

CANIBBLE FOODTECH LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
AS OF MARCH 31, 2023

UNAUDITED

CANIBBLE FOODTECH LTD.

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NOTICE TO SHAREHOLDERS

The accompanying unaudited condensed consolidated interim financial statements of Canibble Foodtech Ltd. (the “**Company**”) for the three months ended March 31, 2022, have been prepared by management in accordance with International Financial Reporting Standards applicable to consolidated interim financial statements (Note 2). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated interim financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

Under National Instrument 51-102, part 4, sub-section 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF FINANCIAL POSITION
(In thousands of US Dollars)

	<u>Note</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		114	267
Net Trade accounts receivable		62	86
Prepays and other receivables		44	40
Restricted cash		33	35
Inventory		18	73
Total current assets		271	501
NON- CURRENT ASSETS:			
Equipment		20	22
Total non- current assets		20	22
TOTAL ASSETS		291	523
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
CURRENT LIABILITIES:			
Trade accounts payable		88	80
Other accounts payable		188	187
Warrants	4	287	287
Total current liabilities		563	554
NON- CURRENT LIABILITIES:			
Other accounts payable	5	1,885	1,683
Total non- current liabilities		1,885	1,683
Total liabilities		2,448	2,237
SHAREHOLDERS' DEFICIENCY:			
Share capital		63	63
Additional paid in capital		3,695	3,642
Warrants		19	19
Reserve from share-based payment transactions		104	60
Accumulated deficit		(6,038)	(5,498)
Total shareholders' deficiency		(2,157)	(1,714)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		291	523
May 23, 2023			
Date of approval of the financial statements	Yoav Bar Yosef Chief Executive officer And chief of directors	Elad Barkan director	Uri Ben-Or Chief Financial officer

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

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF COMPREHENSIVE LOSS
(In thousands of US Dollars)

	Three months ended March 31, 2023	Three months ended March 31, 2022
	<u>2023</u>	<u>2022</u>
Revenues:		
Consulting services	30	15
Sale of goods	11	30
Total revenues	<u>41</u>	<u>45</u>
Cost of revenues:		
Consulting services	9	7
Sale of goods	60	4
Total cost of revenues	<u>69</u>	<u>11</u>
Gross profit (loss)	<u>(28)</u>	<u>34</u>
Operating expenses:		
Selling and marketing expenses	172	175
Research and development expenses	125	78
General and administrative expenses	214	289
Total operating expenses	<u>511</u>	<u>542</u>
Operating loss	(539)	(508)
Financial expenses	2	7
Financial income	(1)	(18)
Net loss and comprehensive loss for the period	<u>(540)</u>	<u>(497)</u>
Basic and diluted loss per share	<u>(0.023)</u>	<u>(0.023)</u>
Weighted average number of shares outstanding used to compute basic and diluted loss per share	<u>23,719,596</u>	<u>21,721,399</u>

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

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(In thousands of US Dollars)

	<u>Number of Shares</u>	<u>Ordinary share capital amount</u>	<u>Additional paid in capital</u>	<u>Reserve from share-based payment transactions</u>	<u>Warrants</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balance at January 1, 2023	<u>23,519,596</u>	<u>63</u>	<u>3,642</u>	<u>60</u>	<u>19</u>	<u>(5,498)</u>	<u>(1,714)</u>
Changes during 2022:							
Payment upon shares	-	-	-	44	-	-	44
Issuance of shares	200,000	*	53	-	-	-	53
Issuance of warrants	-	-	-	-	-	-	-
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(540)</u>	<u>(540)</u>
Balance at March 31, 2023	<u>23,791,596</u>	<u>63</u>	<u>3,695</u>	<u>104</u>	<u>19</u>	<u>(6,038)</u>	<u>(2,157)</u>

* Represent amount lower than 1 US Dollar.

