

Designing our Future

Inspiration Innovation Invention

WINNING BRANDS
(USOTC:WNBD)



2021
START



2

Q2 2021

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines



WINNING BRANDS CORPORATION

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SIC: 2841 - Soap and Other Detergents

QUARTERLY REPORT

For the Three Months Ending June 30, 2021
(the "Reporting Period")

As of the Current Reporting Period, for the three months ending June 30, 2021, the number of shares outstanding of our Common Stock was **4,520,022,958**.

As of the Prior Reporting Period, for the three months ending March 31, 2021, the number of shares outstanding of our Common Stock was **3,808,281,098**.

As of the most recent completed Fiscal Year End, December 31, 2020, the number of shares outstanding of our Common Stock was: **3,808,281,098**.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

¹"Change in Control" shall mean any events resulting in: (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets; (iii) A change in the composition of the Board occurring within a two (2)- year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer, any names used by predecessor entities, along with the dates of the name changes.

Current Name: **WINNING BRANDS CORPORATION**

Name History:

Essex Enterprises, Inc.
May 1995 (Incorporation) to Dec 1996

Veronique, Inc.
From Dec 1996 to Apr 1999

Digital Launch, Inc.
From Apr 1999 to Feb 2000

Global E Tutor, Inc.
From Feb 2000 to Oct 2005

Winning Brands Corporation
From Oct 2005 to Present

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Delaware. Active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

It is anticipated that the issuer will have an additional subsidiary in Q4 2021, the "Tech Division".

The address(es) of the issuer's principal executive office:

92 Caplan Avenue, Suite 134
Barrie, Ontario, L4N 9J2
Canada

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: No:

2) Security Information

Trading symbol:	WNBD
Exact title and class of securities outstanding:	Common Shares
CUSIP:	975012105 <u>DWAC Approved / DRS Approved 2021</u>
Par or stated value:	\$0.001
Total shares authorized:	5,000,000,000 as of June 30, 2021
Total shares outstanding:	4,520,022,958 as of June 30, 2021
Number of shares in the Public Float ² :	4,485,952,289 as of June 30, 2021
Total number of shareholders of record:	217 as of June 30, 2021

Additional class of non-publicly trading security:

Trading symbol:	Not Applicable
Exact title and class of securities outstanding:	Preferred Shares
CUSIP:	Not Applicable
Par or stated value:	\$0.001
Total shares authorized:	10,000,000 as of June 30, 2021
Total shares outstanding:	10,000,000 as of June 30, 2021

Transfer Agent

Name:	Pacific Stock Transfer
Phone:	800-785-7782
Email:	info@PacificStockTransfer.com
Address:	6725 Via Austi Parkway, Suite 300 Las Vegas, Nevada, 89119 www.PacificStockTransfer.com

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control pers on"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

A. Changes to the Number of Outstanding Shares Dec 31, 2018 – June 30, 2021 (Table Below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date: Dec 31/18 Common: 3,468,281,098 Preferred: 10,000,000			Share Count is Transfer Agent Verified						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
Mar 6 2019	Issuance	340,000,000	Common	\$0.00002	Yes	Blackbridge Capital Alex Dillon	Debt Conversion	Unrestricted	Section 4(a)(1)
Apr 27 2021	Issuance	400,000,000	Common	\$0.000005	Yes	Carpathia LLC Joe Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)
May 15, 2021	Issuance	311,741,860	Common	.001	Yes	Jahoco LLC James Canouse	Debt Conversion	Unrestricted	Section 4(a)(1)
Share Count is Transfer Agent Verified, and updated continuously. Issuances that are subsequent to a reporting period are reflected at www.OTCMarkets.com.									
Shares Outstanding on Date of This Report: <u>Ending Balance</u> Date: June 30, 2021 Common: 4,520,022,958 Preferred: 10,000,000									

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

The Debt Securities table below to be read in conjunction with this Preface:

The Debt Securities table is published on a No Prejudice Basis, vis a vis indicated creditors. In general and specific terms, the issuer of the debt instrument(s) (Winning Brands or its subsidiary or any guaranteeing individual) may have available recourse to settlement options that arise from negotiation or statutory rights, including but not limited to relief under limitation periods, interest adjustment, subsequent information correction of items listed with regard to any detail for accuracy, re-calculation based on a failure by the debt-holder to perform under any specific performance obligation of that party toward the debtor, discovery of any violation by the debt-holder of a warranty or representation toward the debtor (including but not limited to their authority to enter into the transaction, or the failure by a debt holder to comply with any applicable law pertaining to themselves).

The table below is a best-efforts disclosure for securities purposes only and is not evidentiary for purposes of litigation between any note holder and debtor on a contract basis for settlement. The table does not include non-note structured accounts payable to suppliers, credit card lines of credit, commercial merchant cash advances from time to time repayable from cashflow, 3rd. party accounts receivable financing arising from delivered merchandise, or bank overdraft protection.

