

# **Beyond Oil Ltd.**

**Consolidated Financial Statements**  
**As of December 31, 2025**  
**Expressed in U.S. dollars in thousands**

# **Beyond Oil Ltd.**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2025**

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# **Independent Auditors' Report To the Shareholders of Beyond Oil Ltd**

## **Opinion**

We have audited the consolidated financial statements of Beyond Oil Ltd and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as of December 31, 2025, and 2024, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2025, and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

## **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to the audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of Matter**

We draw attention to Note 1(c) to the consolidated financial statements, which describes the Company's financial position and management's plans regarding its ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **The Company's Financial Position**

As described in Note 1(c) to the consolidated financial statements and in the Emphasis of Matter paragraph above, regarding the Company's financial position, its plans, and the additional sources of financing, management and the Board of Directors have assessed the Company's ability to meet its financial obligations in the foreseeable future. We identified this matter as a key audit matter due to the fact that management's plans involve significant estimates that require judgment and subjectivity, particularly with respect to projected future cash flows. Our professional judgment was required in assessing the Company's business condition and the appropriateness of the going concern assumption.

## **How We Addressed the Matter in Our Audit**

The main procedures we performed in connection with this key matter as part of our audit are:

- Obtaining an understanding of the Company's processes for evaluating its ability to meet its obligations in the foreseeable future.

- Reviewing management's cash flow forecasts.
- Evaluating the key assumptions underlying the cash flow projections.
- Assessing the adequacy of the disclosures in the consolidated financial statements.

### **Other Information**

Management is responsible for the other information. The other information comprises information included in the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is David Wertheimer.

Tel-Aviv, Israel  
April 6, 2026

Ziv haft  
Certified Public Accountants (Isr.)  
BDO Member Firm

**Beyond Oil Ltd.**  
**Consolidated Statements of Financial Position**  
U.S. dollars in thousands

	Note	December 31, 2025	December 31, 2024
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 3,820	\$ 3,616
Short term deposit		5,000	-
Account Receivables	4	1,715	21
Other accounts receivable	5	878	170
Inventory	6	2,262	303
<b>Total current assets</b>		<b>13,675</b>	<b>4,110</b>
<b>Non-current</b>			
Intangible asset, net	7	3,104	2,924
Lease asset, net	8	246	152
Property and equipment, net	9	186	119
<b>Total non-current assets</b>		<b>3,536</b>	<b>3,195</b>
<b>Total assets</b>		<b>\$ 17,211</b>	<b>\$ 7,305</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade accounts payable		\$ 183	\$ 121
Other accounts payable	10	1,079	604
Related Party	16	-	50
Derivative liability – Warrants	11,15	700	1,135
Royalties liability		-	155
<b>Total current liabilities</b>		<b>1,962</b>	<b>2,065</b>
<b>Non-current liabilities</b>			
Royalties liability		-	147
Lease liability	8	166	78
<b>Total non-current liabilities</b>		<b>166</b>	<b>225</b>
<b>Shareholders' equity</b>			
Share capital and premium	12	43,764	22,750
Reserve from share-based compensation transactions	13	12,952	9,855
Reserve from transaction with controlling shareholder		920	920
Foreign currency translation reserve		2,532	583
Accumulated deficit		(45,085)	(29,093)
<b>Total Shareholders' equity</b>		<b>15,083</b>	<b>5,015</b>
<b>Total Liabilities and Shareholders' equity</b>		<b>\$ 17,211</b>	<b>\$ 7,305</b>

April 6, 2026  
Date of approval of the  
financial statements

Chairman of the Board of  
Directors - Dan Itzhaki

CEO and Director -  
Jonathan Or

*The accompanying notes are an integral part of the financial statements.*

**Beyond Oil Ltd.****Consolidated Statements of Comprehensive Loss**

U.S. dollars in thousands

	Note	Year ended December 31,	
		2025	2024
Revenues	17	\$ 4,512	\$ 621
Cost of revenues	18	(2,252)	(371)
<b>Gross profit</b>		2,260	250
<b>Operating expenses</b>			
Research and development expenses	19	(790)	(873)
General and administrative expenses	20	(5,155)	(2,050)
Sales and Marketing expenses	21	(3,593)	(822)
<b>Total operating expenses</b>		(9,538)	(3,745)
<b>Loss from operations</b>		(7,278)	(3,495)
Finance income	22	320	21
Finance expenses	22	(9,034)	(1,595)
<b>Net loss before tax</b>		(15,992)	(5,069)
Income tax expenses	14	-	-
<b>Net loss</b>		(15,992)	(5,069)
<b>Other comprehensive income:</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation adjustment to the presentation currency		1,949	98
<b>Total comprehensive loss</b>		\$ (14,043)	\$ (4,971)
Basic and Diluted loss per share		(0.23)	(0.09)
Weighted Average Number of Shares Outstanding		68,451,510	57,660,086

*The accompanying notes are an integral part of the financial statements.*

## Beyond Oil Ltd.

### Consolidated Statements of Changes in shareholders' Equity

U.S. dollars in thousands

	Note	Share Capital And Premium	Reserve from share-based compensation transactions	Reserve from transaction with controlling shareholder	Accumulated deficit	Foreign currency translation reserve	Total
<b>Balance, January 1, 2024</b>		\$ 16,144	\$ 9,359	\$ 920	\$ (24,024)	\$ 485	\$ 2,884
<b>Comprehensive Loss for the year</b>							
Net loss for the year		-	-	-	(5,069)	-	(5,069)
Other Comprehensive Loss for the year		-	-	-	-	98	98
<b>Total comprehensive Loss for the year</b>		-	-	-	<b>(5,069)</b>	<b>98</b>	<b>(4,971)</b>
Issuance of unit of securities, net	12	4,584	-	-	-	-	4,584
Exercise of options	13	51	(41)	-	-	-	10
Exercise of warrants	11	1,971	-	-	-	-	1,971
Share-based compensation	13	-	537	-	-	-	537
<b>Balance, December 31, 2024</b>		\$ 22,750	\$ 9,855	\$ 920	\$ (29,093)	\$ 583	\$ 5,015
<b>Comprehensive Loss for the year</b>							
Net loss for the year		-	-	-	(15,992)	-	(15,992)
Other Comprehensive Loss for the year		-	-	-	-	1,949	1,949
<b>Total comprehensive Loss for the year</b>		-	-	-	<b>(15,992)</b>	<b>1,949</b>	<b>(14,043)</b>
Issuance of unit of securities, net	12	6,222	-	-	-	-	6,222
Exercise of options	13	210	(51)	-	-	-	159
Exercise of warrants	11	14,443	-	-	-	-	14,443
Share based compensation to a supplier	13	139	-	-	-	-	139
Share-based compensation	13	-	3,148	-	-	-	3,148
<b>Balance, December 31, 2025</b>		\$ 43,764	\$ 12,952	\$ 920	\$ (45,085)	\$ 2,532	\$ 15,083

The accompanying notes are an integral part of the financial statements.

# Beyond Oil Ltd.

## Consolidated Statements of Cash Flows

U.S. dollars in thousands

	Year ended December 31,		
	Note	2025	2024
<b>Cash flows from operating activities:</b>			
Net loss for the year		\$ (15,992)	\$ (5,069)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization		366	325
Fair value adjustments of derivative		7,016	1,428
Interest and Re-assessment of royalties liability		(72)	61
Finance expense (income), net		1,261	111
Share based payment expenses to a supplier		139	-
Share based compensation		3,148	537
<b>Changes in operations assets and liabilities:</b>			
Change in inventory		(1,885)	78
Change in related party transactions		(87)	(140)
Change in account receivables and other accounts receivables		(2,210)	(126)
Change in advanced payment		130	6
Changes in trade payables and other trade payables		422	26
<b>Cash used in operations</b>		<b>(7,764)</b>	<b>(2,808)</b>
Interest received (paid)		305	(13)
<b>Net cash used in operating activities</b>		<b>(7,459)</b>	<b>(2,820)</b>
<b>Cash flow from investing activities:</b>			
Short term deposit		(5,000)	-
Purchase of property and equipment		(93)	(19)
<b>Net cash used in investing activities</b>		<b>(5,093)</b>	<b>(19)</b>
<b>Cash flow from financing activities</b>			
Issuance of unit of securities, net	12	7,148	4,671
Exercise of options		159	10
Exercise of warrants	11	5,685	1,661
Payment of royalties in connection with Royalty liability		(242)	(71)
Payments of lease liabilities		(102)	(104)
<b>Net cash provided by financing activities</b>		<b>12,648</b>	<b>6,167</b>
Exchange rate differences on cash and cash equivalents		108	(123)
Increase in cash and cash equivalents		96	3,327
Cash and cash equivalents at the beginning of the year		3,616	411
<b>Cash at the end of the year</b>		<b>\$ 3,820</b>	<b>\$ 3,616</b>
<b>Significant non-cash Transactions:</b>			
Recognition of right-of-use assets and lease liabilities		169	108
Transfer of Derivative liability – Warrants to equity upon exercise		8,758	310

The accompanying notes are an integral part of the financial statements.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 1- GENERAL:

A. The Company:

Beyond Oil Ltd (formerly, FTC Cards Inc.) ("**Company**") together with its wholly owned subsidiary (the "**Group**"), the Company was incorporated on March 9, 2012, under the laws of the Province of British Columbia Starting May 13, 2022, (the date of completing the RTO transaction with Beyond Oil Israel "**Transaction**"), the Company started to trade on the Canadian Stock Exchange. On November 13, 2025, the Company announced that its Common Shares would commence trading on the TSX, under the current symbol BOIL. The head office and the registered and records office of the Company is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9, Canada.

