

**BEYOND OIL LTD.**  
**MANAGEMENT'S DISCUSSIONS AND ANALYSIS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

## OVERVIEW

This management's discussion and analysis ("**MD&A**") is management's interpretation of the financial condition and results of the operations of Beyond Oil Ltd., and its subsidiary company (collectively, "**FTC**" or the "**Company**") for the year ended March 31, 2024 (the "**2024 Q1 Period**").

This MD&A should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2023, and 2022 (the "**Annual Financial Statements**") as well as the interim financial statements of the Company for the three-month period ended March 31, 2024 (the "**Interim Financial Statements**"), together with the notes thereto.

The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included.

This MD&A contains forward-looking information that is subject to risk factors including those set out in "Note Regarding Forward-Looking Information" and elsewhere in this MD&A.

This MD&A is expressed in thousands of dollars. All dollar amounts contained herein are expressed in United States dollars unless otherwise indicated (references to "C\$" means the lawful money of Canada and references to NIS means the lawful money of Israel). This MD&A has been prepared as of May 26, 2024.

## DESCRIPTION OF THE BUSINESS AND FINANCING HIGHLIGHTS

The Company was incorporated under the name 0934977 B.C. Ltd. pursuant to the laws of the Province of British Columbia on March 9, 2012. On May 16, 2012, its name was changed to "FTC Cards Inc." ("**FTC**").

The Company was inactive from 2020 to the commencement of discussions with the principals of Beyond Oil Ltd., a company incorporated, on November 25, 2018, pursuant to the laws of the State of Israel ("**BOIL Israel**"), in connection with the Transaction (as defined below).

On June 22, 2021, the Company completed a non-brokered private placement of 12,000,000 common shares in the capital of the Company ("**Common Shares**"), at a price of C\$0.05 per Common Share that closed on June 22, 2021, for gross proceeds of C\$600 thousand (the "**Seed Financing**")

On September 26, 2021, the Company entered into a share purchase agreement (the "**Share Purchase Agreement**") with BOIL Israel, and the shareholders of BOIL Israel for the acquisition of all of the issued and outstanding shares of BOIL Israel (the "**Transaction**").

The consideration payable by the Company for the acquisition of BOIL Israel consisted of Common Shares Common Share purchase warrants (the "**Consideration Warrants**") and contingent value rights in the capital of the Company to be issued upon achievement of certain performance milestones (the "**Milestones**").

In connection with the Transaction, the Company completed a non-brokered private placement of 2,500,000 Common Shares at a price of C\$0.50 per Common Share that closed in two tranches the first on November 5, 2021 and the second on November 26, 2021, for gross proceeds of C\$1,250 thousand (the "**Bridge Financing**").

Additionally, in connection with the Transaction, the Company completed a non-brokered private placement of 5,243,458 special warrants ("**Special Warrants**") for gross proceeds of C\$3,500 thousand. The Special Warrant offering was completed in three tranches: February 4, 2022, February 14, 2022, and April 7, 2022.

Each Special Warrant entitled the holder thereof to acquire automatically upon completion of the Transaction, for no additional consideration, one “unit” (“Units”). Each Unit consisted of one Common Share and one half of one Common Share purchase warrant, issuable upon the deemed exercise of the Special Warrants, with each whole such warrant entitling the holder to acquire, one additional Common Share at a price of C\$1.25 per Common Share until May 13, 2023 (the “**Special Warrant Financing**”).

On April 29, 2022, the Company received a receipt from the British Columbia Securities commission for its non-offering final prospectus (the “**Prospectus**”).

The Transaction was completed on May 13, 2022, whereupon BOIL Israel became a wholly owned subsidiary of the Company and the Company changed its name to Beyond Oil Ltd., and the Special Warrants automatically converted into units.

The Transaction constitutes a reverse takeover of the Company. As BOIL Israel was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations are included in the Annual Financial Statements and FTC’s results of operations have been included from May 13, 2022.

On January 17, 2023, the Company announced the completion of a private placement offering consisting of 1,578,843 units (the “**January Units**”) for gross proceeds of C\$1,184 thousand (\$830 thousand).

Each January Unit consists of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a “**January Warrant**”). Each January Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of C\$1.00 until January 16, 2024.

On March 1, 2023, the Company announced the completion of a private placement offering consisting of 1,600,000 units (the “**March Units**”) for gross proceeds of C\$1,200 thousand (\$881 thousand).

Each March Unit consists of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a “**March Warrant**”). Each March Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of C\$1.00 until February 28, 2024.

