

**BEYOND OIL LTD.**  
**MANAGEMENT'S DISCUSSIONS AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2025**



## OVERVIEW

This management's discussion and analysis ("**MD&A**") is management's interpretation of the financial condition and results of the operations of Beyond Oil Ltd., and its subsidiary companies (the "**Company**") for the year ended December 31, 2025 (the "**2025 Annual Period**").

This MD&A should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2025 (the "**Annual Financial Statements**").

The Annual Financial Statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included.

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

This MD&A is expressed in thousands of dollars. All dollar amounts contained herein are expressed in United States dollars unless otherwise indicated (references to "\$" or "US\$" means the lawful money of the United States of America; "C\$" means the lawful money of Canada, and references to NIS means the lawful money of Israel). This MD&A has been prepared as of April 6, 2026.

## DESCRIPTION OF THE BUSINESS AND FINANCING HIGHLIGHTS

The Company was incorporated under the name 0934977 B.C. Ltd. pursuant to the laws of the Province of British Columbia on March 9, 2012. On May 16, 2012, its name was changed to "FTC Cards Inc." (the "**FTC**"). On March 31, 2026 the Company completed its continuance from the Province of British Columbia to the Province of Ontario (the "**Continuance**").

The head office of the Company is located at 1208 Rosewood Crescent, North Vancouver, BC V7P 1H4, Canada and the registered and records office of the Company is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9, Canada. The Company's website address is [www.beyondoil.co](http://www.beyondoil.co). The information contained on the Company's website or available through the website is not incorporated by reference into and should not be considered a part of this MD&A.

The Common Shares trade on the Toronto Stock Exchange ("**TSX**") under the symbol "BOIL", on the Frankfurt Stock Exchange under the symbol "UH9" and on the OTCQB under the symbol "BEOLF".

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

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

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



- (i) 4,882,101 Common Shares upon the Company obtaining an order for at least US\$3 million from customers within twelve (12) months of May 25, 2022 (the “**Closing Date**”);
- (ii) 4,882,101 Common Shares upon the Company achieving US\$6 million in cumulative sales within 18 months of the Closing Date;
- (iii) 4,882,101 Common Shares upon the Company achieving US\$13 million in cumulative sales within 30 months of the Closing Date; and
- (iv) 4,882,101 Common Shares upon the Company reaching positive EBITDA (**Important Note:** 1. EBITDA is a non-GAAP financial measure that does not have any standardized meaning under the Company’s GAAP and therefore may not be comparable to similar measures presented by other issuers; 2. EBITDA means “earnings before interest, taxes, depreciation and amortization” and when calculated by the Company will not exclude any items other than interest, taxes, depreciation and amortization; 3. the use of EBITDA in this MD&A is due to the fact that it was negotiated as a performance measuring tool by the Company in connection with the Transaction, it provides no other useful financial information; 4. the most directly comparable GAAP measurement will be Net Loss and such amount will be disclosed upon the Company disclosing that it has reached this EBITDA milestone) by the end of its fiscal year ended December 31, 2023, and such amount is confirmed by the audited annual financial statements for the year ended December 31, 2023.

In connection with the Transaction, the Company completed:

- i. a non-brokered private placement of 2,500,000 Common Shares at a price of C\$0.50 per Common Share that closed in two tranches on the first on November 5, 2021, and the second on November 26, 2021, for gross proceeds of C\$1,250 (\$991); and a non-brokered private placement of 5,243,458 special warrants (“**Special Warrants**”) for gross proceeds of C\$3,500. The Special Warrant offering was completed in three tranches: February 4, 2022, February 14, 2022, and April 7, 2022. Each Special Warrant entitled the holder thereof to acquire automatically upon completion of the Transaction, for no additional consideration, one “unit” (“**Units**”). Each Unit consisted of one Common Share and one half of one Common Share purchase warrant, issuable upon the deemed exercise of the Special Warrants, with each whole such warrant (the “**Warrants**”) entitling the holder to acquire, one additional Common Share at a price of C\$1.25 per Common Share until May 13, 2023 (the “**Special Warrant Financing**”). 4,995,477 Special Warrants were exercised resulting in gross proceeds to the Company of C\$6,056 (\$4,306), and the issuance of 4,995,477 Common Shares.
- ii. On April 29, 2022, the Company received a receipt from the British Columbia Securities Commission (the “**BCSC**”) for its final non offering prospectus.

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

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



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

## 2023

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

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

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

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

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

- 1) extend the expiry date of the Consideration Warrants to May 13, 2024 (the “**Revised Consideration Warrant Expiry Date**”);
- 2) extend the expiry date of the Warrants by an additional 12 months to May 13, 2024; and
- 3) enter into an agreement amending the terms of the DPPA (the “**Amended DPPA**”). The Amended DPPA provided, subject to obtaining the requisite approval of shareholders of the Company (the “**Shareholders**”), for the following amendments (1) and 2) above hereinafter collectively, the “**2023 Meeting Amendments**”):
  - A. to extend the performance date of each Milestone to the following revised dates (the following (v)-(viii) hereinafter referred to individually as a “**Revised Milestone**” and collectively as the “**Revised Milestones**”):
    - (i) 4,882,101 Common Shares upon the Company obtaining an order for at least US\$3 million from customers within thirty-two (32) months of the Closing Date;
    - (ii) 4,882,101 Common Shares upon the Company achieving US\$6 million in cumulative sales within 36 months of the Closing Date;
    - (iii) 4,882,101 Common Shares upon the Company achieving US\$13 million in cumulative sales within 48 months of the Closing Date; and



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

*"Exit Transaction" means the sale of all the Company's shares or all or substantially all of the Company's assets in one transaction or in a series of related transaction including by way of a perpetual license to be granted by the Company or by way of merger the result of which will be that the Company's shareholders will hold less than 50% of the shares and voting rights in the surviving entity, and all at a minimal Company valuation of US\$100,000,000 (one hundred million).*

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

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

On October 23, 2023, the Company announced the completion of the first tranche of a private placement offering consisting of 825,522 units (the "**October Units**") for gross proceed of C\$619 and for net proceeds (transaction costs) of CAN\$602 (\$450). Each October Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a "**October Warrant**"). Each October Warrant entitled the holder thereof to purchase one additional Common Share at an exercise price of C\$1.25 until October 22, 2024. As of the date of this MD&A, and prior to the expiry of the October Warrants, all of the October Warrants were exercised resulting in gross proceeds to the Company of C\$516 (\$375), and the issuance of 412,763 Common Shares.

#### 2024

On January 25, 2024, the Company announced the completion of the final tranche of a private placement offering consisting of 2,688,668 units (the "**January 2024 Units**") for gross proceed of C\$2,016 (\$1,492) and for net proceeds (transaction costs) of C\$1,918 (\$1,419). Each January 2024 Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a "**January 2024 Warrant**"). Each January 2024 Warrant entitled the holder thereof to purchase one additional Common Share at an exercise price of C\$1.25 until January 24, 2025. As of the date of this MD&A, and prior to the expiry of the



January 2024 Warrants, all of the January 2024 Warrants were exercised resulting in gross proceeds to the Company of C\$1,680 (\$1,188), and the issuance of 1,344,333 Common Shares.

