



## Happy Belly Signs Binding Agreement to Acquire 100% of CraveIT Restaurant Group's Via Cibo Restaurant Chain

Toronto, Ontario (January 5<sup>th</sup>, 2024) - Happy Belly Food Group Inc. (CSE: HBBG) (OTCQB: VGANF) ("Happy Belly" or the "Company"), a leading consolidator of emerging food brands is pleased to announce it has signed as of January 4<sup>th</sup>, 2023, a binding LOI agreement to acquire 100% of CraveIT Restaurant Group's ("**CraveIT**") Via Cibo Restaurant Chain ("**Via Cibo**"), serving fast casual Italian street food made with the best traditional ingredients.

"Happy Belly starts 2024 with the signing of the largest M&A it has conducted to date. This marks a significant stride forward in our journey to becoming a leading consolidator of emerging food brands. This acquisition represents the incorporation of our 7<sup>th</sup> restaurant brand, and our 9<sup>th</sup> brand overall."

"Via Cibo Restaurants, an all-franchised system, is an asset-light entity with established street-front real estate locations in both Ontario and Alberta. Furthermore, Via Cibo is debt free and cashflow positive. This acquisition fits the exact financial metrics and belly check criteria Happy Belly is looking for", said Shawn Moniz, Chief Executive Officer of Happy Belly.

"As part of our accelerated M&A program, we have successfully executed another 100% acquisition, bringing seven (7) franchised Via Cibo restaurants into our portfolio across Ontario and Alberta. Additionally, we welcome four (4) Reef Kitchen locations in Alberta, British Columbia, and Ontario, marking our entry into the ghost kitchen category – a significant addition to our expanding brand portfolio."



This transaction is non-arms length, involving board members of Happy Belly, namely Sean Black, Alex Rechichi, and Mark Rechichi. To ensure transparency and fairness, an independent Review Committee comprising of Shawn Moniz, Gary Fung, Kevin Cole and Dean Callaway was established to scrutinize and negotiate the transaction's terms.

"This acquisition symbolizes the culmination of having our entire team, both management and directors alike, aligned and 100% focused on propelling Happy Belly's growth. It consolidates all our resources, infrastructure, and seasoned operators under one roof of operational excellence all rowing the same boat. This accretive acquisition checks a lot of boxes, and enhances our ability to scale and integrate future brands such as Via Cibo into Happy Belly's accelerated growth model. We felt at this stage of growth in the journey of both organizations that it made perfect sense to bring CravelT and its Via Cibo brand into the Happy Belly family as we focus on scaling operations in 2024."

"There are significant synergies that Happy Belly will immediately benefit from including seamless integration into established frameworks for supplier contracts, rebate system integration, ordering and logistical systems, utilization of Learning Management Systems across franchised brands, shared resources encompassing culinary, accounting and marketing staff for increased labour and productivity efficiencies, performance based analytical systems, insurance coverage savings and much more."

"Over the past twenty-four months Happy Belly has strategically onboarded former successful team members from both Extreme Brandz and CravelT spanning various disciplines such as finance, seasoned area developers, legal counsel, real estate networks, and brand franchise operators and owners. With the addition of CravelT's infrastructure, we have now assembled the final piece of the puzzle that began over two years ago with the inclusion of Sean, Mark, and Alex on the board of directors. With this next step of acquiring CravelT, we are now all operating behind Happy Belly to accelerate its growth into a leading consolidator of emerging food brands."



## Acquisition Details

Happy Belly and Cravelt have signed a binding LOI agreement for the 100% acquisition of Cravelt Restaurant Group. The accretive transaction is based on a post close 12-month earn out agreement based on 6.0x EBITDA and will be paid in all stock. Projected system sales for franchised and Reef kitchen locations in 2024 is \$9,650,000. This is a friendly acquisition to Happy Belly and its shareholders as the earn-out is being conducted at a point in time where Happy Belly's stock price is at a two-year high and all issued shares will be registered to insiders, further increasing insider ownership. This shows a real commitment by the founders of Cravelt in the longevity and future success of Happy Belly. Upon close a portion of the earn-out will be issued in restricted stock and issued to the insiders of Sean Black, Mark Rechichi and Alex Rechichi.

The Company anticipates the closing of this agreement to take place within Q1 2024.



"Our approach has always been to focus on the development and growth of emerging brands in the food sector. Cravelt Restaurant Group will be an accretive acquisition by Happy Belly Food Group, and it is anticipated that our franchising program will deliver new franchised locations that 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/](http://www.happybellyfg.com/franchise-with-us/) or contact us at [hello@happybellyfg.com](mailto:hello@happybellyfg.com).

### **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.

### **Happy Belly Food Group**

Shawn Moniz  
Chief Executive Officer

FOR FURTHER INFORMATION, PLEASE VISIT:

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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 Happy Belly. 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.sedarplus.com](http://www.sedarplus.com).*