On April 25, 2024, the Company held an Annual and Special Meeting (“**AGM**”) in which the following decisions were approved by the Company’s shareholders:

1. The Company adopted a compensation plan which reserves up to 15% of the issued and outstanding Common Shares, on a rolling basis, for issuance pursuant to stock options, stock awards and/or restricted share units of the Company (the “**Omnibus Plan**”);
2. The Company extended the performance date of the Milestones (previously extended at the Annual and General Meeting of shareholders held on May 3, 2023), for the issuance of Common Shares in the amounts listed below (which amounts were previously approved in connection with the Transaction) to the following revised dates (the “**Revised Milestones**”):
  - (i) 4,882,101 Common Shares will be issued upon the Company obtaining an order for at least US\$3 million from customers within forty four (44) months of May 25, 2022 (the “**Closing Date**”);
  - (ii) 4,882,101 Common Shares will be issued upon the Company achieving US\$6 million in cumulative sales within 48 months of the Closing Date;
  - (iii) 4,882,101 Common Shares will be issued upon the Company achieving US\$13 million in cumulative

sales within 60 months of the Closing Date;

- (iv) 4,882,101 Common Shares will be issued upon the Company reaching positive EBITDA by the end of June 30, 2025, and such amount is confirmed by the unaudited financial statements for the period ended June 30, 2026; and
  - (v) to provide the following amendment to the wording of a Milestone: *“upon Beyond Oil signing a definitive agreement with a major investor or oil producer or other commercial partner on or before December 31, 2025 that results in the Purchaser and/or Beyond Oil receiving US\$10 million in revenues on or before December 31, 2027, such milestone may be used as a replacement for any one milestone in (v), (vi), (vii) or (viii) above”*.
  - (vi) To provide that upon an Exit Transaction (as hereinafter defined), the right to receive additional Common Shares upon fulfilment of the Revised Milestones will either expire or alternatively will accelerate and be immediately issued (the alternative of which must be approved by a majority of the Subco Shareholders), prior to the closing of the Exit Transaction.
3. Extending the expiry dates of each of the Consideration Warrants and the Special Warrants by an additional 12 months to May 13, 2025. No Finder warrants were extended.

On October 23, 2023, the Company announced the completion of the first tranche of a private placement offering consisting of 825,522 units (the **“October Units”**) for gross proceed of C\$619 thousand. Each October Unit consists of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a **“October Warrant”**). Each October Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of C\$1.25 until October 22, 2024.

On January 10, 2024, the Company announced the appointment of Michael Nemirow as a strategic advisor.

On January 18, 2024, the Company announced that it entered into a Strategic Opportunities & Distribution Agreement with West Coast Reduction Ltd. (**“WestCoast”**), a used cooking oil collection, recycling and rendering company located in Western Canada (the **“WestCoast Agreement”**).

On January 25, 2024, the Company announced the completion of the final tranche of a private placement offering consisting of 2,688,668 units (the **“January 2024 Units”**) for gross proceed of C\$2,016 thousand. Each January 2024 Unit consists of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a **“January 2024 Warrant”**). Each January 2024 Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of C\$1.25 until January 24, 2025.

The head office and the registered and records office of the Company is located at 1208 Rosewood Crescent, North Vancouver, BC V7P 1H4, Canada.

The Common Shares trade on the Canadian Securities Exchange (the **“CSE”**) under the symbol **“BOIL”** and on the OTCQB under the symbol **“BEOLF”**.

## **Overview of Operations**

BOIL Israel is a food-tech innovation company that has developed a product (the “**Product**”) that extensive testing indicates extends the usable life of frying oil, improves product quality, and reduces frying oil costs. As a preferential adsorbent, the product reduces soluble impurities formed during the frying process that causes damaging free fatty acids (“**FFA**”) and polar compound formation, undesirable odors, off-flavors, and off-colors. The BOIL Israel solution integrates with food services and restaurants’ existing oil filtrations processes as a filter aid. The process includes passive microfiltration designed to remove unwanted components that degrade oil quality, through a combination of active filtration by the powder and passive filtration by a microfiltration paper. This process ensures no residue is left in the oil while maximizing the efficiency of removing other degradation particles.

BOIL Israel received a non-objection letter from the United States Food and Drug Administration (“**FDA**”) in respect of the Product in March 2022, on the basis that all Product ingredients meet food-grade specifications of the FDA. In May 2022, BOIL Israel received a non-objection letter from Health Canada and a National Sanitation Foundation certification in the United States such that the Product’s label will include the “NSF” mark.

The Company is currently focused on commercializing its Product in the food service market and expects to follow with the commercialization in the industrial frying market.

Concurrently with the incorporation date of BOIL Israel, BOIL Israel entered into an agreement with Mr. Pinhas Or, to assign all of his rights in and to the intellectual property related to the technology developed reducing the degree of acidity in edible oils, including all patent applications and trade secrets (the “**IP Assignment Agreement**”). As consideration for the transfer of such rights BOIL Israel agreed to pay Mr. Pinhas Or a royalty equal to 5% on all amounts received from the issuance of licenses for use /franchises, from the sale of the formula powder to the use of sub-license recipients worldwide, from making exit, fund raisings after deducting customs, fees and other direct taxes levied on the products or services provided and paid by Mr. Pinhas Or directly. On June 17, 2021, BOIL Israel entered into an agreement amending the IP Assignment Agreement with Pinhas (the “**IP Assignment Amendment**”). The IP Assignment Amendment reduced the royalty payable thereunder from 5% to 3% of net sales in the event that Pinhas’ engagement with BOIL Israel is terminated by BOIL Israel for any reason, other than cause. The aforementioned royalty is payable for a period of 8 (eight) years following termination or an Exit Event (as defined in the IP Assignment Agreement).

