



Happy Belly Food Group Closes Acquisition of IQ Foods Co.

Toronto, Ontario - (September 18th, 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 it has closed on its 100% acquisition of beloved Toronto-based QSR brand IQ Foods Co. ("IQ Foods") and all four IQ Foods locations as of end of day. IQ Foods offers a variety of delicious, wholesome options like healthy bowls, smoothies, sandwiches, soups, and salads, along with other flavorful clean-eating dishes that the whole family can enjoy.



“Today, we are pleased to announce the closing of our acquisition of IQ Foods, bringing us closer to executing our next phase of business strategy by **consolidating emerging brands within sectors**” said Sean Black, Chief Executive Officer. “We expect an immediate positive impact on Happy Belly’s top-line revenue, along with a direct correlation to our EBITDA, enhancing our bottom line. The growth potential of this brand is one that we are excited about, with new locations and interest into franchising already underway.”



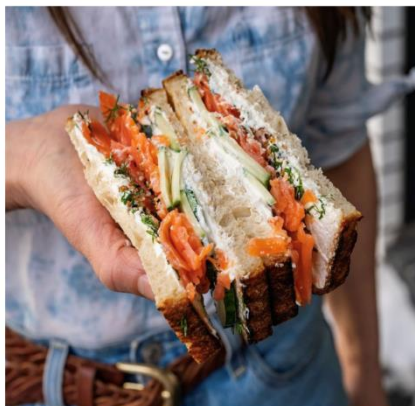
IQ Foods is a flagship brand in Canada's premium healthy eating market and marks Happy Belly's largest acquisition of corporate-owned stores to date. Strategically located in urban and central business districts, IQ Foods caters to thousands of health-conscious customers from local businesses, while expanding into catering services to generate additional revenue in major metropolitan areas. This strategy has fostered strong brand recognition and a loyal customer base driven by word-of-mouth and, most importantly, satisfied customers. As part of the acquisition, Happy Belly now owns four prime locations in downtown Toronto.

- **100 King Street West (First Canadian Place)**
- **18 York Street (Financial Centre)**
- **199 Bay Street (Equinox Gym and Fitness Center)**
- **55 Avenue Road (Yorkville Equinox Gym and Fitness Center)**



Acquisition Details

The sale of IQ Foods to Happy Belly has been approved by the Ontario Superior Court of Justice. The asset purchase agreement (APA) consisted of a purchase price of \$85,000 plus customary post-closing adjustments, legal restructuring costs pertaining to IQ Foods, and transaction costs to facilitate the closing. Bringing a total cost of the acquisition by Happy Belly to approximately \$300,000 CDN. Projected system sales across the four locations is \$4.0M CDN combined. The four locations have been experiencing double digit sales growth (10.3%) on a year-to-date basis. The restaurants continue to maintain a healthy gross margin and forecasted EBITDA is \$300K after inclusion of corporate overhead expenses.

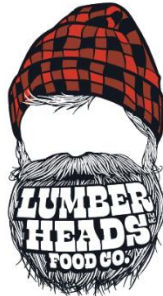


“With our current and upcoming prospective locations, we plan to scale IQ Foods operations into 2025 and beyond. Each M&A transaction and new store opening expands the Happy Belly footprint. With the IQ Foods acquisition, our portfolio will grow to 36 operating restaurants. Furthermore, five of our brands have multiple locations under construction, driving strong organic growth in 2024. This balanced approach of organic and inorganic growth positions us for continued expansion over the next 12 to 18 months. We’re excited to announce several new openings in 2024 as we continue signing franchise agreements and securing prime real estate for our franchisees across Canada.”

We are just getting started.

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

Sean Black
Chief Executive Officer

Shawn Moniz
Chief Operating Officer

FOR FURTHER INFORMATION, PLEASE VISIT:

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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 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.