	<u>Number of Shares</u>	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Reserve from share- based payment transactions</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance at January 1, 2022	21,721,399	61	3,283	45	(3,546)	(157)
Changes during the period: payments upon Shares (note 3)	-	-	43	-	-	43
Net loss and comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(497)</u>	<u>(497)</u>
Balance at March 31, 2022	<u>21,721,399</u>	<u>61</u>	<u>3,326</u>	<u>45</u>	<u>(4,043)</u>	<u>(611)</u>

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

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(In thousands of US Dollars)

	<u>Number of Shares</u>	<u>Ordinary share capital amount</u>	<u>Additional paid in capital</u>	<u>Reserve from share-based payment transactions</u>	<u>Warrants</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balance at January 1, 2022	<u>21,721,399</u>	<u>61</u>	<u>3,283</u>	<u>45</u>	<u>-</u>	<u>(3,546)</u>	<u>(157)</u>
Changes during 2022:							
Payment upon shares	-	-	43	15	-	-	58
Issuance of shares	1,798,197	2	316	-	-	-	318
Issuance of warrants	-	-	-	-	19	-	19
Total comprehensive loss for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,952)</u>	<u>(1,952)</u>
Balance at December 31, 2022	<u><u>23,519,596</u></u>	<u><u>63</u></u>	<u><u>3,642</u></u>	<u><u>60</u></u>	<u><u>19</u></u>	<u><u>(5,498)</u></u>	<u><u>(1,714)</u></u>

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

CANIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CASH FLOWS
(In thousands of US Dollars)

	Three months ended March 31, 2023	Three months ended March 31, 2022
	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	(540)	(497)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	2	1
Financial expenses	(1)	(18)
Decrease (increase) in trade and other accounts receivable, net.	20	(44)
Decrease (increase) in inventory	55	-
Increase (decrease) in trade accounts payable	8	9
Increase (decrease) in other accounts payable	<u>204</u>	<u>233</u>
Net cash used in operating activities	<u>(252)</u>	<u>(316)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Advanced payment for fixed assets	-	(1)
Withdraw to restricted cash	<u>2</u>	<u>1</u>
Net cash used in investing activities	<u>2</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Convertible loan payments upon Shares (note 3)	<u>97</u>	<u>43</u>
Net cash provided by financing activities	<u>97</u>	<u>43</u>
Net increase (decrease) in cash and cash equivalents	(153)	(273)
Cash and cash equivalents at beginning of the period	<u>267</u>	<u>694</u>
Cash and cash equivalents at the end of the period	<u><u>114</u></u>	<u><u>421</u></u>

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

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(In thousands of US Dollars)

NOTE 1: NATURE OF BUSINESS, AND GOING CONCERN

a. Nature of business

Cannibble Food-Tech Ltd. (the “Corporation”, the “Group”, or “Cannibble”) was incorporated as a private limited liability Corporation under the Israeli Companies Law, on August 14, 2018 and commenced operations in May 2018. Cannibble’s corporate headquarters and registered address are located at P.O. Box 4250 Rosh Haayin Israel. On March 25, 2021, the Corporation increased the amount of the convertible notes and raised an additional amount of approximately \$1,607 CAD (approximately \$1,286) through the issuance of a convertible note. 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. On March 3, 2022 the ordinary shares of the Corporation were listed for trading on the Canadian Securities Exchange (the “CSE”) under the symbol ‘PLCN’. the Corporation has 23,719,596 ordinary shares issued and outstanding.

Cannibble is an Israeli-based food tech Corporation 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 and hemp protein, where legal to do so.

Cannibble has developed over 100 product SKUs and has offered 40 products for sale. SKU is a unique number for each product, typically assigned by a retailer or manufacturer. It is used to track the product and typically associated with a product's barcode. The Corporation has an online store at www.thepelicann.com and it has a store on Amazon.com (The Pelicann) and on Walmart.com where it sells 6 of its its hemp seed-based products.

The Corporation ’s registered address and principal place of business is P.O.Box 4250, Roash ha'ayin,4856602 Israel.

The Corporation has one wholly-owned subsidiary, EAZY Tech Inc., a limited liability corporation organized under the laws of the state of Delaware. EAZY Tech Inc sales the Corporation ’s products through Cannibble’s web site.

The accompanying consolidated financial statements include the accounts of Cannibble and its wholly-owned subsidiary, EAZY Tech Inc (“EAZY”). All intercompany transactions between the Corporation and its subsidiary have been eliminated upon consolidation.

EAZY was incorporated on May 23, 2019 under the laws of the State of Delaware and has been the marketing and distribution branch of the Corporation in the U.S. market since June 2020.

