

BETTERMOO(D) FOOD CORPORATION

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED APRIL 30, 2024**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED – PREPARED BY MANAGEMENT)**

**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 consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company for the nine months ended April 30, 2024, have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

BETTERMOO(D) FOOD CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	April 30, 2024	July 31, 2023
ASSETS			
CURRENT			
Cash		\$ 288,468	\$ 107,160
Amounts receivable	14	252,492	233,756
Inventory	5	113,055	8,072
Prepaid expenses	6	38,601	573,529
		692,616	922,517
NON-CURRENT			
Product formulations	8	221,000	221,000
Property and equipment	7	137,488	135,823
		\$ 1,051,104	\$ 1,279,340
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
CURRENT			
Accounts payable and accrued liabilities	9, 11	\$ 812,367	\$ 851,612
Loan payable	10	81,144	85,695
		893,511	937,307
NON-CURRENT			
Deferred tax liability		23,000	23,000
		916,511	960,307
Shareholders' Equity			
Share capital	12	34,026,671	32,663,791
Reserves	12	11,798,968	13,378,559
Share subscriptions received		294,961	-
Accumulated other comprehensive income		26,838	15,198
Deficit		(46,015,715)	(45,741,385)
Equity attributable to shareholders of the company		131,723	316,163
Non-controlling interest	13	2,870	2,870
		134,593	319,033
		\$ 1,051,104	\$ 1,279,340

Going concern (Note 1)
Contingencies (Note 16)

Authorized for issuance on behalf of the Board on June 28, 2024:

"Joel Shacker"

Joel Shacker, Director

"Geoff Balderson"

Geoff Balderson, Director

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

BETTERMOO(D) FOOD CORPORATION
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	Three months ended April 30, 2024	Three months ended April 30, 2023	Nine months ended April 30, 2024	Nine months ended April 30, 2023
Revenue		\$ -	\$ 9,070	\$ -	\$ 26,817
Cost of sale		-	3,360	-	10,926
Gross margin		-	5,710	-	15,891
Operating expenses					
Advertising and marketing		307,328	418,866	790,697	689,050
Consulting fees		72,344	38,494	283,504	191,020
Depreciation	7	-	7,309	-	17,248
Office and administrative		33,613	58,081	126,528	157,544
Product development		77,809	588,761	103,394	818,439
Professional fees		112,947	75,933	193,232	310,739
Rent		-	55,499	-	110,793
Selling costs		-	4,808	-	7,635
Share based compensation		-	-	1,470,000	-
Transfer agent and filing fees		42,641	10,601	63,954	13,636
Travel and promotions		20,808	11,356	37,545	11,797
Wages and benefits	11	34,257	129,733	95,067	406,636
		(701,747)	(1,399,441)	(3,163,921)	(2,734,537)
Net loss for the period		(701,747)	(1,393,731)	(3,163,921)	(2,718,646)
Other comprehensive income (loss)					
Exchange difference on translating foreign operations		11,698	(9,715)	11,640	(17,802)
Comprehensive loss for the period		\$ (690,049)	\$ (1,403,446)	\$ (3,152,281)	\$ (2,736,448)
Loss per share – basic and diluted*		\$ (0.08)	\$ (0.19)	\$ (0.39)	\$ (0.40)
Weighted average number of common shares outstanding – basic and diluted*					
		8,448,892	7,312,895	8,011,429	6,788,370
Net loss attributed to:					
Shareholders of the Company		\$ (701,747)	\$ (1,313,309)	\$ (3,163,921)	\$ (2,588,242)
Non-controlling interest		-	(80,422)	-	(130,404)
		\$ (701,747)	\$ (1,393,731)	\$ (3,163,921)	\$ (2,718,646)
Total comprehensive loss attributed to:					
Shareholders of the Company		\$ (691,214)	\$ (1,381,647)	\$ (3,153,457)	\$ (2,662,565)
Non-controlling interest		1,165	(21,799)	1,176	(73,883)
		\$ (690,049)	\$ (1,403,446)	\$ (3,152,281)	\$ (2,736,448)

