BEYOND OIL LTD.

MANAGEMENT'S DISCUSSIONS AND ANALYSIS

YEAR ENDED DECEMBER 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 companies (the "**Company**") for the year ended December 31, 2024 (the "**2024 Annual Period**").

This MD&A should be read in conjunction with the audited consolidated annual financial statements of the Company for year ended December 31, 2024, together with the notes thereto (the "**Annual Financial Statements**").

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively **IFRS Accounting Standards**). 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 "US$" means the lawful money of the United States of America; "C$" means the lawful money of Canada; and references to NIS means the lawful money of Israel). This MD&A has been prepared as of April *30* ,2025.

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 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 24,410,506 common shares in the capital of the Company ("**Common Shares**"), 2,683,333 Common Share purchase warrants (the "**Consideration Warrants**") and 19,528,404 contingent value rights ("**Contingent Rights**") in the capital of the Company to be issued upon achievement of certain performance milestones (the "**Milestones**")**.** The Contingent rights and the Milestones were memorialized in a Deferred Purchase Price Agreement (the "**DPPA**"). Pursuant to the DPPA the following additional Common Shares would be issued to the shareholders of Boil Israel upon reaching the below listed Milestones:

(i) 4,882,101 Common Shares upon the Company obtaining an order for at least US$3 million from customers within twelve (12) months of May 25, 2022 (the "**Closing Date**");

(ii) 4,882,101 Common Shares upon the Company achieving US$6 million in cumulative sales within 18 months of the Closing Date;

(iii) 4,882,101 Common Shares upon the Company achieving US$13 million in cumulative sales within 30 months of the Closing Date; and

(iv) 4,882,101 Common Shares upon the Company reaching positive EBITDA (**Important Note**: *1. EBITDA is a non-GAAP financial measure that does not have any standardized meaning under the Company's GAAP and therefore may not be comparable to similar measures presented by other issuers; 2. EBITDA means "earnings before interest, taxes, depreciation and amortization" and when calculated by the Company will not exclude any items other than interest, taxes, depreciation and amortization; 3. the use of EBITDA in this MD&A is due to the fact that it was negotiated as a performance measuring tool by the Company in connection with the Transaction, it provides no other useful financial information; 4. the most directly comparable GAAP measurement will be Operating Profit and such amount will be disclosed upon the Company disclosing that it has reached this EBITDA milestone)* by the end of its fiscal year ended December 31, 2023, and such amount is confirmed by the audited annual financial statements for the year ended December 31, 2023.

In connection with the Transaction, the Company completed:

i. 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 on the first on November 5, 2021, and the second on November 26, 2021, for gross proceeds of C$1,250 thousand; and

ii. 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 (the "**Warrants**") 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 final non offering prospectus (the "**Prospectus**").

Effective May 12, 2022, the Company and Endeavour Trust Corporation ("**Endeavour**") entered into a Special Warrant Indenture pursuant to which the Company issued the Special Warrants. On May 12, 2022, the Special Warrants were automatically exercised into an equal number of Common Shares and the issuance of 2,241,324 Warrants.

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 constituted 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.

2023

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 consisted of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a "**January Warrant**"). Each January Warrant entitled the holder thereof to purchase one additional Common Share at an exercise price of C$1.00 until January 16, 2024. As of the date of this MD&A none of the January Warrants were exercised and all January Warrants expired in accordance with their terms.

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 consisted of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a "**March Warrant**"). Each March Warrant entitled the holder thereof to purchase one additional Common Share at an exercise price of C$1.00 until February 28, 2024. As of the date of this MD&A none of the March Warrants were exercised and all the March Warrants expired in accordance with their terms.

On March 25, 2023 the independent directors, at the time, of the board of directors of the Company (the "Board"), being Gad Penini, Hanadi Said, Erez Winner, and Robert Kiesman, unanimously agreed to recommend to the Board to:

1) extend the expiry date of the Consideration Warrants to May 13, 2024 (the "**Revised Consideration Warrant Expiry Date**");

2) extend the expiry date of the Warrants by an additional 12 months to May 13, 2024; and

3) enter into an agreement amending the terms of the DPPA (the "**Amended DPPA**"). The Amended DPPA provided, subject to obtaining the requisite approval of shareholders of the Company (the "**Shareholders**"), for the following amendments (1) and 2) above hereinafter collectively, the "**2023 Meeting Amendments**"):

A. to extend the performance date of each Milestone to the following revised dates (the following (i)-(iv) hereinafter referred to individually as a "**Revised Milestone**" and collectively as the "**Revised Milestones**"):

(i) 4,882,101 Common Shares upon the Company obtaining an order for at least US$3 million from customers within thirty-two (32) months of the Closing Date;

(ii) 4,882,101 Common Shares upon the Company achieving US$6 million in cumulative sales within 36 months of the Closing Date;

(iii) 4,882,101 Common Shares upon the Company achieving US$13 million in cumulative sales within 48 months of the Closing Date; and

(iv) 4,882,101 Common Shares upon the Company reaching positive EBITDA (**Important Note**: *1. EBITDA is a non-GAAP financial measure that does not have any standardized meaning under the Company's GAAP and therefore may not be comparable to similar measures presented by other issuers; 2. EBITDA means "earnings before interest, taxes, depreciation and amortization" and when calculated by the Company will not exclude any items other than* *interest, taxes, depreciation and amortization; 3. the use of EBITDA in this MD&A is due to the fact that it was negotiated as a performance measuring tool by the Company in connection with the Transaction, it provides no other useful financial information; 4. the most directly comparable GAAP measurement will be Operating Profit and such amount will be disclosed upon the Company disclosing that it has reached this EBITDA milestone)* by the end of June 30, 2025, and such amount is confirmed by the unaudited financial statements for the period ended June 30, 2025; and

B. 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.

"Exit Transaction" 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$100,000,000 (one hundred million).

