CANNIBBLE FOOD-TECH LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2024

CANNIBBLE FOOD-TECH LTD.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2024

INDEX

- - - - - - - - - - -

Independent Auditors’ Report to the Shareholders of CANNIBBLE FOOD-TECH LTD.

Opinion

We have audited the consolidated financial statements of CANNIBBLE FOOD-TECH LTD. and its subsidiaries (the” Company "), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of comprehensive loss, changes in shareholder's equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024, and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively, “IFRS Accounting Standards”).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1b to the consolidated financial statements, during the year ended December 31, 2024, the Company incurred a loss of $ 214 thousands and negative cash flows from operating activities of $68 thousands and as December 31,2024 has an accumulated deficit of $6,797 thousands, which indicates that the Company’s ability to consummate its plans in connection with increasing the volume of current activity and continue the development of its products, is dependent on its ability to continue to finance its activities by raising additional funds. As stated in note 1b, these conditions, along with other matters as set for in Note 1b, indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

Key audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Those matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis for the year ended December 31, 2024.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

Tel-Aviv, Israel

28 May 2025

Ziv Haft

/s/ Ziv Haft
Certified Public Accountants (Isr)
BDO Member Firm

CANNIBBLE FOOD-TECH LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of US Dollars)

	Note	December 31, 2024	December 31, 2023
		US$ in thousands	
CURRENT ASSETS:			
Cash and cash equivalents	5	1	52
Trade accounts receivable	6	2	5
Prepaids and other receivables	7	-	16
Restricted cash	8	3	20
Total current assets		6	93
NON-CURRENT ASSETS:			
Investment	4, 20	163	242
Equipment	9	9	15
		172	257
TOTAL ASSETS		178	350
CURRENT LIABILITIES:			
Trade accounts payable		79	88
Other accounts payable	10a	211	146
Warrants	11, 12b	-	14
Total current liabilities		290	248
NON-CURRENT LIABILITIES:			
Deferred compensation to related parties	10b,18	2,469	2,469
Total non-current liabilities		2,469	2,469
Total liabilities		2,759	2,717
SHAREHOLDERS' EQUITY (DEFICIENCY):			
Share capital	12	63	63
Additional paid in capital		3,981	3,981
Reserve from share-based payment transactions		172	172
Accumulated deficit		(6,797)	(6,583)
Total shareholders' equity (deficiency)		(2,581)	(2,367)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		178	350

May 28, 2025			
Date of approval of the financial statements	Yoav Bar Yosef Chief Executive officer And chief of directors	Elad Barkan director	

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

CANNIBBLE FOOD-TECH LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands of US Dollars except share and per share data)

	Note	For The Year Ended December 31, 2024	For The Year Ended December 31, 2023
		US$ in thousands	
Revenues from consulting services		13	90
Revenues from sale of goods		8	11
Total Revenues		21	101
Cost of Revenues – consulting services		-	73
Cost of Revenues - sale of goods		9	86
Total Cost of revenues		9	159
Gross Profit		12	(58)
Operating expenses:			
Selling and marketing expenses	13	2	318
Research and development expenses	14	-	384
General and administrative expenses	15	148	691
Total operating expenses		150	(1,393)
Operating loss		(138)	(1,451)
Financial expenses	16	(90)	(33)
Financial income	16	14	399
Total Finance expenses		(76)	366
Net loss and comprehensive loss for the year		(214)	(1,085)
Basic and diluted loss per share		(0.008)	(0.045)
Weighted average number of shares outstanding used to compute basic and diluted loss per share (*)		26,023,896	23,824,798

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

CANNIBBLE FOOD-TECH LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(In thousands of US Dollars)

Except share data

	Number of Shares	Ordinary share capital amount	Additional paid in capital	Reserve from share-based payment transactions	Accumulated deficit	Total
Balance at January 1, 2023	23,519,596	63	3,642	79	(5,498)	(1,714)
Changes during 2023:						
share based payment	-	-	-	93	-	93
Issuance of shares	2,504,300	*	339	-	-	339
Shares based payments	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(1,085)	(1,085)
Balance at December 31, 2023	26,023,896	63	3,981	172	(6,583)	(2,367)
Changes during 2024:						
Total comprehensive loss for the period	-	-	-	-	(214)	(214)
Balance at December 31, 2024	26,023,896	63	3,981	172	(6,797)	(2,581)

(*) Represent amount lower than 1 US Dollar.