* Adjusted for 10:1 share consolidation on March 13, 2023

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

BETTERMOO(D) FOOD CORPORATION
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital		Reserves	Share Subscriptions Received	Accumulated deficit	Non-controlling Interest	AOCI	Total
	Number of Common Shares*	Amount						
Balance, July 31, 2022	6,462,817	\$ 28,961,371	\$ 13,296,559	\$ -	\$ (42,232,837)	\$ 110,325	\$ 26,194	\$ 161,612
Share consolidation adjustment	(43)	-	-	-	-	-	-	-
Shares issued in private placement, net of share issuance costs	1,020,419	3,147,449	82,000	-	-	-	-	3,229,449
Net and comprehensive loss	-	-	-	-	(2,588,242)	(130,404)	(17,802)	(2,736,448)
Balance, April 30, 2023	7,483,193	32,108,820	13,378,559	-	(44,821,079)	(20,079)	8,392	654,613
Balance, July 31, 2023	7,726,142	32,663,791	13,378,559	-	(45,741,385)	2,870	15,198	319,033
Share subscriptions received	-	-	-	294,961	-	-	-	294,961
Shares issued in private placement, net of share issuance cost	727,924	1,202,880	-	-	-	-	-	1,202,880
Share based compensation	100,000	160,000	1,310,000	-	-	-	-	1,470,000
Cancellation of stock options	-	-	(2,889,591)	-	2,889,591	-	-	-
Net and comprehensive loss	-	-	-	-	(3,163,921)	-	11,640	(3,152,281)
Balance, April 30, 2024	8,554,066	\$ 34,026,671	\$ 11,798,968	\$ 294,961	\$ (46,015,715)	\$ 2,870	\$ 26,838	\$ 134,593

* Adjusted for 10:1 share consolidation on March 13, 2023

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

BETTERMOO(D) FOOD CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Nine months ended April 30, 2024	Nine months ended April 30, 2023
Operating activities		
Net loss	\$ (3,163,921)	\$ (2,718,646)
Items not involving cash:		
Depreciation	-	17,248
Foreign exchange	(125,402)	(22,507)
Share-based compensation	1,470,000	-
Changes in non-cash working capital balances:		
Amounts receivable	(18,736)	(90,115)
Inventory	(34,860)	-
Prepaid expenses	534,928	(655,483)
Accounts payable and accrued liabilities	(39,245)	329,797
Cash used in operating activities	(1,377,236)	(3,139,706)
Investing activities		
Plant and equipment purchases	-	(83,504)
Cash (used in) provided by investing activities	-	(83,504)
Financing activities		
Proceeds from issuance of shares, net of share issue costs	1,202,880	3,229,449
Share subscriptions received	294,961	-
Cash (used in) provided by financing activities	1,497,841	3,229,449
Change in cash	120,605	6,239
Effect of foreign exchange on cash	60,703	10,123
Cash, beginning	107,160	298,946
Cash, ending	\$ 288,468	\$ 315,308
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
Non-cash Investing and Financing Activities		
Fair value of stock options transferred to deficit	2,889,591	-

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

BETTERMOO(D) FOOD CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended April 30, 2024
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Bettermoo(d) Food Corporation (the “Company”) was incorporated under the laws of the Province of Ontario, and on August 6, 2019, was continued into British Columbia. The Company’s head office and registered and records office is located at 1199 West Hastings Street, Suite 800, Vancouver, British Columbia, Canada, V6E 3T5. The Company’s shares trade on the Canadian securities Exchange under the trading symbol “MOOO,” on the OTCQB under the trading symbol “MOOOF,” and on the Borse Frankfurt Exchange under the symbol “015.”

The Company is an innovative food and beverage company focused on developing and delivering high quality products through online and in-store retail platforms and uses social media to deliver educational experiences for their customer base while demonstrating and pioneering plant-based technologies. The Company’s principal products are Moodrink, a vegan oat-based beverage, and Moobert, a vegan nut-based cheese alternative product.

On March 13, 2023, the Company completed a share consolidation of its common shares on the basis of 1 new common share for every existing 10 common shares. The share consolidation has been retroactively presented in the condensed interim consolidated financial statements by adjusting all share amounts, including per share amounts.

These condensed interim consolidated financial statements have 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. At April 30, 2024, the Company has not achieved profitable operations, has accumulated losses of \$46,015,715 since inception and expects to incur further losses in the development of its business.

The Company’s continued existence is dependent upon its ability to raise additional capital and to identify and acquire a suitable business opportunity. 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.

BETTERMOO(D) FOOD CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended April 30, 2024
(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION

(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 June 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 condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary, Bettermoo(d) Holdings Corp. The functional currency of Bella’s Organic GmbH is the European Euro (“Euro”). The functional currency of Happy Supplements Inc. is the United States Dollar (“USD”).