B. The Subsidiary:

The subsidiary Beyond Oil (Israel) ltd ("**Beyond Oil Israel**") was incorporated on November 25, 2018, pursuant to the laws of the State of Israel as a food tech innovator. From commencement, its material purpose was the development of a product that reduces soluble impurities formed during the frying process that causes damaging free fatty acids and polar compound formation, undesirable odors, off-flavors, and off-colors (the "**Product**"). During the fiscal years from incorporation and up to the present date it has used its available financial resources for the purposes of researching and developing the Product from concept for sale of a preferential adsorbent that extends the usable life of frying oil, improves product quality, and reduces frying oil costs.

On December 11, 2024, pursuant to general corporation law of the state of Delaware, the Company established a subsidiary Beyond Oil USA Inc. ("**Beyond Oil USA**"). In the first quarter of 2025, the Company commenced operations.

C. Financial position of the Company

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

As of December 31, 2025, the Company incurred losses from operations since its inception and as of December 31, 2025, the Company has an accumulated deficit of \$45,085 thousand. In addition, the Company generated negative cash flows from operating activities of \$7,459 thousand and a loss in the amount of \$15,992 thousand for the year ended December 31, 2025.

However, based on the Company's cash, cash equivalents and short term deposit balance of \$8,820 thousand as of December 31, 2025, and the implementation of management's plans for continued growth and revenue generation. management and the Board of Directors believe that the Company has sufficient resources to continue its operations for a period of at least 12 months from the date of approval of these financial statements.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 1- GENERAL (continued):

#### D. State of war - Israel

On October 7, 2023, an attack was launched against state of 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.

On October 8, 2025, a peace deal between Hamas and Israel (the "Treaty") which since the announcement thereof and the date of this report remains in effect. There can be no guarantee that the Treaty will remain in effect and these situations may potentially escalate in the future to more violent events which may affect Israel and the Company.

On February 28, 2026, Israel, together with the United States, launched a large-scale military operation against Iran. This action marked a significant escalation in regional hostilities. Management continues to closely monitor the evolving security situation and its potential implications for the Company's operational environment. As of the date these financial statements were authorized for issuance, no direct material impact on the Company has been identified.

### NOTE 2- Material Accounting policies:

#### a. Basis of preparation:

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB")

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The financial statements have been prepared on a historical cost basis, except for the following items:

- Financial instruments – fair value through profit or loss
- share based compensation

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 2- Material Accounting policies (continued):

**b. Basis of consolidation:**

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognized at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases (for more information regarding the dates, please see note 1B).

**c. Estimates and assumptions:**

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenue, and expenses. These estimates and underlying assumptions are reviewed regularly. Changes in accounting estimates are reported in the period of the change.

The key assumptions made in the financial statements concerning uncertainties at the end of the reporting period and the critical estimates used by the Company that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in Note 3.

**d. Functional and presentation currency:**

The functional currency of the Company and Beyond Oil Israel is the New Israeli Shekel (NIS), and the presentation currency of the financial statements is the U.S. dollar. References herein to "C\$" refer to the lawful money of Canada.

The financial statements are presented in USD since the Company believes that financial statements in USD provide more relevant information to the users of the financial statements.

Assets and liabilities are translated at the closing exchange rate at each reporting date. Profit or loss items are translated at average exchange rates for all periods presented. The resulting translation differences are recognized in other comprehensive loss.

**e. Foreign currency transactions:**

Transactions denominated in foreign currency (other than the functional currency) are recognized on initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange differences are recognized in profit or loss. Non-monetary assets and liabilities measured at cost are translated at the exchange rate as of the date of the transaction.

**f. Cash and cash equivalents:**

Cash equivalents are considered by the Company to be highly liquid investments, including, short-term deposits with banks and the maturity of which do not exceed three months at the time of deposit, and which are not restricted.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 2- Material Accounting policies (continued):

#### Impairment of non-financial assets:

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of a non-financial asset exceeds its recoverable amount (i.e., the higher of value in use and fair value less costs to dispose), the asset is written down and an impairment charge is recognized accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e., the smallest unit of assets to which the asset belongs that generates cash inflow that is largely independent of cash inflows from other assets).

#### g. Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

#### Classification of fair value hierarchy

The financial instruments presented in the statements of financial position at fair value are 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).

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 2- Material Accounting policies (continued):

#### h. Financial instruments:

##### 1. Financial assets:

The Company classifies its financial assets based on the business model for managing the financial asset and its contractual cash flow characteristics. The Company's accounting policy for the relevant category is as follows:

##### **Amortized cost**

These assets arise principally from the provision of goods (e.g., trade accounts receivable), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value less transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. The Company measures provision of expected credit loss for financial assets at amortized cost, for December 31, 2025 and 2024, the provision is not material.

##### 2. Financial Liabilities:

The Company classifies its financial liabilities into one of the following categories:

##### **Amortized cost**

These liabilities include accounts payable, accrued liabilities and royalties liability, which are initially recognized at fair value less 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**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition at fair value through profit or loss 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.

##### 3. Issue of a unit of securities:

The issue of a unit of securities involves the allocation of the proceeds received (before issuance 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 the 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.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 2- Material Accounting policies (continued):

#### 4. Derivative liability:

Warrants and options that are denominated in a currency other than the functional currency of the Company are considered a derivative liability and are classified as financial liabilities at fair value through profit or loss. Accordingly, warrants and options are measured at fair value and the changes in fair value in each reporting period are recognized in profit or loss.

#### i. Share-based compensation:

Where equity settled share options are awarded to employees, the fair value of the options calculated at the grant date is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense charged is not adjusted for failure to achieve a market vesting condition.

For share-based compensation transactions for non-employee parties settled in equity instruments, the value of the transaction is measured with reference to the fair value of the goods and/or services received. If the Company is unable to fairly measure the fair value of the goods or services received, fair value is measured in relation to the fair value of the equity instruments granted.

#### j. Research and Development:

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

During the years ended December 2025 and 2024, the Company did not meet these criteria, therefore all research and development expenditures were expensed as incurred and therefore all research and development recognized as expenses.

#### k. inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises costs of purchase and costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Cost of inventories is determined as follows:

Raw materials - at cost of purchase using the "first-in, first-out" method.

Work in progress and finished goods - on the basis of average costs including materials, labor and other direct and indirect manufacturing costs based on normal capacity.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 2- Material Accounting policies (continued):

#### **l. Intangible assets**

An intangible asset is initially recognized, at the date of acquisition, at the cost paid. Variable payments are not included in the carrying amount of the asset at acquisition, and no liability is recognized for the contingent consideration. The Company capitalizes the variable payments as part of the cost of the asset when paid, on the basis that these payments represent the direct cost of acquisition.

Intangible assets are initially amortized on a straight-line basis over their 20 years of useful economic lives.

#### **m. Revenue recognition:**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from the sale of goods is recognized at a point in time, when control of the products transfers to the customer. This transfer of control generally occurs when the products have been delivered to, and accepted by, the customer at the Company's premises. In cases where a right of return or volume discounts exist, these are recognized as variable consideration.

The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred.

To estimate the variable consideration to which it will be entitled, the Company applied the 'most likely amount' method. The Company includes in the transaction price amounts of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, the Company updates its estimates of variable consideration.

#### **n. Provisions:**

The Company recognizes provisions for liabilities of uncertain timing or amount including those for onerous leases, warranty claims, leasehold dilapidations, and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

#### **o. Leases:**

##### **Right-of-use assets:**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of right-of-use assets comprises the amount of the initial measurement of the lease liability; lease payments made at or before the

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### **NOTE 2- Material Accounting policies (continued):**

commencement date less any lease incentives received; and initial direct costs incurred. The recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. The right-of-use assets are presented within property, plant and equipment.

#### **Lease liabilities:**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives, variable lease payments that depend on an index or a rate, and amounts expected to be paid under a residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

#### **Lease term:**

The term of a lease is determined as the non-cancellable period for which a lessee has the right to use an underlying asset, together with (i) the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (ii) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

#### **Depreciation of a right-of-use asset:**

Subsequent to the inception of the lease, a right-of-use asset is measured using the cost method, less accumulated depreciation and accumulated impairment losses, and is adjusted for re-measurements of the lease liability. Depreciation is measured using the straight-line method over the useful life or contractual lease term, whichever ends earlier.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will recognize the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset, until the carrying amount is reduced to zero.

#### **p. Issuance costs:**

The Company allocated the incremental costs that were directly attributable to issuing new shares to equity (net of any income tax benefit) or are otherwise not incremental and directly attributable to issuing new shares, were recognized as an expense in the statement of comprehensive income.

#### **q. Operating Segment**

The company currently conduct its operation through one operating segment

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 2- Material Accounting policies (continued):

#### r. Changes in accounting policies

##### 1. New standards, interpretations and amendments adopted from 1 January 2025

The following amendments are effective for the period beginning 1 January 2025:

##### **Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)**

These amendments had no effect on the consolidated financial statements of the Company.