Date of Note Issuance	Outstanding \$ Balance	Principal \$ Amount at Issuance	Interest \$ Accrued	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities have individual with voting /investment control disclosed)	Reason for Issuance
Nov 27/13	3,833,793.00	3,665,662.00	N/A	Nov 27/14	25% Discount	ASC Recap LLC (Stephen Hicks)	Debt Consolidation Footnote 1
May 30/14	7,500.00	84,418.69	N/A	May 29/15	65%	Beaufort Capital (Robert Marino)	Working Capital Footnote 2
Jan 28/10	125,000.00	125,000	N/A	Jan 28/11	50%	Machiavelli LLC (Joe Canouse)	Working Capital
Jan 22/13	10,000.00	5,000.00	5,000.00	Jan 22/14	50%	John Kennison	Working Capital Footnote 3
Jan 28/10	125,000.00	125,000	N/A	Jan 28/11	50%	Jahoco LLC (Jim Canouse)	Working Capital
May 9/17	10,000.00	10,000.00	N/A	Nov 5/17	50%	Carpathia LLC (Joe Canouse)	Working Capital

Sep 27/17	25,000	25,000	N/A	Sep 27/18	50%	Carpathia LLC (Joe Canouse)	Working Capital
Feb 10/21	26,000	26,000	N/A	Feb 10/22	50%	JP Carey Enterprises (Joe Canouse)	Working Capital
Mar 5/21	36,000	36,000	N/A	Mar 05/22	50%	JP Carey Enterprises (Joe Canouse)	Working Capital
June 15/21	48,500	48,500	N/A	Jun 15/21	Intended for issuance of RESTRICTED stock @ .00125 av.	Congregation Yisroel Zev (Sol Kahan)	Working Capital Subscription Intention
2017 -2021	\$300,000	\$300,000	Included	2021	To be determined	Charles Perlman	Debt Conversion Footnote 4

WINNING BRANDS NOTICE TO READER:

If after reading the Preface to the table, any party who believes that their debt security is not included in the disclosure above, or whose description differs from their own records, is invited to contact the filer directly for review and addition or correction by amended filing:

accounting@winningbrands.ca

Footnote 1: A number of foundational and special purpose lenders entered into debt purchase agreements with ASC Recap LLC in 2013 for the purpose of qualifying for available debt conversion. In the debt purchase agreements between those 3rd parties and ASC Recap, the onus was upon those parties to notify Winning Brands if the arrangements between those 3rd parties and ASC Recap lapsed, providing a reconciliation of payments received. Winning Brands reserves the right to reclassify this consolidation subject to notification and reconciliation. Reclassification may include, but is not limited to, write-off of as paid or no-longer eligible, or modification of terms of same arising from renegotiation, at the discretion of Winning Brands. A maximum residual value of this contingent obligation is reflected in this table. A reduction in this amount is anticipated, without associated stock issuance.

Footnote 2: The indicated outstanding \$7,500.00 balance reflects an offer to settle in a lump-sum payment received from the note-holder. The terms and conditions for the lump-sum payment have not been finalized. If it is determined that such lump-sum payment can be made directly to the note-holder in conformity with applicable regulations, and if Winning Brands will be in a position to do so within a reasonable time-frame from the filing of this report, the company considers this course of action to be in the best interests of shareholders.

Footnote 3: In May of 2019, the note holder chose to exercise the conversion right of the promissory note, however, was prevented by his financial institution from depositing a certificate in paper form, if the conversion would be carried out, due to its policies, not due to any fault of the issuer. The issuer agreed to delay the conversion until such time that the note holder qualifies for deposit with their financial institution. Such future conversion is subject to revisiting conversion pricing at the time of such future conversion, not on the basis that the conversion would be made retro-active to prior pricing conditions.

Footnote 4: Commencing in 2017 and into subsequent reporting years, a number of advances for working capital were made by an unaffiliated individual, Charles Perlman. Agreement regarding the elements of principal, interest, fees, and costs, in both USD and CAD, including legal and out-of-pocket expenses, was reached in 2021, via a now-completed legal process and Minutes of Settlement whose negotiation is complete at the time of this filing. For disclosure, the \$300,000 amount indicated above is an estimation of the burden to Winning Brands projected to Dec 31, 2021 for the repayment, and costs associated with implementation of either a 3(a)(10) settlement or other mutually acceptable alternative mechanism. The Minutes of Settlement contain provisions for enforcement of the obligation, which enforcement will have court authority if required, and an endorsed APR of 60%, already included in the aforementioned estimate. Debt conversion, if necessary, shall be reported as a recapitalization event for this purpose. The Minutes of Settlement allow payment at any time without penalty, with or without equity conversion, if that is possible.

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Grace Rios
Title: Bookkeeping Services Professional
Relationship to Issuer: Independent

Financial Statements are appended at the end of this Annual Report, including:

Balance sheet;
Statement of income;
Statement of cash flows;
Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
Financial notes.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The issuer is a corporation which manufactures cleaning solutions through contracted facilities.

2021 Principal Products or Services and Their Markets

- 1000+ TM Stain Remover, World's Most Versatile Cleaning Solution TM
- TrackMoist[®] Soil Conditioner & Dust Suppressant for Sports Venues
- ReGuard4 TM Multi-use Bunker Gear Cleaner
- BRILLIANT TM Professional Wet Cleaning Solutions

The brands listed above, and corporate consulting, represent the sources of sales revenue in Q2 2021. The cleaning brands are listed in two classes of trade; consumer and commercial. The consumer products are offered for sale through stores primarily in the home improvement sector. The commercial/industrial products are targeted to professional end-users such as sports entertainment venues in the case of TrackMoist TM, fire-fighting organizations in the case of ReGUARD4 TM and dry cleaners in the case of professional wet cleaning solutions.

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Distribution Methods of the Products and Services

Sale of Winning Brands' consumer goods is primarily through distributors, whereas commercial products are primarily sold to dealers.

Distributors sell to retailers who in turn sell to consumers. Dealers sell to the professional end-user directly.

Distributors take delivery of Winning Brands inventory into their warehouse. Ownership of the finished product passes to the distributor once the goods are in the distributors' possession. This inventory is manufactured via third-party contract manufacturing facilities to Winning Brands' proprietary specifications and according to Winning Brands intellectual property. Niagara Mist Marketing Ltd, division of Winning Brands, is therefore the "manufacturer of record" and records revenue from the sale of these goods. All products are duty-free in North America under NAFTA.

