



Happy Belly Food Group Announces 2nd Consecutive Record Quarter, and 4th Consecutive Quarter of QoQ Growth

Toronto, Ontario (November 22nd, 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 its financial results and corporate update for the three and nine months ended September 30, 2022.

Financial Highlights

- **Sales Revenue**
 - Q3 2022 was a record quarter, and the second consecutive record quarter for the company delivering \$794,460 in revenue vs \$620,176 in Q2 2022, an increase of \$174,284 (+28%) in sales quarter over quarter (QoQ).
 - Q3 2022 nine-month revenue of \$794,460 vs \$294,895 in Q3 2021 represents a year over year (YoY) increase of \$499,565 (+169%)
 - Q3 2022 represents the 4th consecutive quarter of increased sales
 - The nine months ended September 30, 2022, revenue was \$1,739,318 vs \$918,233 in the nine months ended September 30, 2021, an increase of \$821,085 (+89%).
- **Gross Profit** increased to 45% for Q3 2022 vs 40% in Q2 2022, signalling growth in operations and efficiencies in manufacturing processes. This is a true reflection of the team's focus on operations as we improve business models and manage rising labour and ingredient costs throughout the various subsidiary companies.
- **General and Administrative Expenses** totaled \$1,738,278 for the nine months ended September 30, 2022, vs 3,873,300 in the equivalent nine month period of 2021, representing a decrease of 55% or \$2,134,722 of operational expenses.
- **Working Capital** at September 30, 2022 is \$1,608,962



"We are continuing to execute our plans. With our 4th consecutive quarter of QoQ growth, and a 2nd consecutive record setting quarter in sales, plus our Gross Profit improvements and reduction in expenses, we are witnessing a significant indication that Happy Belly is on a solid path to profitability. I'm extremely proud of the consistent and positive progress that our management team, along side our brand partners, have been able to achieve this quarter", said Shawn Moniz, CEO of Happy Belly. "Ever since our strategic reset in Q3 2021, our team has focused on the bottom line while delivering on our organic and inorganic growth plan. Since then, each quarter has resulted in significant quarter-over-quarter growth while continuing to reduce costs and improve operations within our businesses."

"We have consistently built shareholder value by completing 4 accretive acquisitions in 2022, continue to improve our financial position in all areas, closed on a \$2 million above-market debenture protecting shareholder dilution, increased operational efficiencies, grew the business and our brands through organic and inorganic strategies, and have a full pipeline of possible M&A to help us continue building our stable of emerging brands."

"We will continue to close the gap towards company-wide profitability as we close out 2022. We have a great team with the patience and experience to continue building our brand portfolio, and the funding to continue accelerating growth organically and through accretive M&A opportunities. We look forward to continuing to set record quarter growth for many quarters to come"

Corporate Highlights

In June/July the company closed an Oversubscribed Above-Market Convertible Note Offering for proceeds of \$2 million dollars, The Notes are convertible into common shares at \$0.20/share in year 1 or \$0.25/share in year 2.

In July the company announced a binding Letter of Intent to acquire 100% of Lettuce Love Quick Serve Restaurant. The transaction closed in the first week of October.

In August, Happy Belly announced a record quarter, and 3rd consecutive quarter of QoQ growth

Our subsidiary Lumber Heads Food Co announced expanding distribution with DSM distribution across the GTA and southern Ontario.

Our subsidiary Holy Crap Foods completes a listing into 34 Rabba Fine Foods Locations



across Ontario. Also, in August the brand Expands Distribution to 69 Metro Locations Across Ontario.

On October 1st, 2022, the company expanded outside of plant-based for accelerated growth and completed a name change to Happy Belly Food Group to better reflect the companies go-forward strategy.

On November 18th, 2022, the company announced a Binding Letter of Intent with Pirho Grill Restaurants for its first accretive transaction outside the plant vertical. The structure of the agreement includes franchising rights, trademark, and IP of the fast-casual Greek restaurant, representing an asset-light approach to our growing portfolio of brands.

About Happy Belly Food Group



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, Pirho Grill, and Heal Wellness.

For more information please visit: www.HolyCrap.com, www.YamChops.com, www.LumberHeads.com, www.HealWellness.ca, www.LettuceLoveCafe.com, www.LettuceLoveCafe.com, www.PirhoGrill.com and www.HappyBellyFG.com.

Happy Belly Food Group

Shawn Moniz
Chief Executive Officer

FOR FURTHER 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.