Cannibble Foodtech Ltd.

Management's Discussion and Analysis
for the year ended December 31, 2021

1. MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of financial position and the results of operations ("**MD&A**") focuses on significant factors that have affected the performance of Cannibble Food-Tech Ltd. ("Cannibble" or the "**Corporation**") and those factors that may affect its future performance. This MD&A should be read in conjunction with Cannibble's audited financial statements for the year ended December 31, 2021 and related notes thereto, as well as the audited financial statements for the year ended December 31, 2020 and related MD&A. The date of this MD&A is April 29, 2022.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains information and statements that relate to Cannibble's current expectations and views of future events and constitute "forward-looking information" under Canadian securities laws. These are statements about possible events, conditions or financial performance that are based on assumptions about future economic conditions and courses of action.

When used in this MD&A, the words "expects", "anticipates", "intends", "plans", "may", "believes", "seeks", "estimates", "appears" and similar expressions (including negative and grammatical variations) generally identify forward-looking information. Forward-looking statements are necessarily based on estimates and assumptions made by us in light of Cannibble's experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Corporation believes are appropriate. Forward-looking statements in this MD&A include but are not limited to statements relating to:

- Cannibble's anticipated cash needs and its need for additional financing;
- Cannibble's ability to obtain funding for its operations, including funding for research and commercial activities;
- the initiation, timing, cost, progress and success of its product development efforts;
- Cannibble's business model and strategic plans to grow its business and operation, including Cannibble's expectations regarding growth rates;
- Cannibble's ability to achieve profitability;
- Cannibble's ability to establish and maintain relationships with qualified manufacturers and distributors for Cannibble's products;
- Cannibble's ability to protect its intellectual property;
- Cannibble's competitive position and the regulatory environments in which it operates;
- the future growth of the cannabis industry;
- the rate and degree of market acceptance of Cannibble's existing and future products;
- Cannibble's expectations regarding market risk, including interest rate changes and foreign currency fluctuations;
- Cannibble's expected business objectives for the next twelve months;
- Cannibble's plans with respect to the payment of dividends; and
- Cannibble's estimations and anticipated effects of the novel strain of coronavirus ("**COVID-19**") pandemic.

In developing the forward-looking statements contained herein, the Corporation has made assumptions with respect to, among other things, (i) the outlook for Israeli, United States, and global economies, including, in particular, the cannabis and hemp industry sectors; (ii) the expectation that regulatory requirements will be maintained; ((iii) the Corporation's ability to successfully execute its plans and intentions; (iv) the availability of financing on reasonable terms; (v) the Corporation's ability to retain its key employees; (vi) market competition; (vii) the products and technology offered by its competitors; and (vii) the expectation that the Corporation's current good relationships with its suppliers, service providers and other third parties will be maintained. These assumptions are based on the Corporation's management's perception of trends, current conditions, and expected future developments, as well as any other factors its management considers relevant. Although the Corporation believe that the assumptions on which the forward-looking statements are based and the expectations represented in the forward-looking statements are reasonable, there can be no assurance that the forward-looking statements contained herein will prove to be accurate. Factors which could cause actual results, events, or circumstances to differ materially from those expressed or implied in forward-looking statements include, but are not limited to: general economic, political, tax, market and business factors and conditions; interest rate and foreign exchange rate fluctuations; volatility in Israeli, Canadian, or global equity and capital markets; statutory and regulatory developments; unexpected judicial or regulatory proceedings; catastrophic events; and other risks related to Cannibble and its business. These and other risks and uncertainties are described in the section entitled "*Risk Factors*".

Readers should not place undue reliance on forward-looking statements because of the inherent uncertainty of forward-looking statements. Forward-looking statements in this MD&A are provided as of the date of this MD&A, and the Corporation disclaims any obligation to update any forward-looking statements, except to the extent required by applicable securities laws.

2. DESCRIPTION OF BUSINESS Structure of the Corporation

Cannibble was incorporated as a private limited liability company under the Israeli Companies Law, 5759-1999 on August 14, 2018. Its corporate headquarters and registered address are located at 40 Carmel St Rosh Haayiin, Israel. The Corporation has one wholly-owned subsidiary, EAZY Tech Inc., a limited liability company organized under the laws of the state of Delaware.

Cannibble is a food tech company that develops and manufactures powder food and drink mix products that it markets under the brand name “the Pelicann”, that are subsequently enhanced variously with hemp seeds, hemp protein, cannabidiol (“**CBD**”), and tetrahydrocannabinol (“**THC**”), where legal to do so.

Cannibble has developed a proprietary process technology for manufacture of secret “Black Box” product mixes that are the core powdered ingredients of its various product families and the foundation of its business. The Black Boxes are manufactured for Cannibble in Israel and then shipped to its external markets to be subsequently infused with THC, CBD, or hemp by a local manufacturer operating under its directions. The Corporation’s unique process technology infuses and distributes evenly powder-based cannabinoids, seeds, oils and other powders into every product, which are mixed automatically in an industrial production line by its local manufacturers. Cannibble currently has contract manufacture relationships in California and Florida in the United States.

Cannibble has developed over 100 product SKUs and in the first quarter of 2020 Cannibble launched its first 32 products for sale in the United States. The Corporation has an online store at www.thepelicann.com and it has a store on Amazon.com (the Pelicann) where it sells its hemp-based products.

Significant Financial Developments during the period

To capitalize its business, in 2019 and 2020 the Corporation completed three rounds of crowdfunding in Israel as well as other private placements.

On August 14, 2018, the Corporation issued 4,000,000 ordinary shares with a par value of 0.01 NIS to its founders.

On January 16, 2019, the Corporation completed its first round of crowdfunding via the Israeli regulated crowdfunding platform, PipelBiz. The Corporation issued 351,667 ordinary shares for gross proceeds of NIS 2,417,710 (approximately $676,000. Issuance expenses amounted to NIS 388,000 (approximately $108,000).

On April 4, 2019, the Corporation completed its second round of crowdfunding via PipelBiz. The Corporation issued 173,620 ordinary shares in consideration of a total gross amount of NIS 1,194,000 (approximately $319,000). Issuance expenses amounted to NIS 126,000 (approximately $34,000).

During the period of January through May 2019, the Corporation issued 31,171 ordinary shares to private investors for gross proceeds of NIS 214,000 (approximately $59,000).

In August 2020, Cannibble completed a third round of crowdfunding through PipelBiz. The Corporation issued an aggregate of 112,798 ordinary shares to 419 investors for gross proceeds of NIS 1,058,305 (approximately $310,000). Issuance expenses amounted to NIS 150,000 (approximately $44,000).