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

	For The year ended December 31, 2024	For The year ended December 31, 2023
	US$ in thousands	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss and comprehensive loss for the period	(214)	(1,085)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	6	7
Change in fair value	65	(339)
Share based payment	-	93
Decrease in trade and other accounts receivable	19	105
Decrease (increase) in inventory	-	73
Increase (decrease) in trade accounts payable	(9)	8
Increase (decrease) in other accounts payable	65	745
Net cash used in operating activities	(68)	(393)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment	-	(242)
Withdraw from restricted cash	17	15
Net cash provided by (used in) investing activities	17	(227)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of units, net	-	246
Issuance of units, net from convertible loan	-	159
Net cash provided by financing activities	-	405
Net Increase (decrease) in cash and cash equivalents	(51)	(215)
Cash and cash equivalents at the beginning of the period	52	267
Cash and cash equivalents at the end of the period	1	52

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

NOTE 1: NATURE OF BUSINESS, AND GOING CONCERN

a. <u>Nature of business</u>

Cannibble Food-Tech Ltd. (the "Company") was incorporated as a private limited liability company under the Israeli Companies Law, 5759-1999 on August 14, 2018. On March 3, 2022 the ordinary shares of the Company were listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol 'PLCN'. As of the date of this report, the Company has 26,023,896 ordinary shares issued and outstanding.

Cannibble is an innovative Israeli food tech company that develops food and beverage products variously enhanced with alternative proteins. Cannibble has developed proprietary powder-based formulas for food and beverage products targeted for the "Better-for-You" segment of the market. Better-for-you (BFY) products are products that are low in fats and/ or carbs and/or salt, and/or reduced sugar and/ or high in fibre or vitamins. The products are sugar free, dairy free, plant based, non-GMO, keto friendly, low carbs and marketed under Cannibble's brand name "The Pelicann". The Company's portfolio also includes the marketing of gluten-free products and other unique foods.
Cannibble's corporate headquarters and registered address are located at P.O. Box 4250 Rosh Haayiin Israel.

As part of the Company's attempt to generate additional income streams, the Company provided consulting services to other food companies in its areas of specialization which is product development and business development.

The Corporation's portfolio also includes the marketing of gluten-free products and other unique food items for the Better-for-you segment.

The Company has one wholly-owned subsidiary, EAZY Tech Inc., a limited liability company organized under the laws of the state of Delaware.

The financial statements were approved by the Board of Directors on May 28, 2025.

<u>War risk in Israel:</u>

In the Company's product portfolio, there are products made in Israel.

The ongoing war in Israel continues to have a substantial impact on the Company as its products for domestic and global markets are manufactured in Israel. Key challenges include severe disruptions to supply chains such as, delays in transportation, and a shortage of raw materials imported from abroad particularly due to threats to commercial vessels navigating the Persian Gulf. Additionally, the war has led to a significant reduction in available labor, as many employees are called up for reserve military duty. These compounded factors increase operational uncertainty, elevate production and shipping costs, and may diminish the competitiveness and reliability of Israeli-made products in international markets.

NOTE 1: NATURE OF BUSINESS, AND GOING CONCERN (Cont.)

b. Going concern

During the year ended December 31, 2024, the Company incurred a loss of $214 thousand and negative cash flows from operating activities of $68 thousand and as of December 31, 2024 has an accumulated deficit of $6,797 thousand.

The Company's ability to consummate its plans in connection with increasing the volume of current activity and to continue the development of its products, is dependent upon its ability to continue to finance its activities by raising additional funds. As a result, there is material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

These consolidated financial statements were prepared on a going concern basis, which assumes that the Corporation will be able to obtain the necessary financing as needed to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policies have been applied consistently in the financial statements for all periods presented, unless otherwise stated.

a. Basis of presentation of the financial statements:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards, as issued by the International Accounting Standard Board ("IASB") and Interpretations (collectively "IFRS Accounting Standards"). The financial statements have been prepared under the historical cost convention, except for financial instruments which are measured at fair value through profit or loss.
The Company has elected to present profit or loss items using the "function of expense" method. In addition, these consolidated financial statements are presented in US dollars and all currency amounts have been recorded to the nearest thousand, unless otherwise indicated.

b. Foreign currency

The financial statements are prepared and presented in U.S. Dollars, the Company's functional currency.
Transactions and balances in foreign currencies are converted into U.S. Dollars in accordance with the principles set forth by International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates".

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Cont.)

Transactions and balances have been converted as follows:

- Monetary assets and liabilities – at the rate of exchange applicable at the statements of the financial position date.
- Revenue and expense items – at exchange rates applicable as of the date of recognition of those items.
- Non-monetary items are converted at the rate of exchange used to convert the related statements of financial position items i.e. at the time of the transaction.

Exchange gains and losses from the aforementioned conversion are recognized in the statement of comprehensive loss.

c. Cash and cash equivalents

Cash equivalents are considered as highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less from the date of acquisition.

d. Research and development expenses, net of participations:

Research and development expenses are recognized in profit or loss when incurred. An intangible asset arising from a development project or from the development phase of an internal project is recognized if the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale; the Company's intention to complete the intangible asset and use or sell it; the Company's ability to use or sell the intangible asset; how the intangible asset will generate future economic benefits; the availability of adequate technical, financial and other resources to complete the intangible asset; and the Company's ability to measure reliably the expenditures attributable to the intangible asset during its development. Since the Company's research and development projects are often subject to regulatory approval procedures and other uncertainties, the conditions for the capitalization of costs incurred before receipt of approvals are not normally satisfied and, therefore, development expenditures are recognized in profit or loss when incurred.

e. Revenue recognition

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

Revenues from the sale of goods are recognized at the point in time when control of the asset is transferred to the customer, generally upon delivery of the product.