Distributors provide value-added services to Winning Brands such as making sales presentations, delivering goods to retail accounts and invoicing those accounts. Distributors hold some retailer Accounts Receivable as the distributor's own, with the responsibility to collect from those retail accounts.

As compensation for these services, distributors mark up the price of the products they sell to retailers. These retailers add a final mark-up, resulting in the retail price to be paid by the consumer (end-user). This is usually the "Manufacturer's Suggested Retail Price", however, retailers may sell for more or less; the MSRP is provided for guidance. Occasionally, Winning Brands will supply a retail account directly. This is a "house account". This is done when no distributor is available to handle all service requirements of the targeted retail account, or when a retailer is so large that the use of its own internal distribution and merchandising infrastructure represents a duplication of distributor services. Some large retailers prefer to purchase single stock-keeping units (SKU's) through distributors who offer an assortment of related goods for efficiency in the retailer's procurement and accounting.

Status of New Products or Services

In addition to the Management Discussion and Analysis within this report, routine information is supplied at www.WinningBrandsCorporation.com/blog and www.Twitter.com/WinningCEO

Competitive Business Conditions, Competitive Position in the Industry and Methods of Competition

The marketplace for the issuer's products is competitive. Large well-established multi-national firms produce a range of products in this category, some of which have existed for decades. The reader is cautioned that the competitive environment is challenging for independent entrants. The chances of success for new entrants are low. This competitive environment, however, is not impenetrable. Attractive niches exist.

Large competitors need high minimum sales volume to meet substantial infrastructure costs. They avoid smaller niches that may still be substantial from the point of view of smaller vendors. Smaller, agile competitors such as Winning Brands, can produce and sell into these niches with lower overhead costs and less complicated decision making. Success for the independent brand requires gaining consumer awareness and retail acceptance within the product category. This is difficult for an unrecognized brand, however, the emergence of social media as a platform for marketing, and for stakeholder community formation, helps new entrants who are smaller aspiring firms, like Winning Brands.

If an independent brand is successful, then it may be, and are often are, acquired by larger firms. This is an exit strategy for the founders and investors in independent brands. Such acquisitions drive market share growth for large companies. The largest companies often purchase their “success stories”. This is more cost efficient than investing in new initiatives that may not be successful. Smaller winners are likely to be purchased when they have proven themselves. Winning Brands products are independent and intended to create an affinity community of users. Such brands are sometimes called “artisan” brands or “micro” brands.

Winning Brands products have the potential, on technical merits, to become favorites amongst consumers who discover them.

The performance qualities of Winning Brands products have been determined through customer feedback over the years. Winning Brands receives unsolicited testimonials from consumers. The company’s products are meeting customer expectations in a variety of real markets. There are many precedents of artisan/micro brands eventually becoming “mainstream”. It is the goal of Winning Brands to achieve success for its brands in this manner, although this can take many years.

Sources and Availability of Raw Materials; Principal Suppliers

The Company manufactures its advanced cleaning solutions on a trade-secrecy basis. Publishing the names of suppliers constitutes dissemination of commercially confidential information. The sourcing and availability of raw materials has not been problematic and does not pose a significant business risk.

Dependence upon One or Few Major Customers

Winning Brands has been dependent on major customers. The loss of major customers is difficult for Winning Brands due to the company’s small size. De-listings jeopardize Winning Brands’ viability if they are not replaced with new customers. The principal customers to-date continue to include USA HomeDepot.com (online), USA Walmart.com (online), USA Do it Best hardware stores, Lowe’s and Home Hardware stores in Canada. Select independent retailers supplement this list. The reader is cautioned that no retailer listing can be relied upon as a “secure” account. De-listings (and re-listings) can and do occur for reasons unrelated to Winning Brands’ corporate performance or product quality. Winning Brands’ viability requires continuous new business development. However, Winning Brands has been resilient in adapting to changes and finding new retailer opportunities.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements

The Company favors Trade Secrecy protection over patents for its chemical formulations. Patents require a detailed description of the proprietary information for a trade benefit which is geographically specific, time-limited and costly to enforce. Trade Secrecy enables more rapid and flexible technical accommodations to market opportunities. It also reduces the expense, distraction and challenges associated with enforcement actions. Accordingly, Winning Brands formulations are proprietary to the company and are therefore not controlled by any other party with regard to rights or obligations; financially or otherwise.

The Company identifies all of its consumer and commercial products with notice of trademark. The Company does not currently grant franchises nor is it a franchisee. It is not subject to any overriding concessions (other than commissions to sales personnel) or long term/irrevocable royalty agreements. There is no collective agreement between the Company and its employees. The employment relationship between employees and the Company are individual and standard for the industry.

Government Approval of Principal Products or Services and Status of Requests for Approval

The Company's products do not require prior government approval to manufacture or sell if they have been manufactured and labelled according to the applicable regulations. There are no outstanding actions by any government agency pertaining to the compliance of Winning Brands' products with any regulations.

B. Please list any subsidiaries, parents, or affiliated companies.

Winning Brands Corporation's operating subsidiary is Niagara Mist Marketing Ltd dba Winning Brands. Niagara Mist Marketing Ltd is also licensed to operate as Niagara Mist Cosmetics. This secondary Master License (Niagara Mist Cosmetics) will be utilized for the launch of a fragrance product in 2021. XMG Corporation is a former distributor of products for Niagara Mist Marketing Ltd under affiliated ownership through CEO Eric Lehner. Its financial statements are combined and consolidated for historical consistency, but no longer has operations.