The 2023 Meeting Amendments were approved by the Shareholders at the annual and special shareholders meeting held on May 3, 2023 (the "**2023 Meeting**").

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 and for net proceeds (transaction costs) of CAN$602 thousand ($450 thousand). Each October Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a "**October Warrant**"). Each October Warrant entitled the holder thereof to purchase one additional Common Share at an exercise price of C$1.25 until October 22, 2024. As of the date of this MD&A, and prior to the expiry of the October Warrants, all of the October Warrants were exercised exercised resulting in gross proceeds to the Company of CAD$516 thousand), and the issuance of 412,763 Common Shares.

2024

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 and for net proceeds (transaction costs) of C$1,918 thousand ($1,419 thousand). Each January 2024 Unit consisted 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 entitled the holder thereof to purchase one additional Common Share at an exercise price of C$1.25 until January 24, 2025. As of the date of this MD&A, and prior to the expiry of the January 2024 Warrants, all of the January 2024 Warrants were exercised resulting in gross proceeds to the Company of CAD$1,680 thousand), and the issuance of 1,344,333 Common Shares.

On April 25, 2024, the Company held an annual and special meeting of Shareholders in which the following decisions were approved by the 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 Revised Milestones (previously extended at the 2023 Meeting), 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 "**2024 Revised Milestones**"):

(i) 4,882,101 Common Shares will be issued upon the Company obtaining an order for at least $3 million from customers within forty four (44) months of the Closing Date;

(ii) 4,882,101 Common Shares will be issued upon the Company achieving $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 $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, 2026, and such amount is confirmed by the unaudited financial statements for the period ended June 30, 2026 (**Important Note**_: 1. EBITDA is a non-GAAP financial measure that does not have any standardized meaning under the Company's GAAP and therefore may not be comparable to similar measures presented by other issuers; 2. EBITDA means "earnings before interest, taxes, depreciation and amortization" and when calculated by the Company will not exclude any items other than interest, taxes, depreciation and amortization; 3. the use of EBITDA in this MD&A is due to the fact that it was negotiated as a performance measuring tool by the Company in connection with the Transaction, it provides no other useful financial information; 4. the most directly comparable GAAP measurement will be Operating Profit and such amount will be disclosed upon the Company disclosing that it has reached this EBITDA milestone)_. ; and

(v) to extend the Original Date of an Original Milestone previously not extended, from December 31, 2023 to December 31, 2025 and 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*".

To provide that upon an Exit Transaction (as defined in the Information Circular sent to Shareholders in connection with the AGM), 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 Warrants by an additional 12 months to May 13, 2025. No Finder warrants were extended.

On June 27, 2024, the Company announced the completion of the final tranche of a private placement offering consisting of 2,380,952 units (the "**June 2024 Units**") for gross proceed of C$2,500 thousand and for net proceeds (transaction costs) of C$2,434 thousand ($1,778 thousand). Each June 2024 Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a "**June 2024 Warrant**"). Each June 2024 Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of C$1.75 until June 26, 2025. Additionally, 62,542, June 2024 Warrants were issued to finders. As of the date of this MD&A 531,063 June 2024 Warrants were exercised resulting in gross proceeds to the Company of CAD$930 thousand) ($652 thousand), and the issuance of 531,630 Common Shares.

On September 16, 2024, the Company announced the completion of a private placement offering consisting of 1,345,697 units (the "**September 2024 Units**") for gross proceed of C$2,019 and for net proceeds (transaction costs) of C$2,000 thousand ($1,473 thousand).

On March 12, 2025 the Company entered into a strategic investment agreement (the "**Clal Agreement**") with Clal Financial Management ("**Clal**"). Under the terms of the Agreement, Clal will invest (the "**Investment**") C$10.5 million to acquire 3,000,000 units (the "**CLAL Units**") at an issue price of C$3.498 per Clal Unit (the "**Clal Issue Price**"). Each Clal Unit consists of: (i) One Common Share; (ii) one-half of a Series A Warrant, where each whole such warrant entitles the holder to purchase one additional Common Share at CAD$6.00 per Common Share until March 12, 2027; and (iii) one-half of a Series B Warrant, where each whole such warrant entitles the holder to purchase one additional Common Share at CAD$7.75 per Common Share until March 12, 2028. A finder's fee in an amount equal to 2% of the Gross Proceeds will be payable upon closing of the Investment. *(See- Brokered Offering below)*

As part of the Clal Agreement, Clal has also committed to purchasing 1,836,766 previously issued warrants from members of the Or family at a price equal to the Clal Issue Price (the "**Warrant Acquisition**"). As an additional condition, the Company has secured an undertaking from the Or family not to sell any of their Common Shares (other than those covered under the Warrant Acquisition) prior to December 31, 2025. As part of the Clal Agreement, the Company has also committed to using its best efforts to complete an uplisting to a senior exchange in Canada or the United States within six months of the closing of the Investment.

On April 23, 2025 the Company announced the engagement of Research Capital Corporation ("**Agent**") as sole agent and sole bookrunner in connection with a brokered private placement (the "**Brokered Offering**") of up to 3,100,000 units of Beyond Oil ("**Research Units**") which Research Units <u>**include and have the identical characteristics of**</u> the Clal Units.

Both the Investment and the Brokered Offering are subject to the approval of the Canadian Securities Exchange and other closing conditions as are customary for Canadian offerings. The Company wishes to clarify that as at the date of this MD&A neither the Investment, the Warrant Acquisition, nor the Brokered Financing have been completed.

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 Company's website address is www. beyondoil.co. The information contained on the Company's website or available through the website is not incorporated by reference into and should not be considered a part of this MD&A.

The Common Shares trade on the Canadian Securities Exchange under the symbol “BOIL”, on the Frankfurt Stock Exchange under the symbol “UH9” and on the OTCQB under the symbol “BEOLF”.

