

# Cannibble Announces LOI for Acquisition of Eshbal Functional Foods an Israeli Food Tech Manufacturer

Rosh Haayin, Israel--(Newsfile Corp. - August 29, 2022) - Cannibble Foodtech Ltd., (CSE: PLCN) ("**Cannibble**" or the "**Company**"), an Israeli food-tech company that develops and manufactures food and beverage products that are enhanced variously with hemp seeds, hemp protein, and other hemp ingredients, where legal to do so, is pleased to announce that it has entered into a partially binding letter of intent with Eshbal Functional Foods Cooperative Ltd. ("**Eshbal**") contemplating the acquisition (the "**Proposed Acquisition**") by Cannibble of all the outstanding membership interests of Eshbal from the members of Eshbal (the "**Vendors**"). If completed, the Proposed Acquisition will expand Cannibble's business in the global health and wellness market.

Eshbal is a private Israeli food manufacturer established in 1940. Eshbal develops and produces unique formulations of: nutraceuticals, medicinal foods, sugar-free and gluten-free products, vegan products, syrups, and dry mixes including sweeteners. Eshbal focuses on the development of unique formulations of functional foods that it believes promote health beyond their nutritional values, incorporating development and production capabilities for retail brands, private labels, and B2B. Eshbal's production and R&D capabilities include development of propriety formulations, mixing of various powders and cereals, cooking and preparation of syrups and spreads, baking of gluten-free, sugar-free, keto-friendly through diverse packaging technologies. Eshbal's gluten free products can be found in almost every supermarket as well as other food retailers and health stores throughout Israel.

Yoav Bar-Joseph, CEO and director of Cannibble: "The proposed acquisition of Eshbal will mark a significant step in Cannibble's development and coincides with the growth in consumer demand for gluten/sugar-free products, vegan, dietary supplements, and milk and meat substitutes. Our intention with this proposed acquisition is to position Cannibble as a leader in the US health and wellness "better-for-you" market, which is predicted to reach US\$298.3 billion in the year 2022 [1]."

Yuval Levy, Chairman of Eshbal Functional foods: "The merger of Eshbal and Cannibble directly fits the strategy of both companies. Eshbal brings unique know-how and food technology while Cannibble brings North American market experience and presence. We believe that the accumulated experience of both managements will drive market success and quick growth of the combined company in this high growth sector of "better-for-you" food products."

## Acquisition Terms

It is anticipated that the Proposed Acquisition will be an all shares transaction, with the Vendors receiving in the aggregate ordinary shares of Cannibble ("**Cannibble Shares**") equal to 50% of the issued and outstanding Cannibble Shares at closing of the Proposed Acquisition ("**Closing**"), and with Cannibble issuing up to another 20% (of the number of Cannibble Shares issued and outstanding at Closing) of Cannibble Shares to the Vendors subject to Eshbal achieving certain sales or profitability milestones within six years of Closing. The Proposed Acquisition is expected to be a fundamental acquisition for Cannibble under the policies of the Canadian Securities Exchange ("**CSE**") and will be subject to CSE and Cannibble shareholder approval. Following Closing, Eshbal will be a wholly-owned subsidiary of Cannibble. At Closing, it is expected that Yuval Levy will join the board of Cannibble as chairman and Ronit Vivante will join Cannibble as chief financial officer.

The completion of the Proposed Acquisition is subject to the negotiation and signing of a definitive agreement in respect of the Proposed Acquisition, completion of due diligence by the parties, completion of a private placement by Cannibble of a minimum financing of C\$4,000,000 (the "**Minimum Financing**"), receipt of all applicable governmental, regulatory and contractual third party approvals,

including approval of the Canadian Securities Exchange, and other conditions precedent and closing conditions customary for similar transactions to the Proposed Acquisition.

## **About Cannibble**

Cannibble is a food-tech company that develops and manufactures food and beverage products variously enhanced with hemp seeds, hemp protein, and other hemp ingredients, where legal to do so. Cannibble has developed proprietary formulas for food and beverage products enhanced with hemp seeds and protein, targeted for the "Better-for-You" segment. The products are sugar free, dairy free, plant based, non GMO, and marketed under Cannibble's brand name "The Pelicann™".

Cannibble has developed over 100 product SKUs, of which 40 have been manufactured to date. For more information about Cannibble and its business, visit [www.cannibble.world](http://www.cannibble.world).

## **About Eshbal**

Eshbal develops and produces unique formulations of: nutraceuticals, medicinal foods, sugar-free and gluten-free products, vegan products, syrups, and dry mixes including sweeteners and a line of keto products. Eshbal focuses on the development of unique formulations of functional food products that it believes promote health beyond their nutritional values for retail brands, private labels, and B2B. Eshbal's products can be found in almost every supermarket as well as other food retailers and health stores throughout Israel. For further information see Eshbal's website at [www.eshbal.biz](http://www.eshbal.biz).

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## **Cautionary Statement**

Certain statements in this news release constitute "forward-looking information" under applicable Canadian securities laws. Words such as *plan*, *anticipate*, *believe*, *estimate*, *expect*, *may*, *intend*, and similar expressions, as they relate to Cannibble or its management, identify forward-looking information. Forward-looking information in this news release relates to the Proposed Acquisition and the benefits that Cannibble expects to realize from the Proposed Acquisition, Cannibble's expectations for growth of the global health and wellness market and the timing for these future events. Cannibble can give no assurance that it will be successful in completing the Proposed Acquisition. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Cannibble's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Risks associated with the Proposed Acquisition include those related to the parties' ability to negotiate and sign a definitive agreement, obtain the necessary shareholder and regulatory approvals, complete the Minimum Financing, and the timing for the completion of all these events, as well as the risk, assuming the Proposed Acquisition does complete, that the anticipated benefits of the Proposed Acquisition do not materialize. Cannibble does not undertake any obligation to update such forward-looking information whether because of new information, future events or otherwise, except as expressly required by applicable law.

[1] [https://www.reportlinker.com/p05956899/Global-Health-and-Wellness-Foods-Industry.html?utm\\_source=GNW](https://www.reportlinker.com/p05956899/Global-Health-and-Wellness-Foods-Industry.html?utm_source=GNW)



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