C. Describe the issuers' existing products or services:

Extensive detailed information is available at the websites shown below for the convenience of the reader:

www.1000PlusStainRemover.com

www.BrilliantWetCleaning.com

www.TrackMoist.com

www.ReGUARD4.com



MANAGEMENT DISCUSSION AND ANALYSIS

The 2020 Annual Report introduced the concept of **VISION 21** as a reset of Winning Brands (WNBD) business strategy. The purpose was to increase the potential for growth in WNBD shareholder value by shifting focus toward bold, inspired arrangements that combine uncertainty and exceptional upside potential. This uncertainty is a source of raw energy and speculative potential for shareholders. Since November 2020, the market capitalization (market expression of value) of Winning Brands has increased considerably. Management's present goal is to achieve further growth in this value through the implementation of VISION 21, which is described further, below. This will support newer shareholders.

WNBD shareholders are invited to read the Company's corporate material in order to understand the VISION 21 principle and to assess the risks and opportunities associated with Winning Brands. Providing such understanding is part of the company's disclosure commitment to shareholders and is the reason that management is giving such emphasis to conveying its plans.

Since November 2020, Winning Brands has been activating these bold initiatives in order to drive Winning Brands' potential, not merely aspire to it. Management considers boldness a good thing within the broader context of OTC Markets, as a speculative securities environment. OTC investors are desirous of high returns via high risk and often trade actively, even daily. This is in contrast to investments made in conventionally listed securities whose characteristics are more conservative.

The core principle of VISION 21 is the concept of "success catalysts" – i.e., "wildcard" factors that inject positive new energy, expanded human relationships and foster new synergistic possibilities. *This absence of predictability is at least in part a source of dynamism, affecting both potential and risk.*

In prior years, Winning Brands had focused on seeking retailer listings for its cleaning products to grow. This was, and remains, sensible. However, it is no longer adequate. This approach, if it were the only initiative, wastes broader capital growth opportunities. This incremental approach alone would take too long to manifest into significant additional shareholder value gains if it were the only basis of growth.

VISION 21 therefore mixes possibilities that are dynamic and difficult to predict. Upcoming Quarterly Reports for the reporting periods ending September 30, 2021 and the Annual Report for 2021 will reveal more details. The current report, for Q2 2021, provides updated background regarding matters that have already been publicly disclosed.

VISION 21 - NEW TECH DIVISION UPDATE

Winning Brands previously disclosed that it is in negotiation for the acquisition of the intellectual and physical assets of a technology company. Winning Brands has been approved by contingent backers for such an acquisition. A formal non-disclosure agreement between the parties prevents naming the entity at this time, however, because arrangements are advancing according to plan, additional detail is provided herewith to supplement the 2020 Annual Report and the Q2 2021 Report.

The plan is to bring the assets and operations of a technology company (the target "Tech Div") under Winning Brands Corporation as a subsidiary, with majority ownership. The financial statements will be combined and consolidated with Winning Brands.

This acquisition opportunity arises because a commercial bank operating line of credit to the target Tech Div had been withdrawn following an annual review, causing the target Tech Div to be placed into trusteeship, despite being economically viable, with high quality customers and immense growth potential.

Winning Brands management began a consultative role to the target Tech Div. The purpose of the consultation was to help the target Tech Div endure operational and financial disruption caused by their bank. This would open the targeted Tech Div up to the benefits of future OTC public market engagement through Winning Brands.

Winning Brands has made a formal offer to the Trustee, and that offer has been accepted, to be confirmed by a Court Vesting Order. The management personnel of the target Tech Div will stay on to operate that division.

Winning Brands has provided the initial purchase deposit. Transaction documents are being given to the court in Q3 2021 for final approval, as soon as the court can do so. This is expected to be a formality because the transaction is not contentious. Releases from the required parties will be in hand, including the bank. In this process, the acquired entity's banking line of credit obligation will be extinguished, and the intellectual property and physical assets will come to reside in an entity that Winning Brands will control as its own subsidiary instead. It is hoped that the Vesting Order will be effective during Q4 2021 so that the new subsidiary may be implemented immediately and form part of 2021 fiscal year operations.

The target Tech Div never stopped operating, despite the trusteeship. It has sales presently. The entity has technical staff and enjoys significant technology patent protection. The entity's past and current customers include government institutions, well-known corporations, hospitals, airports, and retail chains, amongst other organizations. The entity's technology is in keeping with present trends in society and presents strong potential growth drivers.

The chart below shows a cross section of customers that the Tech Div has served through products or services. The high quality of such business customers constitutes one aspect of the Tech Div vetting process. Winning Brands management is assisting/collaborating with Tech Div management during the Vesting Order waiting period. This provides Winning Brands management with continuing opportunity to prepare the Tech Div, operationally and culturally, for its intended future life as a subsidiary of Winning Brands.

The addition of this technology dimension to Winning Brands introduces new drivers of shareholder value. Management anticipates that a positive impact of this acquisition will be felt after the Vesting Order and public discussion of the technology and its future. In the opinion of management, the Tech Div acquisition will increase the intrinsic value of Winning Brands by several orders of magnitude from current levels.



The Impact Upon WNBD's Intrinsic Value of the Acquisition

There are many reasons that Winning Brands will be “worth more” as a company, automatically, by virtue of the acquisition. Some of these are set forth below. When the acquisition is completed, extraordinary new vistas open to Winning Brands. These will demonstrate the VISION 21's mission to embolden, enliven and enhance the “ascent potential” of Winning Brands by a variety of metrics.



The target Tech Div's products enjoy the protection of over 60 patents, shared via license with a multi-national partner.