Overview of Operations

The Company is a food-tech innovation company dedicated to creating solutions that mitigate health risks, improve sustainability, and reduce costs for food service companies. The Company’s patented technology, significantly reduces harmful compounds in frying oil, addressing critical health concerns. Beyond Oil’s solution tackles a global issue in the food industry: the widespread practice of reusing frying oil for hundreds of cycles across several days. This practice is common in restaurant kitchens, hotels, catering services, banquet halls, fried food manufacturing plants, and institutions such as schools, kindergartens, and military facilities. Beyond Oil's product is backed by research which has highlighted its value in health risks associated with reused oil, including links to cancer and cardiovascular diseases. Beyond Oil’s product provides an effective means to mitigate these risks while offering additional benefits such as improved food quality, operational cost savings, and reduced environmental impact.

Beyond Oil's primary product is a multi-ingredient filter powder formulation that absorbs and prevents the formation of harmful components generated during the frying process (the “**Product**”).

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 Mr. Pinhas Or (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

2023

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. On May 31, 2023, the company launched its first commercial product on the market aimed at restaurants and commercial frying users and announced that it had fulfilled the initial purchase order placed by Fandango by delivering 16 tons of its Product to Fandango's facilities in Israel. Subsequently, in July 2024 Fandango placed its second Product order supplied to several national chains 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 established Oil Solutions Group as the first non-exclusive distributor of the 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 established Vital Hospitality as the first non-exclusive distributor of Beyond Oil's product in the UK food service market. To date the Company and Vital Hospitality continue to explore distribution possibilities.

2024

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 placed an initial order of one container of the 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 "**Various 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 Various 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 Various Products (or variations thereof) in North America. To date WestCoast has complied with all order commitments. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, the agreement may be terminated by mutual written consent at any time. The Company may also terminate immediately in the event of WestCoast's default. termination of the rights and obligations as they relate to the U.S. Territory, without penalty must be provided 180 days in advance

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.

On August 12, 2024, the Company announced the entering into of a letter of intent with one of the world's largest manufacturers of food equipment in the industrial frying market (the "**Industrial Manufacturer**"). The LOI, dated July 16, 2024, outlines a comprehensive partnership to: (i) design and build state-of-the-art industrial frying filtration solutions that integrate the Company's breakthrough technology with the renowned systems of the Industrial Manufacturer (the "**Joint Filtration System**"); and (ii) market and provide the Joint Filtration System to both companies' extensive network of existing and prospective customers in many countries of the world.

On October 15, 2024, the Company announced its first direct Product purchase order in Western Europe with the sale to Mister Noodles, a restaurant chain based in Spain with 20 restaurants, which purchased 10,000 daily doses of the Product for integration into their restaurants.

On October 29, 2024, the Company announced that it had expanded its geographic reach in its global commercialization efforts. Specifically, it had received payment of a 16-ton container of its Product from an Eastern European franchisee of one of the largest fast-food chains in the world. The 16-ton container was subsequently delivered in early 2025.

On November 13, 2024 the Company announced that Hap Chan, a Philippine-based restaurant chain with over 100 branches placed an initial order of 10,000+ daily-use units of the Product, which it plans to integrate into all kitchens across the chain.

In December 2024, the company incorporated Beyond Oil USA, a wholly owned subsidiary of BOIL Israel, aimed at expanding the Company's operations in North America. In the first quarter of 2025, the Company hired a team of individuals in the U.S. to lead its direct and strategic sales efforts across North America.

2025

On January 6, 2025, the Company announced distribution agreement in Mexico. Pursuant to a distribution agreement with Fármacy México, a leading company in distribution of innovative products for food, industrial, agro-food and pharmaceutical sectors in Mexico, Beyond Oil has granted Fármacy México non-exclusive distribution rights to sell the Product in Mexico. To date Fármacy México has complied with all order commitments. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, both Fármacy México and Beyond Oil can terminate the agreement at any time by written notice to the other party upon providing 3 months prior notice.

On January 13, 2025, the Company announced that Orlando, U.S. based Sus Hi Eatstation had integrated the Product into its operations as part of a full oil management program.

On January 22, 2025, the Company announced the signing of a distribution agreement ("**T&J Distribution Agreement**") with T&J Oil Pty Ltd. ("**T&J Oil**"), based in Perth, Australia. The T&J Distribution Agreement has a term of five years, which may be renewed provided that T&J oil Distribution Agreement has not been terminated and T&J fulfilled all its obligation under the agreement. T &J Distribution Agreement marks the Company's entry into the Australian market and includes the granting to T&J Oil of exclusivity, subject to T&J Oil, fulfilling its annual minimum quantity purchase commitments and payment of the license fee. Under the terms of the agreement, T&J Oil will serve as the distributor of the Product for non-chain restaurants and local chains that do not utilize filter machines across Australia. The T&J Distribution Agreement includes an aggregate minimum purchase commitment of $4,9 million over its five-year term. Subsequently, on February 18, 2025, the Company announced that it has successfully delivered the first order under the T&J Distribution Agreement. The first shipment, totaling 5.4-ton of Product, was delivered as part of T&J's minimum purchase commitment under the T&J Distribution Agreement. The payment for the order was also received in full. To date T&J has complied with all order requirements. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, the Company may terminate T&J oil Distribution Agreement immediately in the event of default..

