

## FORM 5

### **QUARTERLY LISTING STATEMENT**

Name of Listed Issuer: Blender Bites Limited (the “Issuer”).

Trading Symbol: BITE

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

First Quarter ended January 31, 2024. Unaudited condensed interim consolidated financial statements of the Issuer for the three-months ended January 31, 2024 as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix “A”.

All amounts reflected in this Form 5 are on a post-consolidation basis effective July 13, 2022.

## **SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

### **1. Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the three-months period ended January 31, 2024, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

### **2. Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures , etc.)	Type of Issue (private placement , public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
16-Nov-23	Common Shares	Acquisition	2,013,333	\$2.25	\$4,530,000	N/A	Arm's length parties	60,394 Shares for Administrative Services

(b) summary of options and RSUs granted during the period,

No options or RSUs were granted during the period.

### 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at January 31, 2024, the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions of which 8,455,508 common shares were issued and outstanding. There is only one class of shares and there are no dividends.

(b) number and recorded value for shares issued and outstanding,

<u>Date</u>	<u>Number of Common Shares</u>	<u>Recorded value of common shares</u>
As at January 31, 2024	8,455,508	\$31,663,305

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Options: Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan

As at January 31, 2024, the following options were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

<u>Date of Grant</u>	<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	<u>Recorded Value</u>
27-Sept-2022	7,500	\$2.50	27-Sept-2027	\$14,000
24-Mar-2023	80,000	\$6.62	24-Mar-2025	\$284,000
17-Jul-2023	1,273,000	\$3.49	17-Jul-2026	\$2,835,000

Warrants: As at January 31, 2024, the following warrants were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

<u>Date of Grant</u>	<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	<u>Recorded Value</u>
20-Sep-2021	2,598,000	\$1.60	20-Sep-2023	\$NIL
07-Mar-2023	238,500	\$5.50	07-Mar-2028	\$NIL
17-Mar-2023	410,850	\$5.50	17-Mar-2028	\$NIL
22-Jun-2023	221,536	\$4.55	22-Jun-2026	\$NIL
22-Jun-2023	31,015	\$3.50	22-Jun-2025	\$NIL
11-Sept-2023	286,681	\$3.30	11-Sept-2028	\$NIL
31-Oct-2023	302,391	\$3.20	31-Oct-2025	\$NIL

Restricted Share Units: Restricted Share Units in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Restricted Share Unit Plan.

As at January 31, 2024, the following RSUs were outstanding entitling holders to common shares in the capital of the Issuer as summarized below:

<u>Date of Grant</u>	<u>Number of RSUs</u>	<u>Exercise Price</u>	<u>Vesting Date<sup>(1)</sup></u>	<u>Recorded Value</u>
24-Mar-2023	20,000	N/A	24-Jul-2023	\$103,000

<sup>(1)</sup> The RSUs vest on July 24, 2023; however, were not issued pursuant to agreement with the consultant.

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As of January 31, 2024, 1,764,780 common shares of the Issuer were subject to escrow or pooling agreement or any other restrictions on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Chelsie Hodge, Director and CEO  
Geoff Balderson, CFO  
Nicole Lacson, Corporate Secretary  
Patrick Morris, Director  
Nima Bahrami, Director  
Christopher Mackay, Director  
Grant Smith, Director

#### **SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the three-months period ended January 31, 2024, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

Dated: March 28, 2024

Geoff Balderson

Name of Director or Senior Officer

"Geoff Balderson"

Signature

CFO

Official Capacity

<b>Issuer Details</b>		
Name of Issuer Blender Bites Limited	For Quarter Ended January 31, 2024	Date of Report YY/MM/DD 24/03/28
Issuer Address Suite 800 – 1199 West Hastings Street		
City/Province/Postal Code Vancouver, BC	Issuer Fax No. N/A	Issuer Telephone No. 604-802-3879
Contact Name Chelsie Hodge	Contact Position CEO	Contact Telephone No. 604-802-3879
Contact Email Address chelsie@blenderbites.com	Web Site Address <a href="https://www.blenderbites.com">https://www.blenderbites.com</a>	

SCHEDULE "A"

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-  
MONTHS ENDED JANUARY 31, 2024

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**BLENDER BITES LIMITED**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2024 AND 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

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**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the three months ended January 31, 2024 have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors.

**BLENDER BITES LIMITED****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at January 31, 2024 and October 31, 2023

(Unaudited - Expressed in Canadian Dollars)

	January 31, 2024	October 31, 2023
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 139,689	\$ 773,388
Accounts receivable	814,541	1,279,153
Inventory (Note 6)	1,285,171	1,499,756
Prepaid expenses	224,527	84,536
	2,463,944	3,636,833
NON-CURRENT ASSETS		
Equipment (Note 7)	828,536	848,535
Trademarks (Note 7)	79,046	62,079
Intangible assets (Note 5)	4,266,659	-
Total assets	\$ 7,638,185	\$ 4,547,447
<b>LIABILITIES AND EQUITY</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 8 and 11)	\$ 1,629,665	\$ 1,963,272
Promissory notes (Note 9)	37,319	36,865
	1,666,984	2,000,137
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 10)	31,663,305	27,877,660
Contributed surplus (Note 10)	4,342,663	4,084,410
Deficit	(30,034,767)	(29,414,760)
	5,971,201	2,547,310
Total liabilities and shareholders' equity	\$ 7,638,185	\$ 4,547,447

Nature of business and continuance of operations (Note 1)

Subsequent events (Note 15)

Approved and authorized by the Board of Directors:

*"Chelsie Hodge"**Chelsie Hodge, Director**"Nima Bahrami"**Nima Bahrami, Director*

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

**BLENDER BITES LIMITED****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three months ended January 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

