



Looking Forward - Building On Our Successes

TSXV: ESBL

A Message From Tomer Bar Meir, The CEO of Eshbal Functional Food.

VANCOUVER, BC, Jan. 21, 2026 /CNW/ - Eshbal Functional Food Inc. (TSXV: ESBL) ("Eshbal" or the "Company") is pleased to share reflection of its transformational year in 2025 as well as its positive outlook for growth in both revenue and profitability in 2026 as it expands operations into North America.

With the new year upon us, it is timely to not only reflect on Eshbal's 2025 accomplishments, but to clearly outline the team's objectives for accelerated, profitable growth through 2026 and beyond.

For those not familiar with the Eshbal story, it is important to appreciate the company's foundations and how this underpins and supports the next growth catalyst being North American expansion.

Eshbal is a food-tech company with more than 20 years of developing and employing proprietary processes that has led to the development of more than 300 product SKUs out of which, 80+ SKUs are within the "Better For You" segments.

More than 70 people are employed at the company's robust, 60 thousand square foot production facility in Israel, which also has an in-house laboratory and a team of four food engineers. It is from here that Eshbal saw its 2024 revenues reach \$11.4 million USD and we are forecasting those revenues to reach up to \$14 million USD for 2025 with an estimated gross margin of 24%.

2025 - The Year We Position For Our Expansion

In April, 2025, Eshbal began trading on the TSX Venture Exchange under the symbol, ESBL. Our team believed the time was right to become a publicly traded entity for clear reasons.

- To expand into the large North American gluten free market would require additional capital in the future.
- The company was not a start-up as the team has delivered steady, organic growth for more than 20 years.
- Eshbal's revenues, margins and cash flow were growing, separating us from more speculative companies in the Canadian junior markets.
- The opportunity is clear as according to *Grand View Research*, the North America gluten-free products market generated ~ USD 2.8 billion in 2024 and *bakery products* were the largest segment by revenue. The report forecasts growth (CAGR \approx **9.3%**) through 2030.
- Eshbal will need to capture only a very small percentage of the market to become a company of notable size.
- We believe that people will embrace the quality and tastiness of Eshbal's products, which will motivate some to become shareholders in a company to which they can relate.
- In keeping with the go-public strategy and fully appreciating the link between satisfied customers also converting to investors, the Company began planning its Direct To Consumer strategy before the first share traded.

Eshbal continues to build its platform as a company that demonstrates that healthy and functional food is not about compromise, but about raising the standard. Through disciplined execution, product innovation, and market-driven decision-making, the Company laid the groundwork for the next phase of its development.

In late 2025, Eshbal took its first step into the North American market with the 55% purchase of U.S. based, Dare To Be Different Foods (D2BD). Its products are available in over 300 stores, including Walmart in New York State as well as local stores throughout New York State, New Jersey and Connecticut.

Eshbal will work to add its own brands to the catalogue of products that will be available to D2BD's stores.

2026 And Beyond

Our primary objective for 2026 is to establish Eshbal as a recognized, North American Better-for-You platform, with locally produced gluten-free products, an active commercial organization, and at least one scalable acquisition integrated into operations.

Below is the roadmap we will follow for the next several years.

1. Production Capabilities

As Eshbal entered the new year, it secured an Ontario-based gluten-free manufacturing partner in Toronto based, Queen Street Bakery. This agreement will support the production of Eshbal's gluten-free product line, beginning with Pita Bread and potential additional complementary products. Product trials are upcoming with Queen Street and Eshbal is providing specialized pita production equipment and technical know-how.

The first commercial production run is being planned for early February, subject to finalization of outstanding items. Initial production will support inventory for online sales, product samples for broker-led retail and foodservice evaluations, and potential foodservice customer opportunities currently under discussion.

2. Logistics Infrastructure

Eshbal is advancing its logistics infrastructure by establishing fulfillment solutions in both Canada and the United States. In the near term, Queen Street Bakery is expected to manage fulfillment for direct-to-consumer online sales. As well, cross-border logistics to the U.S. is being researched.

