Odd Burger Corporation (formerly o/a Globally Local)
(Formerly Black Lion Capital Corp.)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2022, AND DECEMBER 31, 2021

(In Canadian Dollars)
(unaudited)

MANAGEMENT'S COMMENTS ON UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim consolidated financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements of Odd Burger Corporation (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with accounting principles generally accepted in Canada (these statements are prepared under International Financial Reporting Standards (IFRS)) and reflect management's best estimates and judgment based on information currently available. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Odd Burger Corporation (formerly operating as Globally Local) (formerly Black Lion Corporation)
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at December 31, 2022 and September 30, 2022
(Expressed in Canadian dollars)

	Note		Unaudited December 31, 2022		September 30, 2022
ASSETS					
Cash		$	158,365	$	436,085
Accounts receivable and other receivables	4		115,236		156,190
Inventory	5		167,063		228,703
Prepaid expenses and deposits	6		95,796		96,011
Current portion of deferred charges	7		88,736		79,140
Total Current Assets		$	625,196	$	996,129
Lease receivable	8		404,815		401,819
Prepaid expenses and deposits	6		73,539		73,539
Deferred charges	7		70,788		57,579
Right-of-use asset, net	10		1,194,127		983,500
Property and equipment, net	9		2,596,029		2,711,496
Total Assets		$	4,964,494	$	5,224,062
LIABILITIES					
Accounts payable and accrued liabilities	11	$	1,889,708	$	1,505,933
Deferred revenue	12		453,493		385,627
Current portion of loans payable	13		111,947		51,947
Current portion of lease liabilities	14		275,436		298,798
Total Current Liabilities		$	2,730,584	$	2,242,305
Lease liabilities	14		2,004,678		1,787,566
Loans payable	13		71,609		143,402
Total Liabilities		$	4,806,871	$	4,173,273
SHAREHOLDERS’ EQUITY (DEFICIT)					
Share capital	15	$	12,636,917	$	12,355,101
Subscriptions received	15,24		100,000		183,000
Contributed surplus	16		1,495,653		1,329,655
Deficit			(14,074,947)		(12,816,967)
Total Shareholders’ Equity (Deficit)		$	157,623	$	1,050,789
Total Liabilities and Shareholders’ Equity (Deficit)		$	4,964,494	$	5,224,062

Nature of operations (Note 1)

Commitments and contingencies (Note 17)

Approved by the Board of Directors:

“James McInnes”
Director (Signed)

“Ted Sehl”
Director (Signed)

(Expressed in Canadian dollars)

	Note		Unaudited Three months ended December 31, 2022		Unaudited Three months ended December 31, 2021
REVENUE					
Food sales		$	762,139	$	680,227
Franchise fees			19,372		6,929
TOTAL REVENUE		$	781,511	$	687,156
Cost of goods sold	21		712,211		659,007
GROSS MARGIN		$	69,300	$	28,149
Selling, general and administrative	21		461,857		414,932
Salaries and wages			393,002		566,221
Professional fees			408,315		221,874
Interest expense			69,928		53,299
		$	1,333,102	$	1,256,326
NET LOSS AND COMPREHENSIVE LOSS BEFORE THE UNDERNOTED ITEMS		$	(1,263,802)	$	(1,228,177)
OTHER ITEMS					
Other income			1,905		15,350
Finance income on lease receivables			5,715		-
Gain on disposal of property and equipment, net			-		6,544
Other expenses			(1,798)		(2,349)
NET LOSS AND COMPREHENSIVE LOSS		$	(1,257,980)	$	(1,208,632)
Loss Per Share					
Basic and diluted		$	(0.01)	$	(0.01)
Weighted average number of common shares outstanding – Basic and Diluted			86,066,852		82,838,918

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

Odd Burger Corporation (formerly operating as Globally Local) (formerly Black Lion Corporation)
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For the three months ended December 31, 2022 and December 31, 2021
(Expressed in Canadian dollars)