Revenues from services are recognized throughout the period over which services were provided.

All the Company’s customers are from the US.

Major customers over 10% of the Company’s revenues:

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Cont.)

	For the year ended December 31 2024	For the year ended December 31 2023
Customer A	41%	-
Customer B	58%	-
Customer C	-	11%
Customer D	-	89%

f. Financial instruments

Financial assets

The Company classifies its financial assets based upon the business model for managing the financial asset and its contractual cash flow characteristics.

The Company's financial assets are all classified as amortized cost except the investment in Eshbal as they arise principally from the provision of goods and services to customers (e.g. trade accounts receivable) or where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Investments in equity instruments

The financial assets were measured for the first time according to the consideration paid and are subsequently measured at fair value model through profit and loss where any change in value will be recorded in profit and loss (see note 4).

Financial liabilities

The Company classifies its financial liabilities, including trade accounts payable and other accounts payable, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

The warrants (see Note 11) are measured at fair value through profit or loss.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence of impairment of financial assets carried at amortized cost. The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Cont.)

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade accounts receivable, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The provision for doubtful debts is presented on note 15.

Write-off policy

The Company writes off its financial assets if any of the following occur:

- Inability to locate the debtor.
- Discharge of the debt in a bankruptcy; and
- It is determined that the efforts to collect the debt are no longer cost effective given the size of receivable.

The collections department must comply with the collection efforts outlined in the policy to collect delinquent customer accounts before any write-offs are made.

g. Loss per share:

Loss per share is calculated by dividing the net loss attributable to owners of the Company by the weighted number of ordinary shares outstanding during the period. Basic loss per share only includes shares that were actually outstanding during the period. Potential ordinary shares (convertible securities such as employee options) are only included in the computation of diluted loss per share when their conversion decreases earnings per share or increases loss per share from continuing operations. Further, potential ordinary shares that are converted during the period are included in the diluted loss per share only until the conversion date, and since that date they are included in the basic loss per share.

h. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (Cont.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When there are no quoted prices in active markets for identical assets or liabilities, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Classification by fair value hierarchy.
Assets and liabilities measured in the statement of financial position at fair value are grouped into classes with similar characteristics using the following fair value hierarchy which is determined based on the source of input used in measuring fair value:

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

i. Segment reporting.

An operating segment is a component of the Company which fulfills the following criteria:

1. It is engaged in business operations from which it may derive income, and with respect to which it may bear expenses.
2. Its operating results are reviewed on a regular basis by the Company’s chief operational decision maker, in order to reach decisions regarding the resources allocated to it, and in order to assess its performance.
3. Separate financial information is available for the above.

The Company concluded that it has two operating segments. One segment of selling products and one segment of providing consulting services.

j. Share based compensation.

The Company measures the share-based expense and cost of equity-settled transaction with employees by reference to the fair value of the equity instruments at the date at which they are granted. This approach is based on the Black Scholes model (“Black Scholes”), which takes into account the terms and conditions upon which the instruments were granted.

k. Principles of consolidation
The consolidated financial statements include the accounts of Eazy Tech INC. and transactions have been eliminated upon consolidation.

NOTE 3: NEW STANDARDS, INTERPRETETIONS AND AMENDMENDS ADOPTED FROM JANUARY 1, 2024

The following new standards and amendments are effective for the period beginning 1 January 2024:

Amendments to IAS 1 "Presentation of Financial Statements:
The IASB issued amendments to IAS 1 in January 2020 - *Classification of Liabilities as Current or Non-Current* and subsequently, in October 2022 *Non-Current Liabilities with Covenants.*

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.

- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenants on or before the end of the reporting period.

- The classification of a liability as current or non-current is unaffected by the likelihood that the entity with exercise its right to defer settlement.

- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

The amendments had no material impact on the Company's consolidated Financial Statements.

Amendment to IFRS 16 "Leases":
In September 2022, the IASB issued amendments to IFRS 16 – *Lease Liability in a Sale and Leaseback.*

Prior to the amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transactions, the amendments require the seller-lessee to determine "lease payments" or "revised lease payments" in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

NOTE 3: NEW STANDARDS, INTERPRETETIONS AND AMENDMENDS ADOPTED FROM JANUARY 1, 2024

The amendment had no material impact on the Company's Consolidated Financial Statements.

New standards, interpretations and amendments not yet effective

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

IFRS 18 Presentation and Disclosure in Financial Statements:
The Company is currently assessing the effect of this new accounting standard. IFRS 18 *Presentation and Disclosure in Financial Statements*, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 *Basis of Preparation of Financial Statements* (renamed from *Accounting Policies, Changes in Accounting Estimates and Errors*). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

IAS 21 Effects of Changes in Foreign Exchange Rates
On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). These Amendments are applicable for annual reporting periods beginning on or after 1 January 2025.

