

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 RT0 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.

Rritual Superfoods' next quarterly results could be hard to ignore

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If you are a current investor or an interested party in [Rritual Superfoods Inc.](#) (CSE: RSF | OTCQB: RRSFF) then you have no right to say you don't know what is going on with this company. I don't think I've ever seen a company issue as many press releases over a 2 month period as Rritual. By my count, they have produced 17 press releases and one quarterly result since we last [wrote about the Company](#) on InvestorIntel on May 26th. The exciting thing is that most of these press releases are about sales and marketing milestones being achieved. Sure there is a couple of boring ones in there like Rritual Superfoods Inc. is pleased to announce that it will present at the [Lytham Partners Summer 2021 Investor Conference](#), which is notable and may be of interest to some but not me. I'm a numbers guy, so news about [May purchase orders](#) and all the product launches and shipment deliveries is what I'm looking at.

As noted above, on May 28th Rritual released quarterly results for the nine months ending March 31, 2021. Unless you like reading the MD&A there isn't much to review here primarily because the Company was still ramping up its production capability, building out the management team and lining up all the distribution opportunities for its products. Revenue of \$721 for the quarter isn't very telling of where Rritual is headed, and no I haven't missed any zeroes on the end of that number.

For example, March 30th was when it was announced that [Rite Aid stores](#) throughout the USA would be the first national retail rollout occurring in Q2 and Q3. So we're going to have to wait until at least Q2 numbers or possibly Q3 to see results flow through to the bottom line.

In the meantime, we can look at what Rritual has been up to over the last two months to get a flavor for what those future results might look like. Don't worry, I'm not going to discuss all 17 press releases but there are a few that have attracted my attention. For starters, on Jun 8th the Company stated that it had already [surpassed its retail distribution targets](#) for the end of 2021, exceeding 2,400 retail locations and 10,000 points of distribution. This has led to revised targets, based on the current lineup, to reach 6,000 stores and 20,000 points of distribution this year. That's an impressive step change in yearend targeted distribution, and let's not forget that there is also [product development](#) occurring to enhance and expand the existing product lineup.

Then there's the [May purchase orders](#) announced on June 10th, which told us that the Company has received purchase orders totaling CAD \$306,000 in the last week of May. May was effectively the first month of full-scale commercial operations so one can expect that this is a starting point and that as retail and distribution points expand the numbers could get pretty big. According to Rritual, based on the guidance of 6,000 stores and 20,000 points by year end, they expect to achieve a monthly run rate in the United States of CAD \$1,300,000 achieving approximately 31-42% blended margins. By now you might be starting to get a feel for why I suggested ignoring the last quarterly results and its paltry \$721 in revenue.

And now a little name dropping to really grab your attention –

Amazon. On June 17th the Company announced the full line of Rritual products have passed the approval process for [listing on the Company's Amazon Store](#) in the USA, planned for the end of June. Mr. David Kerbel, Rritual CEO is quoted as saying "Rritual's multi-stage targeted launch is focused primarily on 'being where the customers are,' and no storefront in our world can help us more than Amazon to achieve that objective." That news was followed up on June 25th that the full line of Rritual products have successfully been delivered to the [Amazon Fulfillment Center](#) and will be available to customers. I'm not sure if Amazon only counts as 1 distribution point or if it's even included in the retail location count but this news in itself could be transformational for the Company.

These are what I consider to be highlights of the last two months but I'm not a retail expert by any stretch of the imagination. Other news includes the launching of its premium brand of functional superfoods in [CVS Stores](#) nationwide, and the latest product innovation [plant-based collagen enhancers](#) to Create "Beauty from Within" looking to replace animal based collagen enhancers. Maybe these are even more impactful than what I've identified. Regardless, the next two quarters look to be very exciting for Rritual Superfoods and the quarterly results could be hard to ignore going forward.

Disclosure: The author is long Rritual Superfoods Inc. (CSE: RSF).