	Note	Number of Shares		Share Capital		Subscriptions Received		Contributed Surplus		Deficit		Total
Balance September 30, 2021		82,838,918	$	11,613,438	$	-	$	516,873	$	(8,531,231)	$	3,599,080
Stock based compensation expense	16	-		-		-		198,717		-		198,717
Net loss and comprehensive loss for the period		-		-		-				(1,208,632)		(1,208,632)
Unaudited balance December 31, 2021		82,838,918	$	11,613,438	$	-	$	715,590	$	(9,739,863)	$	2,589,165
Balance September 30, 2022		85,161,418	$	12,355,101	$	183,000	$	1,329,655	$	(12,816,967)	$	1,050,789
Issuances of Private Placement	15	979,999		281,816		(183,000)		61,184		-		160,000
Subscriptions received		-		-		100,000		-		-		100,000
Stock based compensation expense	16	-		-		-		104,814		-		104,814
Net loss and comprehensive loss for the period		-		-		-		-		(1,257,980)		(1,257,980)
Unaudited balance December 31, 2022		86,141,417	$	12,636,917	$	100,000	$	1,495,653	$	(14,074,947)	$	157,623

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

(Expressed in Canadian dollars)

	Note		**Unaudited Three months ended December 31, 2022**		**Unaudited Three months ended December 31, 2021**
OPERATING ACTIVITIES					
Net loss and comprehensive loss for the period		$	(1,257,980)	$	(1,208,632)
Adjustments					
Depreciation expense	9,10		160,851		142,293
Remeasurement of right-of-use-asset	10		-		15,784
Interest accretion on lease liabilities	14		65,421		38,086
Interest accretion on loans	13		1,193		1,102
Finance income on lease receivables	8		(5,715)		-
Share based compensation expense	16		104,814		198,717
Expected credit loss expense			105		-
		$	(931,311)	$	(812,650)
Changes in non-cash working capital	22		531,745		(429,283)
Cash flows used in operating activities		$	(399,566)	$	(1,241,933)
INVESTING ACTIVITIES					
Purchase of property and equipment	9		-		(572,879)
Collection of lease receivable	8		2,516		-
Net cash provided by (used in) investing activities		$	2,516	$	(572,879)
FINANCING ACTIVITIES					
Proceeds from finance leases	14		-		277,849
Payments of lease liabilities	14		(127,683)		(64,409)
Repayment of loans payable	13		(12,987)		(16,381)
Proceeds from issuance of common shares and warrants for cash, net	15		160,000		-
Subscriptions received			100,000		-
Net cash provided by financing activities		$	119,330	$	197,059
Increase (decrease) in cash		$	(277,720)	$	(1,617,753)
Cash, beginning of period			436,085		2,753,343
Cash, end of period		$	158,365	$	1,135,590

Supplemental disclosure				
Cash interest paid (received), net	$	54,954	$	34,501
Cash taxes paid (received)		(449)		-

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

1. Nature of Operations

Odd Burger Corporation, (formerly Black Lion Capital Corp.) ("Odd Burger" or the "Company") was incorporated under the Canada Business Corporations Act (British Columbia) on January 20, 2015. On April 13, 2021, the Company completed a transaction with 2204901 Ontario Inc. (operating as Globally Local) ("GL"), a private company continued under the Business Corporations Act (Ontario), which constituted a reverse takeover by GL and changed its name to "Globally Local Technologies Inc.". Because GL is considered to be the acquirer, these unaudited condensed consolidated interim financial statements are a continuation of the financial statements of GL adjusted to reflect the legal capital of the Company. On April 16, 2021, the Company commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "GBLY". Subsequently, on June 16, 2021, Globally Local Technologies Inc. changed its name and rebranded as Odd Burger Corporation. With the subsequent name change, the Company now trades under the symbol "ODD." The Company's registered office is located at 505 Consortium Court, London, ON, N6E 2S8. References herein to "Odd Burger" or the "Company" refer to Odd Burger Corporation and its subsidiaries, unless specifically noted otherwise.

Odd Burger is a plant-based food technology company that manufactures and distributes industry-leading plant-based protein and dairy alternatives using locally sourced and sustainable ingredients. The Company distributes its products through a proprietary food service line to Company-owned and franchised fast-food restaurants. Its locations operate as smart kitchens, which use state-of-the art cooking technology and automation solutions to deliver a delicious food experience to customers craving healthier and more sustainable fast food. The Company operates with small store footprints optimized for delivery and takeout, advanced cooking technology, competitive pricing, and a vertically integrated supply chain.

Basis of measurement and going concern

These unaudited condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of recurring losses and on-going negative cash flow that may cast significant doubt on the Company's ability to continue as a going concern.

The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

These unaudited condensed interim consolidated financial statements were approved by the Company's Board of Directors on February 27, 2023.

Impacts of COVID-19

The COVID-19 pandemic has impacted Canadians and economies around the world. The restaurant and food services industry has experienced significant business disruptions since March 2020, as a result of mandated restaurant closures and other restrictive measures. While the length of this pandemic is uncertain and government-imposed restrictions continue to evolve, the Company remains focused on the health and safety of its customers, employees, and franchise partners.

