



Happy Belly Food Group Closes 100% Acquisition of Lettuce Love QSR

Toronto, Ontario--(Newsfile Corp. - October 13, 2022) - Happy Belly Food Group Inc. (CSE: HBFG) (OTCQB: VGANF) ("Happy Belly" or the "Company"), a Quick Serve Restaurant ("QSR") and Consumer Packaged Goods ("CPG") wellness company bringing delicious foods and retail brands to customers, is pleased to announce that it has closed on its immediately accretive and non-dilutive acquisition of Lettuce Love Café, a Quick Serve Restaurant (QSR).

"It gives me great pleasure to officially welcome Lettuce Love Café into our growing portfolio of Happy Belly brands," said Shawn Moniz, CEO of Happy Belly Food Group. "Lettuce Love is a well known and established QSR whose primary business is serving delicious and healthy meals comprising mainly of gluten free bowls, soups, sandwiches, wraps, salads, and much more at competitive consumer price points. Lettuce Love has significant growth potential for scalable operations and increased profitability. We welcome the opportunity to work with talented and driven individuals that can benefit from Happy Belly's team and resources. As an emerging growth business, we are perfectly suited to help accelerate their growth and profitability."

"The opportunity to become part of something larger than what we were is a very exciting and inspiring opportunity," said Neven Madzarac, former owner of Lettuce Love Café and current Senior Operations Manager of Happy Belly Food Group. "Happy Belly has an impressive team that can accelerate our organic growth and help scale our operations more quickly and efficiently than we could on our own. I look forward to growing the Lettuce Love brand under the Happy Belly portfolio as we enter 2023".

The acquisition of Lettuce Love is immediately accretive and non-dilutive to shareholders as the company increases its QSR footprint with the potential for significant organic growth. It will contribute to Happy Belly's growth plan and path to profitability as it provides positive EBITDA to the company's bottom line and allows for integration into our multi-branded shared resourcing model. This acquisition marks the second QSR transaction in 2022; which is aligned to the company's plans to continue delivering shareholder value through accretive M&A.

Transaction Details

Happy Belly Food Group will assume financial liabilities of approximately \$168,000 for 100% ownership of Lettuce Love Café brand and its Burlington location (the Oakville location has been removed from the acquisition). Based on 2022-2023 forecasted financials for the acquired location, the acquisition cost is an estimated 2.8x multiple of EBITDA. This does not include forecasted growth from new locations, nor cost synergies from Happy Belly's shared resource pool and infrastructure.

Post closing the company will look for additional synergies and savings as the brand will be internally resourced and supported by the existing Happy Belly team.

HAPPYBELLY

FOOD GROUP

About Lettuce Love Café

Lettuce Love was created solely with your health in mind for delivering delicious gluten-free meals, smoothies & treats. Ingredients and products used are sourced from sustainable, fair-trade, non-GMO sources, are local and organically farmed when available. We proudly prepare all our menu selections fresh, at the time they are ordered to provide the maximum nutritional benefits. Often surprising and seducing hard core carnivores with many of our vegan and gluten free dishes, Lettuce Love Cafe, offers a warm welcome to everyone.



LETTUCELOVE
CAFÉ



LOCAL 100% VEGAN BURGERS
100% GLUTEN-FREE RAW FOODS
SMOOTHIES
SUSTAINABLE HEALTHY
SANDWICHES
NATURAL BOWLS PURE LOVE

About Happy Belly Food Group



Yamchops
PLANT-BASED BUTCHER



**HOLY
CRAP**



Happy Belly Food Group Inc. (CSE: HBFG)(OTCQB: VGANF) ("Happy Belly" or the "Company"), a Quick Serve Restaurant ("QSR") and Consumer Packaged Goods ("CPG") wellness company bringing delicious foods and retail brands to customers. It offers a growing number of CPG and QSR brands through its portfolio of Holy Crap Foods, YamChops, LumberHeads Food Co., Lettuce Love Café, and Heal Wellness. For more information please visit: www.HolyCrap.com, www.YamChops.com, www.LumberHeads.com, www.HealWellness.ca, www.LettuceLoveCafe.com and www.HappyBellyFG.com.

Happy Belly Food Group

Shawn Moniz

Chief Executive Officer

FOR FUTHER INFORMATION, PLEASE VISIT:

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Cautionary Note Regarding Forward-Looking Statements

All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to the Company within the meaning of applicable securities laws. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur, and include the future performance of LumberHeads Food Co. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for Happy Belly described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's Management's Discussion and Analysis and other disclosure filings with Canadian securities regulators, which are posted on www.sedar.com.