At an earlier stage in the Tech Div's development, the multi-national partner paid over U.S. \$40 Million for limited sector rights.

The sale proceeds were distributed to the first round investors, rather than re-invested into the Tech Div. The majority of the sector rights remain with the target Tech Div. The remaining sectors represent the largest market segments for the Tech Div's technology. The sector for which special rights were purchased as described above, is still available by way of a reverse license. The technology is uniquely attuned to present trends in society and is likely to become increasingly relevant for the foreseeable future.

ADDITIONAL EXAMPLE OF VISION 21 INITIATIVE – COURTHSHIP WINES

Winning Brands, through a consultative relationship, has fostered the emergence of a CBD wine infusion initiative with unique proprietary characteristics. The product will be described in a preview webpage, www.CourtshipWines.com that will appear after insurance and licensing arrangements are finalized. The operation will be based in New York State, and will manufacture the final product in its own facility.



Courtship Wines will be a subsidiary of another OTC entity, but will have a Winning Brands relationship under Winning Brands' new Affiliate Program initiative. This will generate revenue for Winning Brands from the sale of the Affiliate Product, as a form of royalty.

The Affiliate Program enables Winning Brands to develop business ties to organizations without acquiring them, but with commercial benefits to Winning Brands shareholders. These will vary between projects. It is anticipated that Courtship Wines sales will commence in Q4 2021. Additional Affiliate Program candidates are being considered as part of VISION 21 for Fiscal 2022.

VISION 21 - NEW CONSUMER PRODUCT

Winning Brands' Niagara Mist Marketing Ltd subsidiary, dba Niagara Mist Cosmetics, confirmed in 2020 that its special right to utilize the trademark perfume descriptor, NIAGARA MIST, OFFICIAL FRAGRANCE OF THE CITY OF NIAGARA FALLS, is still intact. This is a consumer product that Winning Brands has held in abeyance for a number of prior years for practical reasons but is proceeding with on a commercial basis in 2021 when COVID restrictions are lifted at the US/Canada border crossings at Niagara Falls, Buffalo, Lewiston and Windsor/Detroit.

New consumer trial batches have already been manufactured and tested. Soft launch is targeted for September 2021.

Niagara Falls is one of the world's most significant tourism draws. For generations, millions of visitors have come to Niagara Falls every year for pleasure, and increasingly, casino visits, convention activity and other business.

Niagara Falls is well-known internationally and enjoys an increasingly sophisticated government/business partnership to foster increased visitation. A Niagara Mist Perfume placeholder website has been activated. Sales will eventually occur via e-commerce and physical presence of the product in Niagara Region stores and allied settings (e.g. Duty Free shops, etc). Niagara Mist Perfume, Official Fragrance of the City of Niagara Falls, adds a dynamic success catalyst for Winning Brands in 2022. Development site: www.NiagaraMistPerfume.com

VISION 21 represents a bolder interpretation of Winning Brands' future by means of "Inspiration. Innovation. Invention." WNBD Shareholders can look forward to an expansion of Winning Brands' horizons in the second half of 2021, with intriguing and unexpected characteristics that better reflect today's dynamic business and social era.



Niagara Mist Perfume, Official Fragrance of the City of Niagara Falls is being relaunched with an all-natural formulation of essential oil derived fragrances and will be on the market at the end of Q3 2021.

COMMENTS REGARDING Q2 OPERATING RESULTS

In Q2 2021, Winning Brands remained stable operationally despite lingering supply-line disruptions from the COVID era, including raw material shortages and price spikes.

In Q2 2021 Winning Brands has again avoided the common pattern of junior publicos to be perennially “pre-revenue”, generating substantial annual operating losses and generous management compensation that rewards failure. Winning Brands is stable, prudent and poised for positive developments.

Winning Brands’ sales of product, together with consulting revenue, continues at a modest but steady pace and serves as a stable platform on which to implement the initiatives described in VISION 21 – all while providing exception shareholder disclosure.

Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership. If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The issuer utilizes facilities of three types:

a) Administrative office space for issuer’s own use:

The issuer’s formal business office, with reception, boardroom and other public facilities is located in an executive business center at 92 Caplan Avenue, Barrie, Ontario. Niagara Mist and XMG Corporation are also located at this address. Additional use is made of off-site informal rental and home offices as required. The Business Centre is leased on a month-to-month basis with 30-day termination provisions.

b) Commercial Warehousing:

Warehousing Commercial warehouse facilities provide the issuer with low-cost storage and logistics resources for shipping on a basis that is flexible and professional. Winning Brands utilizes such facilities in Ontario and New York State (when required).

c) Informal use of strategic partner resources:

The issuer has use of office facilities at the locations of its distributors, who are strategic partners. This includes use of meeting rooms, training resources, telephone, fax equipment and internet. There is no cost to the issuer for this arrangement with distributors.

6) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling, or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders. Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning more than 5% of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Eric Lehner	Chair, CEO, Voting Control through preferred shares	Barrie, Ontario	<u>108,740</u> 9,500,000	<u>Common</u> Preferred	<u>.003%</u> 95%	Voting Control

7) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NO

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NO

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

NO

The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NO

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

No new legal proceedings are pending.

8) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

To be specified in the completed filing associated with this Annual Report.