On April 25, 2024, the Company held an annual and special meeting of Shareholders in which the following decisions were approved by the Shareholders:

- 1) The Company adopted a compensation plan which reserves up to 15% of the issued and outstanding Common Shares, on a rolling basis, for issuance pursuant to stock options, stock awards and/or restricted share units of the Company (the “**Omnibus Plan**”);
- 2) The Company extended the performance date of the Revised Milestones (previously extended at the 2023 Meeting), for the issuance of Common Shares in the amounts listed below (which amounts were previously approved in connection with the Transaction) to the following revised dates (the “**2024 Revised Milestones**”):
  - (i) 4,882,101 Common Shares will be issued upon the Company obtaining an order for at least \$3 million from customers within forty four (44) months of the Closing Date (the “**First 2024 Milestone**”);
  - (ii) 4,882,101 Common Shares will be issued upon the Company achieving \$6 million in cumulative sales within 48 months of the Closing Date (the “**Second 2024 Milestone**”);
  - (iii) 4,882,101 Common Shares will be issued upon the Company achieving \$13 million in cumulative sales within 60 months of the Closing Date;
  - (iv) 4,882,101 Common Shares will be issued upon the Company reaching positive EBITDA by the end of June 30, 2026, and such amount is confirmed by the unaudited financial statements for the period ended June 30, 2026 (**Important Note:** 1. EBITDA is a non-GAAP financial measure that does not have any standardized meaning under the Company’s GAAP and therefore may not be comparable to similar measures presented by other issuers; 2. EBITDA means “earnings before interest, taxes, depreciation and amortization” and when calculated by the Company will not exclude any items other than interest, taxes, depreciation and amortization; 3. the use of EBITDA in this MD&A is due to the fact that it was negotiated as a performance measuring tool by the Company in connection with the Transaction, it provides no other useful financial information; 4. the most directly comparable GAAP measurement will be Operating Profit and such amount will be disclosed upon the Company disclosing that it has reached this EBITDA milestone). ; and
  - (v) to extend the Original Date of a Milestone previously not extended, from December 31, 2023 to December 31, 2025 and provide the following amendment to the wording of a Milestone: “upon Beyond Oil signing a definitive agreement with a major investor or oil producer or other commercial partner on or before December 31, 2025 that results in the Purchaser and/or Beyond Oil receiving US\$10 million in revenues on or before December 31,2027, such milestone may be used as a replacement for any one milestone in (v), (vi), (vii) or (viii) above”.
  - (vi) To provide that upon an Exit Transaction, the right to receive additional Common Shares upon fulfilment of the Revised Milestones will, either expire or alternatively will accelerate and be immediately issued (the alternative of which must be approved by a majority of the Subco Shareholders), prior to the closing of the Exit Transaction.
- 3) Extending the expiry dates of each of the Consideration Warrants and the Warrants by an additional



12 months to May 13, 2025. No Finder warrants were extended.

On June 27, 2024, the Company announced the completion of the final tranche of a private placement offering consisting of 2,380,952 units (the “**June 2024 Units**”) for gross proceed of C\$2,500 (\$ 1,826 thousand) and for net proceeds (transaction costs) of C\$2,434 thousand (\$1,778 thousand). Each June 2024 Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each full such warrant, a “**June 2024 Warrant**”). Each June 2024 Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of C\$1.75 until June 26, 2025. Additionally, 62,542 June 2024 Warrants were issued to finders. All of the June 2024 Warrants were exercised resulting in gross proceeds to the Company of C\$2,193 thousand (\$1,565 thousand), and the issuance of 1,253,018 Common Shares.

On September 16, 2024, the Company announced the completion of a private placement offering consisting of 1,345,697 Shares (the “**September 2024 Shares**”) for gross proceed of C\$2,019 (\$1,487 thousand) and for net proceeds (transaction costs) of C\$2,000 thousand (\$1,473 thousand).

#### 2025

On March 12, 2025, the Company entered into a strategic investment agreement (the “**Clal Agreement**”) with Clal Financial Management (“**Clal**”). Under the terms of the Agreement, Clal agreed to invest (the “**Investment**”) C\$10.5 million to acquire 3,000,000 units (the “**CLAL Units**”) at an issue price of C\$3.498 per Clal Unit (the “**Clal Issue Price**”). Each Clal Unit consists of: (i) One Common Share; (ii) one-half of a Series A Warrant (the “**CLAL Series A Warrants**”), where each whole such warrant entitles the holder to purchase one additional Common Share at an exercise price of C\$6.00 per Common Share until March 12, 2027; and (iii) one-half of a Series B Warrant (the “**CLAL Series B Warrants**”), where each whole such warrant entitles the holder to purchase one additional Common Share at an exercise price of C\$7.75 per Common Share until March 12, 2028.

It was agreed that a finder’s fee in an amount equal to 2% of the gross proceeds would be payable upon closing of the Investment (the “**Finder’s Fee**”).

As part of the Clal Agreement, Clal also committed to purchase 1,836,766 Common Shares from members of the Or family at a price equal to the Clal Issue Price (the “**OR Sale**”). As an additional condition, the Company has secured an undertaking from the Or family not to sell any of their Common Shares (other than those covered under the OR Sale) prior to December 31, 2025.

As part of the Clal Agreement, the Company has also committed to using its best efforts to complete an uplisting to a senior exchange in Canada or the United States within six months of the closing of the Investment.

On April 23, 2025, the Company announced the engagement of Research Capital Corporation (“**Agent**”) as sole agent and sole bookrunner in connection with a brokered private placement (the “**Brokered Offering**”) of up to 3,100,000 units of Beyond Oil (“**Research Units**”) which Brokered Offering as the sale of the CLAL Units.

On May 12, 2025, the Company announced the closing of the OR Sale.

On May 21, 2025, the Company announced the completion of the Brokered Offering (which included, as part of the Brokered Offering, the completion of the Investment by Clal and certain other parties). Pursuant to the Brokered Offering, the Company issued a total of 3,042,200 Research Units at a price of C\$3.498 per unit at the Clal Issue Price for gross proceeds of C\$10,642 (\$7,668) and for net proceeds (after deducting the Finder’s Fee and other transaction costs) of C\$10,417 (\$7,148).



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. All securities issued pursuant to the Brokered Offering were subject to a statutory hold period until September 22, 2025, in accordance with applicable securities legislation.

On November 13, 2025, the Company announced that its Common Shares would commence trading on the TSX, under the current symbol BOIL.

On November 28, 2025, the Board confirmed that the Company had fulfilled the conditions to the First 2024 Milestone of obtaining "an order for at least \$3 million from customers within forty four (44) months of the Closing Date" and approved the issuance of 4,882,101 Common Shares to the Subco Shareholders.

On March 13, 2026, the Company announced that at a Special Meeting of the Shareholders held on March 12, 2026, the Continuance was approved.

On March 23, 2026, the Company announced that due to recent labour 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 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.

On April 6, 2026, the Board confirmed that the Company had fulfilled the conditions to the Second 2024 Milestone of "achieving \$6 million in cumulative sales within 48 months of the Closing Date", 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.

## **Overview of Operations**

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

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



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

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

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

## **OPERATIONAL HIGHLIGHTS**

### 2023

On February 15, 2023, the Company entered into a definitive agreement with Fandango Collection & Recycling Ltd. (“**Fandango**”) pursuant to which Fandango will be the Company’s exclusive distributor of the Product in Israel for an initial five-year term. Subsequently, on February 23, 2023, the Company received an initial purchase order from Fandango for 16 tons of the Product. On May 31, 2023, the company launched its first commercial product on the market aimed at restaurants and commercial frying users and announced that it had fulfilled the initial purchase order placed by Fandango by delivering 16 tons of its Product to Fandango's facilities in Israel. Subsequently, in July 2024 Fandango placed its second Product order supplied to several national chains in Israel. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate.