##### 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, 2025 (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'.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

### NOTE 3- Critical accounting estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Below is a description of assumptions about the future and other factors of uncertainty in estimates at the end of the reporting period, that there is a risk. It is significant that their result will be a substantial adjustment to the fair values of assets and liabilities during the next reporting period.

Judgments:

Determining the fair value of share-based payment transactions: the fair value of share-based payment transactions is determined upon initial recognition by an acceptable option pricing model. The inputs to the model include share price, exercise price and assumptions regarding expected volatility, and expected life of share option. The fair value of the equity settled share-based payments granted is charged to statement of comprehensive loss on a straight-line basis over the vesting period of each tranche and the credit is taken to equity, based on the Company's estimate of shares that will eventually vest. Some of the share options plan have performance conditions in addition to continued service.

### NOTE 4 – Account Receivables:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
North America	\$ 741	\$ 17
Rest of the world	974	4
	<b>\$ 1,715</b>	<b>\$ 21</b>

The company has no significant past due account receivables.

### NOTE 5 – Other accounts receivables:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
Government institutions	\$ 78	\$ 97
Prepaid expenses	140	15
Advance payments	660	58
	<b>\$ 878</b>	<b>\$ 170</b>

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 6 – Inventory:

	December 31,	
	2025	2024
Raw materials	\$ 961	\$ 103
Finished goods	1,301	200
	<u>\$ 2,262</u>	<u>\$ 303</u>

#### NOTE 7 – Intangible asset:

	Intellectual property
<b>Cost:</b>	
<b>As of January 1, 2024</b>	<b>6,159</b>
Additions	-
Translation adjustment to the presentation currency	(34)
<b>As of December 31, 2024</b>	<b>6,125</b>
Additions	-
Translation adjustment to the presentation currency	878
<b>As of December 31, 2025</b>	<b>7,003</b>
<b>Accumulated depreciation:</b>	
<b>As of January 1, 2024</b>	<b>3,009</b>
Additions	206
Translation adjustment to the presentation currency	(14)
<b>As of December 31, 2024</b>	<b>3,201</b>
Additions	221
Translation adjustment to the presentation currency	477
<b>As of December 31, 2025</b>	<b>3,899</b>
<b>Carrying amount:</b>	
<b>As of December 31, 2025</b>	<b>3,104</b>
<b>As of December 31, 2024</b>	<b>2,924</b>

At the incorporation date of Beyond Oil Israel, Beyond Oil Israel entered into an agreement with Mr. Pinhas Or (“**Pinhas**”) (a director in Beyond Oil Israel in the date of incorporation of Beyond Oli Israel), 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**”).

Beyond Oil Israel could not measure fairly the fair value of the asset when received, the fair value of the asset was measured according to the fair value of the equity instruments issued as consideration. The fair value of the shares was determined based on the price at which shares were issued in a private placement in December 2018. The useful economical life of the intangible asset is 20 years.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

### NOTE 8 – Leases:

- a) Beyond Oil Israel's lease arrangement for office space in Kibbutz Yifat, Israel commenced in February 2019 and as amended on August 2025, the lease term will end in August 2026. According to the terms of this agreement, the Company has an option to extend the term for an additional four years. The annual lease commitment is NIS120 thousand (approximately \$38 thousand). The incremental borrowing rate is 10.57%.
- b) Beyond Oil Israel's lease arrangement for factory space in Migdal Haemek, Israel commenced in November 2019 and ends 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. The Company expect to exercise the option. The annual lease commitment is approximately NIS78 thousand (approximately \$21 thousand). The incremental borrowing rate is 11.83%.
- c) Beyond Oil Israel's lease arrangement for lease vehicles from some vehicles leasing companies in Israel for 3-year period in 2023, 2024 and 2025. The annual lease commitment was NIS328 thousand (approximately \$95 thousand). The average incremental borrowing rate is 9.62%.

#### Right-of-Use Assets

##### Cost:

	Cars	Facilities	Total
<b>As of January 1, 2024</b>	\$ 180	135	315
Additions	37	37	74
Translation adjustment to the presentation currency exchange	-	2	2
<b>As of December 31, 2024</b>	<b>217</b>	<b>174</b>	<b>391</b>
Additions	61	110	171
Disposals	(120)	(95)	(215)
Translation adjustment to the presentation currency exchange	28	15	43
<b>As of December 31, 2025</b>	<b>187</b>	<b>203</b>	<b>390</b>
<b>Accumulated depreciation:</b>			
<b>As of January 1, 2024</b>	<b>78</b>	<b>107</b>	<b>185</b>
Additions	34	22	56
Translation adjustment to the presentation currency exchange	(1)	(1)	(2)
<b>As of December 31, 2024</b>	<b>111</b>	<b>128</b>	<b>239</b>
Additions	73	27	100
Modifications	-	-	-
Disposals	(120)	(95)	(215)
Translation adjustment to the presentation currency exchange	13	7	20
<b>As of December 31, 2025</b>	<b>77</b>	<b>67</b>	<b>144</b>
<b>As of December 31, 2025</b>	<b>\$ 110</b>	<b>136</b>	<b>246</b>
<b>As of December 31, 2024</b>	<b>\$ 107</b>	<b>45</b>	<b>152</b>

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

### NOTE 8 – Leases: (Continue):

Lease liability:

	<b>Cars</b>	<b>Facilities</b>	<b>Total</b>
<b>As of January 1, 2024</b>	\$ <b>93</b>	<b>37</b>	<b>130</b>
Additions	61	39	100
Payments	(63)	(29)	(92)
Translation adjustment to the presentation currency	-	2	2
<b>As of December 31, 2024</b>	\$ <b>91</b>	<b>49</b>	<b>140</b>
Additions	56	110	166
Payments	(59)	(26)	(85)
Translation adjustment to the presentation currency exchange	12	9	21
<b>As of December 31, 2025</b>	\$ <b>100</b>	<b>142</b>	<b>242</b>

	<b>2025</b>	<b>2024</b>
Interest expense	\$ 15	\$ 13
Total cash outflow for leases	102	105

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 9 – Property, Plant and Equipment, net:

	Vehicles	Machinery and office equipment	Furniture and office equipment	Leasehold improvements	Computers	Total
<b>Cost:</b>						
<b>As of January 1, 2024</b>	\$ 21	38	103	65	37	264
Additions	-	8	3	-	9	20
Translation adjustment to the presentation currency	*	(1)	(1)	*	*	(2)
<b>As of December 31, 2024</b>	<b>21</b>	<b>45</b>	<b>105</b>	<b>65</b>	<b>46</b>	<b>282</b>
Additions	-	5	17	8	63	93
Translation adjustment to the presentation currency	3	8	16	9	11	47
<b>As of December 31, 2025</b>	<b>24</b>	<b>58</b>	<b>138</b>	<b>82</b>	<b>120</b>	<b>422</b>
<b>Accumulated depreciation:</b>						
<b>As of January 1, 2024</b>	10	9	50	30	31	130
Additions	3	7	12	7	4	33
Translation adjustment to the presentation currency	*	(1)	*	1	*	-
<b>As of December 31, 2024</b>	<b>13</b>	<b>15</b>	<b>62</b>	<b>38</b>	<b>35</b>	<b>163</b>
Additions	3	8	14	7	13	45
Translation adjustment to the presentation currency	2	3	11	6	6	28
<b>As of December 31, 2025</b>	<b>18</b>	<b>26</b>	<b>87</b>	<b>51</b>	<b>54</b>	<b>236</b>
<b>Carrying amount:</b>						
<b>As of December 31, 2025</b>	\$ 6	\$ 32	\$ 51	\$ 31	\$ 66	\$ 186
<b>As of December 31, 2024</b>	\$ 8	\$ 30	\$ 43	\$ 27	\$ 11	\$ 119

\* Represent amount less than 1 thousand.

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 10 – Other accounts payable:

	December 31,	
	2025	2024
Employees	\$ 442	\$ 296
Accrued expenses	363	196
Lease liability – current maturity	76	62
Advanced payment	198	50
	<u>\$ 1,079</u>	<u>\$ 604</u>

#### NOTE 11 - Derivative liability:

A. A summary of changes in share purchase warrants issued by the Company during the years ended December 31, 2025, and 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
<b>Balance, January 1, 2024</b>	<b>6,926,840</b>	<b>0.88</b>
Expiration of warrants	(1,589,420)	-
Issuance of warrants (see 5)	2,597,353	1.04
Exercise of warrants (see 3)	(1,857,429)	0.87
<b>Balance, December 31, 2024</b>	<b>6,077,344</b>	<b>0.92</b>
Expiration of warrants	(21,181)	-
Issuance of warrants (see 4)	3,042,200	5.02
Exercise of warrants (see 3)	(6,056,163)	0.96
<b>Balance, December 31, 2025</b>	<b>3,042,200</b>	<b>5.02</b>

- 1) On May 12, 2022, the Company issued to the former shareholders of Beyond Oil Israel 2,683,333 common share purchase warrants exercisable for one common share of the Company at an exercise price of C\$1.18 for a period of 12 months expiring May 11, 2023 and 2,560,125 common share purchase warrants exercisable for one common share of the Company at an exercise price of C\$1.25 for a period of 12 months.
- 2) On May 3, 2023, the Company held the AGM in which a decision was approved by the Company shareholders to extend the Company's Consideration Warrants and Special Warrants Warrant Expiry Date by an additional 12 months to May 11, 2024. The expiry date of the Finder Warrants was not extended. On of April 25, 2024, the Company had an Annual General Meeting ("AGM") and approved the decision by the Company shareholders to extend the Company Consideration Warrants and Special Warrants Warrant Expiry Date by an additional 12 months to May 11, 2025.
- 3) For the reporting, period, 6,056,163 warrants (which includes the Warrants Acquisition exercise by Clal, above), were exercise into 6,056,163 common shares with total amount C\$8,009 thousand (\$5,685 thousand) received from the investors. Since the Company received amount greater then least C\$2.5 million (\$1.96 million) pursuant to the exercise of Unit Warrants and Consideration Warrants, and in connection with the Transaction, Pinhas Or (the founder of Beyond Oil Israel), is entitled to the sum of \$500 thousand that was paid during the period.