On February 24, 2021, the Corporation authorized the issuance of bonus shares to the holders of its ordinary shares on the basis of three bonus shares for every one ordinary share owned on the effective date. The effective date on which the bonus shares were issued was March 31, 2021. The number of shares reflected throughout this MD&A are on a pre-bonus share issuance basis, unless stated otherwise.

On March 26, 2021, the Corporation closed the final portion of a financing in Israel begun in December 2020, pursuant to which it raised an aggregate of $1,435,000 (approximately CAD$1,797,295) through the issuance of convertible 8% notes (the "Notes"). Pursuant to the Notes, if Cannibble completes an initial public offering and/or the listing of its ordinary shares on the exchange (a "Listing Event") at any time prior to December 31, 2021 (which may be extended to June 30, 2022 at the noteholder's option)(the "Maturity Date"), the Note principal, together with all accrued interest, will automatically convert, immediately prior to the Listing Event, into ordinary shares at a conversion price per share equal to the lower of: NIS 1.875 (post-Stock Bonus) (approximately $ 0.58 post-Stock Bonus), or the price of the ordinary shares on the Listing date (the "Listing Share Price"). If no Listing Event is consummated prior to the Maturity Date, then the Notes will be converted into ordinary shares at a price per share reflecting a company valuation of US$ 10,000,000, on a fully diluted basis and on an as-converted basis. In addition, there are 34 investors who signed a share purchase warrant appendix (“**Holders**”) entitling each Holder to purchase up to that number of Ordinary Shares as are issued to the Holder pursuant to the Note conversion, at an exercise price equal to 150% of the Listing Share Price for a period of 18 months. The Note offering was consummated through Exiteam Capital Partners Ltd.

On April 15, 2021, the Corporation issued 26,882 ordinary shares to Amuka Capital Corp. The Corporation also issued Amuka warrants exercisable to acquire one ordinary share for a period of 24 months from the date of issuance at an exercise price of CAD$1.40. At the time of grant, the value of these shares and warrants is 16$ CAD and 9$ CAD, respectively.

On July 5, 2021, the Corporation completed an offering of units (“**Units**”) of its securities through Frontfundr Financial Services Inc. doing business as Frontfundr (“**Frontfundr**”), a Canadian equity crowd-funding platform and exempt market dealer. Each Unit was priced at CAD$0.93 and comprised one ordinary share and one share purchase warrant exercisable to acquire one ordinary share for a period of 24 months from the date of issuance at an exercise price of CAD$1.40. The Corporation issued a total of 160,936 Units for gross proceeds of $149,670.48, pursuant to available prospectus exemptions. Pursuant to the agency agreement the Corporation signed with Frontfundr in November 2020, it issued 7,415 share purchase warrants to Frontfundr and paid them fees of $10,122 for their services under the agency agreement. Each of the Frontfundr warrants is exercisable for period of 3 years from the date of issuance to acquire one Unit at an exercise price of CAD$1.4.

On August 9, 2021, the Corporation filed a non-offering prospectus with the BCSC.

On August 24, 2021, the Corporation applied for the listing of its shares on the Canadian Stock Exchange.

On September 2, 2021, the Corporation has presented its wide verity line of products, marketed under its brand named “The Pelicann”. At the Expo, the Corporation was selected as one of the finalists to receive an award for its innovative Products.

On December 22, 2021, the Corporation issued 26,882 shares to an advisor.

On December 29, 2021, following understandings reached with the British Columbia Securities Commission and the Canadian Securities Exchange (the “CSE”) on resolving builder’s shares issues of several shareholders of the corporation and in the context of the Corporation efforts to list its shares on the CSE, the Board approved the following issuance of shares upon the conversion of part of the debt of the accrued salary of Messrs. Yoav Bar-Joseph, Elad Barkan and Ziv Turner (the “Additional Shares Issuance”).

1. Mr. Yoav Bar-Joseph – issuance of 86,774 Ordinary Shares of the Corporation.
2.. Mr. Elad Barkan – issuance of 86,774 Ordinary Shares of the Corporation.
3. Mr. Ziv Turner – issuance of 61,338 Ordinary Shares of the Corporation.

On December 31, 2021, the Corporation issued 2,594,787 shares as a result of a conversion of the maturity and interest of the convertible 8% notes that were issued to 34 investors in March 2021.

On February 10th The Corporation announced that it received the conditional approval from the Canadian Securities Exchange (the "**Exchange**") for the listing of its ordinary shares (the "**Listing**"). The Listing was subject to the Corporation fulfilling all the listing requirements of the Exchange.
On March 3rd the corporation announced that the Company's ordinary shares (the "**Shares**") have received final approval for listing from the Canadian Securities Exchange (the "**CSE**"). The ordinary shares of started trading on March 3rd on the Canadian Securities Exchange under the symbol PLCN.
On March 14th the corporation announced that it has received its first commercial order from a leading US-based supermarket chain. The order is for two of Cannibble's recently developed products, The Pelicann™ protein brownie mix and The Pelicann™ protein chocolate cake mix. The initial order for these products will be sold in seven store locations.
On March 31st the corporation announced that it has received a large reorder from an existing client in Las Vegas, Nevada. The client, a chain with sales points for premium adult frozen drinks infused with hemp ingredients, placed the order for roughly two tons of unique powder mix products developed by Cannibble in five different fruit-flavors infused with hemp ingredients. The reorder announced today comes on the heels of the Company’s first commercial order from a leading US-based supermarket chain within the last two weeks. That order was for two of Cannibble's products: The Pelicann™ protein brownie mix and chocolate cake mix.

Since inception, Cannibble has an accumulated deficit of $3,546 million as at December 31, 2021. The Corporation expects its operating losses to be reduced as it begins sale of products in California and as it develops its online business. The Corporation has funded its operations with proceeds from equity financings and expects to seek additional funding through equity financings to finance its growth initiatives. However, if capital market conditions in general or with respect to the cannabis sector or development stage companies such as Cannibble are unfavorable, the Corporation's ability to obtain additional funding will be adversely affected.

Selected Annual Information

The following table sets forth selected financial information is presented for the year ended December 31, 2021, the year ended December 31, 2020 and the year ended December 31, 2019. The selected financial information set out below has been derived from our annual audited consolidated financial statements and accompanying notes, prepared in accordance with IFRS. The selected financial information set out below may not be indicative of our future performance.

Fiscal Year Ended December 31	year ended December 31, 2021	year ended December 31, 2020	year ended December 31, 2019
Total revenue	221	96	-
loss from operations	(1,723)	(656)	(683
loss per share, basic and diluted	(0.12)	(0.04)	(0.15)
	December 31, 2021	December 31, 2020	December 31, 2019
Total current assets	955	477	247
Fixed assets	26		
Total -current financial liabilities	186	524	55
Total non-current financial liabilities	952	149	-
Total shareholders' equity (deficiency)	(157)	(196)	192

Year ended December 31, 2021, compared to year ended December 31, 2020

Revenues

For the year ended December 31, 2021, total revenues amounted to US$221 thousands comparing

To US$96 thousands for the year ended December 31,2020.The revenues were comprised of consulting services and sales of goods. The consulting services revenues were generated from services provided to a facility in the United States where products are manufactured under license .The increase of the revenue came from contacting a number of new clients.