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

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

On August 1, 2023, the Company announced that it had entered into a definitive distribution agreement (the “**Solutions Distribution Agreement**”) with Oil Solutions Group, Inc. (“**Oil Solutions Group**”). The Solutions Distribution Agreement gives Oil Solutions Group the rights and license to market and sell Beyond Oil’s product to its restaurant customers in the United States. The Solutions Distribution Agreement became effective on July 31, 2023, and established Oil Solutions Group as the first non-exclusive distributor of the Product in the US food service market. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, both Oil Solutions Group and the Company can terminate the agreement at any time by written notice to the other party upon providing 3 months prior notice.

On August 9, 2023, the Company announced that it had entered into a definitive distribution agreement (the “**Vital Distribution Agreement**”) with Vital Hospitality Ltd. (“**Vital Hospitality**”). The Vital Distribution Agreement gives Vital Hospitality the rights and license to market and sell Beyond Oil’s product to its restaurant customers in the United Kingdom. The Vital Distribution Agreement became effective on August 8, 2023 and established Vital Hospitality as the first non-exclusive distributor of Beyond Oil’s product in the UK food service market. To date the Company and Vital Hospitality continue to explore distribution possibilities. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate.



Additionally, both Vital Hospitality and the Company can terminate the agreement at any time by written notice to the other party upon providing 3 months prior notice.

#### 2024

On January 18, 2024, the Company announced that it entered into a Strategic Opportunities & Distribution Agreement with West Coast Reduction Ltd. (“**WestCoast**”), a used cooking oil collection, recycling and rendering company located in Western Canada (the “**WestCoast Agreement**”). The WestCoast Agreement has an initial term of five (5) years and will, subject to certain preconditions, renew for successive five (5) year terms. Per the terms of the WestCoast Agreement, WestCoast placed an initial order of one container of the Product for food service (the “**Food Service Product**”) for delivery to its facilities in Canada. The WestCoast Agreement also:

*i. Distribution Rights – Food Service*

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

*ii. Distribution Rights – Industrial Food Industry*

Establishes WestCoast as the exclusive distributor of the Beyond Oil product for the industrial food industry (the “**Industrial Product**”, and together with the Food Service Product, the “**Various Products**”) in Canada on an exclusive basis, and in Washington State in the USA, on a non-exclusive basis. The Company and WestCoast have recently conducted preliminary trials of the Industrial Product with prospective customers in North America and intend to continue such trials on an ongoing basis.

*iii. Other Strategic Opportunities*

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

*iv. Manufacturing in North America*

Provides that subject to the fulfillment of certain pre-conditions, WestCoast will earn the right of first refusal to produce or manufacture the Various Products (or variations thereof) in North America. To date WestCoast has complied with all order commitments. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, the agreement may be terminated by mutual written consent at any time. The Company may also terminate immediately in the event of WestCoast’s default. Termination of the rights and obligations as they relate to the U.S. Territory, without penalty must be provided 180 days in advance.

On May 9, 2024, the Company announced that it had entered into supply agreement with the Israel based franchisee of one of the world’s largest fast food chains. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, both parties to this agreement can terminate the agreement at any time by written notice to the other party upon providing 3 months prior notice.

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



System to both companies' extensive network of existing and prospective customers in many countries of the world.

On October 15, 2024, the Company announced its first direct Product purchase order in Western Europe with the sale to Mister Noodles, a restaurant chain based in Spain with 20 restaurants, which purchased 10,000 daily doses (1,000 kg) of the Product for integration into their restaurants.

On October 29, 2024, the Company announced that it had expanded its geographic reach in its global commercialization efforts. Specifically, it had received payment for a 16-ton container (16,000 kg) of its Product from an Eastern European brand with over 1000 restaurants. The 16-ton container was subsequently delivered in early 2025. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate.

On November 13, 2024, the Company announced that Hap Chan, a Philippine-based restaurant chain with over 100 branches placed an initial order of 10,000+ daily-use units (1,000 kg) of the Product, which it plans to integrate into all kitchens across the chain.

## 2025

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

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

On January 22, 2025, the Company announced the signing of a distribution agreement ("**T&J Distribution Agreement**") with T&J Oil Pty Ltd. ("**T&J Oil**"), based in Perth, Australia. The T&J Distribution Agreement has a term of five years, which may be renewed provided that T&J oil Distribution Agreement has not been terminated and T&J fulfilled all its obligations under the agreement. T &J Distribution Agreement marks the Company's entry into the Australian market and includes the granting to T&J Oil of exclusivity, subject to T&J Oil, fulfilling its annual minimum quantity purchase commitments and payment of the license fee. Under the terms of the agreement, T&J Oil will serve as the distributor of the Product for non-chain restaurants and local chains that do not utilize filter machines across Australia. The T&J Distribution Agreement includes an aggregate minimum purchase commitment of \$4.9 million over its five-year term. Subsequently, on February 18, 2025, the Company announced that it has successfully delivered the first order under the T&J Distribution Agreement. The first shipment, totaling 5.4-ton of Product, was delivered as part of T&J's minimum purchase commitment under the T&J Distribution Agreement. The payment for the order was also received in full. To date T&J has complied with all order requirements. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, the Company may terminate the T&J Distribution Agreement immediately in the event of default by T&J Oil.

On January 24, 2025, the Company announced that it had entered into a master distribution agreement (the "**Latitude Distribution Agreement**") with Latitude Ltd. ("**Latitude**"). The Latitude Distribution Agreement gives the rights and license to market and sell the Product across the United States (the "**Latitude Territory**"). The Latitude Distribution Agreement includes minimum monthly commitments totaling \$8.3 million during the fiscal year 2025. The term of the Latitude Distribution Agreement is for five (5) years, which may be renewed



for an additional five (5) year terms, provided that the Latitude Distribution Agreement has not been terminated by either party and that the parties have reached agreements on Product pricing and minimum purchase requirements for years two through five. Latitude will focus on selling to small and medium-sized food service customers while leveraging its sub-distributor network to achieve broad market penetration, allowing the Company to concentrate on securing strategic deals with larger, multinational customers, while Latitude drives growth and revenue in other market segments. On February 4, 2025, the Company announced that it has successfully delivered the first order under the Latitude Distribution Agreement. The first shipment, totaling 10.8 ton of Product, was delivered as part of Latitude's minimum monthly purchase commitment under the Latitude Distribution Agreement. The payment for the order was also received in full. Subsequently, on February 12, 2025, the Company announced that it has successfully delivered the second order under the Latitude Distribution Agreement. The second shipment, totaling 16.48 ton of Product, was delivered as part of Latitude's minimum monthly purchase commitment under the Latitude Distribution Agreement. The payment for the order was also received in full. Also, in March 2025, the Company received the March, April and May 2025 purchase orders, total of 75.6 tons of Product, under the Latitude Distribution Agreement, and payment for the March 2025 purchase order was received. To date Latitude has complied with all order requirements. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, both Latitude and Beyond Oil can terminate the agreement at any time, except cause, by written notice to the other party upon providing 180 days notice.

On February 21, 2025, the Company also announced, that the Latitude Distribution Agreement expanded the Latitude Territory to include the Ukraine. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. Additionally, both Latitude and Beyond Oil can terminate the agreement at any time, except cause, by written notice to the other party upon providing 180 days notice.

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

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

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

On March 19, 2025, the Company announced that it has signed a distribution agreement (the "**Portugal Agreement**") with Serious Formula Ltd (the "**Serious Formula**"), a Lisbon based company specializing in the



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

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

On April 11, 2025, the Company announced that it has signed a distribution agreement (the “**Royalty Trade Agreement**”) with Royalty Trade Ltd (the “**Royalty Trade**”). Under the terms of the Royalty Trade Agreement, the Royalty Trade will market, distribute, and sell the Product to restaurants across Spain, Hungary, and Belgium. The Royalty Trade Agreement includes an initial order of one full 5.4 -ton of Beyond Oil product and establishes a structured purchasing plan. As of the date of this MD&A payment for the initial order was received. To date Royalty Trade has complied with all order commitments. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. The Royalty Trade Agreement has a 12-month term and will automatically renew unless either party provides written notice of termination at least 3 months in advance.