*“Exit Event” means the sale of all the Company’s shares or all or substantially all of the Company’s assets in one transaction or in a series of related transaction including by way of a perpetual license to be granted by the Company or by way of merger the result of which will be that the Company’s shareholders will hold less than 50% of the shares and voting rights in the surviving entity, and all at a minimal Company valuation of US\$100,000 thousands (See “Related Party Transactions”).*

## OPERATIONAL HIGHLIGHTS

On February 15, 2023, the Company entered into a definitive agreement with Fandango Collection & Recycling Ltd. (“**Fandango**”) pursuant to which Fandango will be the Company’s exclusive distributor of the Product in Israel for an initial five-year term. Subsequently, on February 23, 2023, the Company received an initial purchase order from Fandango for 16 tons of the Product which the Company expects to supply within 90 days of the aforementioned purchase order. On May 31, 2023 the Company announced that it had fulfilled the initial purchase order placed by Fandango by delivering 16 tons of its high-quality product to Fandango’s facilities in Israel.

On May 9, 2023 the Company announced a report, authored by Professor Nissim Garti of the Hebrew University of Jerusalem, detailing certain positive health benefits of using the Product.

On May 12, 2023 the Company announced that the Halal Quality Control, a globally recognized and accredited Halal certification body, has awarded Beyond Oil’s frying oil filter powder with a Halal Certificate acknowledging that Beyond Oil has followed all necessary guidelines and preparations to ensure that its product is lawful and permitted under Islamic law.

On June 2, 2023 the Company announced that it had successfully upgraded from the OTC Pink® Open Market to the OTCQB Venture Market.

On August 1, 2023 the Company announced that it had entered into a definitive distribution agreement (the “**Solutions Distribution Agreement**”) with Oil Solutions Group, Inc. (“**Oil Solutions Group**”). The Solutions Distribution Agreement gives Oil Solutions Group the rights and license to market and sell Beyond Oil’s product to its restaurant customers in the United States. The Solutions Distribution Agreement became effective on July 31, 2023 and establishes Oil Solutions Group as the first non-exclusive distributor of Beyond Oil’s product in the US food service market.

On August 9, 2023 the Company announced that it had entered into a definitive distribution agreement (the “**Vital Distribution Agreement**”) with Vital Hospitality Ltd (“**Vital Hospitality**”). The Vital Distribution Agreement gives Vital Hospitality the rights and license to market and sell Beyond Oil’s product to its restaurant customers in the United Kingdom. The Vital Distribution Agreement became effective on August 8, 2023 and establishes Vital Hospitality as the first non-exclusive distributor of Beyond Oil’s product in the UK food service market.

On January 18, 2024 the Company announced that it had entered into the WestCoast Agreement. The WestCoast Agreement has an initial term of five (5) years and will, subject to certain preconditions, renew for successive five (5) year terms. Per the terms of the WestCoast Agreement, WestCoast has placed an initial order of one container of the Company’s product for food service (the “**Food Service Product**”) for delivery to its facilities in Canada. The WestCoast Agreement also:

*i. Distribution Rights – Food Service*

Gives WestCoast the right and license to market and sell the Food Service Product to food service customers in Canada on an exclusive basis, and in Washington State on a non-exclusive basis (the “**Territory**”). Under the terms of the WestCoast Agreement, WestCoast will be responsible for providing training and support services to such customers.

*ii. Distribution Rights – Industrial Food Industry*

Establishes WestCoast as the exclusive distributor of the Beyond Oil product for the industrial food industry (the “**Industrial Product**”, and together with the Food Service Product, the “**Products**”) in Canada on an exclusive basis, and in Washington State in the USA, on a non-exclusive basis. The Company and WestCoast

have recently conducted preliminary trials of the Industrial Product with prospective customers in North America and intend to continue such trials on an ongoing basis.

iii. *Other Strategic Opportunities*

Provides that the Company and WestCoast will continue to collaborate in undertaking research and development programs testing the efficacy of the Products (or variations thereof) in other sub-sectors of the food oil industry.

iv. *Manufacturing in North America*

Provides that subject to the fulfillment of certain pre-conditions, WestCoast will earn the right of first refusal to produce or manufacture the Products (or variations thereof) in North America.

On May 9, 2024 the Company announced that it had entered into supply agreement with the Israel based franchisee of one of the world's largest fast food chains.

### **Management Highlights**

On August 3, 2022, Itamar Grotto was appointed as Chairman of the Company's advisory board. Professor Grotto is a public health physician and professor of epidemiology. Mr. Grott was previously the Director of Israel Public Health Services and the Associate General Director of the Israel Ministry of Health. Between 2018 and 2021, Mr. Grotto was a member of the executive board of the World Health Organization (WHO). Professor Grotto served in this position until February 12, 2023. Professor Grotto served in this position until February 12, 2023.