(c) Basis of Consolidation

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

	Incorporated	Nature	April 30, 2024	July 31, 2023
Bettermoo(d) GmbH	Lower Austria, Austria	Consumer products	80%	80%
Bettermoo(d) Holdings Corp.	BC, Canada	Consumer products	100%	100%
Happy Tea Supplements LLC	Florida, USA	Consumer products	100%	100%

The results of the subsidiaries 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.

Non-controlling interest represents the portion of a subsidiary’s earnings and losses and net assets that is not held by the Company.

3. SUMMARY OF 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 July 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 July 31, 2023.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgments

Management has made critical judgments in the process of applying accounting policies. The one has the most significant effect on the amounts recognized in the financial statements include:

- i. The assessment of the Company's ability to continue as a going concern and its ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.
- ii. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.
- iii. Management has applied judgement in determining whether or not the fair value of the services received pursuant to certain agreement can be reliably measured. As a result, the Company has measured the transaction based on the fair value of the equity instruments issued therein
- iv. The determination of whether a set of assets acquired, and liabilities assumed in an acquisition constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or economic benefits. The acquisition of Bettermoo(d) as described in Note 5 did not constitute a business and was accounted for as an asset acquisition transaction. The acquisition of Bella's as described in Note 5 did constitute a business and was accounted for as a business combination in accordance with IFRS 3.

Significant estimates

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and subsequent fiscal financial years:

- i. The Company determines its allowance for inventory obsolescence based upon expected inventory turnover, inventory aging, the expiry dates of the products, and current and future expectations with respect to product sales. Assumptions underlying the allowance for inventory obsolescence include future sales trends, marketing strategy and others. These estimates could materially change from period to period due to changes in various factors.
- ii. The Company uses the Black-Scholes option pricing model to value options and warrants granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative.
- iii. The determination of whether facts and circumstances suggest that the carrying value of intangible assets may exceed their recoverable amount is an area of significant estimate. Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment, estimates, and interpretations. Determining the recoverable amount of the individual asset or cash generating unit is subject to estimates and judgements. These estimates and judgments are inherently subjective given the company's stage of operations with no revenue producing history.

BETTERMOO(D) FOOD CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended April 30, 2024
(Expressed in Canadian Dollars)

5. INVENTORY

Inventory is comprised raw materials related to the production of Moobert and related dairy alternative cheese products. During the nine months ended April 30, 2024, the Company recorded a \$Nil write-off on its inventory (year ended July 31, 2023 - \$Nil) and expensed \$Nil of inventory as cost of sales (year ended July 31, 2023 - \$10,643).

6. PREPAID EXPENSES

Prepaid expenses relate to a rental deposit for the Bella's facility and prepayments rendered to third-party vendors for services to be incurred related to marketing and investor relations activities.

7. PROPERTY, PLANT, AND EQUIPMENT

	Manufacturing Equipment \$	Factory and Office Equipment \$	Furniture & Fixtures \$	Total \$
Cost, July 31, 2022	22,024	26,757	14,043	62,824
Additions	-	63,186	17,900	81,086
Foreign exchange	2,868	7,681	5,838	16,387
Cost, July 31, 2023	24,892	97,624	37,781	160,297
Additions	-	-	-	-
Foreign exchange	250	1,023	392	1,665
Cost, April 30, 2024	25,142	98,647	38,173	161,962
Accumulated depreciation, July 31, 2022	1,107	2,027	668	3,802
Depreciation	3,560	10,748	3,116	17,424
Foreign exchange	577	1,934	737	3,248
Accumulated depreciation, July 31, 2023	5,244	14,709	4,521	24,474
Depreciation	-	-	-	-
Foreign exchange	-	-	-	-
Accumulated depreciation, April 30, 2024	5,244	14,709	4,521	24,474
Net book value, July 31, 2023	19,648	82,915	33,260	135,823
Net book value, April 30, 2024	19,898	83,938	33,652	137,488

The Company's property, plant, and equipment were not in use for the nine months ended April 30, 2024, therefore, no depreciation was recognized for the period.

BETTERMOO(D) FOOD CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)

8. PRODUCT FORMULATIONS

Product Formulations

The Company has recognized product formulations and patents for the production of Moodrink, a plant-based dairy alternative beverage derived from oats from the acquisition of Bettermoo(d). As the Company has yet to utilize these formulations in active production, no amortization has been recognized related to these product formulations.