The financial statements were approved by the Board of Directors on May 23, 2023.

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
(In thousands of US Dollars)

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

b. Going concern

During the period ended March 31, 2023, the Company incurred a loss of \$540 thousand and negative cash flows from operating activities of \$252 thousand and as at March 31, 2023 has an accumulated deficit of \$5,498 thousand.

The Corporation'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.

c. listing in the Canadian Securities Exchange (the "CSE").

On February 10th, 2022 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, 2022 the corporation announced that the Corporation'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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended December 31, 2022 and the accompanying notes thereto. Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards have been omitted or condensed.

Significant accounting policies

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its annual financial statements for the year ended December 31, 2022.

New and amended standards and Interpretations issued by the IASB that apply for the first this period is not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
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(In thousands of US Dollars)

Share based payments

The Group has a share-based remuneration scheme for service providers. The fair value of share options and performance shares was estimated by using a Black and Scholes model. The model was designed to take into account the unique terms and conditions of the performance shares and share options, as well as the capital structure of the Group and the volatility of its assets, on the date of grant based on certain assumptions.

The fair value of the equity settled options granted is charged to the statement of comprehensive loss over the vesting period of each tranche and the credit is recognized in equity, based on the Group's estimate of shares that will eventually vest.

Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to December 31, 2023 (the date on which the Group's next annual financial statements) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

NOTE 3 –SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On November 16, 2022 the Corporation provided an update on the progress of the Proposed Transaction with Eshbal and announced that the parties had started to collaborate on sales prior to completion of the Proposed Transaction, as a result of which Cannibble had received two orders from a distributor in the United States for one of Eshbal's leading products.

Following a period of due diligence and negotiation, the Corporation, Eshbal and the two members of Eshbal (Eshbal Trading, Ltd., an Israeli private Corporation, and L.D. Barel Ltd., an Israeli private Corporation) entered into a definitive share purchase agreement (the "Share Purchase Agreement") on November 27, 2022 for the Proposed Transaction. Pursuant to the Share Purchase Agreement Cannibble will acquire all the outstanding membership interests of Eshbal in exchange for ordinary shares of Cannibble. The Share Purchase Agreement was negotiated at arm's length. Upon closing of the Proposed Transaction, Eshbal will become a wholly-owned subsidiary of Cannibble and Cannibble, as the "Resulting Issuer", will carry on the businesses of Cannibble and Eshbal. The purpose of the Proposed Transaction is 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.

Completion of the Proposed Transaction is subject to satisfaction of a number of conditions, including completion of a concurrent financing that will be held in escrow until completion, as well as CSE and Cannibble and Eshbal security holder approval.

On November 28, 2022, the trading of the Corporation's ordinary shares on the CSE was halted pending the review of the Proposed Transaction by the CSE. Cannibble expects that trading in its ordinary shares will remain halted until closing of the Proposed Transaction.

CANNIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
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(In thousands of US Dollars)

NOTE 3 –SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (CONT)

Since inception, Cannibble has an accumulated deficit of \$6,038 million as at March 31, 2023. The Corporation has funded its operations with proceeds from equity financings and expects to seek additional funding through equity financings to develop its business, and, assuming completion of the Proposed Transaction, the combined business of Cannibble and Eshbal . However, if capital market conditions in general or with respect to the foodtech sector or development stage companies such as Cannibble are unfavorable, the Corporation’s ability to obtain additional funding will be adversely affected.

On November 30, 2022 the Corporation entered a consulting agreement with EXITEAM CAPITAL PARTNERS LTD.

The Consultant will assist the Corporation to raise funds in a private placement from investors in order to complete successful transaction of acquiring 100% of Eshbal functional foods Ltd by the Corporation.

The terms of the agreement will affect for twelve month or until closing a successful transaction the first to come. According to the agreement EXITEAM will provide the following services: general consulting that will include advise the client on investors Market perception, identifying capital market solutions to the Corporation problem, monthly reporting on consultants posting activity. Marketing services, Enhanced News Dissemination, and Social Media Management. The Corporation will pay the consultant retainer fee of \$11,000 CAD per month (approximately \$8,114) for a period of 12 months or until completing a successful transaction. Total of 132,000 CAD will be paid by the Corporation to the consultant by the end of this agreement. The payment will be made in 377,143 "CANNIBBLE FOOD TECH" ordinary shares and not in cash. In addition, the Corporation will pay the consultant a success fee of in-kind consideration of 461,857 in "CANNIBBLE FOOD TECH" shares. The "success fee" will be paid by the Corporation upon that the Corporation will complete a successful transaction acquiring 100% of Eshbal functional foods.