On February 9, 2023 the Company appointed Mr. Erez Winner as a director of the Company

On February 14, 2023 Dr. Tamir Gedo resigned as the Chief Executive Officer of the Company and from the board of directors of the Company (the "**Board**") remaining as a consultant to the Company. The Board appointed Jonathan Or as interim CEO.

On March 2, 2023 appointed Mr. Pinhas Or as a director of the Company.

On April 11, 2023 appointed Mr. Arie Halperin as a chairman of the advisory Board of the Company.

On June 1, 2023 the Company announced the appointment of Mr. Pinhas Or as President of the Company and Robert Kiesman as Vice President of the Company.

On June 27, 2023 the Board appointed Jonathan Or as incumbent CEO.

On January 10, 2024, the Company announced the appointment of Michael Nemirow as a strategic advisor.

At the AGM held on April 25, 2024, the following individuals were elected as directors of the Company: Dan Itzhaki; Jonathan Or; Robert Kiesman; Hanadi Said; Erez Winner; and Pinhas Or.

## SELECTED FINANCIAL INFORMATION

The following is selected financial data derived from the Interim Financial Statements of the Company (in thousands, except loss per share data).

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Total revenues	\$ 133	\$ 10	\$ -
Loss for the period	(709)	(451)	(601)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.02)
Total assets	5,017	5,997	4,440
Total current liabilities	1,250	1,515	1,703
Total non-current liabilities	113	190	826
Dividends	\$ Nil	\$ Nil	\$ Nil

## DISCUSSION OF OPERATIONS

### Impact of Economic and Industry Factors

The economic and industry factors affecting the Company during the period ending March 31, 2024 are substantially unchanged since the filing of the annual financial statements for the period ending December 31, 2023.

### Results of Operations for the Three months Ended March 31, 2024:

During the three months ended March 31, 2024, the Company had an income of \$133 thousand compared to \$10 for thousand for the three months ended on March 31, 2023.

During the three months ended March 31, 2024, the Company incurred research and development expenses of \$193 thousand compared to \$168 thousand for the three months ended March 31, 2023. The increase was mainly due to an increase in other expenses.

Research and development expenses (in thousands)	Three months ended March 31, 2024	Three months ended March 31, 2023
Salary expenses	\$ 77	\$ 75
Sub-contractor	54	58
Professional fees	9	6
Raw materials	19	16
Others	<u>34</u>	<u>13</u>
	\$ <b>193</b>	\$ <b>168</b>



During the three months ended March 31, 2024, the Company incurred general and administration expenses of \$453 thousand compared to \$267 thousand for the three months ended March 31, 2023. The increase was mainly due to an increase of share-based compensation expenses.

<b>General and administration expenses (in thousands)</b>	<b>Three months ended March 31, 2024</b>		<b>Three months ended March 31, 2023</b>	
Salary expenses	\$	129	\$	123
Professional fees		66		45
Share-based compensation expenses		128		(62)
Depreciation		81		82
Public company expenses		32		41
Others		<u>17</u>		<u>38</u>
	\$	<b>453</b>	\$	<b>267</b>

During the three months ended March 31, 2024, the Company incurred marketing expenses of \$107 thousand compared to \$24 thousand for the three months ended March 31, 2023. The increase was mainly due to an increase in marketing programs the Company is implementing.

During the three months ended March 31, 2024, the Company incurred finance expenses of \$33 thousand compared to finance expenses of \$20 thousand for the three months ended March 31, 2023. The increase was mainly due to increase of the Currency exchange expenses.

<b>Finance expenses (in thousands)</b>	<b>Three months ended March 31, 2024</b>		<b>Three months ended March 31, 2023</b>	
Re-assessment of royalties liability at fair value	\$	21	\$	14
Interest on lease liability		4		5
Currency exchange		7		-
Interest and commission		<u>1</u>		<u>1</u>
	\$	<b>33</b>	\$	<b>20</b>

During the three months ended March 31, 2024 the Company incurred finance income of \$36 thousand compared to finance income of \$26 for the three months ended March 31, 2023. The increase was mainly from fair value adjustments of derivative liability - warrants.

<b>Finance income (in thousands)</b>	<b>Three months ended March 31, 2024</b>		<b>Three months ended March 31, 2023</b>	
Fair value adjustments of derivative liability - warrants	\$	36	\$	17
Currency exchange		-		<u>9</u>
	\$	<b>36</b>	\$	<b>26</b>

For the three months ended March 31, 2024, the Company incurred a net loss in the amount of \$709 thousand compared to a net loss of \$451 thousand for the three months ended March 31, 2023.

During the three months ended March 31, 2024, the Company had a net decrease in cash used in operating activities, after adjustments for non-cash items and changes in other working capital accounts of \$550 thousand (March 31, 2023: \$553 thousand). During the three months ended March 31, 2024, the Company used \$4 thousand from investment activity (March 31, 2023: used \$9 thousand). Net cash used from financing activities was \$1,403 thousand (March 31, 2023: used \$1,692 thousand) mainly from issuance of unit of securities of the Company. Consequently, the Company's cash position increased from \$411 thousand on December 31, 2023, to \$1,250 thousand as of March 31, 2024, compared to an increase from \$876 thousand at December 31, 2022 to \$2,007 thousand as of March 31, 2023.

