

CANNIBBLE FOODTECH LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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 September 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>September 30, 2024</u>	<u>December 31, 2023</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		8	52
Net Trade accounts receivable		4	5
Prepays and other receivables		10	16
Restricted cash		4	20
Total current assets		<u>26</u>	<u>93</u>
NON-CURRENT ASSETS:			
Investment		237	242
Equipment, net		11	15
Total non-current assets		<u>248</u>	<u>257</u>
TOTAL ASSETS		<u><u>274</u></u>	<u><u>350</u></u>
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
CURRENT LIABILITIES:			
Trade accounts payable		80	88
Other accounts payable		152	146
Warrants	4	14	14
Total current liabilities		<u>246</u>	<u>248</u>
NON-CURRENT LIABILITIES:			
Deferred compensation to related parties	5	2,469	2,469
Total non-current liabilities		<u>2,469</u>	<u>2,469</u>
Total liabilities		<u>2,715</u>	<u>2,717</u>
SHAREHOLDERS' DEFICIENCY:			
Share capital		63	63
Additional paid in capital		3,981	3,981
Reserve from share-based payment transactions		172	172
Accumulated deficit		(6,657)	(6,583)
Total shareholders' deficiency		<u>(2,441)</u>	<u>(2,367)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		<u><u>274</u></u>	<u><u>350</u></u>

<u>November 20, 2024</u>	<u>/s/ Yoav Bar Joseph</u>	<u>/s/ Uri Ben-Or</u>	<u>/s/ Elad Barkan</u>
Date of approval of the financial statements	Yoav Bar Joseph CEO	Uri Ben-Or CFO	Elad Barkan Director

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 Dollar except share and per share data)

	Three months		Nine months	
	ended		ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Revenues from consulting services	-	60	13	90
Revenues from sale of goods	-	-	8	11
Total Revenues	-	60	21	101
Cost of Revenues – consulting services	-	6	-	22
Cost of Revenues - sale of goods	-	3	8	84
Total Cost of revenues	-	9	8	107
Gross profit (loss)	-	51	13	(6)
Selling and marketing expenses	1	100	3	402
Research and development expenses	-	160	1	348
General and administrative expenses	25	215	74	553
Operating (loss)	(26)	(424)	(65)	(1,309)
Finance income	-	-	-	-
Finance expenses	(1)	(6)	(9)	(30)
Change in fair value of convertible loan	-	-	-	-
Comprehensive loss for the period	(27)	(430)	(74)	(1,339)
Basic and diluted loss per share (*)	(0.0011)	(0.018)	(0.0029)	(0.057)
Weighted average number of shares outstanding used to compute basic and diluted loss per share	26,023,896	23,666,116	26,023,896	23,666,116

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 and per share data)

	Number of Shares	Share	Additional paid-in capital	Reserve from share- based payment transactions	Accumulated	Total
Balance at January 1, 2024	26,023,896	63	3,981	172	(6,583)	(2,367)
Changes during the period:						
Net loss and comprehensive loss for the period	-	-	-	-	(74)	(74)
Balance at September 30, 2024	26,023,896	63	3,981	172	(6,657)	(2,441)

	Number of Shares	Share	Additional paid-in capital	Reserve from share- based payment transactions	Accumulated	Total
Balance at January 1, 2023	23,519,596	63	3,642	79	(5,498)	(1,714)
Changes during the period:						
Payment upon shares	-	-	-	134	-	134
Issuance of shares	200,000	-	53	-	-	53
Net loss and comprehensive loss for the period	-	-	-	-	(1,339)	(1,339)
Balance at September 30, 2023	23,719,896	63	3,695	213	(6,837)	(2,866)

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 and per share data)

	Number of Shares	Share capital	Additional paid-in capital	Reserve from share- based payment transaction	Accumulated Deficit	Total
Balance at July 1, 2024	26,023,896	63	3,981	172	(6,630)	(2,414)
Changes during the period:						
Net loss and comprehensive loss for the period	-	-	-	-	(27)	(27)
Balance at September 30, 2024	26,023,896	63	3,981	172	(6,657)	(2,441)

	Number of Shares	Share capital	Additional paid-in capital	Reserve from share- based payment transaction	Accumulated Deficit	Total
Balance at July 1, 2023	23,719,896	63	3,695	168	(6,407)	(2,481)
Changes during the period:						
Payments upon shares	-	-	-	45	-	45
Net loss and comprehensive loss for the period	-	-	-	-	(430)	(430)
Balance at September 30, 2023	23,719,896	63	3,695	213	(6,837)	(2,866)

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 and per share data)

	<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>

(*) Represent amount lower than 1 US Dollar.

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)

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period		
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	5	5
Financial expenses	(6)	(32)
Change in fair value of convertible loan	-	-
Share-based payments	-	187
Decrease (increase) in trade and other accounts receivable, net.	7	17
Decrease (increase) in inventory	-	73
Increase (decrease) in trade accounts payable	(8)	10
Increase (decrease) in other accounts payable	6	703
	<u>(70)</u>	<u>(376)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Advanced payment for fixed assets	-	-
Withdraw (deposit) to restricted cash	16	16
	<u>16</u>	<u>16</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Convertible loan (note 4)	-	367
issuance of units, net	-	-
payments upon Shares	-	-
Warrants	-	-
	<u>-</u>	<u>367</u>
Net cash provided by financing activities		
Effects of exchange rate changes on cash and cash equivalents		
	10	33
Net increase (decrease) in cash and cash equivalents	(54)	7
Cash and cash equivalents at beginning of the period	52	267
Cash and cash equivalents at the end of the period	<u>8</u>	<u>307</u>

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, 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.

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 Haayin 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 November, 20 2024.

War risk 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 September 30, 2024, the Company incurred a loss of approximately \$74,000 and negative cash flows from operating activities of approximately \$70,000 and as at September 30, 2024 has an accumulated deficit of approximately \$6,657,000.

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

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

NOTE 1 - NATURE OF BUSINESS, GOING CONCERN (CONT)

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 March 3rd, 2022 the Company announced that the Company's ordinary shares (the "Shares") have received final approval for listing from 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 Company'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
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(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 of the next financial reports the company is expected to submit) 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 September 14, 2024 the marketing agreement with Eshbal Functional Food Ltd. (“Eshbal”) was terminated by Eshbal.

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

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

NOTE 5 - RELATED PARTIES AND SHAREHOLDERS (CONT):

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 second and third quarter of 2024. The company didn't accurate the salary for those periods.

c. The following transactions arose with related parties:

Transactions- expenses

	For the three months ended September 30, 2024	For the nine months ended September 30, 2024	For the year ended December 31, 2023
	(US\$ in thousands)		
Fees to CEO, CTO & VP BUSINESS	-	-	835
Fees to CFO	11	25	63