



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

Toronto, Ontario - (June 27<sup>th</sup>, 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 further to its news release of June 10<sup>th</sup>, 2024, it has closed its non-brokered private placement (the "**Private Placement**") with K2 & Associates ("**K2**"), raising gross proceeds of \$2,000,000 through the issuance of 2,000 convertible debentures (the "Debentures"). K2 is a Canadian multi-strategy hedge fund.

"The closing of this Private Placement strengthens our balance sheet and gives us the ability to accelerate our organic growth alongside our inorganic growth strategy by executing material M&A opportunities with very strong positive cash flow, when the opportunity presents itself," said Sean Black, Chief Investment Officer of Happy Belly.

### **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 are subject to a statutory hold

period of four months and one day from the date of issuance in accordance with applicable securities legislation.

The proceeds of the Private Placement will be used for future acquisitions. No finder's fees were paid in connection with 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: HBFGF) ("Happy Belly" or the "Company") is a leading consolidator of emerging food brands.



### **Happy Belly Food Group**

Shawn Moniz

Founder, 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](http://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.*