	Three months ended January 31, 2024	Three months ended January 31, 2023
<b>Sales</b>	\$ 573,668	\$ 439,310
<b>Cost of goods sold</b> (Note 6)	430,259	313,353
<b>Gross Margin</b>	143,409	125,957
<b>EXPENSES</b>		
Advertising and promotion	240,360	114,016
Consulting fees	221,528	142,300
Depreciation (Note 7)	2,131	2,889
Freight expense	112,528	27,321
Interest and accretion expense (Note 9)	4,462	453
New product development	21,980	54,093
Office and administration	70,199	75,887
Professional fees (Note 11)	73,286	13,099
Selling expense	105,067	32,937
Share based compensation (recovery) (Note 10, 11)	(352,403)	31,453
Transfer agent and filing fees	4,477	1,652
Travel expense	20,194	7,757
Wages and benefits (Note 11)	111,572	92,885
	(763,416)	(596,742)
<b>Net loss and comprehensive loss for the year</b>	\$ (620,007)	\$ (470,785)
<b>Basic and diluted loss per share</b>	\$ (0.07)	\$ (0.12)
<b>Weighted average number of common shares outstanding</b>	8,313,229	4,091,672

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

**BLENDER BITES LIMITED****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the periods ended January 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

	SHARE CAPITAL							
	Number of Shares	Amount		Contributed Surplus	Deficit			Total Equity
<b>Balance at October 31, 2022</b>	4,091,672	\$ 21,285,949	\$	621,501	\$ (20,930,655)	\$		976,795
Share based compensation	-	-		31,453	-			31,453
Net loss for the year	-	-		-	(470,785)			(470,785)
<b>Balance at January 31, 2023</b>	<b>4,091,672</b>	<b>21,285,949</b>		<b>652,954</b>	<b>(21,401,440)</b>			<b>537,463</b>
<b>Balance at October 31, 2023</b>	<b>6,791,781</b>	<b>27,877,660</b>		<b>4,084,410</b>	<b>(29,414,760)</b>			<b>2,547,310</b>
Acquisition of Advanced Sports Nutrition Inc.	2,013,333	4,268,266		-	-			4,268,266
Shares issued for Services	60,394	128,035		-	-			128,035
Return of Shares to Treasury	(410,000)	(610,656)		-	-			(610,656)
Share based compensation	-	-		258,253	-			258,253
Net loss for the year	-	-		-	(620,007)			(620,007)
<b>Balance at January 31, 2024</b>	<b>8,455,508</b>	<b>\$ 31,663,305</b>	<b>\$</b>	<b>4,342,663</b>	<b>\$ (30,034,767)</b>	<b>\$</b>		<b>5,971,201</b>

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

**BLENDER BITES LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the three months ended January 31, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

	Three months ended January 31,	
	2024	2023
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	\$ (620,007)	\$ (470,785)
Items not involving cash:		
Depreciation	21,799	18,955
Interest and accretion expense	454	453
Return of shares to treasury	(610,656)	-
Share based compensation	258,253	31,453
Transaction and listing expense	128,035	-
Changes in non-cash working capital items:		
Accounts receivable	466,219	231,136
Inventory	214,570	106,855
Prepaid expenses	(139,992)	17,694
Accounts payable and accrued liabilities	(333,606)	296,560
Cash provided by (used in) operating activities	(614,931)	232,321
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	-	(292,353)
Purchase of trademarks	(18,768)	(9,290)
Cash (used in) investing activities	(18,768)	(301,643)
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	(633,699)	(69,322)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	773,388	221,272
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 139,689	\$ 151,950
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Fair value of shares issued for administrative shares	\$ 128,035	\$ -

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

**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

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**1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS**

Blender Bites Limited ("BITE" or the "Company") was incorporated on March 23, 1999, under the laws of British Columbia and is the parent company of Blender Bites (Holdings) Limited ("BBI" or "Blender Bites"). The head office and records are located at Suite 800 – 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5. The Company trades under the trading symbol "BITE" on the Canadian Securities Exchange ("CSE").

The Company's business is the manufacturing and distribution of natural and organic frozen smoothie products.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and the settlement of liabilities and commitments in the normal course of operations. The Company realized a net loss of \$620,007 for the three months ended January 31, 2024. As at January 31, 2024, the Company had an accumulated deficit of \$30,034,767. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company's continued existence is dependent upon its ability to raise additional capital and to achieve profitable operations and positive cash flows. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. If the going concern assumption were not appropriate for these financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses, and the statement of financial position classifications used. Such adjustments could be material.

**BLENDER BITES LIMITED**  
**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
January 31, 2024  
(Unaudited - Expressed in Canadian Dollars)

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**2. BASIS OF PRESENTATION**

**a) Statement of compliance**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

The condensed interim consolidated financial statements were authorized for issue by the Audit Committee and approved and authorized for issue by the Board of Directors on March 28, 2024.

**b) Basis of measurement**

These condensed interim consolidated financial statements have been prepared on a historical basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries, Advanced Sports Nutrition Inc., and Blender Bites (Holdings) Limited. The functional currency of Blender Bites US Ltd. is the United States Dollar ("US dollar").

**c) Basis of consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary at the end of the reporting period:

	<b>Incorporated</b>	<b>Nature</b>	<b>Ownership January 31, 2024</b>	<b>Ownership October 31, 2023</b>
Advanced Sports Nutrition Inc.	British Columbia	Research and development	100%	-
Blender Bites (Holdings) Limited	British Columbia	Consumer products	100%	100%
Blender Bites US Ltd.	Nevada	Consumer products	100%	100%

The results of the wholly owned subsidiary will continue to be included in the condensed interim consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements for the year ended October 31, 2023. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2023.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the year of change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical estimates which are most subject to uncertainty and have the most significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next twelve months are as follows:

**Recoverability of accounts receivable and allowance for credit loss**

The Company provides allowances for lifetime expected credit losses based on an assessment of the recoverability of accounts receivable. Allowances are applied to accounts receivable at initial recognition based on the probability of default by the customers. Management analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for lifetime expected credit losses. Where the expectation is different from the original estimate, such difference will impact the carrying value of accounts receivable.