On January 24, 2025, the Company announced that it had entered into a master distribution agreement (the "**Latitude Distribution Agreement**") with Latitude Ltd. ("**Latitude**"). The Latitude Distribution Agreement gives the rights and license to market and sell the Product across the United States (the "**Latitude Territory**"). The Latitude Distribution Agreement includes minimum monthly commitments totaling $8.3 million during the fiscal year 2025. The term of the Latitude Distribution Agreement is for five (5) years, which may be renewed for additional five (5) year terms, provided that the Latitude Distribution Agreement has not been terminated by either party and that the parties have reached agreements on Product pricing and minimum purchase requirements for years two through five. Latitude will focus on selling to small and medium-sized food service customers while leveraging its sub-distributor network to achieve broad market penetration, allowing the Company to concentrate on securing strategic deals with larger, multinational customers, while Latitude drives growth and revenue in other market segments. On February 4, 2025, the Company announced that it has successfully delivered the first order under the Latitude Distribution Agreement. The first shipment, totaling 10.8 ton of Product, was delivered as part of Latitude's minimum monthly purchase commitment under the Latitude Distribution Agreement. The payment for the order was also received in full. Subsequently, on February 12, 2025, the Company announced that it has successfully delivered the second order under the Latitude Distribution Agreement. The second shipment, totaling 16.48-ton of Product, was delivered as part of Latitude's minimum monthly purchase commitment under the Latitude Distribution Agreement. The payment for the order was also received in full. Also, in March 2025, the Company received the March, April and May 2025 purchase orders, total of 302.4 tons of Product, under the Latitude Distribution Agreement, and payment for the March 2025 purchase order was received. To date Latitude has complied with all order requirements. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, both Latitude and Beyond Oil can terminate the agreement at any time, except cause, by written notice to the other party upon providing 180 days notice.

On February 21, 2025, the Company also announced, that the Latitude Distribution Agreement expanded the Latitude Territory to include the Ukraine.

On February 7, 2025, the Company announced that it had entered into a distribution agreement (the "**Swedish Distribution Agreement**") with Click Lab AB ("**Click**"), for the distribution of the Product in Sweden. The Swedish Distribution Agreement has a 12-month term and will automatically renew unless either party provides written notice of termination at least 3 months in advance. Under the terms of the Swedish Distribution Agreement, Click will serve as the distributor of the Product for non-chain restaurants and local chains that do not utilize filter machines across Sweden. To date Click has complied with all order requirements. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate.

On February 26, 2025, the Company announced its entry into the African market through a new distribution agreement with Minrosolve Proprietary in South Africa. The Minrosolve distribution agreement has a 12-month term and will automatically renew unless either party provides written notice of termination at least 3 months in advance.. To date Minrosolve Proprietary has complied with all order commitments. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate.

On February 28, 2025, the Company announced that it has signed a distribution agreement (the "**Indian Agreement**") with Deep Frying Solutions Pvt Ltd, a newly formed company based in Gujarat, India (the "**DPS India**"). Under the terms of the Indian Agreement, DPS India will market, distribute, and sell the Product to restaurants across India. The Indian Agreement includes an initial order of one full 6-ton container and establishes a structured purchasing plan. To date DPS India has complied with all order requirements. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. The Indian Agreement has a 12-month term and will automatically renew unless either party provides written notice of termination at least 3 months in advance..

On March 19, 2025, the Company announced that it has signed a distribution agreement (the "**Portugal Agreement**") with Serious Formula Ltd (the "**Serious Formula**"), a Lisbon based company specializing in the foodservice and hospitality sectors. Under the terms of the Portugal Agreement, the Serious Formula will market, distribute, and sell the Product to restaurants across Portugal. The Portugal Agreement includes an initial order of one full 1,080 kg of Product and establishes a structured purchasing plan. As of the date of this MD&A payment for the initial order was received. To date Serious Formula has complied with all order commitments. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. The Portugal Agreement has a 12-month term and will automatically renew unless either party provides written notice of termination at least 3 months in advance.

On April 4, 2025, the Company announced that it has signed a distribution agreement (the "**Netherlands Agreement**") with Mandarin Foods Ltd (the "**Mandarin Foods**"). Under the terms of the Netherlands Agreement, the Mandarin Foods will market, distribute, and sell the Product to restaurants across Netherlands. The Netherlands Agreement includes an initial order of one full 5.4 -ton of Product and establishes a structured purchasing plan. As of the date of this MD&A payment for the initial order was received. To date Mandarin Foods has complied with all order commitments. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. The Netherlands Agreement has a 12-month term and will automatically renew unless either party provides written notice of termination at least 3 months in advance.

On April 4, 2025, the Company announced that it has signed a distribution agreement (the "**Royalty Trade Agreement**") with Royalty Trade Ltd (the "**Royalty Trade**"). Under the terms of the Royalty Trade Agreement, the Royalty Trade will market, distribute, and sell the Product to restaurants across Spain, Hungary, and Belgium. The Royalty Trade Agreement includes an initial order of one full 5.4 -ton of Beyond Oil product and establishes a structured purchasing plan. As of the date of this MD&A payment for the initial order was received. To date Royalty Trade has complied with all order commitments. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. The Royalty Trade Agreement has a 12-month term and will automatically renew unless either party provides written notice of termination at least 3 months in advance

The following table provides, as of the date hereof, an update regarding the minimum purchase commitments disclosed in the Company's previous disclosure vs. actual proceeds received as of the date hereof (in thousands):

CUSTOMER		Total Minimum Commitment For 5 Years		Actual Proceeds Received to Date
DPS India		9,580		84
T&J Oil		4,948		76
Latitude - Ukraine		1,512		7
Serious Formula		1,220		16
Total	$	17,260	$	183

The variances appearing in the above table between Total Minimum Commitment and Actual Proceeds Received are due to the fact that the Distribution Agreements do NOT provide annual minimum orders that are equally distributed over the term of the agreements. The Company and each of the distributors have entered into these distribution agreements with the understanding that annual orders are not linear but rather exponential, escalating in quantum as each year progresses, as the distributors increase market penetration in each of their applicable jurisdictions. To date the Company and the distributors believe that the Total Minimum Commitment for the relevant period will be fulfilled however there can be no guarantee of future performance. In the event a distributor does not reach the term commitments the Company has the right to amend or terminate the distributors rights under a distribution agreement.