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 11 - Derivative liability (continued):

- 4) For additional information on the completion of the strategic investment agreement with Call Financial Management on May 21, 2025, please see note 12(5).
- 5) For additional information on the completion of the private placements offering On January 25, 2024, and on June 25, 2024 please see note 12(1)(2).

B. The following table summarizes information about warrants outstanding as at December 31, 2025:

Date of issuance	Date of expiry	Exercise price	Exercisable at December 31, 2025
May 21, 2025	March 12, 2027	C\$6.00	1,521,100
May 21, 2025	March 12, 2028	C\$7.75	1,521,100

As the warrants and options issued by the Company have an exercise price denominated in CAN dollars, which differs from the Company's functional currency, they do not qualify for classification as equity. These warrants have been classified as a derivative warrant and are recorded initially at the fair value and revalued at each reporting date, using the Black-Scholes valuation method. Changes in fair value for each period are included in the comprehensive profit and loss for the period.

The Company uses the Black-Scholes based structural model to estimate the fair value of the derivative warrants liability at the end of each reporting period.

(i) The following assumptions were used to estimate the fair value of the derivative warrants :

Number of warrants	1,521,100		1,521,100	
	At Issuance Date May 21, 2025	December 31, 2025	At Issuance Date May 21, 2025	December 31, 2025
Share price	C\$3.11	C\$2.93	C\$3.11	C\$2.93
Expected life of warrants	1.81 year	1.2 year	2.81 year	2.2 year
Expected volatility	65%	65%	65%	65%
Risk-free interest rate	2.66%	2.58%	2.73%	2.61%

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

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

### NOTE 12 - Share Capital and Premium:

#### *Common Shares:*

The Company's common shares confer upon their holders, the right to receive notice of, and to participate in, all general meetings of the Company, to vote in such meetings, to receive dividends, and to participate in the distribution of the surplus assets of the Company in the event of liquidation of the Company.

	Number of shares			
	December 31, 2025		December 31, 2024	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
Common shares with no par value	*	75,989,265	*	61,565,592

\* Authorized - Unlimited number of common shares with no par value.

#### Movements in common shares:

	Number of shares
Balance as of January 1, 2024	53,025,542
Issued in private placements (see 1-3)	6,415,317
Exercise of options	267,304
Exercise of warrants (see 6)	1,857,429
<b>Balance as of December 31, 2024</b>	<b>61,565,592</b>
Issuance in private placements (see 5)	3,042,200
Exercise of warrants (see 6)	6,056,163
Issuance in milestone I (see 8)	4,882,101
Exercise of options (see 7)	293,823
Issuance to service provider (see 4)	149,386
<b>Balance as of December 31, 2025</b>	<b>75,989,265</b>

- 1) On January 25, 2024, the Company announced the completion of the second 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 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 (for more information please see note 11). Through 2024 1,244,333 warrant were exercised.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 12 - Share Capital and Premium (continued):

- 2) As of April 25, 2024, the Company had an Annual General Meeting (“AGM”) in which the following decisions were approved by the Company shareholders:
- i) 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”.
  - ii) 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) On June 27, 2024, the Company announced the completion 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 consists 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 January 26, 2025. Additional 62,542 June 2024 Warrants were issued to finders.
- 4) On September 16, 2024, the Company announced the completion of a private placement offering consisting of 1,345,697 shares for gross proceed of C\$2,019 thousand and for net proceeds (transaction costs) of C\$2,000 thousand (\$1,473 thousand).
- 5) On January 6, 2025, the Company announces that it has entered into a consulting services agreement (the “Consulting Services Agreement”) in respect of certain consulting and services to Beyond Oil. The Consulting Services Agreement includes a one-time fee of C\$200 (the “Fee”), which has been paid in the form of issuing 149,386 common shares including GST (the “Payment Shares”).
- 6) On March 12, 2025 the Company entered into a strategic investment agreement with Call Financial Management (“Clal”).Under the terms of the Agreement, Clal will invest (the “Investment”) C\$10.5 million (the “Gross Proceeds”) to acquire 3,000,000 units of Beyond Oil shares at an issue price of

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 12 - Share Capital and Premium (continued):

C\$3.498 per unit (the "Issue Price"), representing a 10% premium to the closing price on March 11th, 2025 of C\$3.18. Each unit consists of: (i) One common share in Beyond Oil. (ii) One-half of a Series A Warrant, where each whole warrant entitles Clal to purchase one additional common share at C\$6.00, for a period of 24 months. (iii) One-half of a Series B Warrant, where each whole warrant entitles Clal to purchase one additional common share at C\$7.75, for a period of 36 months.

The investment was subject to the approval of the Canadian Securities Exchange and other closing conditions as are customary for Canadian private placements. On November 13, 2025, the Company announced that its Common Shares would commence trading on the TSX.

As part of the Agreement, Clal has also committed to purchasing 1,836,766 Company warrants held by members of the Or family at a price equal to the Issue Price (the "Warrant Acquisition"). During May 2025, the company announced that Clal complete the purchase the warrants and exercised them for gross proceed of C\$2.215 Million additional cash for Beyond Oil. As an additional condition, Beyond Oil 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 Agreement, Beyond Oil has also committed to using its best efforts to complete an uplisting to a senior exchange in Canada or the United States within the next six months.

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 (which includes the Clal Units and additional 100,000 units on the same terms as the Clal Units) ("Research Units") which Research Units include and have the identical characteristics of the Clal Units.

On May 21, 2025, the Company announced the completion of the Brokered Offering (which included the completion of the Investment). Pursuant to the Brokered Offering, the Company issued a total of 3,042,200 Research Units (which includes the Clal Units and additional 42,200 units) at a price of C\$3.498 per unit at the Clal Issue Price for gross proceeds of C\$10,642 thousand (\$7,668 thousand) and for net proceeds (after deducting the Finder's Fee and other transaction costs) of C\$10,417 thousand (\$7,148 thousand). The transaction cost include a finder's fee in an amount equal to 2% of the Gross Proceeds was paid upon closing of the Investment.

Additionally, the Company undertook with Clal that until May 21, 2028, provided that Clal owns at least 4.5% of the Company's issued and outstanding Common Shares, the Company will not issue any Common Shares at a price that is lower than the Clal Issue Price.

- 7) For additional information on the exercise of warrants during the reporting period, please see note 11.
- 8) For additional information about exercise of 293,823 options, please see note 13.
- 9) On November 28, 2025, the Board confirmed that the Company had fulfilled the requirement of obtaining "an order for at least \$3 million from customers within forty four (44) months of the Closing Date", being the first of the 2024 Revised Milestones, and approved the issuance of 4,882,101 Common Shares to be issued to the pre RTO shareholders of Boil Israel.
- 10) For additional information regarding the Board confirmation of the second of the 2024 Revised Milestones, please see note 24 (2).

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 13 - Share-based compensation transactions:

#### *Options:*

- 1) On January 24, 2024, The Company issued a total of 100,000 options to certain advisor under the Company Option 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.
- 2) On January 24, 2024, The Company issued a total of 23,294 options to certain directors under the Company Option Plan with each option exercisable at C\$0.75 until 2034. The options are vested immediately.
- 3) 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, 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. The options will expire on January 24, 2034.
- 4) On of April 25, 2024, the Company had an Annual General Meeting (“AGM”) and approved the decision by the Company shareholders to 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”).
- 5) 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.

