



Happy Belly's HEAL Wellness QSR Opens New Corporate Location in Port Credit, Mississauga

Toronto, Ontario (June 29th, 2023) - Happy Belly Food Group Inc. (CSE: HBFG) (OTCQB: VGANF) ("Happy Belly" or the "Company"), a leading consolidator of emerging food brands is pleased to announce it has completed construction and opened a new corporate location for its Heal Wellness brand in Mississauga's neighborhood of Port Credit, Ontario, ahead of schedule.

"In less than five weeks since we started construction our Heal Wellness team has opened a net new corporate location. This new store location is Heal's fourth (4th) net new store location since being acquired just over one year ago. With six (6) corporate stores now open we have accelerated Heals corporate development, averaging a new corporate store opening each quarter. This demonstrates our team's ability to help our brands accelerate their speed to market" said Shawn Moniz, CEO of Happy Belly. "Furthermore, the new location will replicate the successful integration and leveraging of shared resources that is currently being utilized across our entire brand portfolio, including our Next Level Partners division."

"We would like to thank our team for once again opening another corporate location so quickly with very low capital requirements. This new location expands HEAL's customer reach in an area that is heavily populated and is demographical aligned to the brand, giving us tremendous opportunity in-store, as well as delivery. Having a **stable of emerging QSR growth brands** is what allows Happy Belly to quickly leverage real estate opportunities like this recent project to accelerate our disciplined organic growth. We look forward to continuing to execute on our model as we accelerate our growth organically and inorganically through accretive M&A. The rapid expansion of the Heal Wellness brand is a **prime example of our ability to execute**. As free cash flow increases from the brand, we anticipate accelerating our corporate store development schedule with supplemental growth coming from our franchise program which is in full swing and developing as per our growth timelines.



"Shareholders are seeing a repeatable pattern emerging with our ability to organically grow our brands post acquisition. We share and leverage infrastructure across the portfolio while enabling access to our shared resource pool that provides access to SMEs not always available to brands during their growth phase. Our approach has always been to specialize in the development and growth of emerging brands in the food sector."

Heal Wellness was an accretive acquisition by Happy Belly Food Group, and it is anticipated that new store locations will continue to drive both the top line and bottom line of the company.

For franchising inquiries please see www.happybellyfg.com/franchise-with-us/ or contact us at hello@happybellyfg.com.

Debenture Update

The Company announces that subject to regulatory approval, it intends to reprice 2,000 convertible debentures (each a "Debenture") originally issued to investors pursuant to private placements that closed on June 30, 2022 and July 11, 2022 from a conversion price of \$0.25 per common share (each a "Share"), being the conversion price if the Debentures are exercised in the second year, to a conversion price of \$0.20 per Share.

All other terms and conditions of the Debentures remain the same.

"I am pleased that we can be flexible and fair to our loyal debenture holders and reprice our year two conversion to reflect current market conditions. We value our debenture holders and shareholders alike. We believe this update works to the benefit of those who believe in what Happy Belly is building and reflects their patience and conviction for our success," said Shawn Moniz.

Furthermore, as continuation of the news release on February 24th, 2023, where Happy Belly received a lead order for an above-market convertible note, the Company announces that it intends to complete that offer by way of raising an additional amount up to \$1,000,000 on a private placement basis (the "Private Placement") through the issuance of up to 1,000 convertible debentures (each a "Debenture").

It was in the best interest of the Company to wait until Happy Belly had the need for the additional funds and ready to deploy these remaining funds for growth initiatives before closing on their intake. Demonstrating the ability to take in smart capital and only when required.

Each Debenture has a principal amount of \$1,000, a 5 year term earning interest at the rate of twelve percent (12%) per annum payable quarterly after the closing date of the Private Placement, maturing on the date that is the fifth anniversary of the first date that the Debentures are issued (the "Maturity Date") and are convertible at the holder's option into shares of the Company every three months after the closing date, but prior to the Maturity Date, into Shares at a conversion price equal to \$0.30 per Share, provided that not less than 25% of the outstanding principal, and any interest amounts owed, is converted.

On the Maturity Date, any outstanding principal amount of the Debentures, plus any accrued and unpaid interest, shall be paid in cash. All securities issued in connection with the closing of the Private Placement are subject to a four-month and one-day statutory hold period in accordance with applicable securities laws. The proceeds of the Private Placement will be used for M&A purposes.

About Heal Wellness

Prior to becoming a founding partner of Heal Wellness, Jay Zuccato was a spokesperson

alongside a globally distributed nutritional companies to market health and wellness foods. Long-time childhood friend and also a founding partner of Heal Wellness, Jesse Davidson, specialized in business operations with one of Canada's top protein companies as they grew nationwide in operations and storefronts.

With these strong backgrounds and a passion for wellness, they came together to identify a need for a quick-serve healthy food lifestyle. In June of 2019, they responded to this need by opening the first Heal Wellness location in their hometown of Hamilton, Ontario with the goal of being at the forefront of the health food revolution.

"Heal Wellness was created out of a passion and mission to serve quick, fresh wellness foods that power and support a busy, active lifestyle. Currently, we are pleased to offer a wide variety of smoothie bowls, smoothies, and delicious breakfast waffles. We are proud to highlight that every superfood ingredient in the Heal Wellness menu is carefully selected with the intention of fueling the body with a reduced ecological footprint," said Jesse Davidson, Co-founder of Heal Wellness.

About Happy Belly Food Group

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

Happy Belly Food Group

Shawn Moniz
Chief Executive Officer

FOR FURTHER INFORMATION, PLEASE VISIT:

www: www.happybellyfg.com or email hello@happybellyfg.com
If you wish to contact us please call: [\(604\) 737-2303](tel:6047372303)

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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.