

CANNIBBLE FOODTECH LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024

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 and six months ended June 30, 2024, 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, 2024</u>	<u>December 31, 2023</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		7	52
Net Trade accounts receivable		12	5
Prepays and other receivables		11	16
Restricted cash		19	20
Total current assets		49	93
NON-CURRENT ASSETS:			
Investment		234	242
Equipment, net		12	15
Total non-current assets		246	257
TOTAL ASSETS		295	350
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
CURRENT LIABILITIES:			
Trade accounts payable		84	88
Other accounts payable		142	146
Warrants	4	14	14
Total current liabilities		240	248
NON-CURRENT LIABILITIES:			
Deferred compensation to related parties	5	2,469	2,469
Total non-current liabilities		2,469	2,469
Total liabilities		2,709	2,717
SHAREHOLDERS' DEFICIENCY:			
Share capital		63	63
Additional paid in capital		3,981	3,981
Reserve from share-based payment transactions		172	172
Accumulated deficit		(6,630)	(6,583)
Total shareholders' deficiency		(2,414)	(2,367)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		295	350
August 19, 2024	/s/ Yoav Bar Yosef	/s/ Elad Barkan	/s/ Uri Ben-Or
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.

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,	
	2024	2023	2024	2023
Revenues:				
Consulting and other services	13	-	13	30
Sale of goods	-	-	8	11
Total Revenues	<u>13</u>	<u>-</u>	<u>21</u>	<u>41</u>
Cost of Revenues:				
Consulting services	-	8	-	17
Sale of goods	-	21	8	81
Total Cost of revenues	<u>-</u>	<u>29</u>	<u>8</u>	<u>98</u>
Gross profit (loss)	<u>13</u>	<u>(29)</u>	<u>13</u>	<u>(57)</u>
Selling and marketing expenses	1	131	2	302
Research and development expenses	-	63	1	188
General and administrative expenses	25	123	49	337
Total operating expenses	<u>26</u>	<u>317</u>	<u>52</u>	<u>827</u>
Operating loss	<u>(13)</u>	<u>(346)</u>	<u>(39)</u>	<u>(884)</u>
Finance expenses	(4)	(23)	(8)	(25)
Change in fair value of convertible loan	-	-	-	-
Net loss and comprehensive loss for the period	<u>(17)</u>	<u>(369)</u>	<u>(47)</u>	<u>(909)</u>
Basic and diluted loss per share	<u>(0.001)</u>	<u>(0.016)</u>	<u>(0.0018)</u>	<u>(0.038)</u>
Weighted average number of shares outstanding used to compute basic and diluted loss per share	<u>26,023,896</u>	<u>23,719,596</u>	<u>26,023,896</u>	<u>23,638,933</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	Accumulated deficit	Total
Balance at January 1, 2024	26,023,896	63	3,981	172	(6,583)	(2,367)
Changes during the period:						
Total comprehensive loss for the period	-	-	-	-	(47)	(47)
Balance at June 30, 2024	26,023,896	63	3,981	172	(6,630)	(2,414)

	Numbers of shares	Ordinary share capital amount	Additional paid in capital	Reserve from share- based payment transaction	Accumulated deficit	Total
Balance at January 1, 2023	23,519,596	63	3,642	79	(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	168	(6,407)	(2,481)

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

	Numbers of shares	Ordinar y share capital amount	Additional paid in capital	Reserve from share- based payment transaction	Accumulate d deficit	Total
Balance at March 31, 2024	26,023,896	63	3,981	172	(6,613)	(2,397)
Changes during the period:						
Total comprehensive loss for the period	-	-	-	-	(17)	(17)
Balance at June 30, 2024	26,023,896	63	3,981	172	(6,630)	(2,414)

	Numbers of shares	Ordinar y share capital amount	Additional paid in capital	Reserve from share- based payment transaction	Accumulate d deficit	Total
Balance at March 31, 2023	23,719,596	63	3,695	123	(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	168	(6,407)	(2,481)

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>Accumulated deficit</u>	<u>Total</u>
Balance at January 1, 2023	<u>23,519,596</u>	<u>63</u>	<u>3,642</u>	<u>79</u>	<u>(5,498)</u>	<u>(1,714)</u>
Changes during 2023:						
Shares based payments	-	-	-	93	-	93
Issuance of shares	2,504,300	*	339	-	-	339
Issuance of warrants	-	-	-	-	-	-
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,085)</u>	<u>(1,085)</u>
Balance at December 31, 2023	<u>26,023,896</u>	<u>63</u>	<u>3,981</u>	<u>172</u>	<u>(6,583)</u>	<u>(2,367)</u>