On December 1, 2022 the Corporation entered a consulting agreement with ZER MATOK (“the advisor”) CONSULTING LTD. According to the agreement, the advisor will provide the Corporation advisory services related to the corporation transaction to acquire an Israeli Corporation Eshbal functional food Ltd. Eshbal is a leading private Israeli manufacturer for dietary supplements, gluten-free products and milk and meat substitutes. The terms of the agreement be affective for six month or until closing a successful transaction acquiring 100% of Eshbal functional foods. According to the agreement ZER MATOK will provide the following services: general consulting that will include advice services to the Corporation on investor market perception, identifying capital market solutions to the Corporation problem, coordinating information and materials for the non-offering prospectus, assisting in drafting the MD&A and the financial statement, assisting in drafting the business plan for the Corporation, assisting in drafting PPT presentation of the Corporation and assisting in drafting the capitalization table of the Corporation. The Corporation will pay the advisor retainer fee of \$9,000 CAD per month (approximately \$6,640) for a period of twelve month or until completing a successful transaction the first to come. Total of \$108,000 CAD will be pay by the Corporation to the advisor by the end of the agreement. Payment will be made in 308,571 Cannibble food tech ordinary shares and not in cash. In addition, the Corporation will pay the advisor a success fee of in-kind consideration of 148,858 in Cannibble food tech shares. The success fee will be paid by the Corporation upon that the Corporation complete a successful transaction acquiring 100% of Eshbal functional food.

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
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(In thousands of US Dollars)

NOTE 3 –SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (CONT)

On January 1, 2023 ZER MATOK sign a waiver document. ZER MATOK waive the 546,000 warrants owed to them by the Corporation as part of past agreements.

On January 1,2023 the Corporation entered a share consideration agreement with ZER MATOK LTD. According to the agreement, whereas the advisor provided to the Corporation various consulting services during 2022, the parties agreed that the payment for the services will be in ordinary shares of the Corporation instead of cash. The advisor shall receive 88,571 ordinary shares of the Corporation equivalents to \$31,000 CAD (approximately \$22,688), calculated with a price per share of \$0.35 CAD (approximately \$0.256). The shares will be issued to the advisor after completing a successful transaction: Cannibble acquire 100% of the Israeli Corporation Eshbal functional food Ltd. And receiving the CSE approve of trading Cannibble food tech shares and subject applicable laws and regulation as may apply.

On January 1, 2023 EAZY entered a services agreement with Eshbal function foods (“Eshbal”). According to the agreement, Eshbal will execute the work related to development of new “Better for you” dry products and improvements of existing products. At the end of the development for the satisfactory of EAZY and after the payments to Eshbal are made in full, EAZY will receive full recipes and become the sole owner of the IP. The agreement shall be for a period of 12 month. EAZY will pay Eshbal the monthly amount of \$10,000 as a fix fee.

On January 1, 2023 EAZY entered a services agreement with Eshbal function foods (“Eshbal”). According to the agreement, EAZY will provide services to Eshbal that will include execute the work related to consulting sales and marketing activities of products from Eshbal such as market research, marketing strategy, sales planning, sales execution, post-sales support, and communication with USA customers. The agreement shall be for a period of 12 month. Eshbal will pay EAZY the monthly amount of \$10,000 as a fix fee.

On January 9,2023 the corporation entered a consulting services agreement with SANJ CAPITAL CORP. (the consultant). the Agreement shall continue for a period ending April 30, 2023. Subject to the closing of a contemplated transaction Cannibble foodtech Ltd to acquire 100% of Eshbal functional foods Ltd. (the “transaction”) the Term will be extended for a period of an additional 12 months.

The corporation will pay the consultant A monthly fee of CAD\$5,000 (approximately \$3,659) of which CAD\$2,500 is paid monthly and CAD\$2,500 accrued and to be paid upon Transaction closing.