**Valuation of share-based payments**

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

*Critical judgments in applying accounting policies*

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the condensed interim consolidated financial statements within the next financial year are discussed below:

**Going concern**

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern. See Note 1 for additional details.

The Company bases its estimates and judgments on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations and cash flows.



**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

**5. ACQUISITIONS**

On November 16, 2023, the Company completed the acquisition of all issued and outstanding share capital of Advanced Sports Nutrition Inc. ("ASN"). The acquisition was completed pursuant to the share purchase agreement dated November 3, 2023. In consideration for all of the shares of ASN, the Company issued 2,013,333 common shares. The Company also issued 60,394 common shares with a fair value of \$128,035 as an administration fee.

At the date of acquisition, the Company determined that ASN did not constitute a business as defined under IFRS 3, *Business Combinations*, and the ASN acquisition was accounted for as an asset acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2, *Share-based payments*, and recognized at the fair value of the common shares of the Company at a price of \$2.12 per share.

As a result of the acquisition, intangible assets were identified that met the recognition criteria under IFRS; therefore, the excess of the consideration paid over the fair value of the assets and liabilities assumed was expensed as transaction expense.

The following table shows the preliminary allocation of the purchase price to the fair value of the assets acquired and liabilities assumed, based on the estimated fair value, including a summary of the identifiable classes of considered transferred, and amounts by category of assets acquired and liabilities assumed at the acquisition date. The allocation may be revised the Company as additional information is received and finalized.

<b>Consideration paid:</b>		
Fair value of 2,013,333 common shares at \$2.12 per share	\$	4,268,266
		4,268,266
<b>Net assets acquired</b>		
Amounts receivable		1,607
Intangible assets		4,266,659
Total net assets		4,268,266
Fair value of 60,394 common shares at \$0.60/share issued as administrative fees		128,035
Transaction expense	\$	128,035

**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

**6. INVENTORY AND COST OF GOODS SOLD**

Inventory is comprised of raw materials and finished goods held on consignment with the Company's distributors for delivery and fulfilment of sales to wholesalers. Inventory as at January 31, 2024 and October 31, 2023 consists of the following:

	<b>January 31, 2024</b>	<b>October 31, 2023</b>
Raw materials	\$ 840,078	\$ 931,813
Finished goods	445,108	567,943
	<b>\$ 1,285,186</b>	<b>\$ 1,499,756</b>

Cost of goods sold for the period ended January 31, 2024 and year ended October 31, 2023 consists of the following:

	<b>January 31, 2024</b>	<b>October 31, 2023</b>
Depreciation	\$ 19,668	\$ 85,106
Materials	410,591	2,530,551
	<b>\$ 430,259</b>	<b>\$ 2,615,658</b>

**7. EQUIPMENT AND TRADEMARKS**

The following is a summary of activities for the period ended January 31, 2024:

	<b>Moulds \$</b>	<b>Equipment \$</b>	<b>Trademarks \$</b>	<b>Total \$</b>
<b>COST</b>				
Balance, October 31, 2022	34,364	447,739	40,778	522,881
Additions	137,064	374,144	31,675	542,883
Balance, October 31, 2023	171,428	821,883	72,453	1,065,764
Additions	-	-	18,768	18,768
<b>Balance, January 31, 2024</b>	<b>171,428</b>	<b>821,883</b>	<b>91,221</b>	<b>1,084,532</b>
<b>ACCUMULATED DEPRECIATION</b>				
Balance, October 31, 2022	16,115	39,753	4,512	60,380
Additions	13,246	75,662	5,862	94,770
Balance, October 31, 2023	29,361	115,415	10,374	155,150
Additions	8,571	11,427	1,801	21,799
<b>Balance, January 31, 2024</b>	<b>37,932</b>	<b>126,842</b>	<b>12,175</b>	<b>176,949</b>
<b>Net book value, October 31, 2023</b>	<b>142,067</b>	<b>706,468</b>	<b>62,079</b>	<b>910,614</b>
<b>Net book value, January 31, 2024</b>	<b>133,496</b>	<b>695,041</b>	<b>79,046</b>	<b>907,583</b>

During the period ended January 31, 2024, amortization of \$19,668 (year ended October 31, 2023 - \$85,106) is included in cost of goods sold.

**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	January 31, 2024	October 31, 2023
Accounts payable	\$ 1,611,265	\$ 2,072,339
Accrued liabilities	18,400	161,233
	<b>\$ 1,629,665</b>	<b>\$ 2,233,572</b>

**9. PROMISSORY NOTES**

During the period ended October 31, 2020, Blender Bites entered into two promissory note agreements with a significant shareholder. The first promissory note agreement is for principal of \$100,000, due on demand. This note is secured against certain sales of Blender Bites. The second loan agreement, unsecured, was for \$90,000 and is due on demand.

During February 2021, the Company entered into a third promissory note agreement with a significant shareholder, unsecured, for principal of \$60,000 that matured in February 2022. All loans bear interest at 8%. As the promissory notes have either matured or are due within twelve months, the amounts are due on demand and are recognized as a current liability on the statements of financial position.

The following is a summary of promissory note activities for the three months ended January 31, 2024:

	Total
Balance, October 31, 2022	\$ 35,065
Interest accrued	1,800
Balance, October 31, 2023	36,865
Interest accrued	454
<b>Balance, January 31, 2024</b>	<b>\$ 37,319</b>

**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

**10. SHARE CAPITAL**

## a) Authorized

Unlimited number of common shares, without par value.

