

CANNIBBLE FOODTECH LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

UNAUDITED

CANNIBBLE FOODTECH LTD.

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NOTICE TO SHAREHOLDERS

The accompanying unaudited condensed consolidated interim financial statements of Cannibble Foodtech Ltd. (the “**Company**”) for the three months ended June 30, 2023, 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.

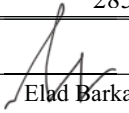
CANNIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF FINANCIAL POSITION
(In thousands of US Dollars)


	<u>Note</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		166	267
Net Trade accounts receivable		34	86
Prepays and other receivables		31	40
Restricted cash		33	35
Inventory		2	73
Total current assets		266	501
NON-CURRENT ASSETS:			
Equipment, net		19	22
Total non-current assets		19	22
TOTAL ASSETS		285	523
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
CURRENT LIABILITIES:			
Trade accounts payable		98	80
Other accounts payable		138	187
Warrants	5	287	287
Total current liabilities		523	554
NON-CURRENT LIABILITIES:			
Other accounts payable	6	2,100	1,683
Convertible loan	4	143	-
Total non-current liabilities		2,243	1,683
Total liabilities		2,766	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		149	60
Accumulated deficit		(6,407)	(5,498)
Total shareholders' deficiency		(2,481)	(1,714)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		285	523

August 22, 2023

Date of approval of the
financial statements


Yoav Ben Yosef
Chief Executive officer
and chief of directors


Elad Barkan
director


Uri Ben-Or
Chief Financial officer

Uri-Ben-Or, CPA, MBA
Chief Financial Officer

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

CANNIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF COMPREHENSIVE LOSS

(In thousands of US Dollars, except share and per share amounts)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Revenues:				
Consulting services	-	-	30	15
Sale of goods	-	26	11	56
Total Revenues	-	26	41	71
Cost of Revenues:				
Consulting services	8	10	17	17
Sale of goods (note 7)	21	16	81	20
Total Cost of revenues	29	26	98	37
Gross profit (loss)	(29)	-	(57)	34
Selling and marketing expenses	131	230	302	406
Research and development expenses	63	122	188	200
General and administrative expenses	123	72	337	361
Total operating expenses	317	424	827	967
Operating loss	(346)	(424)	(884)	(933)
Finance income	-	84	-	84
Finance expenses	(23)	5	(25)	(1)
Change in fair value of convertible loan	-	(1)	-	17
Net loss and comprehensive loss for the period	(369)	(336)	(909)	(833)
Basic and diluted loss per share	<u>(0.016)</u>	<u>(0.015)</u>	<u>(0.038)</u>	<u>(0.038)</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>	<u>23,638,933</u>	<u>21,721,399</u>

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

CANNIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(In thousands of US Dollars, except share amounts)

	Numbers of shares	Ordinary share capital amount	Additional paid in capital	Reserve from share- based payment transaction	Warrants	Accumulated deficit	Total
Balance at January 1, 2023	23,519,596	63	3,642	60	19	(5,498)	(1,714)
Changes during the period:							
Payment upon shares	-	-	-	89	-	-	89
Issuance of shares	200,000	-	53	-	-	-	53
Total comprehensive loss for the period	-	-	-	-	-	(909)	(909)
Balance at June 30, 2023	23,719,596	63	3,695	149	19	(6,407)	(2,481)

	Number of Shares	Share capital	Additional paid-in capital	Reserve from share- based payment transactions	Accumulated Deficit	Total
Balance at January 1, 2022	21,721,399	61	3,283	45	(3,546)	(157)
Changes during the period:						
Payment upon shares (note 3d)	-	-	43	-	-	43
Net loss and comprehensive loss for the period	-	-	-	-	(833)	(833)
Balance at June 30, 2022	21,721,399	61	3,326	45	(4,379)	(947)

CANNIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(In thousands of US Dollars, except share amounts)

	Numbers of shares	Ordinary share capital amount	Additional paid in capital	Reserve from share- based payment transaction	Warrants	Accumulated deficit	Total
Balance at March 31, 2023	23,719,596	63	3,695	104	19	(6,038)	(2,157)
Changes during the period:							
Payment upon shares	-	-	-	45	-	-	45
Total comprehensive loss for the period	-	-	-	-	-	(369)	(369)
Balance at June 30, 2023	23,719,596	63	3,695	149	19	(6,407)	(2,481)

	Number of Shares	Share capital	Additional paid-in capital	Reserve from share-based payment transactions	Accumulated Deficit	Total
Balance at March 31, 2022	21,721,399	61	3,326	45	(4,043)	(611)
Changes during the period:						
Net loss and comprehensive loss for the period	-	-	-	-	(336)	(336)
Balance at June 30, 2022	21,721,399	61	3,326	45	(4,379)	(947)

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

CANNIBBLE FOODTECH LTD.
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(In thousands of US Dollars, except share amounts)

	<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	21,721,399	61	3,283	45	-	(3,546)	(157)
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		-	-	-	-	(1,952)	(1,952)
Balance at December 31, 2022	23,519,596	63	3,642	60	19	(5,498)	(1,714)

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

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

	Six months ended June 30, 2023	Six months ended June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	(909)	(833)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	2	2
Share based payment	142	-
Financial expenses	-	(19)
Decrease (increase) in trade and other accounts receivable, net.	61	70
Decrease (increase) in inventory	71	(74)
Increase (decrease) in trade accounts payable	18	(1)
Increase (decrease) in other accounts payable	369	301
Net cash used in operating activities	(246)	(554)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Advanced payment for fixed assets	-	(1)
Withdraw to restricted cash	2	39
Net cash used in investing activities	2	38
CASH FLOWS FROM FINANCING ACTIVITIES:		
payments upon Shares	-	43
Convertible loan (note 4)	143	-
Net cash provided by financing activities	143	43
Net increase (decrease) in cash and cash equivalents	(101)	(473)
Cash and cash equivalents at beginning of the period	267	694
Cash and cash equivalents at the end of the period	166	221

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

CANNIBBLE 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 CAD\$1,607 (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 its hemp seed-based products.