Accountant

Name: Richard Edelson
Firm: Get OTC Current
Phone: (631) 672-7181
Website: www.GetOTCCurrent.com
Email: Rich@GetOTCCurrent.com

Investor Relations

Name: Eric Lehner, CEO
Firm: Winning Brands Corporation
Address 1: 92 Caplan Avenue, Suite 134
Address 2: Barrie, Ontario
Phone: L4N 9J2
Email: eric@WinningBrands.ca

Other Service Providers

Provide the name of any other service provider(s) that that assisted, advised, prepared or provided information with respect to this disclosure statement. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Not Applicable

9) Issuer Certification

Principal Executive and Financial Officer:

I, Eric Lehner certify that:

- 1. I have reviewed this Quarterly Disclosure Statement of Winning Brands Corporation*
- 2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and*
- 3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.*



August 15, 2021

Eric Lehner, CEO

Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "WINNING BRANDS CORPORATION" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE NINETEENTH DAY OF MARCH, A. D. 2021.




Jeffrey W. Bullock, Secretary of State

2505751 8300

SR# 20210915010

You may verify this certificate online at corp.delaware.gov/authver.shtm

Authentication: 202773060

Date: 03-19-21

Winning Brands Corporation
Combined Consolidated Financial Statements
(Unaudited)

For the Three Months
Ending
June 30, 2021

Winning Brands Corporation

Consolidated Balance Sheet

(Unaudited)

As of June 30, 2021

(With Comparative Figures)

	30-Jun-2021	31-Dec-2020
ASSETS		
Current		
Cash	19,086	-
Accounts Receivable	151,136	142,396
Inventory	11,000	15,583
Prepays General	222,054	222,054
Prepays Services	955	955
Settlements Pending - (Section 3(a)(10) Process)	54,316	54,316
	<u>458,546</u>	<u>435,304</u>
Long Term		
Loans Receivable	392,363	392,363
Property, Plant & Equipment	12,321	12,321
	<u>404,684</u>	<u>404,684</u>
Total Assets	<u><u>863,230</u></u>	<u><u>839,988</u></u>
LIABILITIES		
Current		
Bank Operating Line of Credit	-	2,588
Accounts Payable & Accruals	662,011	685,539
Other Current Liabilities	341,407	379,346
	<u>1,003,418</u>	<u>1,067,473</u>
Long Terms		
Loans Payable	4,464,293	4,464,293
Total Liabilities	<u><u>5,467,711</u></u>	<u><u>5,531,766</u></u>
EQUITY		
Preferred Stock	10,000	10,000
Common Stock	5,869,542	5,869,542
Additional Paid In Capital	4,521,303	4,448,118
Foreign Currency Adjustment	-	-
Retained Earnings (Accumulated Deficit)	<u>(15,005,326)</u>	<u>(15,019,438)</u>
	<u>(4,604,481)</u>	<u>(4,691,778)</u>
Total Liabilities and Equity	<u><u>863,230</u></u>	<u><u>839,988</u></u>

The accompanying Notes are an Integral part of this Financial Statement & should be read
in conjunction with the Quarterly Report for the Year Ended June 30, 2021.

Winning Brands Corporation
Combined Consolidated Statement of Income
As of June 30, 2021
(Unaudited)
(With comparative figures)

	Q2 Three Months Ending June 30, 2021	Q1 Three Months Ending March 31, 2021	Fiscal Year Ending December 31, 2020
Sales	66,051	63,469	257,830
Cost of Goods Sold	9,901	6,582	63,212
Gross Contribution	56,150	56,887	194,618
Operating Expenses			
Administration & Bookkeeping	5,055	4,484	4,356
Advertising & Promotion	4,312	5,152	-
Bank, Credit Card, Exchange	1,577	2,208	3,572
Computer & Website	300	250	7,605
Dues & Subscriptions	100	100	-
Meals & Entertainment	319	275	1,391
Financing Costs	4,267	4,853	58,356
Facility Costs	2,750	2,881	24,989
Freight, Courier & Postage	649	622	10,239
Insurance	694	694	5,788
Legal, Accounting, Professional	2,500	13,640	-
Office Expenses	5,096	6,174	14,950
Special Consulting	500	-	500
Repairs & Maintenance	925	1,077	4,431
Salary	12,000	5,000	5,089
Telecommunications	701	773	3,725
Vehicles & Travel	293	358	9,756
Total Expenses	42,038	48,541	154,747
Net Income for the Period	14,112	8,346	39,871

The accompanying Notes are an Integral part of this Financial Statement & should be read in
in conjunction with the Quarterly Report for Three Months Ending June 30, 2021.

Winning Brands Corporation
Combined Consolidated Statement of Changes in Stockholders' Equity
Results for the Three Months Ending June 30, 2021

(with comparative figures From Earlier Fiscal Years)

	Preference shares		Common Shares		Additional Paid - Up Capital	Accumulated Deficit	Accumulated Currency Translation	Stockholders' (Deficiency)/ Equity
	Number of shares	Share amount	Number of shares	Share amount				
Opening Balance -								
Net Income - Q4 2017						(47,143)		(47,143)
Foreign currency translation adjustment							85	85
December 31, 2017	<u>10,000,000</u>	<u>10,000</u>	<u>3,808,281,098</u>	<u>5,869,542</u>	<u>4,511,434</u>	<u>(13,588,629)</u>	<u>312,007</u>	<u>(2,885,646)</u>
Net Income - 2018						27,864		27,864
Adjustment for APIC					(63,316)	449,521		386,205
December 31, 2018	<u>10,000,000</u>	<u>10,000</u>	<u>3,808,281,098</u>	<u>5,869,542</u>	<u>4,448,118</u>	<u>(13,111,244)</u>	<u>312,007</u>	<u>(2,783,584)</u>
Net Income - December 31, 2019						21,046		21,046
Foreign Currency Translation Adjustment						(2,025,821)		(2,025,821)
Adjustment for APIC						189,983		189,983
December 31, 2019	<u>10,000,000</u>	<u>10,000</u>	<u>3,808,281,098</u>	<u>5,869,542</u>	<u>4,448,118</u>	<u>(14,926,036)</u>	<u>312,007</u>	<u>(4,598,376)</u>
Net Income - December 31, 2020						39,871		39,871
Adjust for APIC						(133,273)		(133,273)
December 31, 2020	<u>10,000,000</u>	<u>10,000</u>	<u>3,808,281,098</u>	<u>5,869,542</u>	<u>4,448,118</u>	<u>(15,019,438)</u>	<u>312,007</u>	<u>(4,691,778)</u>
Net Income – March 31, 2021								8,346
Foreign Currency Translation Adjustment N/A								
Adjust for APIC						8,346		
March 31, 2021	<u>10,000,000</u>	<u>10,000</u>	<u>3,808,281,098</u>	<u>5,869,542</u>	<u>4,448,118</u>	<u>(15,011,092)</u>	<u>312,007</u>	<u>(4,683,432)</u>
Net Income – June 30, 2021	<u>10,000,000</u>	<u>10,000</u>	<u>4,208,281,098</u>	<u>5,869,542</u>	<u>4,448,118</u>	<u>(14,996,980)</u>	<u>312,007</u>	<u>14,112</u>