## b) Issued and outstanding

During the three months ended January 31, 2024:

On December 19, 2023, 410,000 common shares with a fair value of \$610,656 were returned to the treasury and cancelled. Of the 410,000 common shares, 385,000 were related to common shares issued pursuant to vesting of RSUs and 25,000 were related to the issuance of a performance bonus.

On November 16, 2023, the Company acquired 100% of the issued and outstanding common shares of Advanced Sports Nutrition Inc. and issued 2,013,333 common shares as consideration. The Company also issued 60,394 common shares with a fair value of \$128,035 as an administrative fee.

During the year ended October 31, 2023:

On October 31, 2023, the Company closed a private placement of 282,608 units at a price of \$2.30 per unit for gross proceeds of \$649,998. Each unit is comprised of one common share and one warrant, exercisable at \$3.20 per share with an expiry date of October 31, 2025. In accordance with the transaction, the Company paid \$45,500 in cash finder's fees. The Company issued 19,783 agent warrants with a fair value of \$20,000, with an exercise price of \$3.20, and expiry date of October 31, 2025. The Company issued 5,652 common shares with a fair value of \$12,547 as administrative fees to a third-party for their assistance in the transaction.

On September 11, 2023, the Company closed a private placement of 276,867 units at a price of \$3.00 per unit for gross proceeds of \$830,601. Each unit is comprised of one common share and one warrant, exercisable at \$3.30 per share with an expiry date of September 11, 2028. In accordance with the transaction, the Company paid \$29,442 in cash finder's fees. The Company issued 9,814 agent warrants with a fair value of \$22,000, an exercise price of \$3.30, and expiry date of September 11, 2028. The Company issued 5,537 common shares with a fair value of \$16,666 as administrative fees to a third-party for their assistance in the transaction.

On June 22, 2023, the Company closed a private placement of 443,072 units at a price of \$3.50 per unit for gross proceeds of \$1,550,752. Each unit is comprised of one common share and ½ warrant with each whole warrant exercisable at \$4.55 per share and an expiry date of June 22, 2026. In accordance with the transaction, the Company paid \$108,553 in cash finder's fees, and legal fees of \$64,212. The Company issued 31,015 agent warrants with a fair value of \$57,000, an exercise price of \$3.50, and expiry date of June 22, 2025. The Company also issued 13,292 common shares with a fair value of \$45,193 as broker's fees, and 8,861 common shares with a fair value of \$30,127 as administrative fees to a third-party for their assistance in the transaction.

On March 29, 2023, the Company issued 25,000 common shares with a fair value of \$145,750 to the Company's CEO as a performance bonus in accordance with the fulfilment of the first aggregate revenue target stipulated in the employment agreement.

On March 29, 2023, the Company issued 28,792 common shares with a fair value of \$167,857 to settle outstanding debt of \$171,022.

**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

**10. SHARE CAPITAL** (continued)

## b) Issued and outstanding (continued)

During the year ended October 31, 2023:

On March 17, 2023, the Company closed a private placement of 410,850 units at a price of \$3.08 per unit for gross proceeds of \$1,265,418. Each unit is comprised of one common share and one warrant, exercisable at a price of \$5.50 per share with an expiry date of March 17, 2028. In accordance with the transaction, the Company issued 4,109 common shares with a fair value of \$23,555 as administrative fees to a third-party for their assistance in the transaction.

On March 7, 2023, the Company closed a private placement of 238,500 units at a price of \$3.08 per unit for gross proceeds of \$734,580. Each unit is comprised of one common share and one warrant, exercisable at a price of \$5.50 per share and an expiry date of March 7, 2028. In accordance with the transaction, the Company issued 2,385 common shares with a fair value of \$16,457 as administrative fees to a third-party for their assistance in the transaction.

During the year ended October 31, 2022, the Company issued an aggregate of 106,250 common shares for total proceeds of \$427,125 for the exercise of warrants. The fair value of warrants of \$17,000 was transferred from contributed surplus to share capital.

## c) Stock options

The Company has a stock option plan (the "Plan") that permits the grant of stock options up to 25% of the issued and outstanding common shares of the Company to directors, officers, key employees, and consultants. Terms of the options granted are subject to determination and approval by the Board of Directors.

The table below summarizes the information on the outstanding stock options of the Company for the period ended January 31, 2024:

	<b>Number of Stock Options</b>	<b>Weighted Average Exercise Price</b>
Balance, October 31, 2022	87,500	\$ 11.64
Issued	1,353,000	3.68
Cancelled	(80,000)	12.50
<b>Balance, October 31, 2023 and January 31, 2024</b>	<b>1,360,500</b>	<b>\$ 3.67</b>

As at January 31, 2024, the Company's outstanding stock options expire as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price (\$)	Outstanding	Exercisable
March 24, 2025	1.15	6.62	80,000	80,000
July 17, 2026	2.46	3.49	1,273,000	1,273,000
September 27, 2027	3.66	2.50	7,500	7,500
	2.39	3.67	1,360,500	1,360,500

**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

**10. SHARE CAPITAL (continued)**

## c) Stock options

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of stock options issued was calculated using the following weighted average assumptions:

	Three months ended January 31, 2024	Year ended October 31, 2023
Risk-free interest rate	-	4.33%
Expected option life in years	-	3 years
Expected share price volatility*	-	100%
Expected forfeiture rate	-	-
Expected dividend yield	-	-

\*As the Company does not have enough history of trading prices, the annualized volatility was determined using the volatility of comparable companies.

During the three months ended January 31, 2024, the Company recorded a recovery of \$352,403 (year ended October 31, 2023 - \$3,143,608) in share-based compensation related to the return of common shares to the treasury that were originally issued from the vesting of restricted stock units ("RSUs") and performance shares issued, offset by the vesting of stock options and RSUs.