On January 9, 2023 the Corporation entered a finders agreement with EXITEAM CAPITAL PARTNERS LTD. The finders will assist the Corporation to raise up to \$4.5 M CAD or more as will be instructed by the Corporation and to its sole decision, from Israeli or foreign investors residing in the State of Israel, Canada & USA. The terms of the agreement will affect for twelve months. According to the agreement EXITEAM will provide the following services: introduce to the Corporation specific persons and/or entities on a nonexclusive basis that subsequently: invests in the Corporation, purchases any assets from the Corporation, purchase any securities of the Corporation, lends any funds to the Corporation, or effects a combination of the above-mentioned transaction, either in one transaction or in series of related transactions. Advising the Corporation in negotiations with Identified Prospects; coordinating communication between the Corporation

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
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(In thousands of US Dollars)

NOTE 3 –SIGNIFICANT EVENTS DURING THE REPORTING PERIOD (CONT)

and Identified Prospects; and providing the Corporation with ongoing updates and reports detailing the outcome of discussions, meetings, and other communications with Identified Prospects.

The Corporation will pay the finders the service fees: For financings actually received by the Corporation from an Identified Prospects from time-to-time Finder will be entitled, subject to the terms and conditions of this Agreement, to a commission at a rate of 8% of the sum received by the Corporation in each such Financing from the Identified Prospects, plus VAT, which shall be paid upon the elapse of thirty days after the money from the Financing is actually received by Corporation. In addition to the Commission Fee, the Corporation shall issue the Finder with warrants to purchase a number of ordinary shares of the Corporation equal to 8% of the financing received by the Corporation. The exercise price per share equal to the price per share paid by investors in the Financing. The Warrants shall be exercisable from day one following the closing of a Financing and for a period of two years, as per the terms and conditions to be approved by the Board. Subject to applicable laws and regulations as may apply.

On January 1, 2023 Exiteam sign a waiver document. Exiteam waive the 69,893 warrants owed to them by the Corporation as part of bonus warrants for finders fee.

On February 1, 2023 the Corporation sign a Unanimous written resolution:

The grant by the Corporation to each of the External Directors of 100,000 RSUs that will vest in full on March 2, 2023 be and it is hereby authorized and approved.

The Corporation be and is hereby authorized to issue to each of the External Directors upon deemed exercise of the External Director's 100,000 RSUs on March 2, 2023, 100,000 ordinary shares in the capital of the Corporation.

On March, 14 2023 the corporation issued total of 200,000 shares for two external directors, at the price of \$0.256 (CAD\$0.35) per share.

NOTE 4- WARRANTS:

The fair value of share options and performance shares was estimated by using a Black and Scholes model. The fair valuation of the warrants was last conducted on December 2022. According to the management assessment, there was no material change in the fair value for March, 31 2023.

CANIBBLE FOODTECH LTD.
NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

(In thousands of US Dollars)

NOTE 5- RELATED PARTIES AND SHAREHOLDERS:

a. Parties are considered to be 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. 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:

Related Party	Nature	At March 31, 2023	For the year ended December 31, 2022
		(US\$ in thousands)	
Elad Barkan – CTO, Director & shareholder & founder	Salary fees (*)	628	561
Ziv Turner-VP BUSNIESS, Director & shareholder & founder	Salary fees (*)	628	561
JOAV BAR JOSEPH – CEO, Director & shareholder & founder	Salary fees (*)	628	561

(*) Due to a board of directors' resolution, the three founders employees shall receive a salary of \$24 thousands a month from June 2020. As for March 31, 2023 this amount is a part of accrued expenses. The Company and the founders 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.

c. The following transactions arose with related parties:

Transactions- expenses

	For the three months ended March 31, 2023	For the year ended December 31, 2022
	(US\$ in thousands)	
Fees to CEO, CTO & VP BUSINESS	281	812
Fees to CFO	17	68
Asaf Porat	-	25

CANIBBLE FOODTECH LTD.
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(In thousands of US Dollars)

NOTE 6- SUBSEQUENT EVENTS

On May 16, 2023, the Corporation entered into a CAD\$210K convertible note. The terms of the note are subject to CSE approval.