On May 2, 2025, the Company announced that it has signed a distribution agreement (the “**Global Foods Agreement**”) with Global Foods M EPE. (the “**Global Foods**”). Under the terms of the Global Foods Agreement, Global Foods will market, distribute, and sell the Product to restaurants, hotels, catering companies, and food service providers across Greece. The initial six-month Global Foods Agreement includes provisions for extension (unless either party provides written notice of termination at least 3 months in advance). As of the date hereof Global Foods has not ordered any Product.

On May 29, 2025, the Company announced that it has signed an exclusive distribution agreement (the “**Baruchi Agreement**”) with Baruchi Global Capital SA DE CV (the “**Baruchi**”). Under the terms of the Baruchi Agreement, Baruchi will market, distribute, and sell the Product to restaurants, hotels, and catering companies across Mexico. As part of the Baruchi Agreement, Baruchi committed to pay a license fee of \$150,000 (the “**Baruchi License Fee**”) in total for the calendar years 2025 and 2026, with structured provisions for annual license fees in subsequent years. Additionally, and concurrently with entering into the Baruchi Agreement, Baruchi placed an initial order in the amount of 10.8 ton of Product. Both the Baruchi License Fee (in the full amount of \$150,000) and payment for the initial order have been received by the Company. As a condition of maintaining exclusivity, and assuming that neither party to the Baruchi Agreement has terminated the Baruchi Agreement prior to completion of its term, Baruchi is required to purchase a certain amount of product during each year for the duration of the agreement. To date Baruchi has complied with all order requirements. There can be no guarantee that the placing of orders will continue with purchases of the same quantity and at the same rate. The Baruchi Agreement has a 5-year term unless terminated early in accordance with its terms.



On July 28, 2025, the Company announced that Sodexo Israel (“**Sodexo**”), a provider of catering and building maintenance services in Israel has decided to bring the Product to additional sites across Sodexo’s catering network.

On September 4, 2025, the Company announced that it has signed an exclusive distribution agreement (the “**Four European Distribution Agreement**”) with Pilpel Hungary Kft. (“**Pilpel**”). The Four European Distribution Agreement has a term of five-years and grants Pilpel exclusive rights to market and sell the Product, in the food service industry, in Hungary, Austria, the Czech Republic and Slovakia. The exclusivity does not apply to international or global chain customers. As a condition of maintaining exclusivity, and assuming that neither party to the Four European Distribution Agreement has terminated the Agreement prior to completion of the Term, Pilpel is required to purchase a certain amount of Product during each year for the duration of the agreement. Additionally, Pilpel will pay the Company an annual royalty equal to 5% of total sales of the Product to end user customers. In the event that Pilpel fails to comply with its obligations to the Company including not ordering and paying for the applicable minimum, annual purchase commitment as set under the Four European Distribution Agreement, then the Company shall have the right to terminate the Four European Distribution Agreement upon written notice to Pilpel effective immediately. As of the date hereof Pilpel has placed, and paid, for an order in the amount of 10.8 tonnes thereby fulfilling its 2025 annual minimum commitment.

On September 29, 2025, the Company announced that it has entered into a distribution agreement (the “**Vietnam Distribution Agreement**”) with Trang Anh Manufacturing and Trading Co. Ltd. (“**Trang**”) an affiliate of Trang Anh Manufacturing and Trading Co., Ltd., a chemical and industrial products enterprise in Vietnam. The Vietnam Distribution Agreement has a term of five- years and requires the initial purchase of 10,800 kg of Product. As of the date hereof Trang has placed, and paid, for an order in the amount of 10,800 kg thereby fulfilling its initial obligation.

On September 30, 2025, the Company announced that WestCoast, performed a major step forward in their Canadian partnership with a new purchase order valued at approximately US\$405.

On January 08, 2026, the Company announced that it would begin distributing the Product with Sysco Corporation, a large foodservice distributor, who will make the Product available for sale through it’s Los Angeles branch.

The following tables provide, as of the date hereof, an update regarding the minimum purchase commitments disclosed in the Company’s previous disclosure vs. actual proceeds received as of the date hereof:

<b>CUSTOMER</b>		<b>Total Minimum Commitment For 5 Years</b>		<b>Actual Proceeds Received to Date</b>
DPS India	\$	9,580	\$	84
T&J Oil		4,948		76
Latitude – Ukraine		1,512		7
Serious Formula		<u>1,220</u>		<u>19</u>
Total	\$	17,260	\$	186

The variances appearing in the above table between Total Minimum Commitment and Actual Proceeds Received are due to the fact that the Distribution Agreements do NOT provide annual minimum orders that are equally distributed over the term of the agreements. The Company and each of the distributors have entered into these distribution agreements with the understanding that annual orders are not linear but rather exponential,



escalating in quantum as each year progresses, as the distributors increase market penetration in each of their applicable jurisdictions. To date the Company and the distributors believe that the Total Minimum Commitment for the relevant period will be fulfilled, however there can be no guarantee of future performance. In the event a distributor does not reach the term commitments the Company has the right to amend or terminate the distributors rights under a distribution agreement.

<b>CUSTOMER</b>	<b>Annual Minimum Commitment</b>	<b>Actual Proceeds Received to Date</b>
Latitude	\$ 8,300	\$ 943

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

In light of the inability of the above entities to comply with the minimum purchase commitments stipulated in their respective contracts the Company is reevaluating its commercial relationships with these entities, which may result in termination of exclusivity provisions or termination of the distribution contracts in their entirety. Termination or amendments to such contracts are expected to remove the reliance of the Company on these entities from ongoing revenue and therefore remove their disclosure materiality.

### **Management Highlights**

#### 2023

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

On February 14, 2023, Dr. Tamir Gedo resigned as the Chief Executive Officer of the Company and from the Board. The Board appointed Jonathan Or as interim CEO.

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

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

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

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

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

#### 2024

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



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

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

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

### 2025

At the AGM held on July 11, 2025, the following individuals were elected as directors of the Company: Dan Itzhaki; Jonathan Or; Robert Kiesman; Yaffa Brizinov; Erez Winner; and Pinhas Or.

On June 9, 2025, the Company announced the appointment of Giora BarDea as its vice president of Global Strategy.

On September 22, 2025, the Company announced the appointment of Michael Nemirow as President of North America.

On December 16, 2025, the Company announced the appointment of two consumer industry executives to its Advisory Board: Giora Bardea, former CEO and President of the Strauss Group, and Daniel Birnbaum, former CEO of SodaStream.

On January 08, 2026, the Company announced the appointment of Dganit Kramer to its Advisory Board.

## **SELECTED FINANCIAL INFORMATION**

The following selected financial data is derived from the Annual Financial Statements (except loss per share data).

	<b>Year Ended December 31, 2025</b>		<b>Year Ended December 31, 2024</b>		<b>Year Ended December 31, 2023</b>	
Total revenues	\$	4,512	\$	621	\$	285
Loss for the period		(15,992)		(5,069)		(2,420)
Loss per share (basic and diluted)		(0.23)		(0.09)		(0.05)
Total assets		17,211		7,305		4,272
Total current liabilities		1,962		2,065		1,088
Total non-current liabilities		166		225		300
Dividends	\$	Nil	\$	Nil	\$	Nil



## DISCUSSION OF OPERATIONS

### Impact of Economic and Industry Factors

The economic and industry factors affecting the Company during the period ending December 31, 2025, are substantially unchanged since the filing of the annual financial statements for the period ending December 31, 2024.