Cost of revenue

For the year ended December 31, 2021, cost of revenues amounted to US$186 thousands and are attributable to cost of goods and costs of consulting services, comparing to US$56 thousands for the year ended December 31,2020.

Gross Profit

For the year ended December 31, 2021, gross profit amounted to US$35 thousands, comparing to US$40 thousands for the year ended December 31,2020.

Selling and Marketing Expenses

For the year ended December 31, 2021, selling and marketing expenses amounted to US$ 632 thousands compared to US$265 thousands for the year ended December 31, 2020. The increase of US$367 thousands, was mainly a result of increase in the activity of the Corporation, which included increases in salaries and in professional services of US$ 118 thousands and increase in other expenses of US$ 185 thousands (relocation expenses). Relocation expenses for one of the founders, that relocated to Florida, close to the business activity.

Research and Development Expenses

For the year ended December 31, 2021, research and development expenses amounted to US$300 thousands compared to US$240 thousands for the year ended December 31, 2020. The increase was mainly in salaries and related expenses of US$66 thousands.

General and Administrative Expenses

For the year ended December 31, 2021, general and administrative expenses amounted to US$826 thousands compared to US$ 191 thousands for the year ended December 31, 2020. The increase of US$635 thousands in general and administrative expenses compared to the same period in 2020 was mainly attributed to increase in professional services of US$231 thousands increase in Salaries and related expenses of US$139 thousands and other expenses of US$265 thousands. The increase of general and administrative expenses came from increase in the company activities.

Finance income, net

For the year ended December 31, 2021, finance expenses net amounted to US$438 thousands, as compared to the finance income net of US$1 thousands for the year ended December 31, 2020. the increase is mainly Convertible loan revaluation of US$ 392 thousand

Quarterly Information

Quarter Ended	2021 December 31	2021 September 30	2021 June 30	2021 March 31
Revenue	41	57	56	67
Net income (loss) for the quarter	(729)	(565)	(303)	(564)
Net income (loss) per share (Basic and diluted)	(0.12)	(0.03)	(0.02)	(0.03)

Quarter Ended	2020 December 31	2020 September 30	2020 June 30	2020 March 31
Revenue	26	27	41	2
Net income (loss) for the quarter	(253)	(268)	(56)	(78)
Net income (loss) per share (Basic and diluted)	(0.04)	(0.01)	(0.003)	(0.004)

3. LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Corporation has generated limited revenues, with sales commencing during the third quarter of the year ended December 31, 2020. The Corporation believes it has the capability to continue financing itself in the foreseeable future, through the issuance of equity and future revenue from sales. The Corporation has generated an accumulated deficit of US$3,546 thousands since inception. These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern.

During the year ended December 31, 2021, the Corporation incurred a loss of $2,161 thousands compared to a loss of $655 thousands for the year ended December 31, 2020.

On December 31, 2021, the Corporation had a positive working capital of US$769 thousands, compared with negative working capital of US$47 thousands on December 31, 2020, which consisted of cash and cash equivalents, other accounts receivable and inventory, trade accounts payable, other accounts payable and accrued liabilities.

As of the date of this MD&A, the Corporation anticipates raising additional funds to support additional research and development costs and to have sufficient resources to support its operations, including the payment of current and non-current liabilities, as they become due.

During the year ended December 31, 2021, the Corporation's overall position of cash and cash equivalents increased by US$390 thousands compared to an increase of US$238 thousands in the year ended December 31, 2020.

This change in cash and cash equivalents can be mainly attributed to the following:

- The Corporation’s net cash used in operating activities during the year ended December

31, 2021 amounted to US$ 988 thousands as compared to US$189 thousands for the year ended December 31, 2020. The increase in net cash used in operating activities in the year ended December 31, 2021 is mainly attributable to an increase in other accounts payable of US$752 thousands due primarily to management fees agreements signed with the CEO.. The amounts owing under the management fees agreements were accrued and will be either paid in ordinary shares upon the Corporation becoming listed on a stock exchange, or in cash, when the Corporation's finances allow.

- The Corporation's net cash provided by financing activities during the year ended December 31, 2021 was US$ 1,374 thousands as compared to US$416 thousands for the year ended December31, 2020. The cash provided by financing activities during the year ended December 31, 2021 resulted from cash provided by convertible note on December 2021 resulting in US$1,286 thousands.

4. OFF BALANCE SHEET ARRANGEMENTS

The Corporation has not entered into any off-balance sheet arrangements.

5. COMMITMENTS AND CONTINGENCIES

On November 2020, Asaf Porat, one of the founders, filed a lawsuit against the Corporation regarding a violation of labor conditions. The total amount of Mr. Porat's claim was NIS 312,000 (approximately CAD$115,134). The Corporation retained counsel and contested the lawsuit. On January 12, 2022 the Corporation reached a settlement with Mr. Porat pursuant to which he agreed to waive all the claims against the Corporation and signed a document to the Tel Aviv Labour Court requesting the withdrawal of the lawsuit. The settlement is not material to the Corporation.

6. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Corporation's senior management, who are considered to be key management personnel by the Corporation.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following table sets forth information concerning the total transactions (expenses) to the named executive officers of the Corporation for the year ended December 31, 2021 and the year ended December 31, 2020.

	For the year ended December 31,	
	2021	**2020**

	(US$ in thousands)	
Fees paid to Asaf Porat, the former CFO	33	-
Fees to CEO, CTO, and VP Business Development	622	432
Consulting fees paid to Omrikrum Ltd.[1]	-	-
Consulting fees paid to Apologens Ltd.[2]	5	-

(1) A company controlled by Ziv Turner, a director and officer of the Corporation.

(2) A company controlled by Elad Barkan, a director and officer of the Corporation.

On February 2, 2020 The Corporation's then CFO and director, Mr. Asaf Porat, announced his resignation.

The following table sets forth information concerning the amounts payable to the named executive officers of the Corporation and outstanding at the year end for the year ended December, 31, 2021 and the year ended December 31, 2020.

	For the year ended December 31, 2021	**For the year ended December 31, 2020**
	(US$ in thousands)	
Yoav Bar Joseph – CEO, Director & shareholder & founder	317	140
Ziv Turner- VP Business Development, Director & founder	317	140
Elad Barkan – CTO, Director & shareholder & founder	317	140

7. CHANGES IN ACCOUNTING STANDARDS

Please refer to the December 31, 2021 financial statements for accounting policy pronouncements.

8. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

FINANCIAL INSTRUMENTS

Fair value of financial instruments

Assets recorded at fair value in the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments are measured either at fair value or at amortized cost.

Cannibble's risk exposures and the impact on our financial instruments are summarized below:

Fair Values

The carrying values of the financial instruments approximate their fair values. The cash is valued using quoted market prices in active markets. warrants are according to level 3 Inputs that are not based on observable market data (valuation techniques that use inputs that are not based on observable market data).

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Israeli New Shekel and the United States dollar and other foreign currencies will affect our operations and financial results. Cannibble is exposed to currency risk as funds are held in Israeli currency and revenues and a significant portion of its expenses are denominated in United States currency. As at December 31, 2021 and December 31, 2020, Cannibble has not entered into any hedging agreements to mitigate foreign currency risk. Therefore, Cannibble's financial position and financial results may be adversely affected by unfavorable fluctuations in currency exchange rates. The Corporation has cash that is exposed to possible fluctuations in the U.S. dollar exchange rates.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments is remote.

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due by raising sufficient funds. As of December 31, 2021, the Corporation had a US$ 769 thousand positive working capital balance (December 31, 2020 - US$ 47 thousand negative working capital), and the Corporation has little exposure to liquidity risk, as it will balance expenditures with available working capital.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to the risk that the value of financial instruments will change due to movement in market interest rates. The Corporation periodically monitors its cash activity and is satisfied with the credit ratings of its banks.

RISKS AND UNCERTAINTIES

The Corporation's business as a foodtech company in the cannabis industry is subject to a number of significant risk factors. The following are certain risk factors related to Cannibble, its business, and risks related to ownership of the Corporation's ordinary shares. If any event arising from the risk factors set forth below occurs, the Corporation's business, prospects, financial condition, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected. Although the Corporation believes that the risk factors described below are the most material risks that it faces, they are not the only ones. Additional risk factors not presently known to the Corporation or that the Corporation currently believes are immaterial could also materially and adversely affect our business, prospects, cash flows, results of operations or financial condition and negatively affect the value of Cannibble's ordinary shares. Readers should carefully consider each of these risks and all of the information in this MD&A.

Business and Industry Risks

Speculative nature of investment risk

An investment in Cannibble's ordinary shares carries a high degree of risk and should be considered as a speculative investment by purchasers. Cannibble has a limited history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and are unlikely to pay dividends in the immediate or near future. Cannibble in the development phases of its business and has only very recently offered some of its planned products for sale. The Corporation's operations are not yet sufficiently established so that it can mitigate the risks associated with its planned activities.

Liquidity and future financing risk

Cannibble is in the development stage and has not generated a significant amount of revenue. Cannibble will likely operate at a loss until its business becomes established and it may require additional financing in order to fund future operations and expansion plans, including developing new products, enhancing existing products, enhancing its operating infrastructure and expanding the geographical area in which it operates. Cannibble's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions, as well as business success. There can be no assurance that Cannibble will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuing authorized capital, control may change, and shareholders may suffer additional dilution.

The Corporation is a public company and thus volatility in the price of its ordinary shares could cause investors to lose all or part of their investment because they may not be able to sell their ordinary shares at or above the price they paid. Factors that could cause fluctuations in the market price of the ordinary shares include the following:

- price and volume fluctuations in the overall stock market from time to time;
- sales of ordinary shares by Cannibble shareholders;
- changes in the financial projections that the Corporation may provide to the public, or its failure to meet those projections;
- announcements by the Corporation or its competitors of new products or services;
- the public's reaction to the Corporation's press releases, other public announcements and filings with the securities commissions;
- rumors and market speculation involving the Corporation or other companies in its industry;
- actual or anticipated changes in its operating results or fluctuations in its operating results;
- actual or anticipated developments in its business, its competitors' businesses or the competitive landscape generally;

- litigation involving the Corporation, its industry or both, or investigations by regulators into the Corporation's operations or those of its competitors;
- developments or disputes concerning its intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by the Corporation or its competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to its business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in the Corporation's management; and
- general economic conditions and slow or negative growth of the Corporation's markets.

Increased costs of being a publicly traded company

Competition

Cannibble faces competition in the markets in which it operates and intends to operate in the near future. Some of the Corporation’s competitors may be better positioned to develop superior products and make technological innovations, and better able to adapt to changing market conditions than Cannibble is. The Corporation’s ability to compete depends on, among other things, consistent high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition in the markets in which the Corporation operates may force it to reduce its product prices or may result in increased costs, and may have a material adverse effect on Cannibble’s business and operating results. Any decrease in the quality of the Corporation’s products or level of service to customers, or any forced decrease in product pricing may adversely affect its business and operating results.

Limited operating history and no established financing sources

Although the Corporation believes its management team has extensive knowledge of the food product industry generally and the cannabis industry, and the Corporation closely monitors changes in recreational cannabis laws worldwide, the Corporation operates in an evolving industry that may not develop as expected and the Corporation may not be able to adapt as needed to stay competitive in the cannabis and hemp industry. Furthermore, Cannibble was incorporated in August 2018 and has a limited operating history and no established financing sources. Cannibble is subject to all of the business risks and uncertainties associated with any new business. Cannibble’s financial condition and results of operations will depend on many factors, including its ability to bring its full range of products to commercial production, its ability to achieve marketing success, and the continued legality of its products.

Product development

If Cannibble cannot successfully develop, manufacture and distribute its products, or if it experiences difficulties in the development process, such as capacity constraints, quality control problems, problems with contract manufacturers in the U.S., or other disruptions, Cannibble may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect its ability to effectively achieve success in the market. A failure by Cannibble to achieve a low-cost structure through economies of scale or improvements in manufacturing processes would have a material adverse effect on our commercialization plans and our business, prospects, results of operations and financial condition.

Product liability

Cannibble’s products will be produced for sale both directly and indirectly to end consumers, and therefore Cannibble faces an inherent risk of exposure if product liability claims, regulatory action, and litigation if its products are alleged to have caused significant loss or injury. Previously unknown adverse reactions resulting from human use of the Corporation’s products alone or in combination with other medications or substances could occur. The Corporation may be subject to various product liability claims, including, among others, that its products caused injury or illness, or include inadequate instructions for use or warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the

Corporation could result in increased costs to produce its products and could have a material adverse effect on its business and operational results.

Target market size

Because the hemp-, CBD-, and THC-infused products industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding whether to invest in the Corporation and few, if any, established companies whose business model the Corporation can follow, or upon whose success the Corporation can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Corporation. There can be no assurance that the Corporation's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. Furthermore, the size of the health and wellness consumer goods products market is large, the Corporation is not an established player and it will be difficult to acquire significant market share at the outset for the sale of the Corporation's products.