## d) Warrants

The table below summarizes the information on the outstanding warrants of the Company for the period ended January 31, 2024:

	Number of Warrants	Weighted Average Exercise Price
Balance, October 31, 2022	1,509,887	\$ 6.08
Issued	1,430,361	4.47
Exercised	(106,250)	4.02
Expired	(1,403,637)	6.24
<b>Balance, October 31, 2023 and January 31, 2024</b>	<b>1,430,361</b>	<b>\$ 4.47</b>

As at January 31, 2024, the Company's outstanding share purchase warrants expire as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price (\$)	Outstanding and Exercisable
October 31, 2025	1.75	3.20	282,608
June 22, 2026	2.39	4.55	221,536
March 7, 2028	4.10	5.50	238,500
March 17, 2028	4.13	5.50	410,850
September 11, 2028	4.62	3.30	276,867
	3.48	4.47	1,430,361

The weighted average share price on the date warrants were exercised was \$Nil (Year ended October 31, 2023 - \$5.41).

**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

**10. SHARE CAPITAL** (continued)

## e) Agent Warrants

The table below summarizes the information on the outstanding agent warrant of the Company for the period ended January 31, 2024:

	Number of Warrants	Weighted Average Exercise Price
Balance, October 31, 2022	-	-
Issued	60,612	\$ 3.37
Balance, October 31, 2023	60,612	\$ 3.37
Issued	-	-
<b>Balance, October 31, 2023 and January 31, 2024</b>	<b>60,612</b>	<b>\$ 3.37</b>

The following agent warrants were outstanding and exercisable at January 31, 2024:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price (\$)	Outstanding and Exercisable
June 22, 2025	1.39	3.50	31,015
October 31, 2025	1.75	3.20	19,783
September 11, 2028	4.62	3.30	9,814
	2.03	3.37	60,612

## f) Escrow shares

628,135 shares were placed into escrow. Under the escrow agreement, 10% of the shares were released on September 20, 2021, the listing date on CSE, and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months, and 36 months following the initial release. As at January 31, 2024, 188,441 (October 31, 2023 – 188,441) shares were in escrow.

## g) Restricted share units

On March 24, 2023, the Company issued 20,000 RSUs to a consultant of the Company. The RSUs vest on July 24, 2023; however, were not issued pursuant to agreement with the consultant.

On May 11, 2023, the Company issued 160,000 RSUs to a consultant of the Company with the following vesting terms: 53,334 RSUs will vest four months and one day from the date of grant, a further 53,333 RSUs will vest after 12 months, and the balance will vest after 24 months. On September 12, 2023, 53,334 RSUs vested and were issued as common shares. On January 8, 2024, the remaining 106,666 RSUs were cancelled pursuant to termination of the consultant. The Company recognized accelerated vesting on the RSUs of \$244,363.

As at January 31, 2024, the Company had 20,000 RSUs issued and outstanding (October 31, 2023 – 126,666).

**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

**11. RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise described in these financial statements are shown below. The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing, and controlling the activities of the Company, for the periods ended January 31, 2024 and 2023 are as follows:

	For the three months ended January 31,	
	2024	2023
Key Management Compensation		
Professional fees	\$ 30,000	\$ -
Wages and benefits	43,000	60,000
	73,000	60,000
Share based compensation	-	-
	\$ 73,000	\$ 60,000

Accounts payable and accrued liabilities at January 31, 2024 includes \$65,000 (2023 - \$65,000) owing to a Company controlled by the CEO and \$61,553 (2023 - \$41,035) owing to a director and a company controlled by the CFO of the Company. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

The Company entered into employment agreement with the CEO of the Company effective September 20, 2021 and will continue indefinitely until it is terminated. The base salary is \$240,000 on an annual basis. On July 25, 2022, the base salary was amended to \$216,000 on an annual basis. On December 1, 2023, the based salary was amended to \$150,000. The CEO is entitled to performance bonuses based on meeting certain gross revenue thresholds. In the case of termination without cause or change of control, the CEO is entitled to an amount equal to two times of the sum of the annual base salary and bonus in lieu of notice.

In accordance with the performance bonuses per the employment agreement with the CEO, the Company has completed the issuance of 25,000 common shares pursuant to the fulfilment of the first aggregate revenue target during the year ended October 31, 2023. On December 19, 2023, the 25,000 common shares with a fair value of \$145,750 were returned to treasury.

**12. OPERATING SEGMENTS**

As of January 31, 2024 and 2023, the Company is operating its business in one reportable segment: the sale of functional frozen beverages. All non-current assets are located in Canada. During the period ended January 31, 2024, the Company had sales of \$115,762 in Canada (October 31, 2023 - \$2,103,609) and sales of \$457,906 (October 31, 2023 - \$1,235,453) in the United States. Major customers are defined as customers that each individually account for greater than 10% of the Company's revenues. For the three months ended January 31, 2024, the following revenue was recorded from major customers comprising 77% (2023 - 91%) of gross revenues:

	For the three months ended January 31, 2024	For the year ended October 31, 2023
Customer A	\$ 219,662	\$ 1,059,280
Customer B	\$ 98,013	\$ 1,483,294
Customer C	\$ 122,337	\$ 508,586



**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

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**13. FINANCIAL INSTRUMENTS**

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and promissory notes approximate their fair values due to their short-term nature.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and its receivables. The Company's cash is held at a large Canadian financial institution. At January 31, 2024, \$593,800 of amounts receivable is related to amounts collectible from customers. The remaining amounts receivable balance of \$220,741 primarily consist of refundable government goods and services tax.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days, which are settled using cash. As at January 31, 2024, the Company has a working capital of \$796,960.

Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short-term and long-term cash requirement.

At present, the Company's operations do not generate positive cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income, or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at January 31, 2024. Interest rate risk is minimal as promissory notes have a fixed interest rate.