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, 2024	Six months ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	(47)	(909)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	4	2
Share based payment	-	142
Financial expenses	8	-
Decrease (increase) in trade and other accounts receivable, net.	(2)	61
Decrease (increase) in inventory	-	71
Increase (decrease) in trade accounts payable	(4)	18
Increase (decrease) in other accounts payable	(3)	369
Net cash used in operating activities	(44)	(246)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Withdraw to restricted cash	(1)	2
Net cash used in investing activities	(1)	2
CASH FLOWS FROM FINANCING ACTIVITIES:		
Convertible loan (note 4)	-	143
Net cash provided by financing activities	-	143
Net increase (decrease) in cash and cash equivalents	(45)	(101)
Cash and cash equivalents at beginning of the period	52	267
Cash and cash equivalents at the end of the period	7	166

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

Cannibble is an innovative Israeli food tech company that develops food and beverage products variously enhanced with alternative proteins. Cannibble has developed proprietary powder-based formulas for food and beverage products targeted for the "Better-for-You" segment of the market. Better-for-you (BFY) products are products that are low in fats and/ or carbs and/or salt, and/or reduced sugar and/ or high in fibre or vitamins. The products are sugar free, dairy free, plant based, non-GMO, keto friendly, low carbs and marketed under Cannibble's brand name "The Pelicann". The Company's portfolio also includes the marketing of gluten-free products and other unique foods. Cannibble has a distribution agreement with Eshbal functional foods for North America.

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

Cannibble's corporate headquarters and registered address are located at P.O. Box 4250 Rosh Haayiin Israel.

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

The financial statements were approved by the Board of Directors on August, 19 2024.

War in Israel:

In the Company's product portfolio, there are products made in Israel. The war in Israel may impact the production of the products which will affect the ability of the suppliers to supply products on time according to the Company's demand for the export of products to North America.

b. Going concern

During the period ended June 30, 2024, the Company incurred a loss of \$47 thousand and negative cash flows from operating activities of \$44 thousand and as at June 30, 2024 has an accumulated deficit of \$6,630 thousand.

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

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)

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 March 3rd, 2022 the Company 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 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, 2023 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, 2023.

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

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.

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES: (CONT)

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, 2024 (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 May 6, 2024 the company entered a services agreement with Plate my Meal Ltd. (“HOLY LOCUST”).

According to the agreement, Cannibble will provide consulting services to “HOLY LOCUST”. the Agreement shall continue for a period of three years.

Holy Locust is a Brand selling food & beverages products enhanced with locust protein. Holy Locust products initial target market is North America. Holy locust interested to cooperate with Cannibble and to use its services in order to develop food and Beverage products for sale in North America.

The project: Phase 1 - Consulting & product development of Biblical Protein Bar enhanced with locust protein supplied by HOLY LOCUST. Phase 2 – Consulting & product development of food & Beverage's products enhanced with locust protein supplied by HOLY LOCUST. Consulting & development of distribution channels in North America.

Descriptions Of services:

Product development:

Develop products according to Holy Locust requirements. Find a suitable manufacturer in the USA to manufacture the products. Negotiate manufacturers with pricing to meet Holy Locust pricing goals. Give the manufacturer instructions for the product requirements. Continuous contact with the manufacturer in all stages of production until the finished product and supply of finished products at Holy Locust's storage location. Consult and assist Holy Locust with supply chain issues.

Distribution channels and sales:

Consult on potential distribution channels: Online stores, Retail chains, etc. Introductions to service providers that establish and manage online stores on Amazon and other platforms. Consult on onboarding process on online platforms. Introduction to buyers and business development managers at retail chains, support & consult on sale and logistics process.

Payment will be made according to monthly sales report provided to Cannibble by Holy Locust within 10 days from the end of each month.

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

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

NOTE 4- WARRANTS:

The fair value of share warrants and performance shares was estimated by using a Black and Scholes model. The fair valuation of the warrants was last conducted on December 2023. According to the management assessment, there was no material change in the fair value for June, 30 2024.

NOTE 5- RELATED PARTIES AND SHAREHOLDERS:

a. Parties are related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party or if they are key management personals. 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 30,2024	For the year ended December 31, 2023
		US\$ in thousand	
Elad Barkan – CTO, Director & shareholder & founder	Salary fees (1)	823	823
Ziv Turner- Former Director, shareholder & founder	Salary fees (1)	823	823
JOAV BAR JOSEPH – CEO, Director & shareholder & founder	Salary fees (1)	823	823
Total		2,469	2,469

(1) The three management employees shall receive a salary of 24 \$ thousand a month from June 2020. As for June 30, 2024, this amount is a part of accrued expenses. The Company and the management employees reached an agreement that the Company has the option to convert the debt into shares at a value on the day of the conversion, in case there is not enough money to repay the debt.

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

Management determined that senior staff wouldn't receive any salary or back pay for the work performed during the first and second quarter of 2024.

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

NOTE 5- RELATED PARTIES AND SHAREHOLDERS (CONT.):

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

	For the Six months ended June 30,	For the year ended December 31,
	2024	2023
	(US\$ in thousands)	
Fees to CEO, CTO & VP BUSINESS	-	835
Fees to CFO	14	63