The accompanying Notes are an Integral part of this Financial Statement & should be read in
in conjunction with the Quarterly Report for the Three Months Ending June 30, 2021.

Winning Brands Corporation
Combined Consolidated Statement of Cash Flows

As of June 30, 2021
(With Comparative Figures)

		Year Ended Dec 31, 2020	Year Ended Dec 31, 2019
Cash generated by (used for):			
Operations:			
Net Income	\$ 14,112	\$ 39,871	\$ 21,046
Add: Items not involving cash	-	-	-
Amortization of capital assets	-	-	-
Changes in non-cash current balances:			
Increase (decrease) in receivables	13,740	1,406,327	(1,141,107)
Increase (decrease) in inventories	1,000	175	(5,971)
Decrease (increase) in prepaids	-	74,630	(138,612)
Increase (increase) in prepaid services	-	19	(790)
Increase (increase) in settlements pending 3(a)(10)	-	-	-
Increase (decrease) in accounts payable & accruals	-	-	-
	(83,528)	<u>(273,542)</u>	<u>1,006,260</u>
		<u>1,247,480</u>	<u>(259,174)</u>
Financing:			
Loan & Advances - 2008 to present		(1,229,845)	1,006,260
Loans Payable (Inc. 3(a)(10))	48,500	<u>(17,635)</u>	<u>1,278,735</u>
		<u>(1,247,480)</u>	<u>2,284,995</u>
Increase (decrease) in cash during the period	19,086	-	2,025,821
Effect of exchange rate changes on cash	(12,910)	-	(2,025,821)
Cash position, beginning of period	-	-	-
Cash Position (operating line of credit), end of period	19,086	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes are an Integral part of this Financial Statement & should be read in
in conjunction with the Quarterly Report for the Three Months Ending Jun 30, 2021.

Winning Brands Corporation
Notes to Combined Consolidated Financial Statements
as of June 30, 2021

1. Summary of Significant Accounting Policies

a) Nature of business

Winning Brands Corporation, a Delaware incorporated entity, is a non-reporting issuer quoted under the symbol WNBD on OTC Markets.

Winning Brands Corporation owns 100% of the capital stock of Niagara Mist Marketing Ltd (NMML) which has been in business since 1977. NMML's primary activities include the creation and manufacturing of household and commercial cleaning products as well as cosmetic and personal care formulations. Management intends to broaden the scope of the company business in 2021.

b) Basis of presentation

The combined consolidated financial statements include the accounts of the company and its wholly-owned subsidiary and XMG Corporation (a related company). All significant inter-company accounts and transactions have been eliminated in order to reflect the net offset of combined operations accurately.

c) Foreign Currency Translation

The combined consolidated financial statements are presented in United States Dollars as follows:

- Balance sheet items using the Bank of Canada exchange rate as at the various period end dates.
- Income statement items using the Bank of Canada average exchange rate for the various periods described.
- Stockholders' share activity at the historical rate in effect on the transaction date.
- Adjustments resulting from the process of translating the Canadian currency financial statements into U.S. dollars are identified as such in the statements of loss and stockholders' deficiency.

d) Use of Estimates and Assumptions

The preparation of the accompanying combined consolidated financial statements requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

Winning Brands Corporation
Notes to Combined Consolidated Financial Statements
as of June 30, 2021

e) Going Concern

These combined consolidated financial statements have been prepared assuming that the company will continue as a going concern which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business. Additional financing is needed for the successful completion of the company's contemplated plan of operations and its transition, ultimately, to the attainment of profitable operations. The company's ability to raise additional equity or debt financing is unknown. An inability to resolve these factors would raise substantial doubts about the company's ability to continue as a going concern. These financial statements do not include any adjustments that may result from the outcome of the aforementioned uncertainties.

f) Inventories

Inventories consist of finished product for resale as well as raw materials and packaging components held at the company's premises and contract warehousing facilities. Finished product is valued at cost including materials, labour and overhead.

g) Property, Plant & Equipment

Property, plant & equipment assets are stated at cost and are amortized at the annual rates noted below, stopping at minimum resale value. Additions are amortized at one half the annual rates.

<u>Category</u>	<u>Rate</u>	<u>Method</u>
Equipment & dies	4%	Declining balance
Computers	30 to 100%	Declining balance
Vehicles	30%	Declining balance
Leaseholds	5 Yr	Straight line
Furniture & fixtures	20%	Declining balance
Signs	20%	Declining balance

h) Revenue Recognition

Revenue is recognized as invoices for goods and services are generated. Goods are not normally shipped on a consignment basis.