CUSTOMER		Annual Minimum Commitment		Actual Proceeds Received to Date
Latitude	$	8,300	$	735

The variances appearing in the above table between Total Minimum Commitment and Actual Proceeds Received are due to the fact that the Distribution Agreements do NOT provide minimum orders that are equally distributed over the term of the agreements. The Company and Latitude have entered into the distribution agreement with the understanding that monthly and annual orders are not linear but rather exponential, escalating in quantum as each month and year progress, as Latitude increases market penetration. To date the Company and Latitude believe that the Total Minimum Commitment for the relevant period will be fulfilled, however there can be no guarantee of future performance. In the event Latitude does not reach the term commitments the Company has the right to amend or terminate Latitude's rights under a distribution agreement.

Management Highlights

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 the Board. 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.

At the AGM held on May 3, 2023, the following individuals were elected as directors of the Company: Dan Itzhaki; Jonathan Or; Robert Kiesman; Dr. Gad Penini; Hanadi Said; Erez Winner; and Pinhas Or.

Subsequently, 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.

2024

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

On November 24, 2024, the Company announced the appointment of Aviran Fine as Chief Operating Officer.

On December 3, 2024, the Company announced the appointment of Jason Hatfield as Director of U.S. sales.

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 Annual Financial Statements (in thousands, except loss per share data).

		Year Ended December 31, 2024		**Year Ended December 31, 2023**		**Year Ended December 31, 2022**
Total revenues	$	621	$	285	$	-
Loss for the period		(5,069)		(2,420)		(13,612)
Loss per share (basic and diluted)		(0.09)		(0.05)		(0.34)
Total assets		7,305		4,272		4,791
Total current liabilities		2,065		1,088		1,012
Total non-current liabilities		225		300		518
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 December 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 December 31, 2024:

During the three months ended December 31, 2024, the Company had $320 thousand income compared to $29 thousand for the three months ended on December 31, 2023. The increase is due to income from distributors. The Company increased it's marketing efforts which helped the Company increase it's exposure to worldwide distributors which resulted in the signing of additional agreements.

During the three months ended December 31, 2024, the Company incurred research and development expenses of $204 thousand compared to $137 thousand for the three months ended December 31, 2023. The increase is mainly due to an increase in professional fees and labor expenses used to continue to optimize the efficacy of the Product and to develop a solution for use of the Product for Industrial purposes.

Research and development expenses (in thousands)		**Three months ended December 31, 2024**		**Three months ended December 31, 2023**
Wages and Salaries	$	75	$	59
Sub-contractor		49		67
Professional fees		49		(11)
Materials		12		10
Others		19		12
	$	**204**	$	**137**

During the three months ended December 31, 2024, the Company incurred general and administration expenses of $749 thousand compared to $415 thousand for the three months ended December 31, 2023. The increase is mainly due to an increase in share-based compensation and professional fees.

General and administration expenses (in thousands)		Three months ended December 31, 2024		Three months ended December 31, 2023
Wages and Salaries	$	136	$	167
Professional fees		142		51
Share-based compensation expenses		282		30
Depreciation		77		74
Public company expenses		87		27
Others		25		66
	$	**749**	$	**415**

During the three months ended December 31, 2024, the Company incurred marketing expenses of $403 thousand compared to $139 thousand for the three months ended December 31, 2023. The increase is mainly due to an increase in marketing programs the Company is implementing in order to address its focus on completing sales through distributors.

During the three months ended December 31, 2024, the Company incurred finance expenses of $81 thousand compared to finance expenses of $15 thousand for the three months ended December 31, 2023. The increase is mainly due to currency exchange rates as of December 31, 2024.

Finance expenses (in thousands)		Three months ended December 31, 2024		Three months ended December 31, 2023
Fair Value adjustments of royalties liability at fair value	$	39	$	-
Interest on lease liability		3		3
Currency exchange		37		11
Interest and commission		2		1
	$	**81**	$	**15**

During the three months ended December 31, 2024 the Company incurred finance income of $1,067 thousand compared to finance income of $36 thousand for the three months ended December 31, 2023. The increase is mainly from fair value adjustments of derivative liability.

Finance income (in thousands)		Three months ended December 31, 2024		Three months ended December 31, 2023
Fair Value adjustments of royalties liability at fair value	$	-	$	27
Fair value adjustments of derivative liability		1,049		9
Interest		18		-
	$	**1,067**	$	**36**

The net effect of the above major factors is that the Company incurred a net loss in the amount of $227 thousand for the three months ended December 31, 2024, compared to a net loss of $681 thousand for the three months ended December 31, 2023.

During the three months ended December 31, 2024, the Company had a net increase in cash used in operating activities, after adjustments for non-cash items and changes in other working capital accounts of $566 thousand (December 31, 2023: $584 thousand). During the three months ended December 31, 2024, the Company used $6 thousand from investment activity (December 31, 2023: used of $5 thousand). Net cash provided by financing activities was $1,465 thousand (December 31, 2023: from of $431 thousand). Consequently, the Company's cash position increased from $2,859 thousand on September 30, 2024, to $3,616 thousand as of December 31, 2024, compared to a decrease from $499 thousand at September 30, 2023 to $411 thousand as of December 31, 2023.

Results of Operations for the Year Ended December 31, 2024:

During the year ended December 31, 2024, the Company recorded income of $621 thousand compared to an income of $285 thousand on December 31, 2023. The increase in income primarily results from the change in marketing channels during the second half of the 2024 fiscal year. During Q4, 2024 the Company started selling to global distributors and entering into multiyear distribution agreements.

During the year ended December 31, 2024, the Company incurred cost of revenue expenses of $371 thousand (December 31, 2023- $200 thousand).

