



Happy Belly Food Group Signs Above-Market Convertible Note with Toronto-Based Institutional Investor

Toronto, Ontario - (June 10th, 2024) - Happy Belly Food Group Inc. (CSE: HBFG) (OTCQB: HBFGF) ("Happy Belly" or the "Company"), a leading consolidator of emerging food brands is pleased to announce that, subject to regulatory approval, it intends to complete a non-brokered private placement (the "Private Placement") with K2 & Associates ("K2"), for the sum of \$2,000,000 CDN through the issuance of convertible debentures (the "Debentures"). K2 is a Canadian multi-strategy hedge fund.

"I would like to thank the team at K2 for supporting Happy Belly as we accelerate our growth strategy in building a portfolio of emerging brands," said Sean Black, Chief Investment Officer of Happy Belly. "This marks another step forward of Happy Belly incorporating institutional capital, along side family offices into its shareholder base. Moreover, securing the backing of a prominent institutional investor like K2, renowned for its reputation and performance track record, validates our business model, and future potential."

"This Private Placement strengthens our balance sheet and increases our ability to pursue our strategic objectives, including accelerating the company's pathway towards achieving a cash flow positive state through transacting on larger cash-flow accretive M&A opportunities. With an active and expanding pipeline of potential targets, we have numerous opportunities for accretive acquisitions to grow our portfolio of emerging brands, alongside the significant organic growth that we are currently experiencing with our existing brands. We look forward to providing further updates to our shareholders as we make progress on these opportunities."

"We have been following the team at Happy Belly for quite some time and continue to be impressed by their ability to leverage a capital-light model to acquire and scale high-growth restaurant brands," said Eric Balshin, of K2 & Associates. "We look forward to being a long-term partner to the Happy Belly team."

Debenture Details

Each Debenture has a principal amount of \$1,000, a 3 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 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 (the "Shares") of the Company every three months after the closing date, but prior to the Maturity Date, at a conversion price equal to \$0.75 per Share, provided that not less than 25% of the outstanding principal, and any interest amounts owed, is converted.

The Debentures are subject to an accelerated expiry provision whereby if the Company's Shares close at or above \$1.50 per Share during any 10 consecutive trading day period at any time subsequent to four months and one day after the closing date, the holder will have 30 days from the date the Company provides notice of such accelerated expiry to convert the Debentures.

On the Maturity Date, any outstanding principal amount of the Debentures, plus any accrued and unpaid interest, shall be paid in cash. The Debentures will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

The proceeds of the Private Placement will be used as acceleration capital and funding of future acquisitions from Happy Belly's active and growing pipeline of potential acquisition targets.

No broker fees, warrants, or finders' fees will be paid in the closing of the Private Placement.

About K2

K2 & Associates is a Canadian multi-strategy, event-driven hedge fund manager with a 20+ year track record of successfully managing money, protecting capital, and creating value. K2 built its funds as tools for families —to build wealth while limiting risk.

K2 runs an active mandate to surface value and generate returns through strong analysis, strategy and relationships. The firm has a well-earned reputation as a good partner, lead investor and strong sponsor for companies looking for risk capital.

About Happy Belly Food Group

Happy Belly Food Group Inc. (CSE: HBFG) (OTCQB: HBFGE) ("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)

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.