(ii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

**BLENDER BITES LIMITED****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2024

(Unaudited - Expressed in Canadian Dollars)

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**14. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There were no changes to the Company's approach to capital management during the three months ended January 31, 2024.

**15. SUBSEQUENT EVENTS**

On March 6, 2024, the Company has entered into a definitive agreement with Export Development Canada for a term loan credit facility of up to \$2,000,000. The facility bears interest at the Canadian prime rate plus 4.00% per annum and is available in three drawdowns within the next six-months, with interest only payments for the first 12-months.

SCHEDULE "B"

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE-MONTHS ENDED  
JANUARY 31, 2024

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**BLENDER BITES LIMITED**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2024**  
**(Expressed in Canadian Dollars)**

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**Blender Bites Limited****Management's Discussion & Analysis**

For the three months ended January 31, 2024

(Expressed in Canadian Dollars)

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This Management's Discussion and Analysis ("MD&A") of Blender Bites Limited ("BITE" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto for the three months ended January 31, 2024, and the audited consolidated financial statements and notes thereto of the Company for the year ended October 31, 2023. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee ("IFRIC"), and in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

Information contained herein is presented as of March 28, 2024, unless otherwise indicated. Additional information related to Blender Bites is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.blenderbites.com](http://www.blenderbites.com).

The Company's Board of Directors approved the release of this Management's Discussion and Analysis on March 28, 2024.

**FORWARD LOOKING INFORMATION**

Certain statements and information contained herein may constitute "forward-looking statements" and "forward-looking information," respectively, under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information. The forward-looking statements are not historical facts, but reflect the current expectations of management of BITE regarding future results or events and are based on information currently available to them. Certain material factors and assumptions were applied in providing these forward-looking statements.

Forward-looking statements regarding the Company are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of BITE to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures and other costs. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. BITE will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to, those set forth under "Risks and Uncertainties" below, and those contained in the Company's Listing Statement dated September 20, 2021 (the "**Listing Statement**") that is available under the Company's profile on SEDAR+ at [www.sedar.com](http://www.sedar.com).

## **CORPORATE OVERVIEW**

Blender Bites Limited was incorporated on March 23, 1999, under the laws of British Columbia and is the parent company of Blender Bites (Holdings) Limited (formerly: Blender Bites Incorporated) ("BBI" or "Blender Bites"). The Company was continued under the Canada Business Corporations Act on December 22, 1999, and subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 800 – 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5. On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX board under the trading symbol "REW.H". Effective October 8, 2020, the Company changed its name from Rewardstream Solutions Inc. to Balsam Technologies Corp. and commenced trading under the trading symbol "BTEC.H". Effective September 21, 2021, the Company changed its name from Balsam Technologies Corp. to Blender Bites Limited and commenced trading under the trading symbol "BITE" on the Canadian Securities Exchange ("CSE").

## **DESCRIPTION OF BUSINESS**

Blender Bites was formed in 2015 with the goal of becoming a leading provider of organic, nutritious and convenient solutions for a daily smoothie routine. Blender Bites has created an innovative, timely, and relevant frozen product line, called Blender Bites™, a frozen premium organic frozen food-line that contain carefully selected ingredients that allow a consumer to easily prepare a blended smoothie at home. Blender Bites provides a solution to the time-consuming preparation of vegetable and fruit components of a smoothie and then freezes the ingredients into convenient "pucks" that can be blended with the consumer's choice of additional ingredients, such as protein powders, nut butters, and milk or simply blended with water. The smoothie pucks can also be used "blender-less" by adding to a shaker cup and liquid, letting melt for 15 minutes and then shaking.

Its premium organic products are made fresh, and then frozen to be kept in an optimal state for maintaining taste, nutrition, quality, and safety. Blender Bites frozen products are certified organic plant based, gluten-free, dairy-free, non-GMO and contain no added sugars. They are composed of organic fruits, mixed with various functional ingredients such as detoxifying greens, plant-based vitamins and minerals and fibre. Blender Bites has four varieties that have been favourably received and the Company has in place strong distribution and retail partners in both Canada and the United States. Leveraging the success of the initial Blender Bites formulas, Blender Bites will continue to test and launch new products incorporating plant-based proteins and functional ingredients focused on immune support, cognition, skin health, stress reduction and gut health.

Blender Bites was first to market in Western Canada and pioneered the quick and easy smoothie category in Canada with key retailers, including Whole Foods Market, Loblaws, and Costco. The Company is currently listed in over 900 retail stores across Canada, and the Company anticipates its products to be available in over 33,000 retail locations in Canada and the United States by the end of the 2024 fiscal year.

In anticipation of the market growth in the United States, Blender Bites has rebranded its packaging that will set itself apart from its competition. As a leader in the frozen functional foods segment, Blender Bites offers consumers in Canada and the United States 5 flavours of organic frozen smoothies. Blender Bites' overall product plan is to develop a broad portfolio of organic, frozen functional foods accessible to a large market. Blender Bites intends to compete on quality organic, frozen foods, and smoothie pucks at a premium, but not luxury price point. Through its product innovation, Blender Bites is poised for growth on a national and global scale.