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The Amendments also introduce additional disclosure requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency.

NOTE 4: - FINANCIAL INSRUMENTS RISK MANAGEMENT FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE

The fair value hierarchy of financial instruments measured at fair value is provided below

	Level 1		Level 2		Level 3	
	2024	2023	2024	2023	2024	2023
	US$ in thousands					
Financial assets (lability) at fair value through profit or loss			163			(14)

NOTE 4: - FINANCIAL INSRUMENTS RISK MANAGEMENT
FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE (cont.)

There were no transfers between levels during the period.
There were not any changes with the valuation techniques and significant unobservable inputs used in determining the fair value during the period.
The valuation is based on a share price quoted on the stock exchange according to market approach.

The reconciliation of the opening and closing fair value balance of financial instruments and liabilities is provided below:

Financial assets at fair value through profit or loss	**Level 2**
	US$ in thousands
January 1,2023	-
Investment	241
December 31, 2023	241
Purchases	-
Disposals	-
Change in fair value	(78)
December 31,2024 (note 20)	163

Financial liabilities fair value through profit or loss	**Level 3**
	US$ in thousands
January 1,2023	(287)
Private placement	(66)
Change in fair value	339
December 31, 2023	(14)
Change in fair value	14
December 31,2024 (note 12)	-

NOTE 5: - CASH AND CASH EQUIVALENTS

	December 31,	
	2024	**2023**
	US$ in thousands	
Cash	1	52
Total	1	52

NOTE 6: NET TRADE ACCOUNTS RECEIVABLE

	December 31, 2024	December 31, 2023
	US$ in thousands	
Customers	33	34
Uncollectable accounts	(31)	(29)
Total	2	5

NOTE 7: PREPAIDS AND OTHER RECEIVABLES

	December 31, 2024	December 31, 2023
	US$ in thousands	
Government authorities	-	6
Prepaid expenses and other	-	10
Total	-	16

NOTE 8: RESTRICTED CASH

The Company's restricted cash is mainly a guarantee to the credit cards liability in the banks in total sum of $3 for December 31,2024 and $20 for December 31, 2023.

NOTE 9: - EQUIPMENT, NET

	Equipment	Computers	Total
Cost:			
Balance at January 1, 2023	25	5	30
Additions	-	-	-
Balance at December 31, 2023	25	5	30
Accumulated depreciation:			
Balance at January 1, 2023	(6)	(2)	(8)
depreciation	(5)	(2)	(7)
Balance at December 31, 2023	(11)	(4)	(15)
Depreciated cost at December 31, 2023	14	1	15

NOTE 9: - EQUIPMENT, NET (cont.)

December 31, 2024:

	Equipment	Computers	Total
Cost:			
Balance at January 1, 2024	25	5	30
Additions	-	-	-
Balance at December 31, 2024	25	5	30
Accumulated depreciation:			
Balance at January 1, 2024	(11)	(4)	(15)
Depreciation	(5)	(1)	(6)
Balance at December 31, 2024	(16)	(5)	(21)
Depreciated cost at December 31, 2024	9	-	9

NOTE 10: OTHER ACCOUNTS PAYABLES

a. Other accounts payables – short term

	December 31,	
	2024	2023
	US$ in thousands	
Accrued expenses.	211	146

b. Deferred compensation to related parties.

	December 31,	
	2024	2023
	US$ in thousands	
Accrued expenses (*)	2,469	2,469

(*) See also note 18(b).

NOTE 11: FINANCIAL INSTRUMENTS

a. Classification of financial assets and liabilities:

	December 31,	
	2024	2023
	US$ in thousands	
Financial assets at amortized cost:		
Cash and cash equivalents	1	52
Trade accounts receivable	2	5
Restricted cash	3	20
	6	77
Financial assets at fair value		
Investment	163	242
Total Financial assets	169	319
Financial liabilities at amortized cost:		
Trade accounts payable	79	88
Other accounts payable	2,680	2,615
	2,759	2,703
Financial liabilities at fair value:		
Warrants (note 12b)	-	14
Total Financial liabilities	2,759	2,717

b. financial risk factors:

The Company's activities expose it to various market risks (foreign currency risk, Israeli CPI risk and interest rate risk) and credit risk. The Company's comprehensive risk management plan focuses on activities that reduce to a minimum any possible adverse effects on the Company's financial performance.

Risk management is performed by the Company's Board. The Board identifies, measures and manages financial risks in collaboration with the Company's operating units. The Board establishes documented objectives for the overall risk management activities as well as specific policies with respect to certain exposures to risks such as exchange rate risk, interest rate risk, credit risk, the use of non-derivative financial instruments and the investments of excess liquid positions.

NOTE 11: FINANCIAL INSTRUMENTS (cont.)