In March 2020, the Company swiftly implemented remote work from home protocols for the corporate management team, focused on off-premises sales and delivery channels and strengthened online promotional and advertising campaigns. The Company is continuing to apply for government subsidies where applicable.

2. Basis of Presentation

Basis of preparation

These unaudited condensed interim consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and should be read in conjunction with the Company's consolidated financial statements as at and for the year ended September 30, 2022 ("last annual financial statements"). They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

These unaudited condensed interim consolidated financial statements were prepared using the accounting policies described in Note 2 in the last annual financial statements. When preparing the financial statements, management makes estimates and judgments that impact the reported amounts of revenues and expenses, assets, and liabilities. These estimates are based on a number of factors, including historical experience, current events including but not limited to the COVID-19 pandemic and actions that the Company plans to undertake in the future, and other assumptions believed to be reasonable under the circumstances. By their nature, these estimates and judgments are subject to measurement uncertainty and actual results could differ.

Basis of presentation and consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Transactions and balances between the Company and its consolidated entities have been eliminated on consolidation. The principal wholly owned subsidiaries of the Company that have been consolidated are as follows:

Name of Entity	Incorporation Date
Odd Burger Ltd.	Amalgamated April 13, 2021
Odd Burger Franchise Inc.	May 31, 2019
Odd Burger Franchise (US) Inc.	April 7, 2022
Preposterous Foods Inc.	February 26, 2018
Globally Local Real Estate Inc.	November 9, 2020
Odd Burger Restaurants Inc.	November 23, 2020

These unaudited condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, estimates, and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Seasonality

Results of operation for the interim period are not necessarily indicative of the results of operations of the full year. Sales are subject to seasonal fluctuations due to consumer spending patterns and the impact of COVID-19. The Company may also experience quarterly variances in its operating results as its revenues may be subject to fluctuations resulting from a number of factors such as economic conditions, the effect of severe weather and the number of restaurant locations.

3. Recently Adopted Accounting Standards

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's unaudited condensed interim consolidated financial statements.

4. Accounts receivable and other receivables

		(Unaudited) December 31, 2022		September 30, 2022
Trade receivable	$	41,603	$	62,032
Expected credit loss		462		686
	$	41,141	$	61,346
HST receivable		55,815		74,839
Lease receivable – current portion		17,127		17,029
Other receivable		1,153		2,976
	$	115,236	$	156,190

Since its incorporation, the Company has not incurred any significant credit loss in respect of its trade receivables.

At December 31, 2022, other receivables include $1,153 (September 30, 2022- $1,377) on account with a supplier and $nil (September 30, 2022- $1,599) of sundry receivables.

5. Inventory

Inventories are comprised of the following:

		(Unaudited) December 31, 2022		September 30, 2022
Raw materials	$	93,434	$	68,327
Manufactured food		32,375		113,526
Packaging and supplies		41,254		46,850
	$	167,063	$	228,703

Inventories are stated at the lower of cost or net realizable value. The Company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of saleability and quality. The Company has not recorded an obsolescence provision in the period ($Nil September 2022).

Raw materials, manufactured food and packaging and supplies recognized as cost of sales for the three month period ended December 31, 2022, amounted to $397,612 (2021 $339,263).

6. Prepaid expenses and deposits

	Unaudited December 31, 2022				September 30, 2022			
		Current		Non-current		Current		Non-current
Prepaid expenses	$	32,546	$	26,589	$	32,761	$	26,589
Security deposits		63,250		46,950		63,250		46,950
	$	95,796	$	73,539	$	96,011	$	73,539

7. Deferred charges

		Unaudited December 31, 2022		September 30, 2022
Current	$	88,736	$	79,140
Non-current		70,788		57,579
	$	159,524	$	136,719

Deferred charges represent incremental costs to incur contracts with customers $79,024 (September 30, 2022 - $64,119) and other deferred charges $80,500 (September 30, 2022 $ 72,600).