Winning Brands Corporation
Notes to Combined Consolidated Financial Statements
as of June 30, 2021

i) Financial Instruments & Risk Management

Foreign Currency Risk

The company is exposed to currency risk as some of its accounts receivable and accounts payable are denominated in U.S. dollars, Canadian dollars and other foreign currencies. The company also earns revenue & makes expenditures in these currencies. Unfavourable changes in the applicable exchange rate may result in a decrease in any foreign exchange gain or an increase in any foreign exchange loss.

Credit risk

Credit risk arises from the possibility that entities to which the company sells may experience financial difficulty and be unable to fulfil their contractual obligations. This risk is mitigated by proactive credit management policies that include regular monitoring of the debtors' payment history.

Fair value

The fair value of the company's financial instruments is estimated based on the amount at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. The fair value of accounts receivable, inventory, prepaid expenses, accounts payable and accrued expenses are assumed to approximate their historical cost amount due to their short term nature.

The fair value of the company's long-term financial assets is estimated to approximate the recorded amounts, other than the fair market value of Trade Secret Formulations & Trademarks as referred to in Note 7.

The fair value of the company's long-term financial liabilities is estimated to approximate the recorded amounts.

2. Prepaid Services

Miscellaneous operational and financing items.

Winning Brands Corporation
Notes to Combined Consolidated Financial Statements
as of June 30, 2021

3. Settlements Pending - 3(a)(10) process

In the course of financing, it may become desirable to settle debt by the means of a 3(a)(10) process, at which time settlements pending will be reflected in these notes. Any amounts reflected up to and including December 31, 2020, and historically, are retroactive adjustments reflecting prior activity and arise from reconciliation thereof, annually. Settlements Pending may refer to reductions to amounts due arising from present conditions.

4. Subscriptions / Loans Receivable - Restricted Shares

In earlier years, Subscriptions Receivable were an attribution to members of the founding management group of the value of their proportionate interest in Niagara Mist Marketing Limited in 2004 prior to the plan of merger and reorganization with Winning Brands Corporation. These interests were converted from free trading shares of Niagara Mist Marketing Limited to restricted shares of Winning Brands Corporation, and remain restricted to the present time. These amounts were non-interest bearing nor payable until the removal of the trading restriction on these shares, at which time the receivable could be retired according to a repayment plan to be determined at that time. The holders of these shares have been granted relief from this obligation in consideration of the fact that the restriction had not been lifted prior to the 2013 reverse split, nor subsequently. This note to the Financial Statements is being retained for historical continuity only and will be eventually retired.

5. Advances Receivable

In consideration of forbearance by the CEO of market compensation for services rendered, no security or recovery is required henceforth in respect of the advances receivable recorded in prior years. This note to the Financial Statements is being retained for historical continuity only and will be eventually retired.

Winning Brands Corporation
Notes to Combined Consolidated Financial Statements
as of June 30, 2021

6. Trade Secret Formulations & Trademarks

The company's wholly owned subsidiary, Niagara Mist Marketing Limited, has developed a portfolio of intellectual properties including proprietary chemical formulations, know-how and trademarks which provide the basis for commercially distinct mass market consumer products with unique selling propositions. These products, principally 1000+ Stain Remover, have gained listings by retailers.

No fair market valuation is reflected in these financial statements of these intellectual properties (whose substance is growing through ongoing exposure to market) and all investment in their research and development and registration, where applicable, has been expensed rather than capitalized. It is the opinion of management that the fair market valuation of these assets is an integral part of the company's intrinsic value and can be better determined over time as the implementation of the issuer's business plan yields results. Such valuation in future would be carried out by competent independent valuation professionals.

7. Loans Payable - 2008 to present

These foundational non-convertible loans that were appearing up to 2017 have been either forgiven or reclassified, including merger into the Loans Payable line item. This note to the Financial Statements is being retained for historical continuity only and will be eventually retired.

8. Loans Payable - 2006 & 2007

These foundational non-convertible loans appearing up to 2017 have been either forgiven or reclassified including merger into the Loans Payable line item. This note to the Financial Statements is being retained for historical continuity only and will be eventually retired.

Winning Brands Corporation
Notes to Combined Consolidated Financial Statements
as of June 30, 2021

9. Loans Payable - Brand Development

These loans represent funding for the initial period of the company's brand development work, prior to the 2006 access to public equity financing. They have been forgiven or reclassified including merger into the Loans Payable line item. This note to the Financial Statements is being retained for historical continuity only and will be eventually retired.

10. Reduction of accrued interest

Of the "Loans Payable - Brand Development" amount reflected in Note 8, formerly \$327,773 of accrued interest has been forgiven by one of the founding lenders. This reduction of accrued interest was charged to the combined consolidated statement of loss in the fourth quarter of 2010 as this was the period in which the forgiveness was granted.

This accrual is no longer required as the lender is now satisfied that eligibility for eventual removal of the trading restriction on their original allocation of common shares is sufficient consideration for their loan to date. Participation in future stock options or warrants, at the sole discretion of the company, may be provided as consideration of this forgiveness. This note to the Financial Statements is being retained for historical continuity only and will be eventually retired.

11. Reverse split

The company consolidated its outstanding shares by means of a reverse split of common stock (500 to 1) in April 2013.

12. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation for the current year. This includes the treatment of expense recoveries and their allocation and classification. Expense recoveries occur frequently and arise from the negation of an earlier recorded expense accrual by changed circumstances in which the service provider delivered products and services in variance to the originally recorded invoice pertaining thereto.