Credit risk:

The Company has few customers and therefore has a concentration of credit risk on its trade receivables. The maximum exposure is $33 thousand (2023 - $34 thousand), the gross amount of the trade receivables. (see note 6). The receivables have been outstanding for more than one year.

All deposits are invested in financial institutions that are considered to be financially sound.

Foreign currency risk:

The Company has financial instruments denominated in NIS and CAD, which are exposed to foreign exchange risk. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	December 31, 2024			
Assets:	**US$ in thousands**			
	CAD	**US$**	**NIS**	**Total**
Cash and cash equivalents	-	-	1	1
	-	-	1	1

	December 31, 2024			
Liabilities:	**US$ in thousands**			
	CAD	**US$**	**NIS**	**Total**
Trade accounts payable	-	24	55	79
Other accounts payable	-	2,469	211	2,680
Warrants	-	-	-	-
	-	2,493	266	2,759

NOTE 11: FINANCIAL INSTRUMENTS (cont.)

Assets:	December 31, 2023 US$ in thousands			
	CAD	US$	NIS	Total
Cash and cash equivalents	-	30	22	52
	-	30	22	52

Liabilities:	December 31, 2023 US$ in thousands			
	CAD	US$	NIS	Total
Trade accounts payable	-	30	58	88
Other accounts payable	-	2,469	146	2,615
Warrants	14	-	-	14
	14	2,499	204	2,717

Sensitivity analysis

A 10% strengthening of the United States Dollar against the following currencies would have increased (decreased) equity and the income statement by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the United States Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	2024	2023
Linked to NIS	(265)	(182)
	10%	10%
	26.5	18.2

	2024	2023
Linked to CAD	-	(14)
	10%	10%
	-	1.4

NOTE 11: FINANCIAL INSTRUMENTS (cont.)

c. Liquidity risk:

Liquidity risk is the risk that arises when the maturity of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of loss. The Company has procedures to minimize such loss by maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities. As of the balance sheet date, the Company has negative working capital.

The following table details the Company's remaining contractual maturities for its financial liabilities based on the undiscounted cash flows at the earliest date on which the Company can be required to pay.

December 31, 2024:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
	USD in thousands						
Trade payables	79	-	-	-	-	-	79
Other payables	211	2,469	-	-	-	-	2,680
	290	2,469	-	-	-	-	2,759

December 31, 2023:

	Less than one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
	USD in thousands						
Trade payables	88	-	-	-	-	-	88
Other payables	146	2,469	-	-	-	-	2,615
	234	2,469	-	-	-	-	2,703

NOTE 12: - SHAREHOLDERS' EQUITY

a. Rights attached to shares:
An ordinary share confers upon its holder(s) a right to vote at the general meeting, a right to participate in distribution of dividends, and a right to participate in the distribution of surplus assets upon liquidation of the Company.

b. On May 2023 the Company entered into a Convertible Loan Agreement in the amount of CAD$210 thousand ($155 thousand). The issuing expenses were $12 thousand. The Convertible Loan will bear an annual interest of 15%.

The principal amount and interest will be due and payable on the first to occur of:

1 The date of the conditional approval of the CSE approving the listing of the ordinary shares of the Company following completion of the Company's proposed acquisition of Eshbal (see note 21); and

2 the date on which the board of directors resolve to terminate the fundamental change transaction.

On December 2023, the principal amount CAD$ 210 and the accrued interest of CAD$ 31.5 converted into 862,500 units of the Company at the conversion price of CAD$0.28 per unit with each unit comprised of one ordinary share of the Company and one purchase warrant exercisable to acquire one ordinary share at the exercise price of CAD$0.40 for two years from the date of issue.

On December 8,2023 the Company completed a non- brokered private placement: 862,500 units from the conversion of the convertible loan and an additional 1,254,300 units:

On December,8 2023, the Company completed a non-brokered private placement comprised of 1,254,300 units of its securities at 0.28 CAD per Unit, for aggregate gross proceeds of $261,145 (351,204 CAD). Each Unit is composed of one ordinary share of the Company, and one Share purchase warrant. Each warrant is exercisable at 0.40 CAD per share for two years from the date of issuance. In connection with the Private Placement, the Issuer paid finder's fees of 8% cash and 8% finder warrants.

The fair value of the 862,500 warrants and the 1,254,300 warrants – total of 2,116,800 warrants issued under private placement was $66 thousand (88 CAD thousand). Since the warrants have an exercise price denominated in a different currency (Canadian Dollars) than the functional currency of the Company (US Dollars), these warrants are recorded at their fair value as a derivative liability and are classified as a level 3 fair value in the fair value hierarchy.

NOTE 12: - SHAREHOLDERS' EQUITY (Cont.)

The fair value of the warrants was estimated using the Black Scholes option-pricing model with the following assumptions:

PV of exercise Share price	[illegible]
Expected Volatility	[illegible]
Risk Free Interest Rate	[illegible]
Expected Term (years)	[illegible]
Expected Dividend Yield	[illegible]

At December 8, 2023, the fair value of the warrants was $66 thousand (88 CAD thousand).