During the year ended December 31, 2024, the Company incurred research and development expenses of $873 thousand compared to $642 thousand for the year ended December 31, 2023. The increase derives mainly from an increase of raw material expenses and other miscellaneous expenses.

Research and development expenses (in thousands)		Year ended December 31, 2024		Year ended December 31, 2023
Wages and Salaries	$	310	$	267
Sub-contractor		210		267
Professional fees		83		20
Materials		120		28
Others		150		60
	$	**873**	$	**642**

During the year ended December 31, 2024, the Company incurred general and administration expenses of $2,050 thousand compared to $1,550 thousand for the year ended December 31, 2023. The increase is mainly due from an increase in share-based compensation expenses.

General and administration expenses (in thousands)		Year ended December 31, 2024		Year ended December 31, 2023
Wages and Salaries	$	541	$	548
Professional fees		339		229
Share-based compensation expenses		537		49
Depreciation		319		321
Public company expenses		183		172
Others		133		231
	$	**2,050**	$	**1,550**

During the year ended December 31, 2024, the Company incurred marketing expenses of $822 thousand compared to $363 thousand for the year ended December 31, 2023. The increase is mainly due to an increase in marketing programs the Company started to implement.

Marketing expenses (in thousands)		Year ended December 31, 2024		Year ended December 31, 2023
Wages and Salaries	$	285	$	79
Sub-Contractors		141		57
Marketing expenses		269		155
Materials		8		6
Flights		19		54
Others		100		12
	$	**822**	$	**363**

During the year ended December 31, 2024, the Company incurred finance expenses of $1,595 thousand compared to finance expenses of $20 thousand for the year ended December 31, 2023. The increase is mainly due to fair value adjustments of derivative liability.

Finance expenses (in thousands)		**Year ended December 31, 2024**		**Year ended December 31, 2023**
Fair Value adjustments of royalties liability at fair value	$	61	$	-
Fair value adjustments of derivative liability		1,428		-
Interest on lease liability		13		17
Currency exchange		89		-
Interest and commission		2		3
	$	**1,595**	$	**20**

During the year ended December 31, 2024 the Company incurred finance income of $21 thousand compared to finance income of $70 thousand for the year ended December 31, 2023. The decrease is mainly from fair value adjustments of derivative liability.

Finance income (in thousands)		**Year ended December 31, 2024**		**Year ended December 31, 2023**
Fair value adjustments of derivative liability	$	-	$	57
Fair value adjustments of royalties liability at fair value		-		8
Interest income		21		-
Currency exchange		-		5
	$	**21**	$	**70**

As a result, the Company incurred a net loss in the amount of $5,069 thousand for the year ended December 31, 2024, compared to a loss of $2,420 thousand for the year ended December 31, 2023.

During the year ended December 31, 2024, the Company had a net increase in cash used in operating activities, after adjustments for non-cash items and changes in other working capital balances, of $2,822 thousand (December 31, 2023: $2,537 thousand). During the year ended December 31, 2024, the Company used $19 thousand for investment activity (December 31, 2023: - used $11 thousand), for the purchase of property and equipment for the year ended December 31, 2024. During the year ended December 31, 2024, net proceeds from financing activities were $6,167 thousand mainly from $4,671 thousand from issuance of unit of securities (December 31, 2023: $2,163) compare to December 31, 2023, cash provided by $2,081 thousand, mainly from $2,163 thousand from issuance of unit of securities. Consequently, the Company's cash position increased from $411 thousand at the beginning of the year to $3,616 thousand as of December 31, 2024, compared to an increase from $876 thousand at the beginning of the year 2023 to $411 thousand as of December 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)		
December 31, 2024 (Q4)	320	(227)	(0.01)
September 30, 2024 (Q3)	133	(2,697)	(0.05)
June 30, 2024 (Q2)	35	(1,436)	(0.03)
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)

The variations in revenue are primarily dependent on the following two factors: The timing of the entering into of distribution agreements (which have increased in the last quarter of 2024 due to results of increased marketing efforts focused on targeting global distributors) as well as the Company's accounting for orders received and supplied.

LIQUIDITY AND CAPITAL RESOURCES

General

As of December 31, 2024, the Company's cash balance was $3,616 thousand (December 31, 2023 - $411 thousand) with a positive working capital of $2,045 thousand (December 31, 2023 – a negative working capital of $230 thousand). The increase in the positive working capital was due to the receipt of proceeds of $4,671 thousand received from the private placement financing of the January units, June Units and October units, offset from the Company's operations used $2,822 thousand during the year ended December 31, 2024 (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 December 31, 2024 ($thousand):

Contractual Obligation	Total	Less than 1 year	1 – 3 Years	4 – 5 Years	After 5 Years
Operating Leases[(1)]	(140)	(62)	(78)	Nil	Nil
Other Obligations[(2)]	(2,002)	(2,002)	Nil	Nil	Nil
Total	(2,142)	(2,062)	(78)	Nil	Nil

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 ended in October 2024. According to the terms of this agreement, the Company

had an option to extend the term for an additional five years. On January 2025 the Company signed on an amendment to the lease arrangement extending the lease period to the end of March 2026; (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. As of the date hereof, the Company is still using this space but has not extended the term of the arrangement; (iii) lease arrangements for vehicles which end in May 2025; and (iv) a lease arrangement for several vehicles in Israel commenced during fiscal, year 2022-2024, each for a 3 year period and none have which have expired as of the date hereof.

(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.

OFF-BALANCE-SHEET ARRANGEMENTS

During the three months and year ended December 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.

