



Happy Belly Food Group Announces 3rd Consecutive Record Quarter, and 5th Consecutive Quarter of QoQ Growth

Toronto, Ontario (April 20th, 2023) - Happy Belly Food Group Inc. (CSE: HBFQ) (OTCQB: VGANF) ("Happy Belly" or the "Company"), a leading consolidator of emerging food brands is pleased to announce its financial results and corporate update for the three and twelve months ended December 31, 2022.

Financial Highlights

- The twelve months ended December 31st, 2022, revenue was \$ 2,734,496 vs \$1,203,088 in the twelve months ended December 31st, 2021, an increase of \$1,531,408 (+127%).
- Q4 2022 was the first quarter the company achieved over \$1,000,000 in total income, of which product sales revenue accounted for \$995,178 compared to \$220,376 in Q4 2021, an increase of \$774,802 (+452%) in product sales year over year (YoY).
- Q4 2022 was the **third** consecutive record quarter for the company delivering \$995,178 in revenue vs \$794,460 in Q3 2022, an increase of \$200,718 (+25.3%) in sales quarter over quarter (QoQ).
- Q4 2022 represents the 5th consecutive quarter of increased revenue.
- Cash flow from operations on 2022 revenues of \$2,734,496 was (\$1,618,200) vs (\$4,176,578) on 2021 revenues of \$1,203,088, a **decrease** of net losses by 348%.
- **Gross Margin:** Happy Belly maintained a 45% gross margin. 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:** Decreased by 58% or \$1,875,678 for the year compared to the equivalent time period in 2021. These expenses include legal,



accounting, marketing, management, office spaces, business development, brand development, salaries and employee wages.

"With our 5th consecutive quarter of QoQ growth, and a 3rd consecutive record setting quarter in revenue, you can see our continued commitment to shareholders as we continue to execute our plans and improve the business each and every day", said Shawn Moniz, CEO of Happy Belly. "It is a testament to our people's expertise and experience that during rampant inflationary times our company maintained a strong **45%** gross margin in Q4. Coupled with the **127%** increase in yearly revenue 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 in Q4 and in these early months of 2023. Our sales-driven organization 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 improve operations within our businesses and deliver consistent record quarters."

"We have consistently built shareholder value by only transacting on accretive acquisitions in 2022 and 2023 thus far. We continue to improve our financial position in all areas and closed our first tranche of \$1 million in our second above-market debenture. We are protecting shareholder dilution, increased operational efficiencies, and growing the business through organic and inorganic strategies."

"We will continue to close the gap towards company-wide profitability. We have a great team with the patience and experience to continue building our stable of emerging brands, 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."

Q4 Corporate Highlights

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

On October 3rd, 2022, the Company announced that its wholly owned subsidiary HolyCrap(TM) Foods Expanded Distribution to 69 Metro Locations Across Ontario

On October 13th, 2022, the Company closed on an immediately accretive and non-dilutive acquisition of Lettuce Love Café, a Quick Serve Restaurant (QSR).



On October 24th, 2022, the Company announced that its wholly owned subsidiary HolyCrap(TM) Foods Expanded Distribution of Holy Crap Cereals at 90 Federated Co-op Locations.

On November 17th, 2022, the Company announced that its HEAL Wellness Quick Serve Restaurant (QSR) opened a New Corporate Location in Burlington, Ontario.

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.

On November 22nd, 2022, the Company announced its 2nd Consecutive Record Quarter, and 4th Consecutive Quarter of QoQ Growth with its Q3 Financials.

On November 25th, 2022, the Company announced that it has expanded distribution of its LumberHeads Popcorn with the onboarding of Sheldon Creek Dairy distributors.

On December 12th, 2022, the Company announced a Binding Letter of Intent with Lady Glaze - A Gourmet Doughnut and Dessert Business.

On December 23rd, 2022, the Company announced that it has appointed Sean Black to Board of Directors.

On December 30th, 2022, the Company announced that its LumberHeads Popcorn brand has introduced a new Sea Salt flavour and has already begun its retail distribution of this new SKU with Sobey's.

In addition, the Company's board of directors (the "Board") has authorized, pursuant to the Company's Stock Option Equity Incentive Plan (the "**Plan**"), the grant of performance options ("**Performance Options**") to the Company's CEO, Shawn Moniz, effective April 21, 2023, to purchase 1,000,000 common shares in the capital of the Company.

The CEO has aligned himself with shareholders and the Company's Board with respect to the Performance Options which are subject to the same conditions and triggers as the performance warrants originally issued to Kevin Cole, Alex Rechichi and Mark Rechichi in June 2021.

Each Performance Option entitles the holder to acquire one common share of the Company at a price of \$0.20 per share for a period of five years from the date of grant and are exercisable upon the occurrence of the exercise triggers noted below



Performance Options	Exercise Trigger (Stock Price)
192,593	Immediate
100,000	\$0.50
101,852	\$0.75
200,000	\$1.00
201,852	\$1.50
203,704	\$2.00

Note: the exercise trigger equals the closing market price of the Company's common shares on the Canadian Securities Exchange

About Happy Belly Food Group

Happy Belly Food Group Inc. (CSE: HBFQ)(OTCQB: VGANF) ("Happy Belly" or the "Company"), is a leading consolidator of emerging food brands.

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

Happy Belly Food Group

Shawn Moniz
Chief Executive Officer

FOR FURTHER INFORMATION, PLEASE VISIT:

www: www.happybellyfg.com or email hello@happybellyfg.com

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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.