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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#### NOTE 13 - Share-based compensation transactions (continued):

- 6) on May 26, 2024, the Company amended the vesting dates and conditions of the 650,000 options granted to Robert on May 31, 2023, which options 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, 2022 (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. For additional information about amendment of the options term to the service provider, please see note 24 (3).
- 7) On December 2, 2024, the Company issued a total of 290,000 options to certain employees and service providers (**"Recipients"**) pursuant to the Omnibus Plan with each such option exercisable at C\$1.63 until December 2 ,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 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.
- 8) On December 2, 2024, the Company issued a total of 2,325,000 restricted shares to certain employees and service providers (**"Recipients"**). The total amount will be vested after one year from the vesting commencement date.
- 9) On February 28, 2025, the Company issued a total of 330,000 options to certain employees (**"Recipients"**) pursuant to the Omnibus Plan with each such option exercisable at C\$2.25 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 after one year from the commencement date, and the remaining 75% of the total amount will vest quarterly, in equal amounts, over three year with the first such grant occurring on that date which is 15 months after the engagement commencement date.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 13 - Share-based compensation transactions (continued):

- 10) On August 14, 2025, the Company issued a total of 180,000 options to certain employees and officers with each such option exercisable at C\$2.86 subject to certain vesting dates. The vesting period of 80,000 of the shares is over four years with 25% of the total amount granted, calculated on a per recipient basis, vesting on relevant dates, and the remaining 75% of the total amount will vest quarterly, in equal amounts, over three year with the first such grant occurring on that date which is 15 months after the engagement commencement date. The remaining 100,000 vest over 3 year with 25% vesting after one year and the remaining vest quarterly, in equal amounts over 2 years from the commencement date.
- 11) On September 21, 2025, the Company issued a total of 840,000 options to certain directors, officers and employees with each such option exercisable at C\$2.90 subject to certain vesting dates. 150,000 of the options with commencement date of July 18, 2025, shall vest over 3 years. 100,000 of the options are subject to the achievement of agreed upon share-price milestones to be confirmed by the Company based on the 30-day VWAP of the Company's shares as of December 31, 2025. The remaining options shall vest over four years with 25% of the total amount granted, calculated on a per recipient basis, will be vested after one year from the engagement commencement date with the Company and the remaining 75% of the total amount will vest quarterly, in equal amounts, over 3 years, with the first such grant occurring on that date which is 15 months after the engagement commencement date. For the December 31, 2025, share-price milestone, the employee did not achieve the milestone, and 100,000 options were forfeited.
- 12) On October 5, 2025, the Company issued a total of 75,000 options to an officer with each such option exercisable at C\$ 2.94 subject to certain vesting dates. The options shall vest over four years with 25% of the total amount granted, calculated on a per recipient basis, will be vested after one year from the engagement commencement date of each recipient with the Company and the remaining 75% of the total amount will vest quarterly, in equal amounts, over 3 years, with the first such grant occurring on that date which is 15 months after the engagement commencement date. In addition, the Company issued a total of 50,000 RSUs to an officer, the restricted share units shall vest in two (2) equal tranches of 25,000 RSUs each upon achievement of the 2026 performance milestones, including revenue growth and the 30-day VWAP target.
- 13) On December 16, 2025, the Company issued a total of 580,000 options to certain employees and officers, exercisable at C\$ 3.11 subject to certain vesting dates. The 475,000 of the options shall vest over 3 years following the commencement date of each Recipient's engagement with the Company. While the rest shall vest over four years with 25% of the total amount granted, calculated on a per recipient basis, will be vested after one year from the engagement commencement date of each recipient with the Company and the remaining 75% of the total amount will vest quarterly, in equal amounts, over 3 years, with the first such grant occurring on that date which is 15 months after the engagement commencement date.
- 14) For additional information about issuance of new options to an officers, please see note 24(1)(2).

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 13 - Share-based compensation transactions (continued):

A summary of the activity in options granted to purchase the Company's shares under the Stock Option Plan is as follows:

	December 31, 2025		December 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	US\$			
<b>Options outstanding as the beginning of the period</b>	<b>5,346,555</b>	<b>0.53</b>	<b>3,825,565</b>	<b>0.43</b>
<b>Changes during the period:</b>				
Granted (see 8-13,for 2025)(see 1-7 for 2024)	2,005,000	2.08	1,788,294	0.66
Exercised	(293,823)	0.55	(267,304)	0.03
Forfeited	<u>(318,334)</u>	1.52	-	-
<b>Options outstanding at end of period (*)</b>	<b>6,739,398</b>	<b>0.96</b>	<b>5,346,555</b>	<b>0.53</b>
Options exercisable at period end	3,490,023		3,166,222	

(\*) The options outstanding on December 31, 2025, had a weighted-average contractual life of 7.08 years (December 31, 2024: 7.1 years).

- (i) The Company uses the Black-Scholes based structural model to estimate the fair value of the options and the restricted shares.

The following table summarizes information about the expenses recorded as a result of share-based compensations:

	December 31, 2025		December 31, 2024	
Options Expenses	\$	544	\$	327

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 13 - Share-based compensation transactions (continued):

The following table summarizes information about options outstanding at December 31, 2025:

Number of options	Date of expiry	Exercise price (C\$)	Exercisable at December 31, 2025
134,133	June 24, 2031	0.0004	134,133
950,000	November 8, 2031	0.50	950,000
1,224,128	May 12, 2032	0.75	1,224,128
850,000	May 29, 2028	0.75	350,000
150,000	June 13, 2033	0.75	150,000
33,334	January 24, 2026	0.75	33,334
1,012,804	January 24, 2034	0.75	462,804
375,000	May 26, 2034	1.10	140,625
180,000	December 2, 2034	1.63	45,000
255,000	February 28, 2035	2.25	-
180,000	August 13, 2035	2.86	-
740,000	September 20, 2035	2.90	-
75,000	October 5, 2035	2.94	-
580,000	December 16, 2035	3.11	-

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

Number of options	330,000	180,000	840,000	75,000	580,000
	At Issuance Date February 28, 2025	At Issuance Date August 13, 2025	At Issuance Date September 20, 2025	At Issuance Date October 5, 2025	At Issuance Date December 16, 2025
Share price	C\$2.25	C\$2.86	C\$2.90	C\$2.94	C\$3.11
Expected volatility	45%	65%	65%	65%	65%
Risk-free interest rate	2.49%	2.46%	2.42%	2.37%	2.34%
Total fair value	241	222	962	97	792

  

Number of options	290,000	375,000	1,023,294	100,000
	At Issuance Date December 2, 2024	At Issuance Date May 26, 2024	At Issuance Date January 24, 2024	At Issuance Date January 24, 2024
Share price	C\$1.63	C\$1.10	C\$0.71	C\$0.71
Expected volatility	45%	45%	45%	45%
Risk-free interest rate	2.59%	2.68%	2.77%	2.77%
Total fair value	160	146	224	27

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 13 - Share-based compensation transactions (continued):

Number of options	200,000	850,000	1,424,128	975,000	242,304
	At Issuance Date June 14, 2023	At Issuance Date May 31, 2023	At Issuance Date May 12, 2022	At Issuance Date May 12, 2022	At Issuance Date June 24, 2021
Share price	C\$0.72	C\$0.63	C\$0.7138	C\$0.75	\$1.206
Expected volatility	45%	45%	40%	69.13%	45%
Risk-free interest rate	3.61%-3.73%	3.65%-4.02%	2.75%	1.63%	0.8782%
Total fair value	49	121	220	8	37

The Company uses the Black-Scholes based structural model to estimate the fair value of the options at the grant date.

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

#### *Restricted shares*

- 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. One of certain director has leave the Board, and their RSU's were forfeited.
- 2) On July 21, 2025, the directorship of a certain board member was not extended. As a result, 50,000 restricted shares previously granted to the director were forfeited in accordance with the terms of the company's equity compensation plan.
- 3) On August 14, 2025, the Company issued a total of 30,000 restricted share units to a service provider, of which 10,000 will vest on May 1, 2026; 10,000 on May 1, 2027, and 10,000 on May 1, 2028.
- 4) On September 21, 2025, the Company issued a total of 300,000 restricted share units to an employee. The RSUs shall vest in three (3) equal tranches of 100,000 RSUs each, subject to the achievement of agreed upon share-price milestones to be confirmed by the Company based on the 30-day VWAP of the Company's shares as of December 31, 2025, 2026, and 2027. For the December 31, 2025 share-price milestone, the employee did not achieve the milestone, and 100,000 RSUs were canceled.
- 5) On October 5, 2025, the Company issued a total of 50,000 RSUs to a certain employee. The RSUs shall vest in two (2) equal tranches of 25,000 RSUs each upon achievement of the 2026 performance milestones, including revenue growth and the 30-day VWAP target.

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 13 - Share-based compensation transactions (continued):

- 6) On December 16, 2025, the Company issued a total of 100,000 restricted share units to certain officer. The RSUs shall vest in equal quarterly installments over a three-year period, commencing on the Commencement date, the first installment vesting three months after the Commencement date.
- 7) On December 16, 2025, the Company issued a total of 75,000 restricted share units to certain officer. Three years vesting as of the Engagement Commencement Date. 25% of the total amount granted, calculated on a per Optionee basis, will be vested after one year from the Engagement Commencement Date. 75% of the total amount will be vested quarterly, in equal amounts over 2 years with the first such grant occurring on that date which is 15 months after the Engagement Commencement Date.
- 8) For additional information about issuance of new restricted shares to directors, please see note 24(4).

	December 31, 2025	December 31, 2024
	Number of restricted shares	
Restricted shares outstanding as the beginning of the year	2,325,000	-
<b>Changes during the period:</b>		
Granted (see 3-7 for 2025)(see 1 for 2024)	555,000	2,325,000
Forfeited (see 2,4)	<u>(150,000)</u>	=
Restricted shares at end of period	2,730,000	2,325,000

- (i) The Company uses the Black-Scholes based structural model to estimate the fair value of the options and the restricted shares.
- (ii) The performance linked RSUs were valued using a Monte Carlo simulation and using the following parameters: S0: C\$2.94, Risk-free rate: 2.4%, time to last knock-in date: 1.24 years and expected volatility: 65%.