Effectiveness and efficiency of advertising and promotional expenditures

The Corporation's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including its ability to (i) create greater awareness of its products, (ii) determine the appropriate creative message and media mix for future advertising expenditures and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that the Corporation's advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Corporation's products. In addition, no assurance can be given that Cannibble will be able to manage its advertising and promotional expenditures on a cost-effective basis.

Promoting the Pelicann brand

The Corporation believes that maintaining and promoting its brand is critical to expanding its customer base. Maintaining and promoting the Pelicann brand will depend largely on Cannibble's ability to provide quality, reliable and innovative products, which Cannibble may not be successful in doing. The Corporation may introduce new products or services that its customers do not like, which may negatively affect its brand and reputation. Maintaining and enhancing the Corporation's brand may require it to make substantial investments, and these investments may not achieve the desired goals. If the Corporation is not successful in promoting and maintaining its brand or if the Corporation incurs excessive expenses in this effort, its business and financial results from operations could be materially adversely affected.

Changing consumer preferences

As a result of changing consumer preferences, many wellness, cannabis, or other innovative products attain financial success for a limited period of time. Even if Cannibble's products find some retail success, there can be no assurance that any of its products will continue to see extended financial success. The Corporation's success will depend upon its ability to develop new and improved product lines that meet changing customer preferences. The Corporation's failure to introduce new features and product lines and to achieve and sustain market acceptance could result in a decline in the Corporation's products' popularity that could reduce the Corporation's revenues and harm its business, operating results, and financial condition.

Key personnel risk

The Corporation's success and future growth will depend, to a significant degree, on the continued efforts of its directors and officers to develop the business and manage operations, and on their ability to attract and retain key technical, scientific, sales and marketing staff or consultants. The loss of any key person or the inability to attract and retain new key persons could have a material adverse effect on Cannibble's business. Competition for qualified technical, scientific, sales and marketing staff, as well as officers and directors can be intense, and no assurance can be provided that the Corporation will be able to attract or retain key personnel in the future. The Corporation's inability to attract and retain the necessary personnel could materially adversely affect its business and financial results from operations.

Reliance on third party suppliers, service providers and distributors

The Corporation intends to maintain a full supply chain for the material portions of the production and distribution process of our BlackBox products and expects to continue to rely on contract manufacturers for the final formulation of its products for sale in the U.S. and elsewhere. The Corporation's suppliers, manufacturers, service providers, and distributors may elect, at any time, to breach or otherwise cease to participate in supply, manufacturing, service or distribution agreements, or other relationships, on which Cannibble's operations rely. Loss of the Corporation's suppliers, manufacturers, service providers or distributors would have a material adverse effect on our business and operational results.

The Corporation will be highly dependent on the uninterrupted and efficient operation of its third-party manufacturers. Its third-party manufacturers may not continue to maintain their required certification or continue or be willing or able to produce the Corporation's products at reasonable prices or at all. If for any reason the Corporation's third-party manufacturers discontinue production of its products, that would likely result in significant delays in production of the Corporation's products and interruption of sales as the Corporation seeks to establish a relationship and commence production with other manufacturers. The Corporation may be unable to make satisfactory production arrangements with another manufacturer on a timely basis or at all. If operations at one of the Corporation's third-party manufacturer's manufacturing plant were to be disrupted as a result of equipment failures, natural disasters, fires, accidents, work stoppages, power outages or other reasons, the Corporation's business, financial condition and/or results of operations could be materially adversely affected.

In addition, the Corporation will be dependent on third parties to obtain certain raw materials, including hemp, and CBD and THC extracts, necessary to develop and produce Cannibble's products. The raw materials required for the production of the Corporation's products, including hemp and CBD and THC extracts, may not be available to it on favorable pricing terms in the future or at all when they are needed. If the Corporation is no longer able to obtain raw materials, including hemp and CBD and THC extracts, from one or more of its suppliers on terms reasonable to it, or at all, the Corporation's revenues, business, financial condition and operations would be negatively affected. While potential alternative suppliers of raw materials may be identified, they must first pass intensive validation tests to ensure their compliance with product specifications. No assurance can be given regarding the successful outcomes of such tests or Cannibble's ability to secure alternate sources of supply at competitive pricing and upon fair and reasonable contractual terms and conditions.

The Corporation's profit margins and the timely delivery of its products are dependent upon the ability of its outside suppliers and manufacturers to supply the Corporation with products in a timely and cost-efficient manner. The Corporation's ability to develop its business and enter new markets and sustain satisfactory levels of sales in each market depends upon the ability of its outside suppliers and manufacturers to produce the ingredients and products and to comply with all applicable regulations. The failure of the Corporation's primary suppliers or manufacturers to supply ingredients or produce its final products could adversely affect its business operations.

Compliance by manufacturers with GMP requirements

All the Corporation's US-based manufacturers and suppliers must comply with applicable GMP, regulations for the manufacture of its products, which are enforced by the FDA through its facilities inspection program. The FDA may conduct inspections of the Corporation's third-party manufacturers to assure they are in compliance with such regulations. These GMP requirements include quality control, quality assurance and the maintenance of records and documentation, among other items. The Corporation's manufacturers may be unable to comply with these GMP requirements and with other regulatory requirements. A failure to comply with these requirements may result in fines, product recalls or seizures and related publicity requirements, injunctions, total or partial suspension of production, civil penalties, warning or untitled letters, import or export bans or restrictions or criminal prosecution and penalties. Any of these penalties could delay or prevent the promotion, marketing or sale of Cannibble's products. If the safety of the Corporation's products is compromised due to a third-party manufacturer's failure to adhere to applicable laws or for other reasons, the Corporation may not be able to successfully sell its products. The Corporation cannot be sure that its third-party manufacturers will continue to reliably supply products at the levels of quality, or the quantities, it requires and in compliance with applicable laws and regulations, including GMP requirements.

Unfavourable publicity or consumer perception

The Corporation believes its industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of its products and perceptions of regulatory compliance. Consumer perception of the Corporation's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the hemp-, CBD-, and THC- infused edibles market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for Cannibble's products and business, results of operations, financial condition and cash flows. The Corporation's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Corporation, the demand for its products, and its business, results of operations, financial condition and cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of hemp-, CBD-, or THC-infused products in general, or Cannibble's products specifically, with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Inability to sustain pricing models

Significant price fluctuations or shortages in the cost of materials may increase the Corporation's cost of goods sold and cause its results of operations and financial condition to suffer. If the Corporation is unable to secure materials at a reasonable price, it may have to alter or discontinue selling some of its products or attempt to pass along the cost to its customers, any of which could adversely affect its results of operations and financial condition.