**2024 BUSINESS HIGHLIGHTS**

- Multi award-winning Canadian Company involved in the development and marketing of line of premium, frozen functional food and beverages, announces strategic measures aimed at optimizing its operations for the benefit of the Company's long-term growth.
- Georgia main stores double Blender Bites' Product Offering, adding 1-Step Frappes to existing line up
- Signs term sheet for \$2 million loan with Export Development Canada
- Signed definitive agreement to acquire Advanced Sports Nutrition Inc. and targets athletic recovery with NFL-Funded Clinical Trial

**2023 BUSINESS HIGHLIGHTS**

- Winner of the award for Best Product Canada in the Organic Beverage Category;
- Successfully launched the formulation of the one-step frappes to be showcased to distributors and retailers;
- Supported in US expansion plans, with KEHE distribution listing of smoothies and frappes;
- Continued re-formulation of the Tropical Glow flavour to be launched in the United States; and
- Attendance at tradeshow and expos to showcase and strategically align product offerings in the United States.
- Continued work towards the development of its product distribution in the United States, with Active Marketing Group as the retail sales broker.
- Finalized product formulations in connection with a two-year private label business contract.
- Confirmed listing of our entire line of 1-step smoothies and brand new 1-Step Frappes into Walmart Canada for May 2023.
- Historic number of purchase orders sees 125% increase in total value of purchase orders received over the last three months from May to July 2023.
- Successfully launches into Walmart USA, and products to launch in approximately 1,600 stores Across the Nation.
- Successfully launch Nationally at Albertsons Companies' Banner Stores and distribution across the USA into multiple banners Including Safeway and Jewel-Osco.

**Blender Bites Limited****Management's Discussion & Analysis**

For the three months ended January 31, 2024

(Expressed in Canadian Dollars)

**SELECTED ANNUAL INFORMATION**

The table below sets out certain selected financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements and related notes.

	<b>October 31, 2023</b>	<b>October 31, 2022</b>	<b>October 31, 2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	(Audited)	(Audited)	(Audited)
Total revenues	3,339,062	3,845,209	941,852
Net and comprehensive loss for the period	(8,387,889)	(4,632,942)	(15,952,520)
Basic and diluted income (loss) per share	(1.60)	(1.17)	(9.46)
Total assets	4,913,963	1,753,440	4,462,670
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

During the year ended October 31, 2023, the company focused on expanding United State Market, such as launched products in Walmart USA, Active Marketing Group, Albertsons Companies. The Company significantly increased its assets compared to previous years due to a significant increase in inventory and account receivable.

During the year ended October 31, 2022, the Company significantly increased revenues compared to previous years due to a significant increase in purchase orders, and further establishing distribution agreements for supplying products with retailers and distributors such as Vejii, Gordon Food Services, and further expanding products in US Southwest Division stores.

During the year ended October 31, 2021, the Company achieved a public listing through the reverse takeover transaction described above and in the accompanying consolidated financial statements of the Company. The Company has significantly increased revenues compared to previous years due to establishing distribution agreements for supplying products to key retailers such as Loblaws and Costco.

**SELECTED QUARTERLY INFORMATION**

	<b>January 31, 2024</b>	<b>October 31, 2023</b>	<b>July 31, 2023</b>	<b>April 30, 2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
For the quarter ended:				
Revenue	573,668	1,404,074	1,278,217	217,461
Net and comprehensive loss	(620,007)	(1,538,228)	(4,281,960)	(2,193,131)
Loss per share from operations	(0.07)	(0.24)	(0.73)	(0.47)

	<b>January 31, 2023</b>	<b>October 31, 2022</b>	<b>July 31, 2022</b>	<b>April 30, 2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
For the quarter ended:				
Revenue	439,130	712,271	1,157,801	1,215,533
Net and comprehensive loss	(470,785)	(901,933)	(1,426,693)	(835,235)
Loss per share from operations	(0.12)	(0.22)	(0.35)	(0.21)



**RESULTS OF OPERATIONS**

For the three months ended January 31, 2024:

During the three months ended January 31, 2024, the Company recorded a net and comprehensive loss of \$620,007 as compared to a net and comprehensive loss of \$470,785 for the comparable three months ended January 31, 2023. The net loss for the three months ended January 31, 2024 includes a net \$330,604 of non-cash expenditure recoveries.

Total revenues have increased to \$573,668 for the year compared to \$439,310 for the three months ended January 31, 2023, an increase of \$134,358 or 31%. The Company increased its gross margin to \$143,409 in the current three months compared to a gross margin of \$125,957 in the comparative three months, an increase of 14%. The Company expects its gross margin percentage to increase as it grows its distribution channels and scales its production to meet customer demand.

Total expenses for the three months amounted to \$763,416 compared to \$596,742 for the comparable period, an increase of \$166,674, which includes non-cash expenditures of \$2,131 for depreciation and a recovery of (\$352,403) for share-based compensation. The increase in overall expenditures can be attributed to the following:

- Advertising and promotion expenses have increased to \$240,360 from \$114,016 as the Company has revised its engaged third-party consultants to develop and refine investor relations and digital marketing services.
- Consulting fees have increased to \$221,528 from \$142,300 as the Company has engaged in additional consulting arrangements for business consulting, research and advisory services, communications, and corporate development compared to the comparable period.
- Professional fees have increased to \$73,286 from \$13,099 which can be attributed to the fees paid to third party consultants for professional services, audit fees, and legal fees. Also included in professional fees were fees paid to companies controlled or connected to officers of the Company. See related party section for details.
- Selling expenses have increased to \$105,067 from \$32,937 related to costs incurred for fulfillment of sales not directly related to the cost of procuring and refining inventory to finished goods.
- Share based compensation has decreased to a recovery of (\$352,403) from a share based compensation expense of \$31,453 related to the return of common shares to treasury that were originally issued as RSUs and performance shares compared to the vesting of stock options and RSUs issued in the comparable period.

**LIQUIDITY AND CAPITAL RESOURCES**

As at January 31, 2024, the Company had cash of \$139,689 and working capital of \$796,960 compared to a cash balance of \$773,388 and a working capital of \$1,636,696 as at October 31, 2023. The decrease in working capital was primarily due to the fact that the Company incurred operating expenditures with the completion of any financing arrangements during the period.

The Company believes that the current capital resources are not sufficient to satisfy its current liabilities and pay overhead expenses for the next twelve months and will need to seek additional financing to fund its operations and pursue future expansions. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects. As the Company is currently not able to generate sufficient cash from its operations to fund its operations, the Company will have to rely on issuing shares for cash or to settle debt, loans, and related party loans to fund ongoing operations and investments.