The Company has recognized product formulations for the production of Moobert and other variants of vegan plant-based dairy alternative cheese products from the acquisition of Bella's. Activity from the acquisition date to the nine months ended April 30, 2024 are minimal; therefore, no depreciation has been recognized on the product formulations for the period between acquisition and year-end.

As at April 30, 2024, the Company has recognized \$221,000 (July 31, 2023 - \$221,000) in product formulations.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2024	July 31, 2023
Accounts payable	\$ 804,596	\$ 756,963
Accrued liabilities	7,771	94,649
	\$ 812,367	\$ 851,612

10. LOAN PAYABLE

On May 21, 2020, the Company received a Small Business Administration ("SBA") loan of US \$50,857 through an accredited lender under the Paycheck Protection Program (the "PPP") program pursuant to the Federal Government Cares Act. The loan bears interest at 1% per annum and is repayable over 18 months, with principal and interest deferred for the first year. The PPP allows for full loan forgiveness if the Company meets certain eligibility requirements, which is subject to the lender's evaluation of the Company's use of the proceeds. As at April 30, 2024, the Company determined that it could not reasonably assure whether it has met the requirements, as a result \$Nil was recognized into government grant in relation to the loan forgiveness during the year.

The SBA loan was accounted for using the effective interest rate method and was discounted using a rate of 12% per annum, with discount portion recognized as government grant. The loan was fully accreted during the seven months ended July 31, 2022. The Company recognized an interest expense of \$Nil (year ended July 31, 2023 – \$Nil) for the nine months ended April 30, 2024. Fluctuations are due to foreign exchange differences calculated as at the reporting date. The payments due on the SBA loan is summarized as follows:

BETTERMOO(D) FOOD CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended April 30, 2024
(Expressed in Canadian Dollars)

10. LOAN PAYABLE (continued)

	April 30, 2024	July 31, 2023
Within one year	\$ 81,144	\$85,695
One to two years	-	-
Less: amount representing interest payments	-	-
Total loan payable	81,144	85,695
Loan payable – current portion	81,144	85,695
Loan payable – long-term portion	\$ -	\$ -

11. RELATED PARTY BALANCES AND TRANSACTIONS

Key management compensation

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 are as follows:

	Nine months ended April 30, 2024	Year ended July 31, 2022
Key Management Compensation		
Consulting fees	\$ 59,194	\$ 171,020
Accounting fees	96,000	-
Wages and benefits	90,000	90,000
Share Based Compensation	168,000	-
	\$ 413,194	\$ 261,020

Included in the accounts payable and accrued liabilities is \$31,509 (July 31, 2023 – \$21,287) related to the services incurred and expense reimbursements due to management and directors.

BETTERMOO(D) FOOD CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended April 30, 2024
(Expressed in Canadian Dollars)

12. SHARE CAPITAL

a) Share capital

Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

During the nine months ended April 30, 2024:

On March 1, 2024, the company issued 320,000 units at a price of \$1.57 per unit for gross proceeds of \$502,400. Each unit consists of one share and one transferable share purchase warrant. Each Warrant entitles the holder thereof to purchase one additional share of the Company for a period of five years from issuance at a price of \$1.96 per Warrant Share. The warrants have a fair value of \$Nil based on the residual value method. In connection with the private placement, the Company issued 6,400 common shares as administrative fees to a third party who assisted with facilitating the transaction, valued at \$17,088.

On February 1, 2024, the Company issued 127,694 units at a price of \$1.57 per unit for gross proceeds of \$250,280. Each unit is comprised of one common and one common share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$1.96 for a period of five years after the date of issue. The warrants have a fair value of \$Nil based on the residual value method. In connection with the private placement, the Company issued 2,554 common shares as administrative fees to a third party who assisted with facilitating the transaction, valued at \$5,363.

On January 31, 2024, the Company issued 100,000 shares with a fair value of \$160,000 to consultants in accordance with their consulting agreement.

On December 15, 2023, the Company completed a non-brokered private placement for 265,958 units at a price of \$1.88 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one half warrant, with each whole warrant exercisable at \$2.21 for five years from the closing date. The warrants have a fair value of \$Nil based on the residual value method. In connection with the private placement, the Company issued 5,318 common shares as administrative fees to a third party who assisted with facilitating the transaction, valued at \$10,901.

During the year ended July 31, 2023:

On June 9, 2023, the Company completed a private placement for the issuance of 238,185 units at a price of \$2.33 per unit for gross proceeds of \$554,971. Each unit consists of one common share and one half warrant, with each whole warrant exercisable at a price of \$3.50 for three years from the closing date. The warrants have a fair value of \$Nil based on the residual value method. In connection with the private placement, the Company issued 4,764 common shares as administrative fees to a third party who assisted with facilitating the transaction, valued at \$16,626.