8. Lease Receivable

	(Unaudited) December 31, 2022	September 30, 2022
Lease receivable	$ 436,253	$ 433,053
Expected credit losses	14,310	14,205
	$ 421,943	$ 418,848
Current portion	17,126	17,029
	$ 404,815	$ 401,819

The Company is considered an intermediate lessor on two restaurant premises subleased commencing in fiscal 2022. The following table presents the contractual undiscounted cash inflows for lease receivables at December 31, 2022:

	Unaudited December 31, 2022
Within one year	$ 62,075
1 to 2 years	75,303
2 to 3 years	76,678
3 to 4 years	76,803
4 to 5 years	79,810
Thereafter	411,494
Total undiscounted lease receivable	$ 782,163
Unearned finance income	(345,910)
Expected credit losses	(14,310)
Total lease receivable	$ 421,943

9. Property and Equipment

		Computers		Furniture and Equipment		Leaseholds		Vehicles		Total
Cost:										
Balance September 30, 2021	$	57,166	$	966,027	$	1,513,964	$	38,000	$	2,575,157
Additions		14,928		245,849		948,866		-		1,209,643
Impairment		(42)		(3,133)		(42,040)		-		(45,215)
Reclassification to assets held for sale		(307)		(22,675)		(304,300)		-		(327,282)
Disposals		-		(4,190)		-		-		(4,190)
Balance September 30, 2022 and Unaudited balance December 31, 2022	$	71,745	$	1,181,878	$	2,116,490	$	38,000	$	3,408,113
Accumulated Depreciation:										
Balance September 30, 2021	$	22,742	$	142,162	$	73,609	$	33,721	$	272,234
Depreciation		19,676		219,860		184,135		2,737		426,408
Disposals		-		(2,025)		-		-		(2,025)
Balance September 30, 2022	$	42,418,	$	359,997	$	257,744	$	36,458	$	696,617
Depreciation		4,290		57,308		53,390		479		115,467
Unaudited balance December 31, 2022	$	46,708		417,305		311,134		36,937		812,084
Net book value September 30, 2022	$	29,327	$	821,881	$	1,858,746	$	1,542	$	2,711,496
Net book value December 31, 2022 (unaudited)	$	25,037	$	764,573	$	1,805,356	$	1,063	$	2,596,029

At December 31, 2022, capital assets in the course of construction amounted to $136,098 (September 30, 2022 $136,098). Commitments for the acquisition of capital assets amounted to $569,250 (September 30, 2022 $644,250).

10. Right-of-use Asset

The Company's leased assets include restaurant premises, its production facility and restaurant equipment. Lease liabilities are measured at the present value of the remaining base rent payments, discounted using the Company's incremental cost of borrowing at the date of initial recognition. Right-of-use assets are measured at an amount equal to the lease liabilities at inception and adjusted by the amount of any prepaid or accrued lease payments.

In calculating the underlying right-of-use assets and corresponding lease liabilities, management utilized an average incremental cost of borrowing of 12.3%.

The following schedule shows the movement in the Company's right-of-use assets during the period.

Right-of use assets (ROU)		**Premises**		**Equipment**		**Total**
Balance as of September 30, 2021	$	1,342,514	$	-	$	1,342,514
Additions		229,322		15,855		245,177
Disposals		(229,887)		-		(229,887)
Remeasurement of leases		(40,147)		-		(40,147)
Balance as of September 30, 2022	$	1,301,802	$	15,855	$	1,317,657
Additions		256,011		-		256,011
Balance as of December 31, 2022 (unaudited)	$	1,557,813	$	15,855	$	1,573,668
Accumulated Depreciation						
Balance as of September 30, 2021	$	160,579	$	-	$	160,579
Depreciation		173,652		3,966		177,618
Disposals		(2,951)		-		(2,951)
Remeasurement of leases		(1,089)		-		(1,089)
Balance as of September 30, 2022	$	330,191	$	3,966	$	334,157
Depreciation		43,401		1,983		45,384
Balance as of December 31, 2022 (unaudited)	$	373,592	$	5,949	$	379,541
Net book value, September 30, 2022	$	971,611	$	11,889	$	983,500
Net book value, December 31, 2022 (unaudited)	$	1,184,221	$	9,906	$	1,194,127

The right-of-use assets are depreciated on a straight-line basis over the lease terms which range from 2 to 10 years.

11. Accounts Payable and Accrued Liabilities

		(Unaudited) December 31, 2022		September 30, 2022
Trade payables	$	905,211	$	609,469
Accrued liabilities and other payables		984,497		896,464
	$	1,889,708	$	1,505,933

12. Deferred Revenue

		(Unaudited) December 31, 2022		September 30, 2022
Franchise fees and deposits	$	438,928	$	380,274
Other		14,565		5,353
Deferred revenue	$	453,493	$	385,627

Under the terms of the franchise agreements a portion of the funds pertaining to pre-opening support services are to be recognized upon a franchisee's initial operational commencement. The remainder of the funds are to be amortized over the life of the franchise agreements which range from 5 to 10 years.