Additionally, increasing costs of labor, freight and energy could increase Cannibble's and its suppliers' cost of goods. If the Corporation's suppliers are affected by increases in their costs of labor, freight and energy, they may attempt to pass these cost increases on to the Corporation. If Cannibble pays such increases, it may not be able to offset them through increases in its pricing, which could adversely affect its results of operations and financial condition.

Management of growth

Cannibble may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. Cannibble's ability to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage an employee base. Rapid growth of its business may significantly strain management, operations and technical resources. If Cannibble is successful in obtaining large orders for its products, it will be required to deliver large volumes of products to its customers on a timely basis and at a reasonable cost. It may not obtain large-scale orders for its products and if it does, it may not be able to satisfy large-scale production requirements on a timely and cost-effective basis. Cannibble's inability to deal with this growth may have a material adverse effect on its business, financial condition, results of operations, and prospects.

Product viability

If the products Cannibble sells are not perceived to have the effects intended by the end user, its business may suffer. Many of its products contain innovative ingredients or combinations of ingredients. There is little long-term data with respect to efficacy, unknown side effects and/or interaction with individual human biochemistry. Moreover, there is little long-term data with respect to efficacy, unknown side effects and/or its products' interaction with individual animal biochemistry. As a result, Cannibble's products could have certain side effects if not taken as directed or if taken by an end user that has certain known or unknown medical conditions.

Risks Related to Investing in an Israeli Corporation

Exchange rate fluctuations between the U.S. dollar, the New Israeli Shekel, and the Canadian dollar may negatively affect Cannibble's earnings.

Although most of the Corporation's revenues and a portion of its expenses are denominated in U.S. dollars, substantially all of its research and development expenses, as well as a portion of manufacturing cost and cost of revenues, selling and marketing, and general and administrative expenses, are incurred in New Israeli Shekels. In addition, Cannibble has raised capital denominated in Canadian dollars. As a result, Cannibble is exposed to foreign exchange risks, including the risks that the New Israeli Shekel may appreciate relative to the U.S. dollar, or, if the New Israeli Shekel instead devalues relative to the U.S. dollar, that the inflation rate in Israel may exceed the rate of devaluation of the New Israeli Shekel, or that the timing of such devaluation may lag behind inflation in Israel. In any such event, the U.S. dollar cost of Cannibble's operations in Israel would increase and its U.S. dollar-denominated results of operations would be adversely affected. If the value of the Canadian dollar depreciates against the U.S. dollar or the New Israeli Shekel, the value of funds raised in Canada will be reduced. Cannibble cannot predict any future trends in the rate of inflation in Israel or the rate of devaluation (if any) of the New Israeli Shekel against the U.S. dollar or the Canadian dollar or the relative value of the U.S. and Canadian dollars. If the U.S. dollar cost of Cannibble's operations in Israel increases, the dollar-measured results of operations will be adversely affected. Cannibble may, in the future, establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Corporation develops a hedging program, there can be no assurance that it will effectively mitigate currency risks.

Cannibble's headquarters, some manufacturing and other significant operations are located in Israel and, therefore, the Corporation's results may be adversely affected by political, economic and military instability in Israel.

Cannibble is headquartered in Israel and most of its operations (other than the final manufacturing of the Pelicann products in the United States) takes place in Israel. In addition, the Corporation's key employees, officers and some of its directors are residents of Israel. The government in Israel faces ongoing problems including but not limited to inflation, unemployment, and inequitable income distribution. While Israel's credit rating is current "AA-" (S&P Global), it has a history of geopolitical instability and crises including those related to terrorism. Any armed conflicts, terrorist activities or political instability in the region could adversely affect business conditions and could harm Cannibble's results of operations and could make it more difficult for the Corporation to raise capital. Although there is no current major political instability in Israel, this could change in the future and could adversely affect our business, financial condition and results of operations.

An investor may have difficulty enforcing Canadian law against an Israeli corporation like Cannibble.

Cannibble is incorporated in Israel. Most of its directors and all of its executive officers reside outside of Canada, and most of its assets and most of the assets of these persons are located outside of Canada. Therefore, a judgment obtained against the Corporation, or any of these persons, including a judgment based on the civil liability provisions of Canadian securities laws, may not be collectible in Canada and may not be enforced by an Israeli court. It also may be difficult for an investor to effect service of process on these persons in Canada or to assert Canadian securities law claims in original actions instituted in Israel. Additionally, it may be difficult for an investor, or any other person or entity, to initiate an action with respect to Canadian securities laws in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of Canadian securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not Canadian law is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against Cannibble in Israel, an investor may not be able to collect any damages awarded by either a Canadian or foreign court.

Cannibble conducts a significant part of its operations in Hebrew and English translations of documents may not be available.

As a result of Cannibble being based in Israel, its books and records, including key documents such as material contracts and financial documentation are principally negotiated and entered into and recorded in the Hebrew language and English translations may not exist or be readily available.

Regulatory Risks

Complying with Changing Cannabis Laws

Cannabis laws and regulations are dynamic and subject to evolving interpretations which could require Cannibble to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of Cannibble’s business. Cannibble cannot predict the nature of any future laws, regulations, interpretations or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on its business.

Management expects that the legislative and regulatory environment in the cannabis industry in the United States and internationally will continue to be dynamic and will require innovative solutions to try to comply with this changing legal landscape in this nascent industry for the foreseeable future. Compliance with any such legislation may have a material adverse effect on its business, financial condition and results of operations.

U.S. Regulatory Risks

Cannibble operates in a new industry that is highly regulated, highly competitive, and evolving rapidly. Therefore, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward looking statements. Cannibble incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Cannibble and, therefore, on its prospective returns. Further, Cannibble may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect the Corporation’s ability to conduct its business.

Enforcement of relevant laws

Cannabis, other than hemp, is a Schedule I controlled substance under the CSA. In December 2018, the U.S. government changed hemp's legal status. The 2018 Farm Bill, removed hemp and extracts of hemp, including CBD, from the CSA schedules. Accordingly, the production, sale and possession of hemp or extracts of hemp, including certain CBD products, no longer violate the CSA. U.S. states have implemented a patchwork of different laws on hemp and its extracts, including CBD. Additionally, the FDA claims that the FDCA significantly limits the legality of hemp-derived CBD products.

Even in U.S. states or territories that have legalized cannabis to some extent, the cultivation, possession, and sale of cannabis all violate the CSA and are punishable by imprisonment, substantial fines and forfeiture. Moreover, individuals and entities may violate federal law if they aid and abet another in violating the CSA, or conspire with another to violate the law, and violating the CSA is a predicate for certain other crimes, including money laundering laws and the *Racketeer Influenced and Corrupt Organizations Act*. The U.S. Supreme Court has ruled that the federal government has the authority to regulate and criminalize the sale, possession and use of cannabis, even for individual medical purposes, regardless of whether it is legal under state law. For over five years, however, the U.S. government has not prioritized the enforcement of those laws against cannabis companies complying with state law and their vendors. No reversal of that policy of prosecutorial discretion is expected under a Biden administration given his campaign's position on cannabis, discussed further below, although prosecutions against state-legal entities cannot be ruled out.