On February 27, 2023, the Company completed a private placement for the issuance of 863,257 units at a price of \$3.30 per unit for gross proceeds of \$2,848,747. Each unit consists of one common share and one warrant, exercisable at a price of \$4.10 for two years from the closing date. The warrants have a fair value of \$Nil based on the residual value method. In connection with the private placement, the Company issued cash finder's fees of \$119,297, issued 35,551 broker's warrants with a fair value of \$82,000, and issued 8,633 common shares as administrative fees to a third party who assisted with facilitating the transaction, valued at \$36,257.

On November 4, 2022, the Company issued 147,058 units at a price of \$3.40 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one warrant, exercisable at a price of \$4.50 for three years from the closing date. The warrants have a fair value of \$Nil based on the residual value method. In connection with the private placement, the Company issued 1,471 common shares as administrative fees to a third party who assisted with facilitating the transaction, valued at \$6,985.

BETTERMOO(D) FOOD CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
For the nine months ended April 30, 2024
(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

c) Warrants

Warrant transactions and the number of warrants outstanding as at April 30, 2024 and July 31, 2023 are summarized as follows:

	April 30, 2024		July 31, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning	2,527,159	\$ 8.00	1,412,750	\$ 17.20
Expired	(412,750)	\$ 25.00	-	\$ -
Granted	713,651	\$ 2.05	1,114,409	\$ 4.03
Outstanding, ending	2,828,060	\$ 4.02	2,527,159	\$ 8.00

The following warrants were outstanding and exercisable as at April 30, 2024:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding and Exercisable
February 27, 2025	0.82	\$ 4.10	848,257
November 4, 2025	1.52	\$ 4.50	147,058
June 9, 2026	2.11	\$ 3.50	119,094
November 12, 2026	2.54	\$ 5.40	1,000,000
December 15, 2028	4.63	\$ 2.21	265,957
February 1, 2029	4.76	\$ 1.96	127,694
March 1, 2029	4.84	\$ 1.96	320,000
	2.51	\$ 4.02	2,828,060

BETTERMOO(D) FOOD CORPORATION
Notes to the Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

d) Broker Warrants

Broker warrant transactions and the number of warrants outstanding as at April 30, 2024 and July 31, 2023 are summarized as follows:

	April 30, 2024		July 31, 2023	
	Number of Broker Warrants	Weighted Average Exercise Price	Number of Broker Warrants	Weighted Average Exercise Price
Outstanding, beginning	35,551	\$ 4.10	-	\$ -
Granted	-	\$ -	35,551	\$ 4.10
Outstanding, ending	35,551	\$ 4.10	35,551	\$ 4.10

The following broker warrants were outstanding and exercisable as at April 30, 2024:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding and Exercisable
February 27, 2025	0.83	\$4.10	35,551

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:

	Nine months ended April 30, 2024	Year ended July 31, 2023
Risk-free interest rate	-	4.26%
Expected option life in years	-	2
Expected share price volatility*	-	100%
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

*The share price volatility was determined based on the Company's historical volatility and comparable entities' historical volatility in share price due to the Company's limited trading history.

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12. SHARE CAPITAL (continued)

e) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. The exercise price of these options is not less than the Company's closing market price on the day prior to the grant of the options less the applicable discount permitted by the CSE and will not otherwise be less than \$0.10 per share. Options granted may not exceed a term of five years. All options vest when granted unless otherwise specified by the Board of Directors.

Stock options transactions and the number of stock options outstanding as at April 30, 2024 and July 31, 2023 are summarized as follows:

	April 30, 2024		July 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning	445,000	\$10.36	445,000	\$ 10.36
Granted	895,000	\$ 1.06	-	\$ -
Exercised	(100)	\$10.50	-	\$ -
Cancelled	(316,000)	\$11.97	-	\$ -
Outstanding, ending	1,023,900	\$ 2.21	445,000	\$ 10.36

The following stock options were outstanding and exercisable as at April 30, 2024:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding and Exercisable
July 9, 2026	2.19	\$ 10.50	58,900
November 12, 2026	2.54	\$ 3.00	70,000
January 31, 2029	4.76	\$ 1.60	895,000
	4.46	\$ 2.21	1,023,900

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13. NON-CONTROLLING INTEREST

The Company's 80% interest in Bella's is consolidated into the Company's condensed interim consolidated financial statements. The 20% interest attributable to a minority shareholder is presented as "non-controlling interest" within shareholders' equity on the condensed interim consolidated statement of financial position.