13. Loans Payable

The following schedule shows the movement in Loans payable for the three months ended December 31, 2022:

Balance as of September 30, 2022	$	195,349
Interest expense		4,733
Payments		(16,526)
Balance as of December 31, 2022 (unaudited)	$	183,556

Loans payable were comprised of the following:

Loans Payable		**Unaudited December 31, 2022**		**September 30, 2022**
Floating base rate plus 4.7%, amortized over 6 years. Secured by first interest in certain equipment.	$	63,119	$	69,233
Floating base rate plus 1%, amortized over 5 years. Secured by guarantee of CEO and COO.		4,875		6,000
Prime rate plus 3%, amortized over 5 years. First ranking and specific security interest in equipment and leaseholds.		55,562		61,309
Canadian Emergency Business Account, two loans of $30,000 each, interest free until December 31, 2023.		60,000		58,807
Subtotal	$	183,556	$	195,349
Less: current portion of loans payable		111,947		51,947
Non-current loans payable	$	71,609	$	143,402

14. Lease Liabilities

The following schedule shows the movement in the Company's lease liability related to premise and equipment leases during the three months ended December 31, 2022:

Lease Liabilities		**Right of Use Assets**		**Equipment Finance Leases**		**Total**
Balance September 30, 2022	$	1,577,465	$	508,899	$	2,086,364
Interest expense		50,274		15,147		65,421
Lease payments		(76,827)		(50,856)		(127,683)
Additions		256,012		-		256,012
Balance December 31, 2022 (unaudited)	$	1,806,924	$	473,190	$	2,280,114
Less current portion of lease liabilities		131,091		144,345		275,436
Lease liabilities	$	1,675,833	$	328,845	$	2,004,678

The Company has equipment leases with terms varying from 3 to 5 years and implicit interest rates between 4.0% to 17.43%. The Company has chosen not to recognise a lease liability for leases with an expected term of twelve months or less or for leases of low value assets.

The following table sets forth the undiscounted future lease payments to be made:

Future Lease Payments	Right of Use Assets	Equipment Finance Leases	Total
Within one year	$ 320,976	$ 194,459	$ 515,435
1 to 2 years	359,229	186,958	546,187
2 to 3 years	343,966	141,081	485,047
3 to 4 years	296,647	47,283	343,930
4 to 5 years	303,951	1,886	305,837
After 5 years	1,340,104		1,340,104
Total	$ 2,964,873	$ 571,667	$ 3,536,540

15. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares.

Outstanding share capital

On March 31, 2022, the Company issued 1,250,000 common shares in a private placement. The private placement proceeds of $500,000 was allocated to the common shares and warrants issued based on their relative fair values.

On May 10, 2022, the Company issued 822,500 common shares in a private placement. The private placement proceeds of $329,000 was allocated to the common shares and warrants issued based on their relative fair values.

On June 9, 2022, the Company issued 250,000 common shares in a private placement. The private placement proceeds of $100,000 was allocated to the common shares and warrants issued based on their relative fair values.

On October 7, 2022, the Company issued 979,999 common shares in a private placement. The private placement proceeds of $343,000 was allocated to the common shares and warrants issued based on their relative fair values.

16. Stock Options

Stock Options

The Company's Board of Directors approved a stock incentive plan in accordance with the policies of the Canadian Securities Exchange (the "Exchange"). The Board of Directors is authorized to grant options to directors, officers, consultants, or employees to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price will not be less than $0.10 per share and the market price of the common shares on the trading day immediately preceding the date of the grant, less applicable discounts permitted by the Exchange. The options that may be granted under this plan must be exercisable for over a period not exceeding 5 years. The Company records an expense and credits contributed surplus for all options granted. The stock options granted to employees, directors, and officers vest as one third on the first anniversary of the date of the grant; one third on the second anniversary of the date of the grant and one third on the third anniversary of the date of the grant.

The following table summarizes the continuity of the Company's stock options at December 31, 2022, and the changes for the period then ended:

	Number of Options		**Weighted Average Exercise Price**
Outstanding September 30, 2022	4,821,952	$	0.56
Granted	150,000		0.40
Forfeited	(200,000)		1.00
Outstanding December 31, 2022	4,771,952	$	0.53

As at December 31, 2022, the weighted average remaining life of stock options was 3.43 years.