### SUMMARY OF QUARTERLY RESULTS

The following table summarizes the financial results of operations for the eight most recently completed fiscal quarters:

	Revenues	Income (Loss) for the Period	Income (Loss) per share
	(in thousands)		
March 31, 2024 (Q1)	133	(709)	(0.01)
December 31, 2023 (Q4)	29	(681)	(0.01)
September 30, 2023 (Q3)	Nil	(652)	(0.01)
June 30, 2023 (Q2)	245	(634)	(0.01)
March 31, 2023 (Q1)	10	(451)	(0.01)
December 31, 2022 (Q4)	Nil	(756)	(0.02)
September 30, 2022 (Q3)	Nil	167	0.00
June 30, 2022 (Q2)	Nil	(12,417)	(0.33)

## LIQUIDITY AND CAPITAL RESOURCES

### General

As of March 31, 2024, the Company's cash balance was \$1,250 thousand (March 31, 2023 - \$2,007 thousand; December 31, 2023 - \$411 thousand) with a working capital of \$440 thousand (March 31, 2023 - \$822 thousand ;December 31, 2023 – a negative working capital of \$230 thousand). The increase in the working capital was mainly due to the receipt of proceeds of \$1,419 thousand received from the private placement financing of the January Units, offset from the Company's operations which used \$550 thousand during the period ended March 31, 2024 (March 31, 2023- \$553 thousand; December 31, 2023 –\$2,537 thousand).

In addition, the Company has the following contractual obligations (which are reflected in its general and administrative expenses) as of March 31, 2024 (thousand\$):

<b>Contractual Obligation</b>		<b>Total</b>	<b>Less than 1 year</b>	<b>1 – 3 Years</b>	<b>4 – 5 Years</b>	<b>After 5 Years</b>
Finance Lease Obligations		Nil	Nil	Nil	Nil	Nil
Operating Leases <sup>(1)</sup>		(166)	(99)	(39)	(11)	(17)
Purchase Obligations		Nil	Nil	Nil	Nil	Nil
Other Obligations <sup>(2)</sup>		<u>(1,160)</u>	<u>(1,160)</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
<b>Total</b>		<b>(1,326)</b>	<b>(1,259)</b>	<b>(39)</b>	<b>(11)</b>	<b>(17)</b>

Notes:

- (1) The Company's operating leases consist of: (i) a lease arrangement for office space in Kibbutz Yifat, Israel commenced in February 2019 and ending in October 2024. According to the terms of this agreement, the Company has an option to extend the term for an additional five years.; (ii) a lease arrangement for factory space in Migdal Haemek, Israel, commenced in November 2019 and ending in March 2025. According to the terms of this agreement, the Company has an extension option for two additional years for all the Company's space at this location; (iii) lease arrangements for vehicles which ends in May 2025 and (iv) a lease arrangement for vehicles in Israel commenced during fiscal, year 2022, for a 3 year period.
- (2) Other obligations consist of trade and other accounts payables, related party transactions, advance payments and royalties liability.

The Company's business currently does not generate positive cash flows from operations and until such time as it is cash flow positive it will be reliant on equity and debt financings to provide it with the necessary cash to finance ongoing operations.

The Company's cash flow forecasts are continually updated to reflect actual cash inflows and outflows so to monitor the requirements and timing for additional financial resources. Furthermore, the Company continues to monitor additional opportunities to raise equity capital and/or secure additional funding through non-dilutive sources such as government grants. However, it is possible that its cash and working capital position may not be enough to meet its business objectives in the event of unforeseen circumstances (including a delay in generating cash from sales of its products).

There has been volatility in the stock markets, which may raise questions about the Company's ability to raise new capital and thereby sustain its operations. There is no certainty that the Company will be cash flow positive

in the near term or that it will continue to be successful in its efforts to raise new capital, which would cause the Company to reconsider its viability as a going concern at that time and how best to sustain a reduced level of operations, pending the receipt of cash from the sale of the Product or a return to better market conditions when a financing can be completed.

The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

#### **GOING CONCERN**

As of May 26, 2024, the Company incurred losses from operations, since its inception, and as of March 31, 2024, the Company has an accumulated deficit of \$24,733 thousand. In addition, the Company generated negative cash flows from operating activities of \$550 thousand and a loss in the amount of \$709 thousand for the year ended March 31, 2024. As of the date of the issuance of this MD&A, the Company has not yet commenced generating significant sales, and therefore depends on fundraising from new and existing investors to finance its activities. These events and conditions, indicate that a material uncertainty exists that may cast significant doubt on 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.

Company's management believes that the Company will be able to pay its debts when they fall due, and to fund near term anticipated activities based on proceeds from capital fund raising and future revenues. Company's management are satisfied that it is appropriate to prepare the Audited Financial Statements on a going concern basis on the basis that the above can be reasonably expected to be accomplished.