	December 31, 2025		December 31, 2024
Restricted shares expenses	\$ 2,604	\$	254

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 14 - Income tax:

- a. Tax rates: The corporate tax rate in Canada was 26.5% for 2025 and 2024 and the corporate tax rate in Israel was 23% for 2025 and 2024. Corporate federal tax rate in United state for 2025 and 2024 was 21%.

- b. Net operating losses carry forward:

As of December 31, 2025, the Company had approximately C\$8 million in non-capital loss carry forward available to reduce taxable income for future years, which begin expiring in 2035.

As of December 31, 2025, Beyond Oil Israel had estimated carry forward tax losses of approximately \$11.6 million, which may be carried forward and offset against taxable income for an indefinite period in the future. A deferred tax asset on the Company's losses was not recognized since it is not probable that taxable profit will be available in the foreseeable future.

As of December 31, 2025, Beyond Oil USA Inc had estimated carry forward tax losses of approximately \$1.1 million, these losses can be carried forward and offset against taxable income for an indefinite period in the future.

The adjustments for the difference between the actual tax charge for the year and the standard rate of corporate tax in Israel applied to profits for the year are as follows:

<b>For the Year ended December 31,</b>	<b>2025</b>	<b>2024</b>
Loss before income tax	\$ (16,127)	\$ (5,069)
Combined statutory tax rate – 26%	(4,223)	(1,237)
Losses for which no deferred tax asset was recognized	4,223	1,237
<b>Total income tax expense</b>	<b>\$ -</b>	<b>\$ -</b>

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

### NOTE 15 - Financial instruments and risk management:

The Company holds the following financial instruments:

<b>Financial assets</b>	<b><u>December 31, 2025</u></b>	<b><u>December 31, 2024</u></b>
<u>Financial assets at amortized cost:</u>		
Cash And cash equivalents	\$ 3,820	\$ 3,616
Short term deposit	5,000	-
Accounts receivables	1,715	21
Other accounts receivables	878	170
	<b>\$ <u>11,413</u></b>	<b>\$ <u>3,807</u></b>
<b>Financial liabilities</b>	<b><u>December 31, 2025</u></b>	<b><u>December 31, 2024</u></b>
<u>Financial liabilities at amortized cost:</u>		
Trade payables	\$ 183	\$ 121
Other accounts payables	1,003	542
Royalties liability	-	302
Lease liability	242	140
	<b><u>1,428</u></b>	<b><u>1,105</u></b>
<u>Financial liabilities at fair value:</u>		
Derivative liability – Warrants	700	1,135
	<b>\$ <u>700</u></b>	<b>\$ <u>1,135</u></b>

The Company is exposed to a variety of financial risks, which result from its financing, operating, and investing activities. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's financial performance and position. The Company's financial instruments are its cash, trade and other receivables, trade payables, and other liabilities. The main purpose of these financial instruments is to raise financing for the Company's operation. The Company actively measures, monitors, and manages its financial risk exposures by various functions pursuant to the segregation of duties and principals. The risks arising from the Company's financial instruments are mainly currency risk and liquidity risk. The Company has no interest rate risk as the cash balances exposed to interest is minimal. The risk management policies employed by the Company to manage these risks are discussed below.

#### a. Foreign currency risk:

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than its functional currency. The Company is exposed to currency risk to the extent that there is a mismatch between the currency in which it denominated and the functional currency of the Company.

The currencies in which some transactions are primarily denominated are NIS, US dollars, Candain dollars and Euro.

The Company's policy is not to enter into any economic hedging transactions to neutralize the effects of foreign currency fluctuations. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 15- Financial instruments and risk management (continued):

<b>As of December 31, 2025</b>						
<b>Assets</b>	<b>NIS</b>	<b>EURO</b>	<b>US dollar</b>	<b>CAN</b>	<b>Total</b>	
Cash And cash equivalents	\$ 395	\$ 162	\$ 3,140	\$ 123	\$ 3,820	
Short term deposit	-	-	5,000	-	5,000	
Accounts receivables	673	-	1,042	-	1,715	
Other accounts receivables	762	-	7	109	878	
	<b>1,830</b>	<b>162</b>	<b>9,189</b>	<b>232</b>	<b>11,413</b>	
<b>Liabilities</b>						
Accounts payable	93	-	17	73	183	
Other account payables (excl. lease)	779	198	26	-	1,003	
Lease liability	242	-	-	-	242	
	<b>\$ 1,114</b>	<b>\$ 198</b>	<b>\$ 43</b>	<b>\$ 73</b>	<b>\$ 1,428</b>	
<b>As of December 31, 2024</b>						
<b>Assets</b>	<b>NIS</b>	<b>EURO</b>	<b>US dollar</b>	<b>CAN</b>	<b>Total</b>	
Cash And cash equivalents	\$ 904	\$ 23	\$ 104	\$ 2,585	\$ 3,616	
Accounts receivables	4	-	17	-	21	
Other accounts receivables	155	-	-	15	170	
	<b>1,063</b>	<b>23</b>	<b>121</b>	<b>2,600</b>	<b>3,807</b>	
<b>Liabilities</b>						
Accounts payable	103	-	-	18	121	
Related Party	50	-	-	-	50	
Other account payables (excl. lease)	499	42	-	-	541	
Royalties liability	-	-	302	-	302	
Lease liability	140	-	-	-	140	
	<b>\$ 792</b>	<b>\$ 42</b>	<b>\$ 302</b>	<b>\$ 18</b>	<b>\$ 1,154</b>	

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 15 - Financial instruments and risk management (continued):

##### Analysis:

Based on the above exposures, a 5% appreciation of the NIS against the following currencies would impact the Company's equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

For a 5% depreciation of the NIS against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	December 31, 2025		December 31, 2024	
<b>Linked to EURO</b>	\$	(36)	\$	(27)
		5%		5%
		(2)		(1)
<b>Linked to USD</b>		9,146		(181)
		5%		5%
	\$	457	\$	(9)
<b>Linked to CAN</b>		159		2,582
		5%		5%
	\$	8	\$	129

##### b. Liquidity risks:

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

To manage liquidity risk, the Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the 2025 financial year, these projections indicated that the Company is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following tables detail the Company's remaining contractual maturity for the Company's financial liabilities. The tables have been prepared based on the undiscounted cash flows of financial liabilities based on the repayment forecast of the management of the Company.

#### December 31, 2025:

	Cash outflows (\$)						
	Book value	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	> 5 years	Total
Lease Liability	(242)	(76)	(82)	(47)	(38)	(25)	(268)
Trade and other accounts payable	(1,186)	(1,186)	-	-	-	-	(1,186)
<b>Total</b>	<b>(1,428)</b>	<b>(1,262)</b>	<b>(82)</b>	<b>(47)</b>	<b>(38)</b>	<b>(25)</b>	<b>(1,454)</b>

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 15 - Financial instruments and risk management (continued):

December 31, 2024:	Cash outflows (\$)						Total
	Book value	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	> 5 years	
Lease Liability	(140)	(74)	(38)	(29)	(11)	(9)	(161)
Royalties liability	(302)	(155)	(174)	-	-	-	(329)
Trade and other accounts payable	(663)	(663)	-	-	-	-	(663)
<b>Total</b>	<b>(1,105)</b>	<b>(892)</b>	<b>(212)</b>	<b>(29)</b>	<b>(11)</b>	<b>(9)</b>	<b>(1,153)</b>

#### c. Fair value of financial assets and liabilities:

The fair value of the Company's current financial assets and liabilities approximates their carrying amounts as their maturity date is less than 1 year and they do not bear a fixed interest rate.

At December 31, 2025, the Company had no financial assets measured and recognized on the statement of financial position at fair value belonging in Level 1 or Level 2 of the fair value hierarchy.

The following table summarizes the information about the Company's financial liabilities measured and recognized at level 3 of the fair value hierarchy:

December 31, 2025				
Item	Fair value	Valuation technique	Fair value hierarchy level	Significant unobservable inputs
Derivative liability	700	Black-Scholes model	level 3	Volatility of firm's assets returns

  

December 31, 2024				
Item	Fair value	Valuation technique	Fair value hierarchy level	Significant unobservable inputs
Derivative liability	1,135	Black-Scholes model	level 3	Volatility of firm's assets returns

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 15 - Financial instruments and risk management (continued):

A change in the volatility measure by +5% results in a change of + \$149 of the fair value and a change in the volatility measure by -5% results in a change of - \$(141) of the fair value.

*Reconciliation of fair value measurements that are categorized within Level 3 of the fair value hierarchy:*

		<b>Derivative liability - Warrants</b>
<b>Balance as of January 1, 2024</b>	\$	*
Issuance of warrants		87
Exercise of warrants		(310)
Currency exchange		(90)
Foreign currency translation		20
Loss recognized in Profit or loss:		1,428
<b>Balance as of December 31, 2024</b>		<b>1,135</b>
Issuance of warrants		1,210
Exercise of warrants		(8,758)
Currency exchange		15
Foreign currency translation		82
Loss recognized in Profit or loss:		7,016
<b>Balance as of December 31, 2025</b>	\$	<b>700</b>

\* Represent amount less than 1 thousand.