Entry into the U.S.

Because cannabis remains illegal under U.S. federal law, those employed at or investing in legal and licensed cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with U.S. cannabis businesses. Entry happens at the sole discretion of the U.S. Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the U.S. Business or financial involvement in the legal cannabis industry in Canada or in the U.S. could also be reason enough for U.S. border guards to deny entry.

Adverse reaction by the FDA

The FDA has broad authority over the regulation of Cannibble's products. The FDA could, among other things, force Cannibble to remove its products from the United States market, levy fines or change their regulations on advertising. Any adverse action by the FDA could have a material adverse impact on the Corporation's business.

Regulatory approval and permits

Cannibble may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where its products are licensed. There can be no assurance that Cannibble will be able to obtain or maintain any necessary licenses, permits or approvals. Moreover, Cannibble and/or third-party suppliers of hemp extract or hemp-infused products could be required to obtain a CSA permit, which would likely not be a feasible option for retail products. Any material delay or inability to receive these items is likely to delay and/or inhibit Cannibble's ability to conduct its business, and would have an adverse effect on its business, financial condition and results of operations.

Additional labeling or warning requirements on Cannibble's products

Various jurisdictions may seek to adopt significant additional product labeling or warning requirements or limitations on the availability of the Corporation's products relating to the content or perceived adverse health consequences of those products. Federal laws may pre-empt some or all of these attempts by state or localities to impose additional labeling or warning requirements. If these types of requirements become applicable to our products under current or future environmental or health laws or regulations, they may inhibit sales of the Corporation's products. Moreover, if Cannibble fails to meet compliance deadlines for any such new requirements, its products may be deemed misbranded or mislabeled and could be subject to enforcement action, or Cannibble could be exposed to private lawsuits alleging misleading labels or product promotion.

International regulatory risks

The Corporation intends to expand internationally. As a result, Cannibble will become further subject to the laws and regulations of (as well as international treaties among) the foreign jurisdictions in which it operates or imports or exports products or materials. In addition, the Corporation may avail itself of proposed legislative changes in certain jurisdictions to expand its product portfolio, which expansion may include business and regulatory compliance risks as yet undetermined. Cannibble's failure to comply with the current or evolving regulatory framework in any jurisdiction could have a material adverse effect on its business, financial condition and results of operations. If Cannibble's sales or operations were found to be in violation of applicable international regulations, Cannibble could be subject to enforcement actions in such jurisdictions including, but not limited to civil and criminal penalties, damages, fines, the curtailment or restructuring of its operations or asset seizures and the denial of regulatory applications.

Banking risk

It is possible that banks may refuse to open bank accounts for the deposit of funds from our business, as the Corporation's products are involved with the cannabis industry. The inability to open bank accounts with certain institutions could materially and adversely affect the Corporation's business.

Potential changes in laws and regulations

Changes to laws and regulations could have a significant impact on Cannibble's ability to market and sell the Cannibble products. If legislation changes, such action could have a materially adverse effect on: (a) our ability to obtain lawfully sourced raw materials; and (b) the manufacturing, marketing, distribution and sale of its products in one or multiple jurisdictions, up to and including a complete interruption of its business. The Corporation cannot predict the nature of any future regulations, interpretations or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on its business.

Other Risks

Public health crises, epidemics, and pandemics

The ongoing impact of COVID-19 may have a negative effect on our business, financial condition, and results of operations. Since December 31, 2019, governments worldwide have been enacting emergency measures to combat the spread of COVID-19. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness and restrictions have closed down dispensaries in North America and other points-of-sales such as kiosks, convenience shops, and others.

The development and operation of our business plan is dependent on labor inputs and governmental approvals, which could be adversely disrupted by the ongoing impact of COVID-19 and it is difficult to predict how this virus may affect our business in the future, including the effect it may have on demand for our products. Currently, we have:

- Reduced expenses on flights and overseas stays which resulted in reduced monthly expenditures;
- Shifted our focus from retail sales to e -commerce;
- Invested in digital marketing and online campaigns to promote the Company's business; and
- Utilized the time to develop new products that will be launched when the markets re-open.

While the roll out of several vaccines has begun in the United States, Canada, the United Kingdom and Israel, and a number of other promising vaccines are in development, it remains possible the COVID-19 virus could have a material adverse effect on our business, financial condition and results of operations.

Inability to protect intellectual property

Cannibble's success will be heavily dependent upon its intellectual property. Cannibble relies upon trademarks, trade secrets, unpatented proprietary know-how, and continuing technology innovation to protect the products and processes that it considers important to the development of its business. Cannibble relies on various methods to protect its proprietary rights, including confidentiality agreements with its consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of the Corporation's confidential information. However, despite the Corporation's efforts to protect its intellectual property rights, unauthorized parties may attempt to copy or replicate Cannibble's products. There can be no assurances that the steps taken by Cannibble to protect its products will be adequate to prevent misappropriation or independent third-party development of Cannibble products. It is possible that other companies can duplicate a production process similar to ours. To the extent that any of the above could occur, the Corporation's revenue could be negatively affected, and in the future, the Corporation may have to litigate to enforce its intellectual property rights, which could result in substantial costs and divert management's attention and the Corporation's resources.

Conflicts of interest

Some of the Corporation's directors and officers will not be devoting all of their time to the affairs of Cannibble. Some of Cannibble's directors and officers are or may become directors and officers of other companies, some of which may be in the same business as Cannibble. Cannibble's directors and officers are required by law to act in the best interests of Cannibble. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to Cannibble may result in a breach of their obligations to the other companies, and in certain circumstances this could expose Cannibble to liability to those companies. Similarly, discharge by the Corporation's directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of Cannibble. Such conflicting legal obligations may expose Cannibble to liability to others and impair our ability to achieve its business objectives.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Research and development expenses:

	Year ended December 31,	
	2021	**2020**
	US$ in thousands	
Salaries and related expenses	297	231

Travel abroad	-	5
Other	3	4
Total	300	240

General and administrative expenses:

	Year ended December 31,	
	2021	**2020**
	US$ in thousands	
Salaries and related expenses	174	35
Professional services	381	150
Other	271	6
Total	826	191

