Blender Bites is a Smooth(ie) Rapidly Growing Operator in the Frozen Health Food Category

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Most people enter the new year full of optimism with thoughts of improving their health and wellness. Arguably you should be considering how you treat yourself all year ‘round, but I guess at least once a year is better than nothing. This whole pandemic has also shone a light on eating habits given at times it has been very difficult to dine out, and, if you were really concerned, even acquiring food to prepare at home became a challenge. A greater emphasis has been placed on health and convenience, which haven’t always gone hand in hand in the past. Tack on the carbon footprint of your food and all of a sudden it gets pretty hard to tick all the boxes.

That’s why today I’m pretty excited to review a newly listed company that tackles the challenge of making a healthy, organic product that limits food waste and unnecessary packaging all while being convenient and tasty. Plus, if you happen to live in Canada, you can get the product at Costco, which is where I do 80% of my shopping…but I digress. I’m talking about Blender Bites Ltd. (CSE: BITE) and their portion sized, frozen smoothie pucks. Blender Bites is a Canadian company involved in the development and marketing of a line of premium frozen food products with a focus on functionality. Blender Bites was founded in 2016 and was first to market in Western Canada with a pre-portioned “easy smoothie” product that is free of any unnecessary inner plastic packaging with ingredients that are

certified organic, vegan, non-GMO, gluten free, dairy free and soy free. Their products are distributed across Canada and the US, and are currently sold in over 850 stores, including Sobeys, Safeway, Save on Foods, Whole Foods Market, IGA and Costco.

The product targets the flexitarian market, which is how 47% of Americans describe themselves. For people out there like myself who are unfamiliar with the term, it's a person who eats plant based as much as possible but occasionally eats meat, fish and dairy. Sounds like a pretty healthy lifestyle to me. This could be why the global organic food and beverage market is projected to triple to $91 billion in 2025 as the demand grows for transparency and quality in the supply chain. Combine this trend with a one-step smoothie puck that involves no mess, no preparation and no waste and you have yourself a winner.

Source: Blender Bites Investor Presentation

To me, it seems that easy and healthy could prove to be a very powerful combination for Blender Bites. Targeting those seeking convenience without sacrificing nutrition or health as well as busy professionals with demanding schedules and active lifestyles makes this a "go to" product. Pre-portioned for quick preparation by simply adding your liquid of choice and then blend or shake. It eliminates the need to stock multiple high-cost ingredients and guarantees taste and texture consistency.

But don't just take my word for it, we'll let the numbers do the talking. On November 4th the Company announced in the month of October the production of Blender Bites' superfood smoothie pucks increased by 2,934% compared to the same period in 2020. In October 2020 the Company produced 9,216 of its superfood smoothie pucks, whereas in the same period of 2021 it produced 279,648 smoothie pucks. This was followed up by news on November

24th that it had received an earlier than expected reorder of its superfood smoothie pucks from Eastern Region Canadian Club stores. The unanticipated early reorder received from the club store is for 50,000 units, or 600,000 smoothie pucks, which represents a 25% increase over the club stores' initial order size. This was quickly followed by news on December 13th that for the three-month period September to November 2021, combined revenue was $743,000, representing a 2,266% increase in revenue over the same period in 2020. The latest numbers from the Company were released on December 18th when they announced the total number of purchase orders received in December 2021 alone was C$495,000, representing a 75% increase over the highest number of purchase orders received in any single month in the Company's history. December purchase orders were equivalent to 70% of the combined total of all orders received in the previous three-month period of September, October, and November 2021.

To say Blender Bites is hitting its stride might be an understatement. On top of this, the Company is well funded having raised C$3.9 million via its go public RTO in September 2021 with Balsam Technologies Corp. And if all this wasn't compelling enough, there is a very tight share structure, with a current market cap of C$29.5 million. Although in an effort to improve liquidity and reduce volatility, Blender Bites is in the process of getting approval for a 1.25 for 1 share split. This will still only take the Company up to 37 million shares outstanding following approval of the Canadian Securities Exchange. So now as an investor, it's up to you to decide how much this meteoric growth is worth and whether Blender Bites is a healthy, convenient addition to your portfolio.