#### **OFF-BALANCE-SHEET ARRANGEMENTS**

During the three months ended March 31, 2024, the Company did not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

## RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel, including its directors and officers. During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

	Three months ended March 31, 2024	Three months ended March 31, 2023
<b>Compensation of key management personnel of the Company:</b>		
Company President Management fees	\$ 51	\$ 57
CEO Management fees	49	51
Vice President	13	-
A company controlled by a director	7	7
<b>Other related party transactions:</b>		
Share base payments	22	19
Purchase of raw materials	50	-
<b>Balance with related parties:</b>		
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Loan to related party	\$ 132	\$ 192
A company fully owned by the Company President	(11)	-

- 1) On April 1, 2022, BOIL Israel signed a service agreement with Mr. Pinhas Or pursuant to which Mr. Or provides a management service for NIS4,000 (approximately, \$1,137) per month. For additional information about Mr. Pinhas Or's compensation agreement, please see note 15 to the Annual Financial Statements.
- 2) On April 1, 2022, the Company signed a service agreement with a company controlled by a director of the Company pursuant to which the director will provide the Company with corporate secretary services for C\$3 thousand (\$2 thousand) per month, which fee will increase to C\$4 thousand (\$3 thousand) upon the Company completing an equity financing of at least C\$10 million.
- 3) On June 1, 2023 the Board appointed Mr. Robert ("**Robert**") as the Company Vice President. Robert will be entitled to C\$6 thousand per month and for the option package, as described below in "Outstanding Share Data".
- 4) As per the terms of the IP Assignment Agreement, as amended by the IP Assignment Amendment, some of the Company's raw materials are acquired from a company fully owned by Mr. Pinhas Or.

### OUTSTANDING SHARE DATA:

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of March 31, 2024, there were 55,981,514 Common Shares issued and outstanding.

As of the date hereof, the Company has 55,981,514 Common Shares and 6,681,752 warrants outstanding and 19,528,404 contingent value rights (the “**Contingent Rights**”). The Contingent Rights will convert into an equal number of Common Shares (the “**Deferred Payment Shares**”) on the occurrence of the Revised Milestones:

*(For additional information of the extension of the Contingent Rights please see DESCRIPTION OF THE BUSINESS AND FINANCING HIGHLIGHTS above.)*

### Outstanding Options and Awards:

As of the date hereof, the Company has 4,681,555 outstanding options:

Number of outstanding options	Exercise price	Expiry Date	Number of Exercisable Options
134,133 (1)	C\$0.00047	June 24, 2031	134,133
950,000 (2)	C\$0.50	November 8, 2031	950,000
1,424,128 (3)	C\$0.75	May 12, 2032	949,419
850,000 (4)	C\$0.75	May 29, 2028	68,000
200,000 (5)	C\$0.75	June 13, 2033	68,000
100,000 (6)	C\$0.75	24 January, 2026	33,334
23,294 (7)	C\$0.75	24 January, 2034	23,294
1,000,000 (8)	C\$0.75	24 January, 2034	300,000
Total: 4,681,555			Total: 2,526,180

- 1) On June 24, 2021, Beyond Oil Israel granted 120,922 options to purchase ordinary shares to the Beyond Oil Israel’s employees and advisors under the Plan. The exercise prices of the options and restricted shares is NIS 0.01. The options will expire after 10 years of the date of grant. The vesting period of the options is 27 months and of the restricted shares is 6 months. All the options will be vested as follows: 25% following 6 months as of the date of grant + 10.7143% each quarter over 7 quarters following 6 months as of the date of grant. Following consummation of the Transaction the outstanding Beyond Oil Israel options were replaced with economically equivalent options to purchase common shares of the Company for 967,376 stock options of the Company. On August 8, 2021, Beyond Oil Israel’s board resolved to amend its previous resolution from June 24, 2021, regarding granting options to Beyond Oil Israel’s employees and advisors, in such manner, that the granted Shares and Options will not be subject to the cancellation agreement and will not be terminated, in the event that Beyond Oil Israel does not consummate a merger event. 482,768 options of the Company’s former CEO were forfeited by such CEO in accordance with a signed agreement

entered into during January 2023. During the fourth quarter of 2023 108,171 options were exercised and during the first quarter of 2024, 242,304 options were exercised.