		Year ended December 31, 2024		Year ended December 31, 2023
Compensation of key management personnel of the Company:				
Company President Management fees (1)	$	206	$	202
CEO (former CMO) Management fees		196		194
Vice President (4)		53		31
A company controlled by a director (2)		26		27
Other related party transactions:				
Share-based payments		249		85
Purchase of raw materials		340		211
Directors Fee		58		-

Balances with related parties:

		December 31, 2024		December 31, 2023
Loan to related party	$	50	$	187
A company fully owned by the Company President		(58)		(16)
A company controlled by a director		1		7

1) On April 1, 2022, BOIL Israel signed a service agreement with Mr. Pinhas Or pursuant to which Mr. Or provides management services to Boil Israel 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 Mr. Robert Kiesman **("Robert**"), director of the Company, pursuant to which the company will provide Beyond Oil 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 February 14, 2023 Dr. Tamir Gedo ("**Tamir**") resigned as the Chief Executive Officer of the Company and resigned from the Board remaining as a consultant to the Company. The Board appointed Mr. Jonathan Or as interim CEO. The Company and Tamir signed a retirement agreement (the "**Retirement Agreement**"). The Retirement Agreement includes the following terms: (i) *Options* Tamir irrevocably waives all the options granted to him by the Company, and all the options, whether vested or not, were forfeited and expired and returned to the stock option pool; (ii) *Warrants* **-** Tamir irrevocably waives all the all the warrants granted to him by the Company. The warrants will be distributed, according to the Company's discretion, pro rata to the other Israeli shareholders not including Tamir; (iii) *Contingent rights* - Tamir irrevocably waives all the all the Contingent Rights granted to him by the Company. The Contingent Rights will be distributed, according to the Company's discretion, pro rata to the other Israeli shareholders not including Tamir; (iv) *Notice period for termination of the Employment Agreement* – the notice period was cancelled. Instead, Tamir and the Company agreed, that Tamir will be retained as an external consultant to the Company for four months commencing on January 1, 2023 and will receive a monthly payment of NIS50 thousand (approximately $15 thousand) for each month during this period; (this term and obligations for payment have expired); (iii) *Future payment against debts* – Tamir will be entitled to a total NIS505 thousand (approximately $150 thousand), this amount will be paid to Tamir when the Company will reach a net profit of C$2 million (approximately $1.48 million) as disclosed in the annual financial statements approved by the Board.

4) On June 1, 2023 the Board appointed Robert as the Company Vice President. Robert is entitled to C$6 thousand per month and for an option package, as further described below in "Outstanding Share Data".

5) As per the terms of the IP Assignment Agreement, as amended by the IP Assignment Amendment, the Company's raw materials related to the IP 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 December 31, 2024, there were 61,565,592 Common Shares issued and outstanding.

As of the date hereof, the Company has 65,038,191 Common Shares and 276,942 Warrants outstanding, 1,513,334 Consideration Warrants, 626,151 June 2024 Warrant and 19,528,416 Contingent Rights (for balances as at December 31, 2024 please see the Annual Financial Statements). The Contingent Rights will convert into an equal number of Common Shares (the "**Deferred Payment Shares**") on the occurrence of the 2024 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 5,346,555 outstanding options issued under the Omnibus Plan (hereinafter referred to as "**options**" or "**stock options**"):

Number of outstanding options	Exercise price	Expiry Date	Number of Exercisable Options
134,133 *(1)*	C$0.0004	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	1,424,128
850,000 *(4)*	C$0.75	May 29, 2028	284,000
200,000 *(5)*	C$0.75	June 13, 2033	134,000
33,334 *(6)*	C$0.75	24 January, 2025	33,334
33,333 *(6)*	C$0.75	24 July, 2025	33,333
33,333 *(6)*	C$0.75	24 January, 2026	33,333
23,294 *(7)*	C$0.75	24 January, 2034	23,294
1,000,000 *(8)*	C$0.75	24 January, 2034	300,000
375,000 *(9)*	C$1.10	26 May, 2034	-
290,000 *(10)*	C$1.63	December 2, 2034	-
330,000 *(11)*	C$2.36, C$2.54	February 24 ,2029	-
Total: 5,676,555			Total: 3,349,555

1) On June 24, 2021, Beyond Oil Israel granted 120,922 options to purchase ordinary shares, in its capital, to certain Beyond Oil Israel's employees and advisors under the Beyond Oil Israel plan. The exercise price of these options was NIS 0.01. The options expire 10 years after the date of grant. The vesting period of the options is 27 months. All the options vest as follows: 25% following 6 months after the date of grant and 10.7143% of the original number of options each quarter thereafter. Following consummation of the Transaction the outstanding Beyond Oil Israel options were replaced with economically equivalent options of the Company, being 967,376 options of the Company. During the fourth quarter of 2023, 108,171 of these options were exercised and during the first quarter of 2024, an additional 242,304 of these options were exercised. Of these options, 482,768 granted to the Company's former CEO were forfeited by such CEO in accordance with a signed agreement entered into during January 2023 (See Note 3 under the Related Party Disclosure in this MD&A).

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 of these options were exercised.

3) On May 12, 2022, the Company issued a total of 2,938,139 options to certain directors, officers, and service providers with each option exercisable at C$0.75 until May 2024. The vesting period of the options was 1/3 at the grant date, 1/3 12 months after the grant date, and 1/3 24 months after the grant date. Of these options, 1,514,011 granted to the Company's former CEO were forfeited by such CEO in accordance with a signed agreement entered into during January 2023 (See Note 3 under the Related Party Disclosure in this MD&A) ions .