OUTSTANDING SHARE DATA AT APRIL 30, 2022

On March 26, 2021, the Corporation closed the final portion of a financing in Israel begun in December 2020, pursuant to which it raised an aggregate of $1,400,000 (approximately CAD$1,797,295) through the issuance of convertible 8% notes (the "Notes"). Pursuant to the Notes, if Cannibble completes an initial public offering and/or the listing of its ordinary shares on the exchange (a "Listing Event") at any time prior to December 31, 2021 (which may be extended to June 30, 2022 at the noteholder's option)(the "Maturity Date"), the Note principal, together with all accrued interest, will automatically convert, immediately prior to the Listing Event, into ordinary shares at a conversion price per share equal to the lower of: NIS 1.875 (post-Stock Bonus) (approximately $ 0.58 post-Stock Bonus), or the price of the ordinary shares on the Listing date (the "Listing Share Price"). If no Listing Event is consummated prior to the Maturity Date, then the Notes will be converted into ordinary shares at a price per share reflecting a company valuation of US$ 10,000,000, on a fully diluted basis and on an as-converted basis. In addition, there are 35 investors who signed a share purchase warrant appendix (“**Holders**”) entitling each Holder to purchase up to that number of Ordinary Shares as are issued to the Holder pursuant to the Note conversion, at an exercise price equal to 150% of the Listing Share Price for a period of 18 months. The Note offering was consummated through Exiteam Capital Partners Ltd., and Cannibble paid compensation to them in accordance with the finder’s fee agreement described above.

On March 31, 2021, the Corporation issued a stock bonus to its shareholders on the basis of three bonus ordinary shares for every one ordinary share held on the effective date.

On April 15, 2021, the Corporation issued 26,882 ordinary shares to Amuka Capital Corp. The Corporation also issued Amuka warrants exercisable to acquire one ordinary share for a period of 24 months from the date of issuance at an exercise price of CAD$1.40. At the time of grant, the value of these shares and warrants is 20$ CAD and 14$ CAD, respectively.

On July 5, 2021, the Corporation completed an offering of units ("**Units**") of its securities through Frontfundr Financial Services Inc. doing business as Frontfundr ("**Frontfundr**"), a Canadian equity crowd-funding platform and exempt market dealer. Each Unit was priced at CAD$0.93 and comprised one ordinary share and one share purchase warrant exercisable to acquire one ordinary share for a period of 24 months from the date of issuance at an exercise price of CAD$1.40. The Corporation issued a total of 160,936 Units for gross proceeds of $149,670.48, pursuant to available prospectus exemptions. Pursuant to the agency agreement the Corporation signed with Frontfundr in November 2020, it issued 7,415 share purchase warrants to Frontfundr and paid them fees of $10,122 for their services under the agency agreement. Each of the Frontfundr warrants is exercisable for period of 3 years from the date of issuance to acquire one Unit at an exercise price of CAD$0.93.

On December 22, 2021, the Corporation issued 26,882 shares to an advisor for services provided.

On December 29, 2021, in connection with the Corporation's efforts to become a reporting issuer and seek a listing on the CSE, the Corporation effected the Debt Conversion, pursuant to which it issued the following shares to Messrs. Yoav Bar-Joseph, Elad Barkan and Ziv Turner in consideration for the cancellation of part of the debt owed to them on account of accrued salary.

Mr. Yoav Bar-Joseph – issuance of 86,774 Ordinary Shares of the Corporation in exchange for a debt of $63 (approximately CAD$81) converted at CAD$ 0.93 per share.
Mr. Elad Barkan – issuance of 86,774 Ordinary Shares of the Corporation in exchange for a debt of $63 (approximately CAD$81) converted at CAD$ 0.93 per share.
Mr. Ziv Turner – issuance of 61,338 Ordinary Shares of the Corporation in exchange for a debt of $46 (approximately CAD$57) converted at CAD$ 0.93 per share.

As part of the Debt Conversion, Ziv Turner converted an additional $43 of accrued debt owing to him which was applied to the ordinary shares held by another holder of builder shares to increase their cost base to CAD$0.02 per - 22 - share.

In the third week of January 2022, Asaf Porat paid approximately CAD$53,333 to Cannibble (the "Porat Payment") as an additional subscription amount for his founder's shares, as a result of which the average cost base of his Ordinary Shares was increased to CAD$0.02.

As a result of the Debt Conversion and the Porat Payment, the cost base of all the founders' shares was increased to CAD$0.02.

On December 31, 2021, the Corporation issued 2,594,789 shares as a result of a conversion of the principal and 8% interest on the Notes that were issued to 35 investors in March 2021.

The Corporation's authorized capital consists of 1,000,000,000 ordinary shares with a par value of NIS 0.01 per share. As of the date of this MD&A, the Corporation has 21,721,399 ordinary shares issued and outstanding.
Under his contract with the Corporation, Cannibble's CFO is entitled to receive that number of ordinary shares that is equal to 0.05% of the issued and outstanding ordinary shares on the date on which the Corporation's ordinary shares are listed on a stock exchange in Canada.

As at the date of this MD&A, there are 195,233 share purchase warrants issued and outstanding. Each warrant entitles the holder thereof to acquire one Ordinary Share.

The following table sets forth the aggregate number of warrants which are outstanding as at the date of this MD&A:

Number of warrants	Number of Warrants	Date of expiry	Exercise price
Frontfundr offering	105,936	July 5, 2023	CAD $1.40
Frontfundr compensation warrants(1)	7,415	July 5, 2024	CAD $0.93
PI Novel- Warrants	55,000	July 5, 2023	CAD $1.40
Amuka Capital - Warrants	26,882	April 15 , 2023	CAD $1.40

(1) these compensation warrants consist of a unit exercisable at CAD0.93 to acquire one ordinary share and one share purchase warrant to acquire an additional ordinary share at the exercise of $1.40.

The following share purchase warrants will be outstanding upon Listing:

Number of warrants	Number of Warrants	Date of expiry	Exercise price
Zermatok Warrants (1)	546,776	June 30, 2022	NIS 1.71(approximately CAD $0.48) (3)
Share purchase warrants (2)	1,396,146	18 months from listing on stock exchange	150% of listing share price
Exiteam bonus shares	69,893	Upon Listing	CAD $0.93
Exiteam warrants	193,142	April 15, 2023	CAD $0.74
CFO warrants	108,607	-	CAD $0.93

(1) These share purchase warrants were issued to Zermatok in partial compensation for its services to the Corporation in connection with its intention to become a public company and list its ordinary shares on a Canadian stock exchange. These warrants are exercisable into ordinary shares on closing of an initial public offering at an exercise price of NIS 1.719 per share.

(2) In connection with the Notes offering, 34 investors signed a share purchase warrant appendix, entitling each Holder to purchase up to that number of ordinary shares as are issued to the Holder pursuant to the Note conversion, at an exercise price equal to 150% of the Listing share price for a period of 18 months after the Listing.

(3) According to the bank of Israel exchange rate of CAD$1 = 2.4424 NIS for December 31,2021