Grant Date		Exercise Price	Stock Options Outstanding	Stock Options Exercisable	Expiry Date
April 13, 2021	$	0.40	3,605,952	1,201,983	April 13, 2026
April 27, 2021	$	1.20	100,000	33,333	April 27, 2026
June 4, 2021	$	1.22	481,000	160,333	June 4, 2026
August 31, 2021	$	1.00	90,000	30,000	August 31, 2026
December 31, 2021	$	0.75	195,000	65,000	December 31,2026
August 22, 2022	$	0.40	150,000	-	August 22, 2027
October 11, 2022	$	0.4	150,000	-	October 11, 2027
			4,771,952	1,490,649	

The weighted average price of stock options vesting in the three months ended December 31, 2022, was $0.75. Stock options may expire at an earlier date upon termination of services.

Share based compensation expense is determined using the Black-Scholes option pricing model. During the three months ending December 31, 2022, the Company recognized share-based compensation expense of $104,814 (2021 – $198,717) in equity reserves, of which $91,342 (2021 -- $195,484) pertains to directors and officers of the Company. The assumptions used in calculating the fair value of share-based compensation expense for the options granted to directors, officers and employees are as follows: Risk free interest rate of between .75% to 3.62%, dividend yield of 0%, expected volatility of 55% to 66%, and expected life of 5 years.

Warrants

	Expiry Date	Exercise Price	Outstanding September 30, 2022	Issued	Exercised	Outstanding December 31, 2022
Broker's warrants	April 13, 2023	$ 0.40	515,500	-	-	515,500
Private placement, March 31, 2022	March 31, 2024	$ 0.60	1,250,000	-	-	1,250,000
Private placement, May 10, 2022	May 10, 2024	$ 0.60	822,500	-	-	822,500
Private placement, June 9, 2022	June 9, 2024	$ 0.60	250,000	-	-	250,000
Private placement October 7, 2022			-	979,999	-	979,999
			2,838,000	979,999	-	3,817,999

	Expiry Date	Exercise Price	Outstanding September 30, 2021	Issued	Exercised	Outstanding September 30, 2022
Broker's warrants	April 13, 2023	$ 0.40	515,500	-	-	515,500
Private placement, March 31, 2022	March 31, 2024	$ 0.60		1,250,000	-	1,250,000
Private placement, May 10, 2022	May 10, 2024	$ 0.60		822,500	-	822,500
Private placement, June 9, 2022	June 9, 2024	$ 0.60		250,000	-	250,000
			515,500	2,322,500	-	2,838,000

The fair value of the broker's warrants issued for agents' services was determined to be $122,640 by using the Black Scholes Option Pricing model and the following assumptions: Risk free interest rate of 0.75%; dividend yield of 0%, expected volatility of 66%, expected life of 2 years, forfeiture rate of 0%.

The fair value of the warrants issued in connection with the March 31, 2022, private placement was determined to be $147,375 by using the Black Scholes Option Pricing model and the following assumptions: Risk free interest rate of 2.27%, dividend yield of 0%, expected volatility of 66.6%, and expected life of 2 years.

The fair value of the warrants issued in connection with the May 10, 2022, private placement was determined to be $71,393 by using the Black Scholes Option Pricing model and the following assumptions: Risk free interest rate of 2.67%, dividend yield of 0%, expected volatility of 65.5%, and expected life of 2 years.

The fair value of the warrants issued in connection with the June 9, 2022, private placement was determined to be $20,175 by using the Black Scholes Option Pricing model and the following assumptions: Risk free interest rate of 3.07%, dividend yield of 0%, expected volatility of 63.4%, and expected life of 2 years.

The fair value of the warrants issued in connection with the October 7, 2022, private placement was determined to be $80,850 by using the Black Scholes Option Pricing model and the following assumptions: Risk free interest rate of 3.55%, dividend yield of 0%, expected volatility of 57.0%, and expected life of 2 years.

The weighted average exercise price of warrants outstanding at December 31, 2022 was $0.56.

17. Commitments and Contingencies

The Company has been named as a defendant in an employment matter. The amount claimed is $320,000. A trial date has not been set, therefore it is not possible to estimate the timing of payment, if any. No provision has been made in these financial statements because the Company management does not consider that there is a probable loss.

The Company is subject to various claims by third parties arising out of the normal course and conduct of its business, including, but not limited to, labour and employment, regulatory, franchisee related, COVID-19 related rent concessions and environmental claims. In addition, the Company is potentially subject to regular audits from federal and provincial tax authorities relating to income, commodity, and capital taxes and as a result of these audits may receive assessments and reassessments. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation, to the extent not covered by the Company's insurance policies or otherwise provided for, not to be material to these unaudited condensed interim consolidated financial statements.