#### d. Financial instruments not measured at fair value:

Financial instruments that are not measured at fair value include cash and cash equivalents, trade, and other receivables, trade, and other payables, related party and royalties liability.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade, and other receivables, trade and other payables, related party and royalties liability approximate their fair value.

#### e. Capital management:

The Company's capital includes the components of its shareholders' equity. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets, or adjust its operational and administrative activities. In order to preserve cash, the Company does not pay any dividends. The Company is not subject to any externally imposed capital requirements.

The Company has cash and cash equivalents at the balance sheet date of \$3,820 thousand (2024 - \$3,616 thousand).

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

### NOTE 16 - Related Parties Transactions:

#### Related party transactions:

<u>For the year ended December 31,</u>	<u>2025</u>	<u>2024</u>
<b>Compensation of key management personnel of the Company:</b>		
Company President Management fees (see 1)	\$ 219	\$ 206
CEO Management fees (see 2)	252	196
Vice President (see 3)	51	53
A company controlled by a director (see 4)	33	26
Company President share issuance commission (see 6)	500	-
<b>Other related party transactions:</b>		
Share base payments	2,322	249
Purchase of raw materials and others (see 5)	2,521	340
Director Fee	67	58
<b>Balance with related parties:</b>		
<u>As of December 31,</u>	<u>2025</u>	<u>2024</u>
Loan from related party	\$ -	\$ (50)
A company fully owned by the Company President (see 7)	521	58
A company controlled by a director	1	1

#### 1) Company President, Mr. Pinhas Or (Pinhas)

On November 25, 2018, Beyond Oil Israel entered into a consulting agreement (the “**Pinhas Consulting Agreement**”) with Mr. Pinhas Or (“**Pinhas**”) pursuant to which Beyond Oil Israel agreed to engage Pinhas to provide, and Pinhas agreed to provide to Beyond Oil Israel, management services and serve as the CEO of the Company. Subject to and conditional upon Beyond Oil Israel consummating a transaction or series of related transactions, in which Beyond Oil Israel raises an aggregate amount of at least US\$1,000 thousand (a “**Financing Event**”), Beyond Oil Israel agreed to pay Pinhas for the services: a one-time payment equal to NIS25 thousand (approximately \$7 thousand) multiplied by the number of months between the execution of the agreement and completion of a Financing Event and thereafter a monthly fee of NIS 50 thousand (approximately \$15 thousand) (the “**Monthly Fee**”). The Financing Event occurred in December 2019. Pinhas is also entitled to the use of a car, pension, disability, and accident insurance.

In the event a new CEO is appointed to Beyond Oil Israel or Pinhas is transferred to another position (President of Beyond Oil Israel or Head of the Research and Development Department) Beyond Oil Israel agreed to pay him a one-time payment equal to 24 times the Monthly Fee.

Each party may terminate the Pinhas Consulting Agreement upon 90 days prior written notice (reduced to 7 days in the case of a material breach). In case of termination of the Pinhas Consulting Agreement for any reason, Beyond Oil Israel will pay Pinhas a sum equal to 250% of all of the amounts paid or that must to be paid to Pinhas according to the agreement. On June 24, 2021, the agreement was terminated and Pinhas have waived this obligation of Beyond Oil Israel.

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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#### NOTE 16 - Related Parties Transactions (continued):

On June 17, 2021, Beyond Oil Israel entered into a revised consulting agreement with Pinhas which agreement supersedes the Pinhas Consulting Agreement (the “**Revised Pinhas Consulting Agreement**”). Pursuant to the Revised Pinhas Consulting Agreement Beyond Oil Israel agreed to engage Pinhas to provide, and Pinhas agreed to provide to Beyond Oil Israel, management services and serve as Beyond Oil Israel’s head of research and development on an 80% basis, for a monthly fee of NIS 50 thousand (approximately \$15 thousand). Pinhas is also entitled to the reimbursement of car expenses.

The Revised Pinhas Consulting Agreement may be terminated upon 180 days prior written notice (reduced to 7 days in the case of a material breach). In case of termination of the Revised Pinhas Consulting Agreement for any reason other than cause or material breach, Beyond Oil Israel must pay Pinhas NIS 1,000 thousand (approximately \$297 thousand) (the “**Termination Grant**”) and a royalty equal to 3% of Beyond Oil Israel’s net sales (the “**Royalty**”), based on its annual financial statements. The Termination Grant shall be paid to Pinhas within 30 days following the termination. The aforementioned Royalty shall be paid to Pinhas, in the earlier of an 8 (eight) years period following his termination of or engagement, as the case may be at Beyond Oil Israel or an Exit Event in Beyond Oil Israel. In the event Pinhas dies on or before the day that is ten (10) years from the date of the agreement, the Royalty will only be payable for five (5) years from the date of death.

On June 17, 2021, Beyond Oil 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 Beyond Oil Israel is terminated by Beyond Oil Israel for any reason, other than cause. The aforementioned royalty is payable for the period of 8 (eight) years following termination or an Exit Event. “Exit Event” means the sale of all Beyond Oil Israel’s shares or all or substantially all of Beyond Oil Israel’s assets in one transaction or in a series of related transactions including by way of a perpetual license to be granted by the Company or by way of merger the result of which is that Beyond Oil Israel’s shareholders hold less than 50% of the shares and voting rights in the surviving entity, all at a minimum valuation of US\$100,000 thousand. Also, it was agreed that the Proposed Transaction with FTC will not constitute an Exit Event.

Beyond Oil Israel granted Pinhas 60,575 options of Beyond Oil Israel to purchase shares with an exercise price of C\$0.75 (the “Options”) subject to the approval of the Company’s board. The Options vest according to the vesting schedule approved by Beyond Oil Israel’s board the vesting starting date is subject to the approval of Beyond Oil Israel’s board, however, all unvested Options shall cease to vest and shall automatically expire in the event that Pinhas no longer serves as a consultant to the Company, for any reason. Following consummation of the FTC Transaction, these Options are exercisable to purchase common shares of the Company, with the same terms.

Also, in connection with the Transaction the Company also agreed to pay to Pinhas, the sum of \$500 thousand upon the Company receiving at least C\$2.5 million (\$1.96 million) pursuant to the exercise of Unit Warrants and Consideration Warrants.

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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#### NOTE 16 - Related Parties Transactions (continued):

On June 1, 2023, the Company announced the appointment of Pinhas as the Company President.

2) CEO and a member of the Board of Directors, Mr. Jonathan Or (Jonathan) (Son of Pinhas)

On November 25, 2018, Beyond Oil Israel entered into a consulting agreement with Jonathan, pursuant to which Beyond Oil Israel agreed to engage Jonathan to provide, and Jonathan agreed to provide to Beyond Oil Israel, sales manager services. As consideration for these services Beyond Oil Israel agreed to pay Jonathan (i) a monthly fee of NIS 10 thousand (approximately \$3 thousand) to be increased to NIS 25 thousand (approximately \$7 thousand) (the “**Monthly Fee**”) upon Beyond Oil Israel consummating a transaction or series of related transactions, in which Beyond Oil Israel raises an aggregate amount of at least US\$1,000 thousand or a grant from the Israel Innovation Authority (a “**Financing Event**”) and to be further increased to NIS35 thousand upon a Financing Event raising US\$2,000 thousand, and (ii) an amount equal to 5% of amounts generated by customers presented by Jonathan over a five year period. The Financing Event occurred in December 2019. Jonathan is entitled to the standard social benefits and fringe benefits as customary and disability and accident insurance.

Either party may terminate the Jonathan Consulting Agreement upon 90 days prior written notice (reduced to 7 days in the case of a material breach).

On June 8, 2021, Beyond Oil Israel entered into an employment agreement with Jonathan effective that date (the “**Jonathan Employment Agreement**”) pursuant to which Jonathan is employed on a full-time basis as Beyond Oil Israel’s Chief Marketing Officer at an annual, salary of NIS20 thousand (approximately \$6 thousand).

Following the completion of the Transaction, Jonathan’s salary increased to NIS 35 thousand (approximately \$10 thousand) with standard social and fringe benefits and following the Company generating cumulative revenue of \$1 million his salary will be increased to NIS45 thousand (approximately \$13 thousand). This agreement supersedes the consulting agreement dated November 25, 2018.

Beyond Oil Israel granted Jonathan 60,575 options of to purchase shares with an exercise price of C\$ 0.75 (the “**Options**”) subject to the approval of Beyond Oil Israel's board. Following consummation of the Transaction, the Options are exercisable for common shares of the company.

These Options vest according to the vesting schedule approved by the Company's board. The vesting starting date is subject to the approval of the Company's board, however, that all unvested Options shall cease to vest and shall automatically expire in the event that Jonathan no longer serves as an employee of the Company, for any reason.

On June 27, 2023, the Board appointed Jonathan Or as permanent CEO of the Company.

3) On May 31, 2023, the Company announced the appointment of Mr. Robert Kiesman ("Robert") as the Company’s Vice President. Robert will be entitled to C\$6 per month and for the option package. For amendment of Robert's agreement as the Company SVP Corp Development & Capital Markets, please see note 24(6).

