 19,528,404 contingent rights which will convert into the same number of common shares of the Purchaser upon the achievement of certain milestones pursuant to a deferred purchase price agreement dated May 12, 2022; and (iii) 2,683,333 common share purchase warrants

Beyond Oil Ltd.

Notes to the Unaudited Interim Condensed Financial Statements FOR THE THREE MONTHS ENDED MARCH 31, 2022

In U.S. dollars, except per share data

NOTE 7 -EVENTS DURING AND AFTER THE REPORTING DATE (continued):

exercisable for one common share of the Purchaser at an exercise price of C\$1.18 for a period of 12 months. The Purchaser also issued a total of 1,708,735 common shares to finders of the Transaction or their designated assignees (the "**Finders' Shares**").

In addition to any legends required pursuant to applicable securities laws, 14,788,247 of the Payment Shares will be held in escrow pursuant to an escrow agreement made as of April 27, 2022 among the Purchaser, Endeavor Trust Corporation and the applicable Shareholders (the "**Escrow Agreement**"). In addition, 200,000 of the Finders' Shares will be held in escrow pursuant to the Escrow Agreement.

Subject to the approval of the Exchange, the Resulting Issuer has agreed to pay to Pinhas Or, the founder of Beyond Oil, the sum of US\$500,000 upon the Resulting Issuer receiving at least C\$2.5 million (\$1.96 million) pursuant to the exercise of Unit Warrants and Consideration Warrants.

The Purchaser's Board of Directors has adopted a 10% rolling stock option plan (the "FTC Option Plan"). Existing Company stock options were exchanged for Replacement Options to be governed by the FTC Option Plan for an aggregate of 967,376 options of the Purchaser on the same economic terms as the original options. The Purchaser also issued a total of 2,938,139 options to certain directors, officers and service providers under the FTC Option Plan with each option exercisable at \$0.75 until 2023.

On closing of the Transaction, FTC changed its name to "Beyond Oil Ltd."

The Board of Directors of the Resulting Issuer includes 6 directors at the closing of the Transaction. The leadership of the Board of Directors includes Dr. Tamir Gedo (CEO and Director), Dan Itzhaki (Chairman), Jonathan Or (CMO and Director), Robert Kiesman (Director), Dr. Gad Penini (Director) and Hanadi Said (Director). Between the closing of the Transaction and the Resulting Issuer's annual general meeting to be held in 2022, the Company will be entitled to nominate a seventh director to the Board of Directors.