### Results of Operations for the Three Months Ended December 31, 2025 (compared to the Three Months Ended December 31, 2024):

#### Revenues

During the three months ended December 31, 2025, the Company had revenue of \$1,239 compared to \$320 for the three months ended December 31, 2024. The increase is due to revenue received from distributors (See "OPERATIONAL HIGHLIGHTS - 2025"). The Company increased its marketing efforts which helped the Company increase its exposure to distributors worldwide, which resulted in the signing of additional revenue generating agreements.

#### Research and Development Expenses

During the three months ended December 31, 2025, the Company incurred research and development expenses of \$210 compared to \$204 for the three months ended December 31, 2024.

	Three months ended December 31, 2025		Three months ended December 31, 2024	
Wages and Salaries	\$	92	\$	75
Sub-Contractors		53		49
Professional fees		45		49
Raw materials		7		12
Others		<u>13</u>		<u>19</u>
	\$	<b>210</b>	\$	<b>204</b>

#### General and Administrative Expenses

During the three months ended December 31, 2025, the Company incurred general and administration expenses of \$1,476 compared to \$749 for the three months ended December 31, 2024. The increase is mainly due to an increase in share-based compensation as a result of the grant of options and RSU's to certain directors, employees and service providers (See "Outstanding Options and Awards") as continued recognition of performance and to further incentivize the recipients to continue to work to enhance Company profitability which in turn should be reflected, although there can be no guarantee of performance, of increased share value.



Additionally, the increase was partially due from an increase of wages and salaries and expenses incurred due to an increase of new hirings (primarily focused on the staffing of personnel in Israel).

	<b>Three months ended December 31, 2025</b>	<b>Three months ended December 31, 2024</b>
Wages and Salaries	\$ 287	\$ 136
Professional fees	246	142
Share-based compensation expenses	733	282
Depreciation	95	77
Public company expenses	103	87
Others	<u>12</u>	<u>25</u>
	<b>\$ 1,476</b>	<b>\$ 749</b>

### **Sales and Marketing Expenses**

During the three months ended December 31, 2025, the Company incurred sales and marketing expenses of \$973 compared to \$403 for the three months ended December 31, 2024. The increase is mainly due to an increase in wages and salaries resulting from the hiring of U.S. domiciled employees, and from share-based compensation expenses.

	<b>Three months ended December 31, 2025</b>	<b>Three months ended December 31, 2024</b>
Wages and Salaries	\$ 506	\$ 116
Sales related expenses	135	150
Investor Relations	64	23
Sub-Contractors	67	28
Marketing expenses	69	66
Share-based compensation expenses	113	-
Others	<u>19</u>	<u>20</u>
	<b>\$ 973</b>	<b>\$ 403</b>

### **Loss from operations**

The net effect of the above major factors is that the Company incurred a loss from operations in the amount of \$2,079 for the three months ended December 31, 2025, compared to a loss from operations of \$1,215 for the three months ended December 31, 2024.

### **Finance Expenses**

During the three months ended December 31, 2025, the Company incurred finance expenses of \$733 compared to finance expenses of \$81 for the three months ended December 31, 2024. The increase is due to an increase of the currency exchange expenses resulting from the strengthening exchange rate of the NIS to both the United States Dollar and the Canadian Dollar and from interest, commission and other expenses.



	<b>Three months ended December 31, 2025</b>	<b>Three months ended December 31, 2024</b>
Fair Value adjustments of royalties liability at fair value	\$ -	\$ 39
Interest on lease liability	6	3
Currency exchange	481	37
Interest, commission and other	<u>286</u>	<u>2</u>
	<b>\$ 773</b>	<b>\$ 81</b>

### Finance Income

During the three months ended December 31, 2025 the Company recognized finance income of \$265 compared to finance income of \$1,067 for the three months ended December 31, 2024. The decrease is mainly due to the fair value adjustments of derivative liability adjustments.

	<b>Three months ended December 31, 2025</b>	<b>Three months ended December 31, 2024</b>
Fair value adjustments of derivative liability	\$ 133	\$ 1,049
Interest income	<u>132</u>	<u>18</u>
	<b>\$ 265</b>	<b>\$ 1,067</b>

### Net Loss

The net effect of the above factors is that the Company incurred a net loss, including losses from operations, in the amount of \$2,586 for the three months ended December 31, 2025, compared to a net loss of \$227 for the three months ended December 31, 2024.

### Cashflow

During the three months ended December 31, 2025, the Company had a net decrease in cash used in operating activities, after adjustments for non-cash items and changes in other working capital accounts of \$1,076 (December 31, 2024: \$566), due to an increase of expenses attributed mainly to sales and marketing expenses, incurred as part of the Company's efforts to explore and achieve additional sales revenue and to increase the Company's inventory balance. During the three months ended December 31, 2025, the Company used \$5,029 from investment activity (December 31, 2024: \$6) mainly for the purchase of property and equipment. Net cash used from financing activities was \$185 (December 31, 2024: \$1,464). Consequently, the Company's cash position decreased from \$10,572 on September 30, 2025, to \$3,820 as of December 31, 2025.



**Results of Operations for the Year Ended December 31, 2025 (Compared to Year Ended December 31, 2024):**

**Revenues**

During the year ended December 31, 2025, the Company recognized revenue of \$4,512 compared to \$621 for the year ended December 31, 2024. The increase is due to revenue received from distributors (See “*OPERATIONAL HIGHLIGHTS - 2025*”). The Company increased its marketing efforts which helped the Company increase its exposure to distributors worldwide, which resulted in the signing of additional revenue generating agreements.

**Research and Development Expenses**

During the year ended December 31, 2025, the Company incurred research and development expenses of \$790 compared to \$873 for the year ended December 31, 2024. The decrease is mainly due to a decrease in raw materials and in other expenses.

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
Wages and Salaries	\$ 351	\$ 310
Sub-Contractors	209	210
Professional fees	157	83
Raw materials	13	120
Others	<u>60</u>	<u>150</u>
	<b>\$ 790</b>	<b>\$ 873</b>

**General and Administrative Expenses**

During the year ended December 31, 2025, the Company incurred general and administration expenses of \$5,155 compared to \$2,050 for the year ended December 31, 2024. The increase is mainly due to an increase in share-based compensation as a result of the grant of options and RSU's to certain directors, employees and service providers (See “*Outstanding Options and Awards*”) as continued recognition of performance and to further incentivize the recipients to continue to work to enhance Company profitability which in turn should be reflected, although there can be no guarantee of performance, of increased share value. Additionally, the increase was partially due from an increase of wages and salaries and expenses incurred due to an increase of new hirings (primarily focused on the staffing of personnel in Israel).

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
Wages and Salaries	\$ 944	\$ 541
Professional fees	411	325
Share-based compensation expenses	2,953	537
Depreciation	366	319
Public company expenses	227	183
Others	<u>254</u>	<u>145</u>
	<b>\$ 5,155</b>	<b>\$ 2,050</b>



## Sales and Marketing Expenses

During the year ended December 31, 2025, the Company incurred sales and marketing expenses of \$3,593 compared to \$822 for the year ended December 31, 2024. The increase is mainly due to an increase in wages and salaries resulting from the hiring of U.S. domiciled employees, an increase from sales related expenses primarily from events attended by Company employees and consultants, Product integration pilot programs that the Company is conducting for potential clients, expenses related to the training of new customers and investor relations expenses related to the investor relations campaign conducted by the Company during the first two quarters of 2025.