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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#### NOTE 16 - Related Parties Transactions (continued):

- 4) On April 1, 2022, the Company signed a service agreement with a company controlled by a director of the Company to provide the Company with corporate secretary services for C\$3 thousand per month, which fee will increase to C\$4 thousand upon the Company completing an equity financing of at least C\$10 million.
- 5) As per the terms of the Trade Secrets Agreement in order to protect the company IP, the Company's raw materials related to the IP must be acquired from a company fully owned by Mr. Pinhas Or.
- 6) For additional information regarding the Company President share issuance commission, please see note 11(3).
- 7) Advance payments amount to a company fully owned by the Company President for purchase of raw materials, included in other accounts receivables.
- 8) As referred to in note 12(8) the issuance of shares under the first milestone included an issuance to Mr. Pinhas Or and Mr. Jonathan Or who are eligible to receive Deferred Payments without any further approvals as their eligibility to receive these shares was approved as part of the going public transaction with FTC by virtue of them being shareholders in Beyond Oil (Israel).

#### NOTE 17 - Revenues:

##### Revenue by geographical segment

	For the year ended December 31,	
	2025	2024
Rest of the world	\$ 2,560	\$ 415
North America	1,952	206
	<u>\$ 4,512</u>	<u>\$ 621</u>

Revenues from major customers which each account for 10% or more of the Company's total revenues were as follows: Customer A – for the year ended December 31, 2025, \$1,047 thousand (for the year ended December 31, 2024, : \$148 thousand); Customer B – for the year ended December 31, 2025, \$947 thousand (for the year ended December 31, 2024, : \$322 thousand); Customer C – for the year ended December 31, 2025, \$455 thousand (for the year ended December 31, 2024, : \$ Nil).

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 18 – Cost of Revenues:

	For the year ended December 31,	
	2025	2024
Purchase of Raw materials	\$ 2,865	\$ 194
Sub-Contractors	750	83
Others	253	29
	3,868	306
Change in inventory	(1,616)	65
	\$ 2,252	\$ 371

#### NOTE 19 – Research and development expenses:

	For the year ended December 31,	
	2025	2024
Wages and salaries	\$ 351	\$ 310
Sub-Contractors*	209	210
Professional fees	157	83
Materials	13	120
Others	60	150
	\$ 790	\$ 873

\* Include related party expenses.

#### NOTE 20 - General and administrative expenses:

	For the year ended December 31,	
	2025	2024
Wages and salaries	\$ 944	\$ 541
Professional and legal fees	411	325
Share based compensation	2,953	537
Depreciation	366	319
Directors fee	66	61
Public company expenses	161	122
Others	254	145
	\$ 5,155	\$ 2,050

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

#### NOTE 21 – Sales and Marketing expenses:

	For the year ended December 31,	
	2025	2024
Wages and salaries	\$ 1,559	\$ 285
Sales related expenses	431	213
Investor Relations	891	109
Sub-Contractors	203	55
Marketing expenses	174	88
Share based compensation	195	-
Others	140	72
	<u>\$ 3,593</u>	<u>\$ 822</u>

#### NOTE 22 - Financial income and expenses:

##### Financial income

	For the year ended December 31,	
	2025	2024
Interest income	\$ 320	\$ 21
	<u>\$ 320</u>	<u>\$ 21</u>

##### Financial expenses

	For the year ended December 31,	
	2025	2024
Fair value adjustments of derivative liability	\$ 7,016	\$ 1,428
Fair value adjustments of royalties liability at fair value	15	61
Currency exchange	1,192	89
Interest on lease liability	15	13
Share issuance commission	785	-
Interest and commission	11	2
	<u>\$ 9,034</u>	<u>\$ 1,595</u>

## Beyond Oil Ltd.

### Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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#### NOTE 23 - Changes in liabilities arising from financing activities:

Set forth below is a reconciliation of the changes in liabilities for which cash flows have been, or will be classified as financing activities in the statements of cash flows:

	<u>Lease liabilities</u>	<u>Derivative liability</u>
<b>As of 31 December 2024,</b>	<b>\$ 140</b>	<b>\$ 1,135</b>
<i>Changes from financing cash flows:</i>		
Payments of lease liabilities	(101)	-
Total changes from financing cash flows	16	-
Issuance of warrants	-	1,210
Exercise of warrants	-	(8,758)
New leases	166	-
Fair value adjustments	-	7,016
Interest expense	15	-
Interest paid	(15)	-
Effects of foreign exchange	21	97
	<u>242</u>	<u>700</u>
<b>As of December 31, 2025,</b>	<b>\$ 242</b>	<b>\$ 700</b>
	<u>Lease liabilities</u>	<u>Derivative liability</u>
<b>As of 31 December 2023,</b>	<b>\$ 130</b>	<b>\$ -*</b>
<i>Changes from financing cash flows:</i>		
Payments of lease liabilities	(104)	-
Total changes from financing cash flows	12	-*
Issuance of warrants	-	87
Exercise of warrants	-	(310)
New leases	100	-
Fair value adjustments	-	1,428
Interest expense	13	-
Interest paid	(13)	-
Effects of foreign exchange	2	(70)
	<u>140</u>	<u>1,135</u>
<b>As of December 31, 2024,</b>	<b>\$ 140</b>	<b>\$ 1,135</b>

\* represent less than 1 thousand.

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

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### NOTE 24–Subsequent events:

- 1) On February 8, 2026, the Company issued a total of 410,000 options to certain employees and officers, with each such option exercisable at C\$3.00 subject to certain vesting dates. 150,000 of the options shall vest over three years. and 260,000 of the options shall vest over four years with 25% of the total amount granted, calculated on a per recipient basis, will be vested after one year from the engagement commencement date of each recipient with the Company and the remaining 75% of the total amount will vest quarterly, in equal amounts, over 3 years, with the first such grant occurring on that date which is 15 months after the engagement commencement date.
- 2) On March 13, 2026, the Company announced that at a Special Meeting of the Shareholders held on March 12, 2026, the continuance of the Company from the Province of British Columbia to the Province of Ontario (the “**Continuance**”) was approved. The Continuance became effective on March 31, 2026.
- 3) On March 23, 2026, the Company announced that due to recent labor disruptions affecting certain public employees in British Columbia, the British Columbia Registry Services has experienced processing delays and had not yet issued the documentation required to complete the Continuance prior to the filing deadline for the audited annual financial statements, management’s discussion and analysis, annual information form and related officer certificates for the financial year ended December 31, 2025 (collectively, the “**Annual Materials**”) of March 31, 2026 (the “**Filing Deadline**”). The Company’s auditor has advised that it will not provide its required consent to the filing of the Annual Materials until completion of the Continuance. The Company made an application to the British Columbia Securities Commission (the “**BCSC**”), as principal regulator of the Company, for a management cease trade order (“**MCTO**”) for an extension to the Filing Deadline. On April 1, 2026, the MCTO was granted by the BCSC.
- 4) On March 26, 2026, the Company issued a total of 30,000 options to certain employee with each such option exercisable at C\$2.90 subject to certain vesting dates. The vesting period of the options is over four years with 25% of the total amount granted, calculated on a per recipient basis, vesting on relevant dates, and the remaining 75% of the total amount will vest quarterly, in equal amounts, over three year with the first such grant occurring on that date which is 15 months after the engagement commencement date.
- 5) On March 26, 2026, the Company amended the vesting dates and conditions of the 650,000 options granted to Robert on May 31, 2023, and amended on May 26, 2024. The Company amended the vesting dates and conditions which options vest upon certain performance milestones being attained with each Performance Vesting Option exercisable at C\$0.75 expiring on May 3, 2033. 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, 2022 (the “**Grant Date**”) ;(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 either: (a) completing an uplisting of its Shares on NASDAQ, the NYSE or another senior stock exchange in North America; or (b) the final closing of an acquisition or

# Beyond Oil Ltd.

## Notes to Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

U.S. dollars in thousands

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### NOTE 24–Subsequent events (continued):

merger transaction; and (v) 150,000 options, upon the Company completing its uplisting of the Company's Shares on the Toronto Stock Exchange.

- 6) On March 26, 2026, the Company issued a total of 100,000 restricted share units to certain directors. The RSUs shall vest in equal quarterly installments over a two-year period, commencing on the grant date, the first installment vesting three months after the grant date.
- 7) On March 26, 2026, the Board approved the amendment of the restricted shares unit to certain related parties that hold total of 1,980,000 restricted share units. The amendments, with a retroactive effect, to the terms of the vesting schedule of RSUs approved to provide that, in addition to the existing vesting terms, any unvested RSUs shall be subject to and vest only upon the occurrence of a Liquidation Event.
- 8) On March 26, 2026, the Company announced the appointment of Robert as the Company's SVP Corp Development & Capital Markets. Robert will be entitled to C\$7.5 per month effective April 1, 2026, and effective January 1, 2027, the monthly fee will be increased to C\$9 per month.
- 9) On April 6, 2026, the Board confirmed that the Company had fulfilled the requirement of achieving \$6 million in cumulative sales within 48 months of the Closing Date, being the second of the 2024 Revised Milestones, and approved the issuance of 4,882,101 Common Shares ("**2026 Contingent Shares**") to be issued to the Subco Shareholders subject to, in the case of Insiders (as such term is defined by applicable securities legislation) who are entitled to receive 2026 Contingent Shares who shall only receive these shares after the MCTO has been revoked by the Executive Director of the BCSC.