

Cannibble Provides Update on Eshbal Functional Foods Acquisition

Rosh Haayin, Israel--(Newsfile Corp. - November 16, 2022) - Cannibble Foodtech Ltd., (CSE: PLCN) ("**Cannibble**" or the "**Company**"), an Israeli food-tech company that develops and manufactures food and beverage products that are enhanced variously with hemp seeds, hemp protein, and other hemp ingredients, where legal to do so, is pleased to provide a progress update on its proposed acquisition (the "**Proposed Acquisition**") of Eshbal Functional Foods Cooperative Ltd. ("**Eshbal**"). The Proposed Acquisition involves the acquisition of all the outstanding membership interests of Eshbal from the members of Eshbal (the "**Vendors**") in exchange for ordinary shares of Cannibble. Cannibble believes that if completed, the Proposed Acquisition will expand Cannibble's business in the United States in the gluten free market. The parties are in the final stages of negotiating the definitive agreement for the Proposed Acquisition (the "**Definitive Agreement**") and expect to sign the Definitive Agreement in Q4 2022.

Although the Definitive Agreement has not yet been signed, the parties started a business cooperation between them. As part of the cooperation, Cannibble has received two orders from a distributor in the United States that placed the two orders from Eshbal for one of Eshbal's leading products.

Yoav Bar-Joseph, CEO and director of Cannibble: "We have approached a number of retail chain food buyers and distributors in the United States and we have received significant interest in Eshbal's products portfolio. As part of our efforts, we have already received initial test orders from a food distributor in the United States. Once we complete the acquisition of Eshbal, we plan to increase the scope of Eshbal's gluten free business in the US market."

Acquisition Terms

It is anticipated that the Proposed Acquisition will be an all shares transaction, with the Vendors receiving in the aggregate ordinary shares of Cannibble ("**Cannibble Shares**") equal to 51% of the issued and outstanding Cannibble Shares at closing of the Proposed Acquisition ("**Closing**"), and with Cannibble issuing up to another 20% (of the number of Cannibble Shares issued and outstanding at Closing) of Cannibble Shares to the Vendors subject to Eshbal achieving certain sales or profitability milestones within six years of Closing.

the Selling Members shall be entitled to receive additional Purchaser Shares of Cannibble if they will meet certain sales milestones for year 2022 or for any other calendar year during the 36 months Period.

The Proposed Acquisition is expected to be a fundamental acquisition for Cannibble under the policies of the Canadian Securities Exchange ("**CSE**") and will be subject to CSE and Cannibble shareholder approval. Following Closing, Eshbal will be a wholly-owned subsidiary of Cannibble. At Closing, it is expected that Yuval Levy will join the board of Cannibble as chairman and Danit Kochva will join Cannibble as chief financial officer.

The completion of the Proposed Acquisition remains subject to the negotiation and signing of the Definitive Agreement, completion of due diligence by the parties, completion of a private placement by Cannibble of a minimum financing of C\$4,500,000 (the "**Minimum Financing**"), receipt of all applicable governmental, regulatory and contractual third party approvals, including approval of the Canadian Securities Exchange, and other conditions precedent and closing conditions customary for similar transactions to the Proposed Acquisition.

About Cannibble

Cannibble is a food-tech company that develops and manufactures food and beverage products

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

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

About Eshbal

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

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Cautionary Statement

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



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