The following table summarizes the non-controlling interest relating to Bella's as at April 30, 2024 and July 31, 2023:

	Nine months ended April 30, 2024	Year ended ended July 31, 2023
Balance, beginning of the period	\$ 2,870	\$ 110,325
Share of income (loss) for the period	-	(107,455)
Balance, end of the period	\$ 2,870	\$ 2,870

The following table summarizes the condensed interim consolidated financial position for Bella's as at April 30, 2024 and July 31, 2023:

	April 30, 2024	July 31, 2023
Assets		
Current	\$ 28,924	\$ 28,574
Non-current	358,488	356,823
	387,412	385,397
Liabilities		
Current	41,769	111,767
Non-current	-	-
	41,769	111,767
Net assets	345,643	273,630

The following table presents the loss and comprehensive loss of Bella's for the nine months ended April 30, 2024 and year ended July 31, 2023:

	Nine months ended April 30, 2024	Year ended July 31, 2023
Profit (loss) attributable to non-controlling interest	\$ -	\$ (107,455)
Foreign exchange on translation adjustment	1,176	(987)
Comprehensive (loss) attributable to non-controlling interest	\$ 1,176	\$ (108,442)

14. FINANCIAL INSTRUMENTS

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities and loan payable 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 April 30, 2024 amounts receivable of \$252,492 included \$187,558 of receivables related to refundable government goods and services tax and trade receivables of \$64,934.

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 April 30, 2024, the Company has a working capital deficiency of \$200,895.

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 April 30, 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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15. 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 adjusts 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 nine months ended April 30, 2024.

16. CONTINGENCIES

The Company may be involved in legal claims or disputes that arise in the normal course of operations. Management is of the opinion that the outcome of such claim(s) or potential claim(s), if any, will not have a material adverse impact on the Company's financial position or results of operations. Accordingly, no provision was made for the outstanding claim as at the date of the condensed interim consolidated financial statements.

17. SEGMENTED INFORMATION

The Company has two reportable operating segments, Moodrink and Moofrais & Moobert. Moodrink is a vegan oat-based beverage in the development stages in Canada. Moofrais & Moobert is a vegan nut-based cheese alternative product that is manufactured and distributed for sale in Austria. The segments are separately managed for reporting purposes.

Performance is measured based on segment net income before incomes taxes, as included in the internal management reports reviewed by the Company's chief operating decision maker. Management has determined that this measure is the most relevant in evaluating segment results.

The following table summarizes the Company's reportable operating segments for the nine months ended April 30, 2024:

	Moodrink	Moofrais & Moobert	Corporate	Total
	\$	\$	\$	\$
Segment Information				
Operating expenses	(632,388)	-	(2,531,533)	(3,163,921)
Net loss	(632,388)	-	(2,531,533)	(3,163,921)
Total assets	206,152	387,412	457,540	1,051,104
Property, plant and equipment	-	137,488	-	137,488
Intangible assets	-	221,000	-	221,000
Liabilities	303,945	41,769	570,797	916,511

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17. SEGMENTED INFORMATION (continued)

The following table summarizes the Company's reportable operating segments for the year ended July 31, 2023:

	Moodrink	Moofrais & Moobert	Corporate	Total
	\$	\$	\$	\$
Segment Information				
Revenue	-	46,300	-	46,300
Cost of sales	-	(10,643)	-	(10,643)
Operating expenses	(1,703,719)	(572,938)	(1,375,009)	(3,651,666)
Other expenses	-	6	-	6
Net loss	(1,703,719)	(537,275)	(1,375,009)	(3,616,003)
Total assets	202,637	385,397	691,306	1,279,340
Property, plant and equipment	-	135,823	-	135,823
Intangible assets	-	221,000	-	221,000
Liabilities	401,716	111,767	446,824	960,307

The Company's non-current, non-financial assets are located in the following geographical areas:

April 30, 2024	Canada	Austria	Total
	\$	\$	\$
Property, plant, and equipment	-	137,488	137,488
Product formulation	-	221,000	221,000
Total	-	358,488	358,488
July 31, 2023	Canada	Austria	Total
	\$	\$	\$
Property, plant, and equipment	-	135,823	135,823
Product formulation	-	221,000	221,000
Total	-	356,823	356,823