Rritual Superfoods is looking to dominate the functional foods market

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It appears mushrooms are going to save the world. Previously at [InvestorIntel](#), we discussed the solutions to treat mental illness, substance abuse and trauma through the use of psychedelics found in psilocybin – more commonly known as magic mushrooms. Today we are going to look at the science of adaptogens, non-toxic herbs, roots, and fungi that work to increase your body's ability to resist stressors, restoring the body to its normal or optimal function. [Rritual Superfoods Inc.](#) (CSE: RSF) is a functional superfood company that creates plant-based elixirs, which support immunity, focus and relaxation. Functional foods and “Superfoods” are foods that offer maximum nutritional benefits and are packed with vitamins, minerals, and antioxidants.

Adaptogens are substances that produce resistance to stress in both animals and humans and are commonly found in plants and fungi. Scientifically, adaptogens were first documented in the 1950s and since then much work has gone into studying the effects on humans with respect to stress reduction, resistance to mental fatigue and improved attention capabilities (which may be required to plow through my articles). Rritual's three initial mushroom adaptogen formulations, including chaga (immune), reishi (relax), and lion's mane (focus) were [launched roughly two months ago via the Company's e-commerce portal](#). From there the Company [ramped up production capacity](#) and added both a [Chief Innovation Officer](#) and [VP Sales USA](#) to support growth of the original three products and develop several new offerings.



Source: [Company Website](#)

One of the biggest milestones to date was the [announcement that Rite Aid stores](#), the third largest US drugstore chain, would be carrying Rritual's premium brands in Q2/Q3 of this year. The Rite Aid rollout will be phased toward reaching 1,000 retail stores, in addition to Rite Aid's e-commerce platform. Strategically, the Company is aiming at national retailers rather than regional rollouts in order to gain market share and category defining leadership. To that end, Rritual also [signed a partnership with CROSSMARK Inc.](#) (CEO, David Kerbel's former employer) a leading sales and marketing services agency that specializes in growing retail brands throughout nearly every category of the consumer goods industry. The strategic collaboration is intended to provide actionable insights that drive growth and establish Rritual as a defining brand in the superfoods category.

On the innovation front, recently appointed Chief Innovation Officer, Stacey Gillespie, has [launched the Company's Research and Development division](#), establishing best practices toward the development of a category leading product pipeline. Rritual deploys a process for product development that blends best practices with agility to identify categories with high growth potential, including its flagship mushrooms and adaptogens product line. This is an important point for shareholders and potential shareholders to note, as the Company isn't just focused on the products that they know best, but is listening to what the market wants and thus what will maximize revenue generation.

New innovative products such as the following are from the Company's Product Pipeline for Q2/Q3:

- **Vegan Chai Rose Latte Collagen Booster:** Collagen-Booster Rose Chai Latte Powder made with tremella, reishi, aloe vera and other beautifying superfoods in a skin-hydrating & vegan cream base.
- **Mood & Energy Ube Matcha Latte Powder:** Made with Cordyceps, lion's mane, matcha & a broad-spectrum of prebiotic superfoods of purple sweet potato powder, lucuma, and inulin which combined support a healthy microbiome so you can trust your gut again.
- **Superfood Vegan Creamer:** Made with vegan cream base and proprietary immune-synergy blend with key adaptogenic botanicals.
- **Ready to Drink Beverages:** Powered by adaptogenic botanicals and enhanced with organic exotic superfruits and prebiotic fibers to support a healthy microbiome which in turn helps support a healthy immune system, digestive function, and a positive outlook.

According to [Grandview Research](#), it is estimated that the global functional food market is projected to reach \$275 billion by 2025, growing at 7.9% each year with consumers putting more emphasis on health and wellness. Rritual isn't just looking to participate in this market, it is looking to dominate the functional mushroom and adaptogen space with clear points of differentiation. With quality products adapting to consumer wants and needs, an aggressive marketing plan developed by a skilled and experienced management team and confirmed [manufacturing capacity](#) that has been scaled to service distribution to 2,400 retail stores with 10,000 points of distribution, this is a company on the move. The Company [raised \\$6 million with its IPO in March](#), which should give it ample funding to get to the next level whereby they are generating revenue. I'm looking forward to seeing their Q2/21 results and because I'm kind of a stock nerd, reading the associated MD&A.