- 2) On November 8, 2021, the Company granted 975,000 stock options to directors, officers, and consultants of the Company at an exercise price of C\$0.50, expiring on November 8, 2031. The options fully vested on the date of the grant. During the first quarter of 2024, 25,000 options were exercised.
- 3) On May 12, 2022, The Company also issued a total of 2,938,139 options to certain directors, officers, and service providers under the Company Option Plan with each option exercisable at C\$0.75 until May 2024. The vesting period of the options is 1/3 at the grant date, 1/3 after 12 months of the grant date, and 1/3 after 24 months of the grant date. 1,514,011 options of the Company's former CEO were forfeited by such CEO in accordance with a signed agreement entered into during January 2023.
- 4) On May 23, 2023, as amended by the Company on May 26, 2024, the Company issued to Robert: (i) 200,000 options with each option exercisable at C\$0.75 expiring on May 22, 2028; and (ii) 650,000 options which vest upon certain performance milestones being attained (the "**Performance Vesting Options**") with each Performance Vesting Option exercisable at C\$0.75 expiring on May 2028. The Performance Vesting Options shall vest according to the following vesting schedule: (i) 150,000 option upon the Company obtaining orders for an aggregate of at least \$3 million from customers within 44 months of May 25, 2023 (the "**Grant Date**") or the Company closing an equity or convertible debt financing, or a combination thereof, for aggregate proceeds of US\$5 million on or before December 31, 2024, of which at least C\$2 million must be closed by September 30, 2024; or (c) at least US\$3M in funds entering in the Company's treasury pursuant to the exercise of warrants and options by May 10, 2025. ;(ii) 150,000 options upon the Company achieving \$6 million in cumulative sales within 48 months of the Grant Date; (iii) 100,000 options upon the Company achieving \$13 million in cumulative sales within 60 months of the Grant Date; (iv) 100,000 options upon the Company reaching positive EBITDA by the end of June 30, 2026, and such amount is confirmed by the unaudited financial statements for the period ended June 30, 2026; and (v) 150,000 options upon execution of a definitive customer agreement within 36 months of the Grant Date. Without derogating from the foregoing, in the event that the Company signs a definitive agreement with a major investor, oil producer or other commercial partner on or before December 31, 2025, that results in the Company receiving US\$10 million in revenues on or before December 31, 2027, such milestone may be used as a replacement for any of the foregoing performance milestones.
- 5) On June 14, 2023, the Company issued to a director of the Company in accordance with the Omnibus Plan 200,000 options with each option exercisable at C\$0.75 and expiring on June 13, 2033.
- 6) On January 24, 2024, the Company issued a total of 100,000 options to an advisor in accordance with the Omnibus Plan with each option exercisable at C\$0.75 until 2026. The vesting period of the options is 1/3 at the grant date, 1/3 after 6 months of the grant date, and 1/3 after 12 months of the grant date.
- 7) On January 24, 2024, the Company issued a total of 23,294 options to certain directors in accordance with the Omnibus Plan with each option exercisable at C\$0.75 until 2034. The options vested immediately.
- 8) On January 24, 2024, as amended by the Company on May 26, 2024, the Company issued to a service provider, in accordance with the Omnibus Plan (i) 250,000 options with each option exercisable at C\$0.75 expiring on July 2025, with vesting date of 100,000 immediately, 75,000 options after 12 months of the grant date and 75,000 options 24 months of the grant date and (ii) 750,000 Performance Vesting Options with an exercise price of C\$0.75 per common share. The Performance Vesting Options shall vest according

to the following vesting schedule: (i) 200,000 options which vested upon the Company entering into a distribution agreement for food service covering at least three provinces of Canada with the involvement of the service provider and only upon the first purchase order being under the Canadian Distribution Agreement being confirmed; (ii) 125,000 options upon the Company recognizing US\$1,000,000 in actual revenue from commercial agreement(s) with distributor(s) and/or food-chain(s), with the direct involvement of the Service Provider; (iii) 125,000 options upon the Company recognizing US\$1,000,000 in actual revenue from commercial agreement(s) with industrial frying company(ies), with the direct involvement of the Service Provider; (iv) 100,000 options upon the Company obtaining orders of at least US\$3,000,000 from customers within 44 months of May 25, 2022; (v) 75,000 options upon the Company achieving US\$6 million in cumulative sales within 48 months of the Transaction closing date; (vi) 75,000 options upon the Company achieving at least US\$13,000,000 in cumulative sales within 60 months of the Transaction closing date; (vii) 50,000 options upon the Company reaching positive EBITDA by June 30, 2026 and such amount is confirmed by unaudited financial statements for the period ended June 30, 2026.

- 9) On May 26, 2024, the Company issued a total of 375,000 options to certain employees and service providers ("**Recipients**") pursuant to the Omnibus Plan with each such option exercisable at C\$1.10 until May 25, 2028 subject to certain vesting dates. The vesting period is over four years vesting as follows; 25% of the total amount granted, calculated on a per Recipient basis, will vest on May 27, 2025 and the remaining 75% of the total amount will vest quarterly, in equal amounts, over three year with the first such grant occurring on August 26, 2025.

#### **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

New standards, interpretations and amendments adopted from 1 January 2024

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, 2024 (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 is currently assessing the impact of these new standards, interpretations and amendments. The Company does not believe that the standards, interpretations and amendments will have a material impact on the financial statements once adopted.

#### **FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, restricted cash and other receivables, trade payables and other liabilities. The main purpose of these financial instruments is to raise capital for the Company's operations.

##### *Risk Management*

The Company is exposed to risks that arise from its use of financial instruments. The Company's exposures to financial risk and how the Company manages each of those risks is described in the Company's MD&A for the year ended December 31, 2023. There were no significant changes to the Company's exposure to those risks or to the Company's management of its risk exposures during the three months and twelve ended March 31, 2024.