This MD&A has been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at January 31, 2024, the Company has accumulated losses of \$30,034,767 since inception and expects to incur further losses in the development of its business, all of which are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations.

Although the Company has been successful in the past in raising funds to continue operations and management is intending to secure additional financing as may be required, there is no assurance it will be able to do so in the future.

**CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There were no changes to the Company's approach to capital management during the year ended January 31, 2024.

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**Blender Bites Limited****Management's Discussion & Analysis**

For the three months ended January 31, 2024

(Expressed in Canadian Dollars)

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**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

**PROPOSED TRANSACTIONS**

None to report.

**RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise described in these financial statements are shown below. The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing, and controlling the activities of the Company, for the years ended January 31, 2024 and 2023 are as follows:

	For the three months ended January 31,	
	2024	2023
Key Management Compensation		
Professional fees	\$ 30,000	\$ -
Wages and benefits	43,000	60,000
	73,000	60,000
Share based compensation	-	-
	\$ 73,000	\$ 60,000

Accounts payable and accrued liabilities at January 31, 2024 includes \$65,000 (2023 - \$65,000) owing to a Company controlled by the CEO and \$61,553 (2023 - \$41,035) owing to a director and a company controlled by the CFO of the Company. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

The Company entered into employment agreement with the CEO of the Company effective September 20, 2021 and will continue indefinitely until it is terminated. The base salary is \$240,000 on an annual basis. On July 25, 2022, the base salary was amended to \$216,000 on an annual basis. On December 1, 2023, the base salary was amended to \$150,000 on an annual basis. The CEO is entitled to performance bonuses based on meeting certain gross revenue thresholds. In the case of termination without cause or change of control, the CEO is entitled to an amount equal to two times of the sum of the annual base salary and bonus in lieu of notice.

In accordance with the performance bonuses per the employment agreement with the CEO, the Company has completed the issuance of 25,000 common shares pursuant to the fulfilment of the first aggregate revenue target during the year ended October 31, 2023. On December 19, 2023, the 25,000 common shares with a fair value of \$145,750 were returned to treasury.

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are disclosed in Note 4 of the consolidated financial statements.

**FINANCIAL INSTRUMENTS**

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities and promissory notes approximate their fair values due to their short-term nature.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and its receivables. The Company's cash is held at a large Canadian financial institution. At January 31, 2024, \$593,800 of amounts receivable is related to amounts collectible from customers. The remaining amounts receivable balance of \$220,741 primarily consist of refundable government goods and services tax.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days, which are settled using cash. As at January 31, 2024, the Company has a working capital of \$796,960.

Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirement.

At present, the Company's operations do not generate positive cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at January 31, 2024. Interest rate risk is minimal as promissory notes have a fixed interest rate.

(ii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

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**Blender Bites Limited****Management's Discussion & Analysis**

For the three months ended January 31, 2024

(Expressed in Canadian Dollars)

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**SUBSEQUENT EVENTS**

On March 6, 2024, the Company has entered into a definitive agreement with Export Development Canada for a term loan credit facility of up to \$2,000,000. The facility bears interest at the Canadian prime rate plus 4.00% per annum and is available in three drawdowns within the next six-months, with interest only payments for the first 12-months.

**OUTSTANDING SHARE DATA**

As of January 31, 2024 and March 28, 2024, the Company has the following equity outstanding:

	<b>January 31, 2024</b>	<b>March 28, 2024</b>
Common shares	8,455,508	8,455,508
RSUs	20,000	20,000
Stock options	1,360,500	1,360,500
Warrants	1,430,361	1,430,361
Agent Warrants	60,612	60,612
Fully diluted shares	11,326,981	11,326,981

**BOARD APPROVAL**

The Board of Directors of the Company approved this MD&A on March 28, 2024.

**RISKS AND UNCERTAINTIES**

Please refer to the Company's Listing Statement dated September 20, 2021 that is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) for additional information on the identification and consideration of risks and uncertainties applicable to the Company.

The Company is subject to a number of risks and uncertainties that could significantly affect its financial condition and performance. As the Company grows and enters into new markets, these risks can increase. These risk factors are not a definitive list of all risk factors associated with the Company or in connection with the Company's operations.

The Company has no history of profitable operations and a limited operating history. The Company's present business is at an early stage of development. As such, many risks common to such early-stage enterprises, including cash shortages and limitations with respect to personnel, financial and other resources, and access to capital, exist. Certain risks and assumptions include, among others:

- the Company's limited operating history;
- uncertainty as to the Company's ability to continue as a going concern;
- substantial fluctuation of losses due to numerous external risk factors out of the Company's control that cause the Company to incur significant losses in the future;
- uncertainty as to the Company's ability to raise additional funding to support operations;
- ability to generate product revenue to maintain its operations without additional funding;
- the duration of COVID-19 and the extent of its economic and social impact;
- regulatory approval as well as with health and data protection laws and risks;
- compliance with environmental, food safety, and consumer health and safety laws and regulations;
- uncertainty surrounding the Company's reputation and its brand recognition;
- the Company's ability to adequately protect its intellectual property and trade secrets;
- inaccurate information posted on social media platforms;
- risks related to product recalls and insurance coverage;
- risks related to various tax matters;
- the Company's reliance on the capabilities and experience of the Company's key executives and the resulting loss of any of these individuals;
- liquidity of the Company's securities;
- risks related to additional issuances and dilution of the Company's securities;
- risks related to the Company's capital structure;
- the costs associated with maintain public listings; and
- other factors beyond the Company's control.

There is no assurance that the Company will be successful in executing its business plan and generating a return on shareholders' investments. The likelihood of success must be considered in relation to its early stage of operations and industry. There are a number of risk factors that could cause future results to differ materially from those described herein. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely affect the Company's business and results of operations.