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Happy Belly Food Group Closes 3rd Above-Market Non-Brokered Convertible Note Financing for Proceeds of C\$1,000,000

Toronto, Ontario - (February 23rd, 2024) - 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 that the non-brokered private placement (the "**Private Placement**") of unsecured convertible debentures (the "**Debentures**") previously announced on February 13th, 2024 with a strategic investment fund, Trio Capital Group Inc. ("**Trio Capital Group**") has now closed, raising proceeds of \$1,000,000.00 CDN.

"Happy Belly would like to thank its shareholders for their continued support of our long-term strategic plan to build the leading consolidator of emerging brands in Canada. We look forward to applying this acceleration capital towards disciplined organic & inorganic growth", said Sean Black, Chief Investment Officer.

"With the support of Trio Capital Group, Mr. Paul Paletta, and the confidence of shareholders alike, we are proceeding with our strategy to drive accelerated growth in Happy Belly as we continue to build our stable of emerging brands. This is our third consecutive above-market convertible debenture for Happy Belly which demonstrates the market support for this management team and its vision."

Debenture Details:

Each Debenture has a principal amount of \$1,000, a 36-month term earning interest at the rate of twelve percent (12%) per annum split into two components:

- a) 6% interest will be paid in cash on a quarterly basis, and
- b) 6% interest will be deferred for the 36-month term until conversion of the debenture into common shares.

At any time following the Closing Date (as defined below), if the ten (10) day daily moving average, being the average closing price of the Shares on the Exchange for a period of ten (10) consecutive trading days, is greater than C\$1.00 per Share, the Issuer may, at its exclusive discretion, force the conversion of the aggregate Principal Amount, plus any accrued and unpaid interest, of the then outstanding Convertible Debentures on the same

terms as applicable to the exercise of the conversion privileges by the holder, by providing each holder with 30 days' written notice.

The conditions above come into effect on the Closing Date, maturing on the date that is the third anniversary of the first date that the Debentures are issued (the "Maturity Date") and are convertible at the holder's option into common shares of the Company after the closing date (the "Closing Date"), but prior to the Maturity Date, at a conversion price equal to C\$0.50 per common share, provided that any interest amounts owed, is also converted (the "Conversion Price").

On the Maturity Date, any outstanding principal amount of the Debentures, plus any accrued and unpaid interest, shall be paid in cash and/or converted in accordance with the terms of the debenture. 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.

Although no broker fees or finders' fees were paid in the closing of this financing, Trio Capital was issued 390,000 options at \$0.50 for a period of 2 years as part of the terms .

About Happy Belly Food Group

Happy Belly Food Group Inc. (CSE: HBFG) (OTCQB: VGANF) is a leading consolidator of emerging food brands.



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

Happy Belly Food Group

Shawn Moniz

Founder, 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)

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this press release, which has been prepared by management.

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 and her subsidiaries. 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.ca.

The securities to be issued pursuant to the Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release will not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor will there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.