##### *Determination of Fair Value*



The Company's financial assets and financial liabilities (in thousands) are classified as follows:

March 31, 2024	Amortized cost						Total
	Book value	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	>5 years	
	\$						
Accounts receivables	12	12	-	-	-	-	12
Other receivables	82	82	-	-	-	-	82
Lease Liability	(145)	(99)	(28)	(11)	(11)	(17)	(166)
Related Party transactions	(132)	(132)	-	-	-	-	(132)
Accounts payable and accrued liabilities	(684)	(684)	-	-	-	-	(684)
Royalties liability	(294)	(294)	(106)	-	-	-	(400)
<b>Total</b>	<b>(1,161)</b>	<b>(1,115)</b>	<b>(134)</b>	<b>(11)</b>	<b>(11)</b>	<b>(17)</b>	<b>(1,288)</b>

The Company measures financial instruments at fair value, grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 - Inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

Liabilities such as accounts payable, accrued liabilities, are initially recognized at fair value plus transaction costs that are directly attributable to the issue of the instrument and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss (preferred shares liability) and derivatives (derivative liability – warrants and options).

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The issue of a unit of securities involves the allocation of the proceeds received (before issue expenses) to the securities issued in the unit based on the following order: financial derivatives and other financial instruments measured at fair value in each period. Then fair value is determined for financial liabilities that are measured at amortized cost. The proceeds allocated to equity instruments are determined to be the residual amount. Issue costs are allocated to each component pro rata to the amounts determined for each component in the unit.

## **RISK FACTORS**

On October 7, 2023, an attack was launched against Israel by Hamas (a terror organization) which thrust Israel into a state of war (hereinafter the "**state of war**") in Israel and in the Gaza strip. The Company is continuing with its operations both in Israel and globally. During the reporting period the changes to the Company's business due to the factors above while having certain effects on the Company's business, do not individually or in aggregate constitute a material adverse change. However, during and after the reporting period, mainly due to external and broader challenges affecting the Israeli economy, uncertainty and unavoidable delays in the Company's business activities exist. Since the state of war in Israel continues, the Company continuously evaluates the impact of such factors.

For a complete discussion of risk factors please see the section titled "*Risk Factors*" in the Prospectus.

## **NOTE REGARDING FORWARD LOOKING INFORMATION**

This MD&A contains forward-looking statements and information that reflect the Company's current expectations and views of future events. Statements or information which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, outlook, expectations or intentions regarding the future including words or phrases such as "anticipate", "objective", "may", "will", "might", "should", "could", "can", "intend", "expect", "believe", "estimate", "predict", "potential", "plan", "is designed to", "project", "continue" or similar expressions suggest future outcomes or the negative thereof or similar variations. Forward-looking statements and information may include, among other things: statements or information relating to the Company's business strategy (including expected growth rate); any estimate of potential earnings; the completion of any transaction including contracts with potential customers; expected growth in the global market for its products; market growth and market penetration; timing of product development (both for future products and enhancements of existing products); expectations regarding expenses, sales and operations; estimates regarding capital requirements and need for and ability to obtain additional financing; expectations for the cost and timing of achieving business objectives; competitive position; and anticipated trends and challenges in the markets in which it operates including the regulatory environment.

Forward-looking statements and information have been prepared by management to provide information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. While management believes that the forward-looking statements have been prepared on a reasonable basis, reflecting management's best estimates and judgments, the Company is an early-stage company with a short operating history and it may not actually achieve its plans, projections, or expectations. Readers should read this press release with the understanding that our actual future results may be materially different from what we expect. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements.

Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including: general business and economic conditions; the demand for our products; anticipated costs; the ability to achieve its goals, business plan, and growth strategy; the availability of financing on reasonable terms as needed; its ability to attract and retain skilled staff; its ability to complete any contemplated transactions; and that there will be no

regulation or law that will prevent it from operating our business. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: business, economic and capital market conditions; the ability to expand our business internationally; the ability to manage operating expenses, which may adversely affect its financial condition; ability to obtain additional financing as needed; ability to remain competitive as other better financed competitors develop and release competitive products; legal and regulatory uncertainties; market conditions and the demand and pricing for its products; its relationships with customers, distributors, suppliers and business partners; its ability to successfully define, design and release new products in a timely manner that meet its customers' needs; its ability to attract, retain and motivate qualified personnel; competition in our industry; our ability to maintain technological leadership; the impact of technology changes on our products and industry; failure to develop new and innovative products; our ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could materially and adversely affect its business; its ability to manage working capital; and its dependence on key personnel, the risk that consumer interest in and sentiment towards the Company's products adversely changes; the impact of COVID-19 or other viruses and diseases on the Company's ability to operate; equipment failures; unanticipated increases in operating costs; security; government regulations; and failure of counterparties to perform their contractual obligations. In addition, BOIL Israel's products have yet to be produced on a large scale and its products have yet to be shown to be effective and reliable when used by a broad range of consumers.

The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. The Company cautions that the foregoing lists of assumptions, risks and uncertainties is not exhaustive. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

**ADDITIONAL INFORMATION:**

Additional information relating to the Company may be accessed under its profile on the System for Electronic Document Analysis and Retrieval (SEDAR+) at [www.sedarplus.ca](http://www.sedarplus.ca).