The Corporation ’s registered address and principal place of business is 40th Carmel Street, Roash ha'ayin, 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. edibles and cannabis market since June 2020.

The financial statements were approved by the Board of Directors on August 22, 2023.

CANNIBBLE 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 June 30, 2023, the Company incurred a loss of \$909 thousand and negative cash flows from operating activities of \$389 thousand and as at June 30, 2023 has an accumulated deficit of \$6,407 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").

The ordinary shares started trading on March 3, 2022 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 time in 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.

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

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES: (CONT)

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

Since inception, Cannibble has an accumulated deficit of \$6,407 thousand as at June 30, 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 January 1, 2023 ZER MATOK signed a waiver document. ZER MATOK waived 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 equivalent to CAD\$31 thousand (approximately \$22.6 thousand), calculated with a price per share of CAD\$0.35 (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 thousand as a fix fee.

During January to June 2023, Eshbal did not provide the services to Eazy tech.

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

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

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 thousand as a fix fee.

During January to June 2023, Eazy tech did not provide the services to Eshbal.

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\$2.5 thousand is paid monthly and CAD\$ 2.5thousand accrued and to be paid upon the 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 CAD\$4.5 thousand 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 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.

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

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

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

On February 1, 2023 the Corporation signed a Unanimous written resolution providing for: The grant by the Corporation to each of the External Directors of 100,000 RSUs that will vest in full on March 2, 2023 and the grant by the Corporation to each of the External Directors upon deemed exercise of the External Director’s 100,000 RSUs on March 2, 2023, 100,000 ordinaries 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. The total value of the grand was \$51.2 thousand (CAD\$70 thousand).

NOTE 4- Convertible Loan:

On May, 2023 the Corporation entered into a Convertible Loan Agreement in the amount of CAD\$210 thousand (\$155.48 thousand). The issuing expenses was \$12.22 thousand. The Convertible Loan will bear an annual interest of 15%.

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

- a. The date of the conditional approval of the SCE approving the listing of the ordinary shares following completion of the Corporation’s proposed acquisition of Eshbal; and the
- b. date on which the bord of directors resolve to terminate the fundamental change transaction the first to come.

On the maturity date, the principal amount and the accrued interest will automatically convert into units of the Corporation at the conversion price of CAD\$0.28 per unit with each unit comprised of one ordinary share of the Corporation and one purchase warrant exercisable to acquire one ordinary share at the exercise price of CAD\$0.40 for two years from the date of issued.

According to the management assessment, the fair value of the convertible loan was not estimated since it is not material.

NOTE 5- 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.

On July 5, 2021, the Corporation completed an offering of units of its securities through Frontfundr Financial Services Inc.

At December 31, 2022, the fair value of the warrant liability was calculated using the Black Scholes model, based on the following assumptions:

	December 31, 2022
Expected volatility (%)	150.6
Risk-free interest rate (%)	4.76
Underlying Share Price (CAD \$)	0.35
Conversion Price (CAD \$)	1.4

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

NOTE 5- WARRANTS (CONT):

As for December 31, 2022 the fair value of the warrant liability was \$4 thousand.

On September 6, 2022, the Corporation completed a non-brokered private placement. At December 31, 2022, the fair value of the warrants was estimated using the Black Scholes option-pricing model with the following assumptions:

	December 31, 2022
PV of exercise Share price	CAD\$0.7
Expected Volatility	165.06%
Risk Free Interest Rate	4.52%
Expected Term (years)	1.66

At December 31, 2022, the fair value of the warrants was \$283 thousand.

According to the management assessment, there was no material change in the fair value for June, 30 2023.

NOTE 6- 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 June 30, 2023	For the year ended December 31, 2022
		(US\$ in thousands)	
Elad Barkan – CTO, Director & shareholder & founder	Salary fees (*)	700	561
Ziv Turner-VP BUSNIESS, Director & shareholder & founder	Salary fees (*)	700	561
JOAV BAR JOSEPH – CEO, Director & shareholder & founder	Salary fees (*)	700	561

(*) Due to a board of directors' resolution, the three founders employees shall receive a salary of \$24,000 a month from June 2020. As for June 30, 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.

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

NOTE 6- RELATED PARTIES AND SHAREHOLDERS (CONT):

c. The following transactions arose with related parties:

Transactions- expenses

	For the three months ended June 30, 2023	For the six months ended June 30, 2023	For the year ended December 31,2022
	(US\$ in thousands)		
Fees to CEO, CTO & VP BUSINESS	235	455	812
Fees to CFO	15	32	68
Asaf porat	-	-	25

NOTE 7- SALE OF GOODS

The sales of goods expenses were mainly from inventory depreciation.

NOTE 8- SUBSEQUENT EVENTS

During July, 2023, the Corporation completed a non-brokered private placement comprised of 714,300 units of its securities at CAD\$0.28 per unit, for aggregate gross proceeds of \$150.8 thousand (CAD\$200 thousand). Each Unit is composed of one ordinary share of the Corporation, and one Share purchase warrant. Each warrant is exercisable at CAD\$0.40 per Share for two years from the date of issuance.