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
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 expenses	195	-
Others	<u>140</u>	<u>72</u>
	<b>\$ 3,593</b>	<b>\$ 822</b>

## Loss from operations

The net effect of the above major factors is that the Company incurred a loss from operations in the amount of \$7,278 for the year ended December 31, 2025, compared to a loss from operations of \$3,495 for the year ended December 31, 2024.

## Finance Expenses

During the year ended December 31, 2025, the Company incurred finance expenses of \$9,034 compared to finance expenses of \$1,595 for the year ended December 31, 2024. The increase is mainly due to the fair value adjustments of derivative liability adjustments which are effected by the increase in the trading price of the Common Shares and from currency exchange expenses resulting from the strengthening of the NIS to United States Dollar and Canadian Dollar exchange rates.

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



**Finance Income**

During the year ended December 31, 2025, the Company incurred finance income of \$320 compared to finance income of \$21 for the year ended December 31, 2024. The increase is from interest earned on short term deposit.

	<b>Year ended December 31, 2025</b>		<b>Year ended December 31, 2024</b>	
Interest income	\$	<u>320</u>	\$	<u>21</u>
	\$	<b>320</b>	\$	<b>21</b>

**Net Loss**

The net effect of the above factors is that the Company incurred a net loss, including losses from operations, in the amount of \$15,992 for the year ended December 31, 2025, compared to a net loss of \$5,069 for the year ended December 31, 2024.

**Cashflow**

During the year ended December 31, 2025, the Company had a net increase in cash used in operating activities, after adjustments for non-cash items and changes in other working capital accounts of \$7,459 (December 31, 2024: \$2,820) due to an increase of expenses attributed mainly for sales and marketing expenses, incurred as part of the Company’s efforts to explore and achieve additional sales revenue in the near future. During the year ended December 31, 2025, the Company used \$5,093 from investment activity (December 31, 2024: \$19) mainly for short term deposits and for the purchase of movable property and equipment. Net cash provided by financing activities was \$12,648 (December 31, 2024: \$6,167). Consequently, the Company’s cash position increased from \$3,616 at the beginning of the 2025 fiscal year, to \$3,820 as of December 31, 2025.

**SUMMARY OF QUARTERLY RESULTS**

The following table summarizes the financial results of operations for the eight most recently completed fiscal quarters (expressed in thousands of \$ (except the “Loss per share” data which is expressed in absolute numbers)):

	<b>Revenues</b>	<b>Loss for the Period</b>	<b>Loss per share</b>
December 31, 2025 (Q4)	1,239	(2,586)	(0.04)
September 30, 2025 (Q3)	1,168	(1,545)	(0.03)
June 30, 2025 (Q2)	1,093	(853)	(0.01)
March 31, 2025 (Q1)	1,011	(11,008)	(0.18)
December 31, 2024 (Q4)	320	(227)	(0.01)
September 30, 2024 (Q3)	133	(2,697)	(0.05)
June 30, 2024 (Q2)	35	(1,436)	(0.03)
March 31, 2024 (Q1)	133	(709)	(0.01)



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

The variations in loss per period primarily result from variances of non-cash expenses, such as fair value adjustments of derivative liability (warrants) that impact the net loss due to the increase of the Company share price during the applicable periods in addition to variances resulting from share based compensation expenses of the Company's equity compensation. An additional factor contributing to variations in loss per period is the increase of marketing expenses due to sales related expenses and investor relation expenses.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **General**

As of December 31, 2025, the Company's cash, cash equivalents and short-term deposit balance were \$8,820 (December 31, 2024 - \$3,616) with a positive working capital of \$11,713 (December 31, 2024 - a positive working capital of \$2,045).

In addition, the Company has the following contractual obligations (which are reflected in its general and administrative expenses) as of December 31, 2025 (\$):

<b>Contractual Obligation</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1 – 3 Years</b>	<b>4 – 5 Years</b>	<b>After 5 Years</b>
Operating Leases <sup>(1)</sup>	(268)	(76)	(129)	(38)	(25)
Other Obligations <sup>(2)</sup>	<u>(1,186)</u>	<u>(1,186)</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
Total	(1,454)	(1,262)	(129)	(38)	(25)

#### Notes:

(1) The Company's operating leases consist of: (i) a lease arrangement for office space in Kibbutz Yifat, Israel commenced in February 2019 and 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; (ii) a lease arrangement for several vehicles in Israel commenced during fiscal year 2022-2028, each for a 3 year period and some have expired as of the date hereof.

(2) Other obligations consist of trade and other accounts payables.

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

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



There has been volatility in the stock markets, which may raise questions about the Company's ability to raise new capital and thereby sustain its operations. There is no certainty that the Company will be cash flow positive in the near term or that it will continue to be successful in its efforts to raise new capital, which would cause the Company to reconsider its viability as a going concern at that time and how best to sustain a reduced level of operations, pending the receipt of cash from the sale of the Product or a return to better market conditions when a financing can be completed.

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

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

During the three months and year ended December 31, 2025, the Company did not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

### **RELATED PARTY TRANSACTIONS**

1. Concurrently with the incorporation date of BOIL Israel, BOIL Israel entered into an agreement with Mr. Pinhas Or, a director of the Company, to assign all of his rights in and to the intellectual property related to the technology developed reducing the degree of acidity in edible oils, including all patent applications and trade secrets (the "**IP Assignment Agreement**"). As consideration for the transfer of such rights BOIL Israel agreed to pay Mr. Pinhas Or a royalty equal to 5% on all amounts received from the issuance of licenses for use /franchises, from the sale of the formula powder to the use of sub-license recipients worldwide, from making exit, fund raisings after deducting customs, fees and other direct taxes levied on the products or services provided and paid by Mr. Pinhas Or directly. On June 17, 2021, BOIL Israel entered into an agreement amending the IP Assignment Agreement with Mr. Pinhas Or (the "**IP Assignment Amendment**"). The IP Assignment Amendment reduced the royalty payable thereunder from 5% to 3% of net sales in the event that Pinhas' engagement with BOIL Israel is terminated by BOIL Israel for any reason, other than cause. The aforementioned royalty is payable for a period of 8 (eight) years following termination or an Exit Event (as defined below). To date Mr. Pinhas Or has not been entitled to any royalty payments and as such no royalty payments have been made.

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

2. As per the terms of an agreement, entered into in January 2021 and as subsequently amended (the "**Trade Secret Agreement**"), the Company is obligated to purchase the material components of the Product (the "**Material Components**") from a company owned by Mr. Pinhas Or, a director of the Company, which produces the material components of the Product for the Company using a proprietary formula (the "**Formula**") owned by the Company. The Formula is controlled by Mr. Or under a trade secret "black box" protocol designed to safeguard the Company's intellectual property by preventing disclosure of its composition and manufacturing process to the Company's employees, suppliers, customers, or any third parties.



This arrangement enables the Company to fully utilize the Formula in its operations while protecting its proprietary nature. It also provides a stable, controlled, and reliable supply mechanism for one of the Company’s most critical raw materials, while ensuring that all intellectual property rights necessary to produce the Product remain under the Company’s ownership and control.

There is no mechanism in the Trade Secret Agreement that allows the Company to terminate the agreement unless there is an Event of Default (as hereinafter defined). Unless or until there is an Event of Default, the Company does not have access to the Formula and is obligated to continue purchasing the Material Components exclusively from a related party controlled by Mr. Pinhas Or. Furthermore, the Trade Secret Agreement has an indefinite term and, unless there is an Event of Default, will survive Mr. Pinhas Or’s involvement with BOIL.