Since 2020, the Canadian federal government made certain government support programs available to eligible entities as part of its COVID-19 economic response plan. The Company applied and received support under the CanExport for business (SMEs), Canada Emergency Wage Subsidy ("CEWS"), Canada Emergency Commercial Rent Assistance ("CECRA") and Canada Emergency Business Account ("CEBA") programs. Each applicant's eligibility for these programs is subject to validation and detailed verification by the federal government. Due to nature of the eligibility requirements and related calculations, it is possible that the eligibility requirements may not be considered to be met upon validation, and as such the benefits received may be repayable.

18. Related Party Transactions

The Company's policy is to conduct all transactions with related parties to align with market terms and conditions. Key management personnel are those persons who have the authority and the responsibility for planning, directing, and controlling the activities of the Company and/or its subsidiaries directly or indirectly, including any external director of the Company and/or its subsidiaries. Key management includes the Company's Chief Executive Officer, Chief Operating Officer and Chief Financial Officer and its external directors.

Compensation of key management during the period is as follows:

		Unaudited Three months ended December 31, 2022		**Unaudited Three months ended December 31, 2021**
Salaries, social charges and other personnel expenses	$	137,329	$	132,258
Share based payments		27,855		55,110
	$	165,184	$	187,368

In March 2022, in connection with a private placement, the company issued 1,250,000 common shares and 1,250,000 warrants to purchase the company's common stock to two Officers of the Company (Notes 15 and 16).

In June 2022, in connection with a private placement, the company issued 250,000 common shares and 250,000 warrants to purchase the company's common stock to two Officers of the Company (Notes 15 and 16).

In October 2022, in connection with a private placement, the company issued 285,714 common shares and 285,714 warrants to purchase the company's common stock to two Officers of the Company (Notes 15 and 16).

In October 2022, in connection with a private placement, the company issued 142,857 common shares and 142,857 warrants to purchase the company's common stock to an entity controlled by a director of the Company.

In December 2022, in connection with a private placement, the Company received subscriptions of $100,000 from an entity controlled by a director of the Company. In January 2023, 400,000 common shares and 400,000 warrants to purchase the Company's common stock were issued.

In March 2022, the Company entered into an area representative agreement with Sai-Ganesh Enterprises (SGE). Subsequent to this, on September 29, 2022, Utsang Desai, President of SGE was appointed to the Board of Directors of the Company. Included in accounts payable and accrued liabilities at December 31, 2022 is an amount of $50,402 (September 30, 2022 - $33,451) representing SGE's share, pursuant to the area representative agreement, of initial franchise fees collected during the period. The related costs are recognized over the term of the franchise agreements.

19. Capital Management

The Company's objective in managing capital is to ensure a sufficient liquidity to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt, comprised of issued common shares, warrants, contributed surplus and accumulated deficit, as well as mortgages and loans payable. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its corporate and administration expenses, working capital and overall capital expenditures. The Company historically has relied on private placements of common shares and debt and more recently equity markets, to fund its activities.

There have been no changes to the Company's objectives and what it manages as capital since the prior fiscal year. The Company is not subject to externally imposed capital requirements.

20. Financial Instruments and Risk Management

Financial Instruments

The Company initially recognizes cash, accounts receivable, and accounts payable and accrued liabilities on the date they originate. All other financial assets and financial liabilities are initially recognized on the trade date when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company measures financial instruments by grouping them into classes upon initial recognition, based on the purpose of the individual instruments. The Company initially measures all financial instruments at fair value plus, in the case of financial instruments not classified as FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial instruments.

Fair Value

As at December 31, 2022 the carrying amounts of the Company's financial instruments which include cash, accounts receivable and other receivables, accounts payable and accrued liabilities are approximately equivalent to their fair values due to the relatively short periods to maturity of these instruments.

Fair Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data

Level 3 – inputs for assets and liabilities not based upon observable market data

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk and concentration

Financial instruments that potentially subject the Company to credit risk consist primarily of cash, accounts receivable and other receivables and lease receivables. Cash is maintained at Canadian financial institutions, and accounts receivable and other receivables primarily comprise amounts due from customers and sales tax refunds. Lease receivables are due from franchisees. The Company has no significant concentration of credit risk arising from operations.