4) On May 23, 2023 (the "**Grant Date**"), 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 until May 2028. The Performance Vesting Options vest according to the following vesting schedule: (i) 150,000 options upon the Company obtaining orders for an aggregate of at least $3 million from customers within 44 months of the Closing Date or the Company closing an equity or convertible debt financing, or a combination thereof, for aggregate proceeds of $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 $3million 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 Closing Date; (iii) 100,000 options upon the Company achieving $13 million in cumulative sales within 60 months of the Closing Date; (iv) 100,000 options upon the Company reaching positive EBITDA ((**Important Note**<u>*: 1. EBITDA is a non-GAAP financial measure that does not have any standardized meaning under the Company's GAAP and therefore may not be comparable to similar measures presented by other issuers; 2. EBITDA means "earnings before interest, taxes, depreciation and amortization" and when calculated by the Company will not exclude any items other than interest, taxes, depreciation and amortization; 3. the use of EBITDA in this MD&A is due to the fact that it was negotiated as a performance measuring tool by the Company in connection with the Transaction, it provides no other useful financial information; 4. the most directly comparable GAAP measurement will be Operating Profit and such amount will be disclosed upon the Company disclosing that it has reached this EBITDA milestone*</u>.) 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 $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 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 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, 6 months after the grant date, and 1/3, 12 months after the grant date.

7) On January 24, 2024, the Company issued a total of 23,294 options to certain directors 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, : (i) 250,000 options with each option exercisable at C$0.75 expiring on January 24, 2034, with 100,000 vesting immediately, 75,000 options vesting 12 months after the grant date and 75,000 options

vesting 18 months after the grant date; and (ii) 750,000 Performance Vesting Options with an exercise price of C$0.75. The Performance Vesting Options shall vest according to the following vesting schedule: (i) 200,000 options to vest upon the Company entering into a distribution agreement for food service covering at least nine provinces of Canada with the involvement of the service provider and only upon the first purchase order under such distribution agreement being confirmed; (ii) 125,000 options vesting upon the Company recognizing $1 million 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 million 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 $3 million from customers within 44 months of the Closing Date; (v) 75,000 options upon the Company achieving $6 million in cumulative sales within 48 months of the Closing Date; (vi) 75,000 options upon the Company achieving at least $13 million in cumulative sales within 60 months of the Closing Date; (vii) 50,000 options upon the Company reaching positive EBITDA (**Important Note**: *1. EBITDA is a non-GAAP financial measure that does not have any standardized meaning under the Company's GAAP and therefore may not be comparable to similar measures presented by other issuers; 2. EBITDA means "earnings before interest, taxes, depreciation and amortization" and when calculated by the Company will not exclude any items other than interest, taxes, depreciation and amortization; 3. the use of EBITDA in this MD&A is due to the fact that it was negotiated as a performance measuring tool by the Company in connection with the Transaction, it provides no other useful financial information; 4. the most directly comparable GAAP measurement will be Operating Profit and such amount will be disclosed upon the Company disclosing that it has reached this EBITDA milestone.*) by June 30, 2026 and such amount is confirmed by unaudited financial statements for the period ended June 30, 2026. The options will expire on January 24, 2034. In the event that the agreement with the service provider is terminated for cause or is terminated by the service provider for any reason, all non-vested options shall be cancelled and expired, and all options which have vested will be cancelled on that date which is 90 days after said termination. If the agreement is terminated by the Company without cause the aforementioned 90 days shall be extended for an additional 275 days.

9) On May 26, 2024, the Company issued a total of 375,000 options to certain employees and service providers with each such option exercisable at C$1.10 until May 25 ,2028 subject to certain vesting dates. The options vest over four years with 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 years with the first such grant occurring on August 26, 2025.

10) On December 2, 2024 the Company issued a total of 290,000 options to certain directors, employees and service providers with each such option exercisable at C$1.63 until December 2 ,2028 subject to certain vesting dates. The options vest over four years with vesting as follows; 25% of the total amount granted, will vest on December 2, 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 March 2, 2026.

11) On February 1, 2025 and February 24, 2025, the Company issued a total of 330,000 options to certain employees with each such option exercisable at C$2.36 and C$2.54, respectively, until February 24 ,2029 subject to certain vesting dates. The vesting period is over four years with 25% of the total amount granted, calculated on a per Recipient basis, vesting on February 25, 2026, and the remaining 75% of the total amount will vest quarterly, in equal amounts, over three year with the first such grant occurring on May 25, 2026.

As of the date hereof, the Company has 2,325,000 outstanding Restricted Share Units issued under the Omnibus Plan (hereinafter referred to as "**RSUs**" or "**restricted share units**"):

Number of shares underlying outstanding RSU's	Issue Date	Vesting date	Number of Exercisable RSU's
2,225,000 *(1)*	December 2, 2024	The total amount will vest one year from the date of grant.	-
100,000 *(1)*	December 2, 2024	25% after one year, 75% quarterly over the next 3 years	-
Total: 2,325,000			

1) On December 2, 2024 the Company issued a total of 2,325,000 restricted share units to certain directors, employees and service providers. 2,225,000 of the total amount will vest one year after the date of grant and of the remaining 100,000 restricted share units, 25% will vest one year from the date of grant and 75% will vest quarterly in equal amounts over 3 years with the first such grant occurring on that date which is 15 months after the grant date.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

1. New standards, interpretations and amendments adopted from 1 January 2024

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

The amendments did not impact on the classification of the company's liabilities.

2. New standards, interpretations and amendments not yet effective

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 of the Company's next annual financial statements). The Company has decided not to early adopt these standards and interpretations. With the exception of IFRS 18 (described below), The Company does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of comprehensive loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

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 this MD&A. 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 months ended December 31, 2024.

Determination of Fair Value

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

December 31, 2024	**Amortized cost**						
	Book value	**Less than one year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**>5 years**	**Total**
		$					
Account receivables	21	21	-	-	-	-	21
Other receivables	170	170	-	-	-	-	170
Lease Liability	(140)	(62)	(78)	-	-	-	(140)
Trade accounts payable	(121)	(121)	-	-	-	-	(121)
Other accounts payable	(604)	(604)	-	-	-	-	(604)
Royalties liability	(302)	(155)	(174)	-	-	-	(329)
Total	**(976)**	**(751)**	**(252)**	-	-	-	**(1,003)**

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 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.

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..