Upon the occurrence of an Event of Default the Company has the right to obtain the Formula and trade secret documentation necessary to produce the Material Components independently. This mechanism ensures that the Company has the ability to continue its operations without interruption if such an event occurs.

The transactions governed by the Trade Secret Agreement are subject to ongoing review and oversight by the Company’s Audit Committee, which monitors them to ensure they are conducted on fair and reasonable terms for the benefit of the Company and its Shareholders.

*“Event of Default” means: “the breakdown of the supply process by the Supplier Entity, including but not limited to: (i) failure to respond to the Company’s purchase order;(ii) refusal, without reasonable justification, to accept such order; and/or (iii) cessation of production of the Formula without cause related to the Supplier Entity. In each case, for a period exceeding forty-five (45) days.*

*The forty-five (45) day period provided herein shall constitute a correction period during which the Supplier Entity may remedy the outage or resume performance. If the Supplier Entity fails to communicate with the Company and to resolve the interruption within this correction period, such failure shall constitute an Event of Default*

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

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
<b>Compensation of key management personnel of the Company:</b>		
Company President Management fees	\$ 219	\$ 206
CEO Management fees	252	196
Vice President (2)	51	53
A company controlled by a director (1)	33	26
Company President share issuance commission (4)	500	-
<b>Other related party transactions:</b>		
Share-based payments	2,322	249
Purchase of raw materials (3)	2,521	340
Directors Fee	67	58



### Balances with related parties:

<u>As of December 31,</u>	<u>2025</u>		<u>2024</u>	
Loan to related party	-		(50)	
A company fully owned by the Company President (5)	\$	521	\$	58
A company controlled by a director (3)		1		1

- 1) On April 1, 2022, the Company signed a service agreement (the “**Robert Service Agreement**”) with a company controlled by Mr. Robert Kiesman (“**Robert**”), director of the Company, pursuant to which the company will provide Beyond Oil with corporate secretary services for C\$3 (\$2) per month, which fee will increase to C\$4 (\$3) upon the Company completing an equity financing of at least C\$10 million. On June 2025, the Company completed the C\$10 million in equity financing, and since that date the fee increased to C\$4 per month.
- 2) On June 1, 2023, the Board appointed Robert as the Company Vice President. Robert is entitled to C\$6 per month and for an option package, as further described below in “Outstanding Share Data”. This amount is in addition to the Robert Service Agreement. 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.
- 3) As per the terms of the Trade Secret Agreement, the Company is obligated to purchase the Material Components from a company owned by Mr. Pinhas Or.
- 4) 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.
- 5) Advance payments amount to payments made to a company fully owned by Mr. Pinhas Or for purchase of the Material Components, included in other accounts receivables.

### **OUTSTANDING SHARE DATA**

The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of December 31, 2025, there were, 75,989,265 Common Shares issued and outstanding Common Shares. As of the date hereof there are 76,253,855 Common Shares issued and outstanding.

Additionally, As of December 31, 2025, and as of the date hereof, there are 1,521,200 CLAL Series A and Warrants and 1,521,200 CLAL Series B Warrants outstanding.

### **Outstanding Options and Awards:**

As of the date hereof, the Company has 7,021,066 outstanding options issued under the Omnibus Plan (hereinafter referred to as “**options**” or “**stock options**”):

<b>Number of outstanding options</b>	<b>Exercise price</b>	<b>Expiry Date</b>	<b>Number of Exercisable Options</b>
134,133 (1)	C\$0.0004	June 24, 2031	134,133
950,000 (2)	C\$0.50	November 8, 2031	950,000
1,224,127 (3)	C\$0.75	May 12, 2032	1,224,127
850,000 (4)	C\$0.75	May 29, 2028	650,000
150,000 (5)	C\$0.75	June 13, 2033	150,000
12,804 (6)	C\$0.75	24 January, 2034	12,804
875,000 (7)	C\$0.75	24 January, 2034	550,000
375,000 (8)	C\$1.10	26 May, 2034	117,188
180,000 (9)	C\$1.63	December 2, 2034	-
255,000 (10)	C\$2.25	February 28, 2035	-
180,000 (11)	C\$2.86	August 13, 2035	-
590,000 (12)	C\$2.90	September 20, 2035	-
150,000 (12)	C\$2.90	July 17, 2035	-
75,000 (13)	C\$2.94	October 5, 2035	-
580,000 (14)	C\$3.11	December 16, 2035	-
410,000 (15)	C\$3.00	February 8, 2036	-
30,000 (16)	C\$2.90	March 25, 2036	-
<b>Total: 7,021,066</b>			<b>Total: 3,788,254</b>

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



CEO in accordance with a signed agreement entered into during January 2023 (See Note 3 under the Related Party Disclosure in this MD&A).

- 2) On November 8, 2021, the Company granted 975,000 stock options to directors, officers, and consultants of the Company at an exercise price of C\$0.50, expiring on November 8, 2031. The options fully vested on the date of the grant. During the first quarter of 2024, 25,000 of these options were exercised.
- 3) On May 12, 2022, the Company issued a total of 2,938,139 options to certain directors, officers, and service providers with each option exercisable at C\$0.75 until May 2024. The vesting period of the options was 1/3 at the grant date, 1/3 12 months after the grant date, and 1/3 24 months after the grant date. Of these options, 1,514,011 granted to the Company's former CEO were forfeited by such CEO in accordance with a signed agreement entered into during January 2023 (See Note 3 under the Related Party Disclosure in this MD&A).
- 4) On May 23, 2023, as amended by the Company on May 26, 2024, and amended on March 26, 2026, the Company issued to Robert: (i) 200,000 options with each option exercisable at C\$0.75 expiring on May 22, 2028; and (ii) 650,000 options which vest upon certain performance milestones being attained (the "**Performance Vesting Options**") with each Performance Vesting Option exercisable at C\$0.75 until May 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 merger transaction; and (v) 150,000 options, upon the Company completing its uplisting of the Company's Shares on the Toronto Stock Exchange.
- 5) On June 14, 2023, the Company issued to a director of the Company options with each option exercisable at C\$0.75 and expiring on June 13, 2033.
- 6) On January 24, 2024, the Company issued a total of 23,294 options to certain directors with each option exercisable at C\$0.75 until 2034. The options vested immediately.
- 7) On January 24, 2024, as amended by the Company on May 26, 2024, the Company issued to a service provider, : (i) 250,000 options with each option exercisable at C\$0.75 expiring on January 24, 2034, with 100,000 vesting immediately, 75,000 options vesting 12 months after the grant date and 75,000 options vesting 18 months after the grant date; and (ii) 750,000 Performance Vesting Options with an exercise price of C\$0.75. The Performance Vesting Options shall vest according to the following vesting schedule: (i) 200,000 options to vest upon the Company entering into a distribution agreement for food service covering at least nine provinces of Canada with the involvement of the service provider and only upon the first purchase order under such distribution agreement being confirmed; (ii) 125,000 options vesting upon the Company recognizing \$1 million in actual revenue from commercial agreement(s) with distributor(s) and/or food-chain(s), with the direct involvement of the service provider; (iii) 125,000 options upon the Company recognizing US\$1 million in actual revenue from commercial agreement,(s) with industrial frying company(ies), with the direct involvement of the service provider; (iv)100,000 options upon the Company obtaining orders of at least \$3 million from customers within 44 months of the Closing Date, which options are vested effective the date hereof; (v) 75,000 options upon the Company achieving \$6 million in