The aging of the company's trade receivables and lease receivables as at December 31, 2022 and September 30, 2022 was as follows:

December 31, 2022	**Current**	**1-30 days**	**30-60 days**	**>60 days**	**Total**
Trade receivable	$ 29,806	$ 11,045	$ 74	$ 678	$ 41,603
Expected loss rate	1.0%	1.0%	3.0%	7.5%	
Loss provision	299	110	2	51	462
Lease receivable	436,253	-	-	-	-
Expected loss rate	3.3%	-	-	-	-
Loss provision	14,310	-	-	-	-

September 30, 2022	**Current**	**1-30 days**	**30-60 days**	**>60 days**	**Total**
Trade receivable	$ 37,612	$ 22,940	$ 678	$ 802	$ 62,032
Expected loss rate	1.0%	1.0%	3.0%	7.5%	
Loss provision	376	229	21	60	686
Lease receivable	433,053	-	-	-	-
Expected loss rate	3.3%	-	-	-	-
Loss provision	14,205	-	-	-	-

Liquidity risk

Liquidity risk relates to the risk the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its unaudited interim consolidated statements of financial position consist of accounts payable and accrued liabilities, loans payable and lease liabilities. Management closely monitors cash flow requirements and future cash flow forecasts to ensure it has access to funds from operations to meet operational and financial obligations. The continuing operations of the Company are dependent on its ability to raise adequate financing and to commence profitable operations in the future.

The following are the remaining contractual cash flows at the reporting date:

As at December 31, 2022 (unaudited)		**Within 1 year**	**Between 1 – 2 years**	**Between 2 – 5 years**	**Beyond 5 years**	**Total**
Trade and other payables	$	1,889,708	-	-	-	1,889,708
Loans payable		123,451	53,617	24,642	-	201,710
Lease liabilities		515,435	546,187	1,134,814	1,340,104	3,536,540
	$	2,528,594	599,804	1,159,456	1,340,104	5,627,958
As at September 30, 2022						
Trade and other payables	$	1,505,933	-	-	-	1,505,933
Loans payable		63,664	115,445	37,268	-	216,377
Lease liabilities		494,740	508,782	1,059,581	1,156,329	3,219,432
	$	2,064,337	624,227	1,096,849	1,156,329	4,941,742

Interest rate risk

The Company is subject to interest rate risk from its variable rate bank borrowings. As at December 31, 2022, a 1% change in prevailing interest rates would change the annualized interest charges incurred by $1,236 (September 30, 2022 - $1,365).

Commodity price risk

The Company is exposed to increases in the prices of commodities in operating its Company-owned restaurants. To manage this exposure, the Company uses purchase arrangements for a portion of its needs for certain consumer products that may be commodities based.

21. Expenses

Cost of goods sold is made up of the following items:

		Unaudited Three months ended December 31,2022		**Unaudited Three months ended December 31, 2021**
Materials and services	$	350,519	$	308,792
Salaries and wages		292,965		296,941
Depreciation		68,727		53,274
	$	712,211	$	659,007

Selling, general and administrative expenses are made up of the following items:

		Unaudited Three months ended December 31, 2022		Unaudited Three months ended December 31, 2021
Advertising and public relations	$	14,511	$	124,406
Depreciation		98,940		80,760
Rent and other occupancy costs		76,333		67,811
Other		272,073		141,955
	$	461,857	$	414,932

22. Non-Cash Working Capital

The change in non-cash working capital is comprised of the following:

		Unaudited Three months ended December 31, 2022		Unaudited Three months ended December 31, 2021
Accounts receivable and other receivables	$	41,053	$	55,702
Inventory		61,640		(27,886)
Prepaid expenses and deposits		215		39,380
Deferred charges		(22,805)		-
Accounts payable and accrued liabilities		383,776		(583,913)
Deferred revenue		67,866		87,434
	$	531,745	$	(429,283)

23. Comparative amounts

Certain comparative figures have been reclassified to conform to current year presentation.

24. Subsequent events

On February 6, 2023 the Company announced the closing of a private placement with aggregate proceeds of $1,319,500, issuing 5,202,000 units for a unit price of $0.25. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable into one common share at the exercise price of $0.40 for a period of 24 months from the closing date. Of the 5,202,000 units issued, 750,000 were issued to related parties of the Company. In the private placement, $495,000 of proceeds came from eight of the participants, whose investment will make them eligible for the waiver of franchise fees (the Odd Stock Program"). In connection with the private placement, brokers received cash compensation of $5,950 and 23,800 finders options, enabling them to purchase one Unit at an exercise price of $0.25 per unit for a period of 24 months from the closing date.