The fair value of the warrant liability for the private placement warrants is estimated using the Black Scholes option-pricing model with the following assumptions:

PV of exercise Share price	[illegible]
Expected Volatility	[illegible]
Risk Free Interest Rate	[illegible]
Expected Term (years)	[illegible]
Expected Dividend Yield	[illegible]

At December 31,2023, the fair value of the warrants decreased to $14 thousand (19 CAD thousand).

The fair value of the warrant liability for the private placement warrants is estimated using the Black Scholes option-pricing model with the following assumptions:

(In thousands of US Dollars)

	December 31 ,2024
PV of exercise Share price	0.4 CAD
Expected Volatility	74%
Risk Free Interest Rate	3.9%
Expected Term (years)	0.94
Expected Dividend Yield	-

At December 31, 2024, the fair value of the warrants decreased to zero.

NOTE 12: - SHAREHOLDERS' EQUITY (Cont.)

	Number of shares as of December 31, 2023	
	Authorized	Issued and outstanding
Common shares with a par value of NIS 0.01	1,000,000	26,023,896

	Number of shares as of December 31, 2024	
	Authorized	Issued and outstanding
Common shares with a par value of NIS 0.01	1,000,000	26,023,896

Share activity	Issued and outstanding December 31, 2023
Balance – Beginning of Period	**23,519,596**
March, 2023 issuance of shares to external directors (note 21)	200,000
December, 2023 issuance of shares to external directors (note 21)	187,500
December, 2023 issuance of shares from the non-brokered private	1,254,300

(In thousands of US Dollars)

placement (note 12b)	
December, 2023 issuance upon the conversion of convertible debt (note 12b)	862,500
Balance – End of Period updated until December 2023	**26,023,896**
Balance – End of Period updated until December 2024	**26,023,896**

NOTE 12: - SHAREHOLDERS' EQUITY (Cont.)

Warrants activity	**Issued and outstanding December 31, 2023**
Balance – Beginning of Period	**4,235,668**
January, 2023 waiver	(616,669)
December, 2023 issued of shares and warrants from the private placement (note 12 b)	1,414,644
December, 2023 issued of shares and warrants from the conversion of debt (note12 b)	862,500
Balance – End of Period updated until December 2023	**5,896,143**

Warrants activity	**Issued and outstanding December 31, 2024**
Balance – Beginning of Period	**5,896,143**
Expired March 2024	(1,589,288)
Expired August 2024	(1,921,104)
Balance – End of Period updated until December 2024*	**2,385,751**

* The average exercise price is 0.34 and the average remaining contractual life of the outstanding warrants is 0.94 years.

Warrants treated under IFRS 2 as at December 31, 2023 are as follows:

	The year ended December 31, 2023	
	Number of warrants	**Weighted average exercise price (CAD)**
Warrants outstanding at beginning of period	345,233	1.18
Exercised	-	-
Warrants outstanding at end of period	345,233	1.18
Exercisable warrants	345,233	1.18

NOTE 12: - SHAREHOLDERS' EQUITY (Cont.)

Warrants treated under IFRS 2 as at December 31, 2024 are as follows:

	The year ended December 31, 2024	
	Number of warrants	**Weighted average exercise price (CAD)**
Warrants outstanding at beginning of period	345,233	1.18
Expired	(345,233)	1.18
Warrants outstanding at end of period	-	-
Exercisable warrants	-	-

NOTE 13: Selling and marketing expenses:

	Year ended. December 31,	
	2024	**2023**
	US$ in thousands	
Salaries and related expenses	-	294
Advertising and marketing	2	23
Travel abroad	-	-
Other	-	1
Total	2	318

NOTE 14: Research and development expenses:

	Year ended December 31, 2024	Year ended December 31, 2023
	US$ in thousands	
Salaries and related expenses	-	294
Other	-	90
Total	-	384

NOTE 15: General and administrative expenses:

	Year ended December 31, 2024	Year ended December 31, 2023
	US$ in thousands	
Salaries and related expenses	-	228
Professional services	110	231
Legal	10	73
Uncollectible accounts	-	29
Other	28	130
Total	148	691

NOTE 16: Financial (income) and expense:

	Year ended. December 31, 2024	Year ended. December 31, 2023
	US$ in thousands	
Financial expenses		
Foreign exchange gains and losses	5	-
Change in fair value in investment	78	
Convertible loan interest	-	23
Other	7	10

(In thousands of US Dollars)

Total	**90**	**33**
Financial income		
Foreign exchange gains and losses	-	(60)
Warrants revaluation	14	(339)
Total	**14**	**(399)**
Total financial (income) expenses	**76**	**(366)**

NOTE 17: TAXES ON INCOME

a. Corporate tax rates in Israel:
The Israeli corporate tax rate in 2023 and 2024 was 23%.

b. Final tax assessments:
The Company has not received final tax assessments since inception.

c. Deferred taxes:
As of December 31,2024, the Company has estimated carry forward tax losses of approximately 6,000$ thousand which may be carried forward and offset against taxable income for an indefinite period in the future. The Company did not recognize deferred tax assets relating to carryforward losses in the financial statements because their utilization in the foreseeable future is not probable.