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

- 8) On May 26, 2024, the Company issued a total of 375,000 options to certain employees and service providers with each such option exercisable at C\$1.10 until May 25, 2028 subject to certain vesting dates. The options vest over four years with vesting as follows; 25% of the total amount granted, calculated on a per recipient basis, will vest on May 27, 2025 and the remaining 75% of the total amount will vest quarterly, in equal amounts, over three years with the first such grant occurring on August 26, 2025.
- 9) On December 2, 2024 the Company issued a total of 290,000 options to certain directors, employees, and service providers with each such option exercisable at C\$1.63 until December 2, 2028 subject to certain vesting dates. The options to employees and service providers vest over four years with vesting as follows; 25% of the total amount granted, will vest on December 2, 2025, and the remaining 75% of the total amount will vest quarterly, in equal amounts, over three year with the first such grant occurring on March 2, 2026.
- 10) On February 28, 2025, the Company issued a total of 330,000 options to certain employees with each such option exercisable at C\$2.25 subject to certain vesting dates. The vesting period is over four years with 25% of the total amount granted, calculated on a per Recipient basis, vesting on relevant dates in February 25, 2026, and the remaining 75% of the total amount will vest quarterly, in equal amounts, over three year with the first such grant occurring on relevant dates on May, 2026.
- 11) On August 14, 2025, the Company issued a total of 180,000 options to certain employees with each such option exercisable at C\$2.86 subject to certain vesting dates. The vesting period is over four years with 25% of the total amount granted, calculated on a per recipient basis, vesting on relevant dates in June, 2026, and the remaining 75% of the total amount will vest quarterly, in equal amounts, in respect of 80,000 of these options over three year and with respect to the remaining 100,000 over two years, with the first such grant occurring on relevant dates.
- 12) 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.

- 13) On October 5, 2025, the Company issued a total of 75,000 options to certain officers and employees 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.
- 14) On December 16, 2025, the Company issued a total of 580,000 options to certain officers and employees with each such option exercisable at C\$ 3.11 subject to certain vesting dates. 475,000 of the options shall vest over three years (of which 400,000 vest quarterly, in equal amounts, over 3 years with the first such grant occurring on March 15, 2026; of which 25,000 vest on June 19, 2026; and the remaining 50,000 in equal amounts over two years with the first such grant occurring on September 19, 2026) and 105,000 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 three years, with the first such grant occurring on that date which is 15 months after the engagement commencement date.
- 15) 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.
- 16) On March 26, 2026, the Company issued a total of 30,000 options to certain employees 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, 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.

#### **Outstanding Restricted Share Units and Awards:**

As of the date hereof, the Company has 2,598,250 outstanding restricted share units issued under the Omnibus Plan (hereinafter referred to as “RSUs” or “restricted share units”):



Number of shares underlying outstanding RSU's	Issue Date	Vesting date	Number of Vested RSU's
1,975,000 (1) (2)	December 2, 2024	The total amount will vest one year from the date of grant.	1,975,000
68,750 (1)	December 2, 2024	25% after one year, 75% quarterly over the next 3 years	-
30,000 (3)	August 14, 2025	Three equal installments with the first installment issuable on May 1, 2026 and thereafter on each annual anniversary.	-
200,000 (4)	September 21, 2025	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.	-
50,000 (5)	October 5, 2025	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.	-
100,000 (6)	December 16, 2025	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.	-
75,000 (7)	December 16, 2025	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.	
100,000 (8)	March 26, 2026	The RSUs shall vest in equal quarterly installments over a two-year period, with the first installment vesting three months after the grant date.	
Total: 2,598,750			1,975,000

- 1) On December 2, 2024, the Company issued a total of 2,325,000 restricted share units to certain directors, employees and service providers. 2,225,000 of the total amount will vest one year after the date of grant and of the remaining 100,000 restricted share units, 25% will vest one year from the date of grant and 75% will vest quarterly in equal amounts over 3 years with the first such grant occurring on that date which is 15 months after the grant date. A total of 100,000 RSUs were forfeited upon a director ceasing to provide services to the Company. On March 26, 2026, the Board approved the amendment of the vesting terms of 1,980,000 RSUs granted to certain related parties in order to align their vesting to certain longer range liquidity events.
- 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 forfeited.
- 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.
- 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) 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, with the first installment vesting three months after the grant date.

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

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

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

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

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

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

## **FINANCIAL INSTRUMENTS**

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

### *Risk Management*

The Company is exposed to risks that arise from its use of financial instruments. The Company's exposures to financial risk and how the Company manages each of those risks is described in this MD&A. There were no significant changes to the Company's exposure to those risks or to the Company's management of its risk exposures during the three months and twelve months ended December 31, 2025.



### Determination of Fair Value

The Company's financial assets and financial liabilities are classified as follows:

December 31, 2025	Amortized cost						Total
	Book value	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	>5 years	
	\$						
Account receivables	1,715	1,715	-	-	-	-	1,715
Other receivables	878	878	-	-	-	-	878
Lease Liability	(242)	(76)	(82)	(47)	(38)	(25)	(268)
Trade accounts payable	(183)	(183)	-	-	-	-	(183)
Other accounts payable	<u>(1,003)</u>	<u>(1,003)</u>	-	-	-	-	<u>(1,003)</u>
<b>Total</b>	<b>1,165</b>	<b>1,331</b>	<b>(82)</b>	<b>(47)</b>	<b>(38)</b>	<b>(25)</b>	<b>1,139</b>

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

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

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

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

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



## **RISK FACTORS**

For a complete discussion of risk factors please see the section titled “*Risk Factors*” in the Company’s most recently filed Annual Information Form dated April 6, 2026, accessed under the Company’s profile on the System for Electronic Document Analysis and Retrieval (SEDAR+) at [www.sedarplus.ca](http://www.sedarplus.ca).

## **NOTE REGARDING FORWARD LOOKING INFORMATION**

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

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

Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including: general business and economic conditions; the demand for our products; anticipated costs; the ability to achieve its goals, business plan, and growth strategy; the availability of financing on reasonable terms as needed; its ability to attract and retain skilled staff; its ability to complete any contemplated transactions; and that there will be no regulation or law that will prevent it from operating our business. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: business, economic and capital market conditions; the ability to expand our business internationally; the ability to manage operating expenses, which may adversely affect its financial condition; ability to obtain additional financing as needed; ability to remain competitive as other better financed competitors develop and release competitive products; legal and



regulatory uncertainties; market conditions and the demand and pricing for its products; its relationships with customers, distributors, suppliers and business partners; its ability to successfully define, design and release new products in a timely manner that meet its customers' needs; its ability to attract, retain and motivate qualified personnel; competition in our industry; our ability to maintain technological leadership; the impact of technology changes on our products and industry; failure to develop new and innovative products; our ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could materially and adversely affect its business; its ability to manage working capital; and its dependence on key personnel, the risk that consumer interest in and sentiment towards the Company's products adversely changes; the impact of viruses and diseases on the Company's ability to operate; equipment failures; unanticipated increases in operating costs; security; government regulations; and failure of counterparties to perform their contractual obligations.

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

### **disclosure controls and procedures and internal controls over financial reporting**

As a result of the delisting of the Common Shares from the Canadian Securities Exchange and listing of the Common Shares on the TSX, the Company is exempt from representations relating to the establishment and maintenance of disclosure controls and procedures and internal controls over financial reporting, as defined in National Instrument 52-109 – Certification of Disclosure in Issuers'

Annual and Interim Filings ("NI 52-109"). In particular, the certifying officers filing the certificates required under NI

52-109 are not making any representation relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In accordance with securities legislation, the Company will begin making the required representations for the three months ended March 31, 2026

### **ADDITIONAL INFORMATION**

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