BLENDER BITES LIMITED

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED JANUARY 31, 2023 AND 2022

(Expressed in Canadian Dollars)

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, 2023 and the audited consolidated financial statements and notes thereto of the Company for the year ended October 31, 2022. 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"), 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 30, 2023, unless otherwise indicated. Additional information related to Blender Bites is available on SEDAR at www.sedar.com and on the Company's website at www.blenderbites.com.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

The Company's board of directors approved the release of this Management's Discussion and Analysis on March 30, 2023.

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.

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").

On January 19, 2022, the Company completed a share split of its common shares on the basis of 1.25 new common shares for every existing 1 common share. On July 6, 2022, the Company completed a share consolidation of its common shares on the basis of 1 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.

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 2023 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.

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 tradeshows 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

2022 BUSINESS HIGHLIGHTS

- Expanded its product offerings with the introduction of an immune supporting smoothie innovation, Daily Defen-C;
- Supported by Canada's largest chain of retail grocery stores, carrying three flavours of superfood smoothie pucks at its Canadian stores nationwide and expanding throughout the year to the West;
- Expanded its product offerings in Loblaws with the introduction of Green Detox;
- Entered into a manufacturing agreement to increase volume output capacity at a 250,000 sq ft facility in Ontario, Canada;
- Won the award of Best Product Canada in the Organic Beverage Category;
- Enhanced marketing strategy, with a full digital exposure on social channels and celebrity partnerships;
- Formulated the one step frappe, with three flavours available in both Canada and the United States; and
- Maintained broker and distribution agreements to support continued Canadian retail sales.

(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.

	October 31, 2022 $	**October 31, 2021 $**	**October 31, 2020 $**
	(Audited)	(Audited)	(Audited)
Total revenues	3,845,209	941,852	441,286
Net and comprehensive loss for the period	(4,632,942)	(15,952,520)	(118,909)
Basic and diluted income (loss) per share	(1.17)	(9.46)	(0.50)
Total assets	1,753,440	4,462,670	230,549
Total long-term liabilities	-	-	-
Cash dividends	-	-	-

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 condensed interim 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.

During the years ended October 31, 2020 and 2019, the Company focused on growing its Canadian customer base. As noted above and described in the financial statements for the year ended January 31, 2020, the Company secured capital funds via two promissory notes that allowed the Company to grow its sales from $60,379 to $441,286 year-over-year. All of the Company's liabilities were current.

SELECTED QUARTERLY INFORMATION

For the quarter ended:	**January 31, 2023 $**	**October 31, 2022 $**	**July 31, 2022 $**	**April 30, 2022 $**
Revenue	439,310	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)

For the quarter ended:	**January 31, 2022 $**	**October 31, 2021 $**	**July 31, 2021 $**	**April 30, 2021 $**
Revenue	759,604	552,004	183,414	150,098
Net and comprehensive loss	(1,469,081)	(15,530,116)	(222,494)	(92,684)
Loss per share from operations	(0.40)	(0.64)	(1.17)	(0.39)

The Company's quarterly revenues and income/loss for the period are subject to seasonal volatility. The Company anticipates that its second and third quarters of each fiscal year will be stronger revenue months as the Company anticipates selling more smoothies in the spring and summer compared to winter months.

RESULTS OF OPERATIONS

For the three months ended January 31, 2023:

During the three months ended January 31, 2023, the Company recorded a net and comprehensive loss of $470,785 as compared to a net and comprehensive loss of $1,469,081 for the comparable three months ended January 31, 2022. The net loss for the three months ended January 31, 2023 includes $50,861 of non-cash expenditures.

Total revenues have decreased to $439,310 for the three months as compared to $759,604 for the comparable three months ended January 31, 2022, an decrease of $320,294 or 58%. The Company increased its gross margin to $125,957 in the current three months compared to a gross margin of ($31,084) in the comparative three months, which is partly attributed to reclassifications between cost of sales and operating expenditures. 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 $596,742 as compared to $1,491,108 for the comparable period, a decrease of $894,366, which includes non-cash expenditures of $2,889 for depreciation, $31,453 for share-based compensation and $Nil in transaction and listing expenses. The decrease in overall expenditures can be attributed to the following:

- Advertising and promotion expenses have decreased to $114,016 from $545,638 as the Company has engaged third party consultants to develop and refine investor relations and digital marketing services.

- Consulting fees have decreased to $142,300 from $261,284 as the Company has engaged consultants for professional services, research and advisory services, communications, and corporate development.

- Professional fees have decreased to $13,099 from $27,028 which can be attributed to the fees paid to third party consultants for professional services, audit fees, and legal fees. A significant portion of the professional fees incurred are related to the reverse takeover transaction between BITE and Blender Bites paid in prior year. 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 $32,937 from $Nil related to costs incurred for fulfillment of sales not directly related to the cost of procuring and refining inventory to finished goods.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2023, the Company had cash of $151,950 and a working capital deficit of $207,726 compared to a cash balance of $221,272 and a working capital of $514,294 as at October 31, 2022. The decrease in working capital was primarily due to the fact that the Company has continued to incur operational costs in the current year, whereas a large amount of cash was acquired from the reverse takeover transaction in the comparative year and the completion of a concurrent financing for gross proceeds of $3,884,500. The Company completed two tranches of private placements after period end.

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, 2023, the Company has accumulated losses of $21,401,440 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, 2023.

(Expressed in Canadian Dollars)

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, 2023 and 2022 are as follows:

	For the three months ended January 31, 2023	2022
Key Management Compensation		
Management fees and wages and benefits	$ 60,000	$ 90,000
	$ 60,000	$ 90,000

Accounts payable and accrued liabilities at January 31, 2023 includes $65,000 (2021 - $76,033) owing to a Company controlled by the CEO, $41,035 (2021 - $41,035) owing to a director and a company controlled by the CFO of the Company, and $30,000 owing to the CEO. 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. 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, subsequent to period end, the Company has approved the authorization for the issuance of 25,000 common shares pursuant to the fulfilment of the first aggregate revenue target.

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 condensed interim 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, 2023, $80,787 of amounts receivable is related to amounts collectible from customers. The remaining amounts receivable balance of $331,564 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, 2023, the Company has a working capital deficit of $207,726.

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, 2023. 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.

(Expressed in Canadian Dollars)

SUBSEQUENT EVENTS

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 1 warrant. Each warrant is exercisable at a price of $5.50 per share and expires on March 7, 2028. In accordance with the transaction, the Company issued 2,385 common shares as administrative fees to a third-party for their assistance in the transaction.

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 $1,265,420. Each unit is comprised of one common share and 1 warrant. Each warrant is exercisable at a price of $5.50 per share and expires on March 17, 2028. In accordance with the transaction, the Company issued 4,109 common shares as administrative fees to a third-party for their assistance in the transaction.

On March 24, 2023, the Company issued 80,000 stock options with an exercise price of $6.62 and an expiry date of March 24, 2025, and 20,000 RSUs that vest on July 24, 2023 to a consultant.

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

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.

OUTSTANDING SHARE DATA

As of January 31, 2023 and March 30, 2023, the Company has the following equity outstanding:

	January 31, 2023	March 30, 2023
Common shares	4,091,672	4,801,308
RSUs	795,000	815,000
Stock options	7,500	87,500
Warrants	1,509,887	2,159,237
Fully diluted shares	6,404,059	7,863,045

BOARD APPROVAL

The board of directors of the Company approved this MD&A on March 30, 2023.

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.sedar.com 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.