	Year ended December 31, 2024	**Year ended. December 31, ,2023**
Loss before taxation	(214)	(1,085)
Theoretical tax credit at applicable statutory 2024 and 2023: 23%	(49)	(249)
Non allowable expenses	-	29
Temporary differences and tax losses for which no DTA is recognized	(49)	(220)
Income tax benefit	-	-

d. Current taxes:

(In thousands of US Dollars)

The Company did not record any current taxes for the years ended December 31, 2023, and 2024 as it is still incurring losses on an ongoing basis.

NOTE 18: - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. Parties are related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party or if they are key management personnel. The Company has transactions with key management personnel .Transactions with related parties, if any, are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and approved by the related parties.

b. **Payable related parties:**

		For the year ended December 31, 2024	**For the year ended December 31, 2023**
Related Party	**Nature**	**US$ in thousand**	
Elad Barkan – CTO, Director & shareholder & founder	Salary fees (1)	823	823
Ziv Turner- VP BUSNIESS, Director & shareholder & founder*	Salary fees (1)	823	823
JOAV BAR JOSEPH – CEO, Director & shareholder & founder	Salary fees (1)	823	823
Total		**2,469**	**2,469**

*On May 20, 2024 Ziv Turner resigned as a director of the Company.

c. **The following transactions arose with related parties:**
Transactions- expenses

	For the year ended December 31,	
	2024	2023
	(US$ in thousands)	
Fees to CEO, CTO & VP BUSNIESS (1)	-	835
Fees to CFO	33	63

NOTE 18: - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (cont.)

(1) The three management employees shall receive a salary of $24 thousand a month from June 2020. As at December 31, 2024, this amount is a part of accrued expenses (see note 10). The Company and the management employees reached an agreement that the Company has the option to convert the debt into shares at a value on the day of the conversion, in case there is not enough money to repay the debt.

Effective December 1st, 2023, the Company announced a change in employee compensation. Previous employment agreements were terminated, and all employees, including senior management, would now be paid an hourly wage. This wage would be capped at the minimum wage.

Management determined that senior staff wouldn't receive any salary or back pay for the work performed during the year 2024. The Company didn’t accrue the salary for this period.

NOTE 19: CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders’ equity. The Company’s objectives in managing its capital are to maintain its ability to continue as a going concern and to further develop its business. To effectively manage the Company’s capital requirements, the Company has a planning and budgeting process in place to meet its strategic goals. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure the above objectives are met. There have been no changes to the Company’s approach to capital management during the year ended December 31, 2024. There are no externally imposed restrictions on the Company’s capital.

NOTE 20: INVESTMENT IN ESHBAL

On November 27, 2022, the Company, Eshbal Functional Foods Cooperative Ltd., Eshbal Trading Ltd., and L.D. Barel Ltd. (together, “Eshbal”) entered into a definitive share purchase agreement whereby, Cannibble agreed to acquire all the outstanding membership interests of Eshbal in exchange for ordinary shares of Cannibble (the “Proposed Transaction”). The Share Purchase Agreement was negotiated at arm’s length. Upon closing of the Proposed Transaction, Eshbal would have become a wholly-owned subsidiary of Cannibble and Cannibble, would have carried on the businesses of Cannibble and Eshbal. The purpose of the Proposed Transaction was to leverage Eshbal’s success in providing the Israeli retail market with innovative gluten free baked products into sales and marketing of these products in the US gluten free market together with Cannibble products under "the Pelicann" brand.

On November 20, 2023, the Share Purchase Agreement was amended (the “Amended DA”). The Amended DA provided for a potential series of investments in Eshbal by Cannibble, beginning with an initial investment of CAD $322,000 by Cannibble to acquire a 7.75% interest in Eshbal (the “Initial Investment”). Following the closing of the Initial Investment, Cannibble was to receive sole distribution rights to sell, market and distribute Eshbal's products in North America.

NOTE 20: INVESTMENT IN ESHBAL (cont.)

The Amended DA also contemplated potential additional investments by Cannibble in Eshbal over a maximum period of six months from the date of the closing of the Initial Investment. The Amended DA also provides that, if within a period of 12 months following the closing date of the Initial Investment, Eshbal enters into an agreement with a third party to consummate a transaction in which the third party acquires a 30% or greater interest in Eshbal at a valuation different from the valuation under the Amended DA, Cannibble's percentage ownership of Eshbal will be adjusted in accordance with the new valuation.

On December 19, 2023, Cannibble completed the Initial Investment in Eshbal, acquiring a 7.75% interest in Eshbal for CAD$322,000 ($241,036) investment amount net after issuance fees. Concurrent with the completion of the Initial Investment, Cannibble and Eshbal signed a distribution agreement giving Cannibble sole distribution rights to sell, market, and distribute Eshbal's products in North America.

