BLENDER BITES LIMITED

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED JANUARY 31, 2024

(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, 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 and on the Company's website at 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.

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 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.
- 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.

(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, 2023 $	**October 31, 2022 $**	**October 31, 2021 $**
	(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

For the quarter ended:	**January 31, 2024 $**	**October 31, 2023 $**	**July 31, 2023 $**	**April 30, 2023 $**
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)

For the quarter ended:	**January 31, 2023 $**	**October 31, 2022 $**	**July 31, 2022 $**	**April 30, 2022 $**
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.

(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, 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.

(Expressed in Canadian Dollars)

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:

	January 31, 2024	March 28, 2024
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 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.