3. Sales and Marketing

An important initiative for Eshbal in 2026 are sales and marketing initiatives for the development of a Shopify-based online platform. This is expected to launch in the first quarter. This will support both brand communication and e-commerce, with integration capabilities for third-party marketplaces.

In addition, broker-led retail outreach is underway, with Active Marketing Group ("AMG"), a leading U.S.-based consumer packaged goods marketing and brokerage firm. AMG will initially represent Eshbal's flagship gluten-free Barili products, and some D2BD products and grow the product offerings in keeping with ongoing North American expansion.

Eshbal is also in active discussions to secure a Canadian broker to support retail introductions and distributor relationships. In parallel, Eshbal is pursuing foodservice opportunities, with plans to launch Pita Bread sales to a U.S.-based foodservice customer in late Q1, supported by broker and industry partner engagement. There is potential for a collaborative joint venture with existing brands to help them expand their offerings with products that they currently don't produce or sell.

4. D2BD Platform Integration Summary

Eshbal is moving quickly to advance the integration of the D2BD operational platform. Following completion, the Company will leverage its R&D and production expertise to enhance product quality, improve manufacturing efficiency, and reduce costs. Ongoing efforts include upgrading D2BD's online sales platform, expanding retail distribution through broker-led outreach, and increasing retailer reviews, including a planned submission to a major national retailer. Eshbal is also introducing its products through

D2BD's established distribution network while providing operational, management, and sales support to help scale the business.

5. Capital Markets & Strategic Growth Summary

Eshbal's M&A strategy is focused on completing at least one accretive acquisition annually. Currently, there is the potential for a U.S.-based acquisition during the first half of 2026, which would contribute revenue and profit. The Company is building its North American team, with key hire, Avi Markus already in place as Chief Commercial Officer. Plans are also in-place to bring on part-time support for online, logistics, and administrative functions.

Plans are already underway to make Eshbal DTC-eligible in the U.S., and the Company is also looking into the requirements to consider an application to uplist to the senior TSX Exchange. In addition, a dual listing is under consideration.

Additionally, the Company is committed to further enhancing its current investor communications programs with the support of The Howard Group. Building an ever-growing base of investors, Capital Market commentators, investment advisors and institutions that become educated on Eshbal is of primary importance. This will be a never-ending undertaking as we know the larger the Company's audience, the greater the market response will be as Eshbal delivers on financial performance.

Notably, the interests of the insider ownership group are clearly aligned with all shareholders as of the 68.9 million common shares issued, 49.7 million are owned by insiders.

Closing Comments

Below is the management team's view of what can be financially achievable over the next few years based on Eshbal's solid foundation, proven organic growth profile and capturing even just a miniscule percentage of the North American gluten-free and "Better For You" market segments.

Top and bottom-line growth will be driven by 1) Eshbal Israel continued growth, 2) revenues from acquired companies, 3) organic growth from the North American expansion.

While our goals exceed what I categorize as the "conservative" case, we understand that the Capital Markets will judge us on not only profitable growth, but the pace at which the "top-line" accelerates.

I would like to note that as of this writing, our market capitalization is just under \$11 million CDN or less than our 2024 revenues of \$11 million USD. Not unexpectedly, management believes the Company is undervalued in context of historical performance, plans for ongoing North American expansion and the fact that we are already delivering on that strategy.

We ask that those looking at Eshbal as a potential investment consider the fact that demand for quality, tasty, gluten-free products will only continue to grow. In other words, the market is known and many investors either choose or need to make gluten-free products a part of their daily lives or have family and friends that are in an identical situation. This makes what we do relatable and easy to understand, which is an advantage in the Capital Markets.

In closing, thank you for the opportunity to share our history, foundation and goals. The Eshbal team has a singular purpose to create "customer satisfaction" and translate that into "shareholder satisfaction".

To read the more detailed message with graphics [click here](#).

We welcome your questions and inquiries. Please direct them to:

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Thank you

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