The Company classified the investment in Eshbal as “fair value through profit and loss” and changes in the fair value will be recorded through profit and loss. The Company believes that the financial consideration paid in cash on December 19, 2023 also reflects the fair value as of the investment at December 31, 2023.

On September 14, 2024 Eshbal terminated the marketing agreement with the Company and subsequent to year end, Eshbal was acquired by Hakken Capital Corp. (Note 22).

NOTE 21: MATERIAL EVENTS DURING THE PERIOD

On February 1, 2023 the Company signed a Unanimous written resolution granting to each of the External Directors of 100,000 RSUs that will vest in full on March 2, 2023.

On March 2, 2023, the Company issued an aggregate of 200,000 ordinary shares to its two outside directors in compensation for their services. The shares were issued at a deemed price of CAD$0.35 per share pursuant to RSUs granted under the directors' agreements with the Company and will not be subject to any hold period under securities laws. Total CAD$70 thousands (US$53 thousands)

On December 2, 2023, the Company issued an aggregate of 187,500 ordinary shares to its two outside directors in compensation for their services. The shares issued at a deemed price of CAD$0.28 per share pursuant to RSUs granted under the directors' agreements with the Company and will not be subject to any hold period under securities laws. Total CAD$52 thousands (US$40 thousands)

On January 31, 2024 the Company signed a distribution agreement to the USA with Sako Import & Export Ltd., the manufacturer of Haila Tahini Spreads. The spreads are manufactured from natural Ethiopian sesame seeds grown on Ethiopian soil.
. The execution of the Agreement is subject to the Company raising additional capital.

NOTE 21: MATERIAL EVENTS DURING THE PERIOD (cont.)

On May 6, 2024 the Company signed a service agreement with Plate My Meal Ltd., the owner of "Holy Locust" brand, to develop energy bars enhanced with locust protein. Holy Locust sells food & beverages products enhanced with locust protein with an initial target market in North America.

NOTE 22: SUBSEQUENT EVENTS

As of April 14, 2025, following the business combination agreement dated May 28, 2024, entered into between Hakken Capital Corp. and the shareholders of Eshbal Functional Foods (Agricultural Cooperative) Ltd, the resulting company, Eshbal Functional Foods Inc. commenced trading on the TSX Venture Exchange.

Pursuant to the combination agreement, the Company's investment in Eshbal (Note 20) was exchanged for 1,380,952 common shares of Eshbal Functional Food Inc., which are subject to a restrictive legend, performance-based warrants exercisable up to an aggregate of 450,923 common shares of Eshbal Functional Foods Inc., with vesting of such warrant's conditional upon the achievement of specified financial performance milestones and 91,347 Financing-Linked Share Receipts ("FLSRs") of Eshbal Functional Foods Inc., which entitle the Company, upon the maturity date, and without any further action or additional consideration, to receive one common share for each FLSR held, subject to the terms and conditions set forth in the applicable FLSR certificate.

On May 5, 2025 the Company announced that it has completed a non-brokered private placement of US$150,000 (CAD$207,612) in aggregate principal amount of convertible notes (the "Convertible Notes") together with common share purchase warrants (the "Warrants", and together with the Convertible Notes, the "Units").

Each Unit is comprised of (i) US$1,000 (CAD$1,384.08) principal amount in Convertible Notes and (ii) Warrants exercisable into common shares in the capital of Cannibble ("Common Shares") in such number as is equivalent to 50% of the principal amount of the Convertible Notes. The Convertible Notes bear interest at a rate of 15% per annum, mature 12 months from the date of issuance, and are convertible into Common Shares at a price of CAD$0.0282 per Common Share. The Warrants are exercisable at a price of CAD$0.05 per Common Share for a period of five years from the date of issuance.

In the event that the trading price of the Common Shares exceeds CAD$0.25 at any time prior to the maturity date of the Convertible Notes, the Company may, at its option: (i) force conversion of any

outstanding balance under the Convertible Notes into Common Shares; or (ii) buy back from the holders the outstanding balance under the Convertible Notes (inclusive of principal and unpaid accrued interest) at two times such amount at that time.

Without the consent of a holder, any issuance by the Company of Common Shares issuable on conversion of the Convertible Notes or exercise of the Warrants will not be effective if the issuance of Common Shares would result in the holder (and any person acting in combination or in concert with the holder) holding greater than 9.99% of the outstanding Common Shares after giving effect to the issuance of such Common Shares and the convertible or exercise of any other securities convertible into or exercisable for Common Shares beneficially owned (directly or indirectly) by the holder.

The proceeds from the private placement will be used to settle outstanding debts owed to suppliers. No commissions, broker fees, or related party transactions were involved in this placement.

All securities issued in connection with the private placement will be subject to a four-month and a day statutory hold period in accordance with applicable securities laws.