



Happy Belly Signs Definitive Agreement to Acquire 50% of SALUS Fresh Foods QSR Restaurant Chain

Toronto, Ontario (November 1, 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 on July 29th, 2024 announcing the signing of a binding agreement to acquire 50% of the SALUS ("**Salus**") Fresh Foods Restaurant Chain, it has now signed the definitive agreement for the acquisition. Preparations for close are underway with an anticipated close date prior to years end. Salus serves fresh bowls, sandwiches, wraps, soups, smoothies and healthy treats the whole family can enjoy.



Happy Belly began the back half of 2024 with the intention of continuing its acquisition strategy of accretive growth brands, and it has delivered on that strategy with Salus being the fourth (4th) acquisition of the year. This marks another stride forward in our journey to becoming a leading consolidator of emerging food brands. This acquisition represents the incorporation of our ninth (9th) restaurant brand, and our eleventh (11th) food brand overall.

Salus Fresh Foods, an asset light 100% franchised system, has nine (9) established street-front and food court real estate locations in Ontario. "When looking for an acquisition we look for the 3 P's: People, Product and Process. With co-founders Adam and David Spagnuolo of SALUS Fresh Foods, we found exactly that," said Sean Black, Chief Executive Officer of Happy Belly.

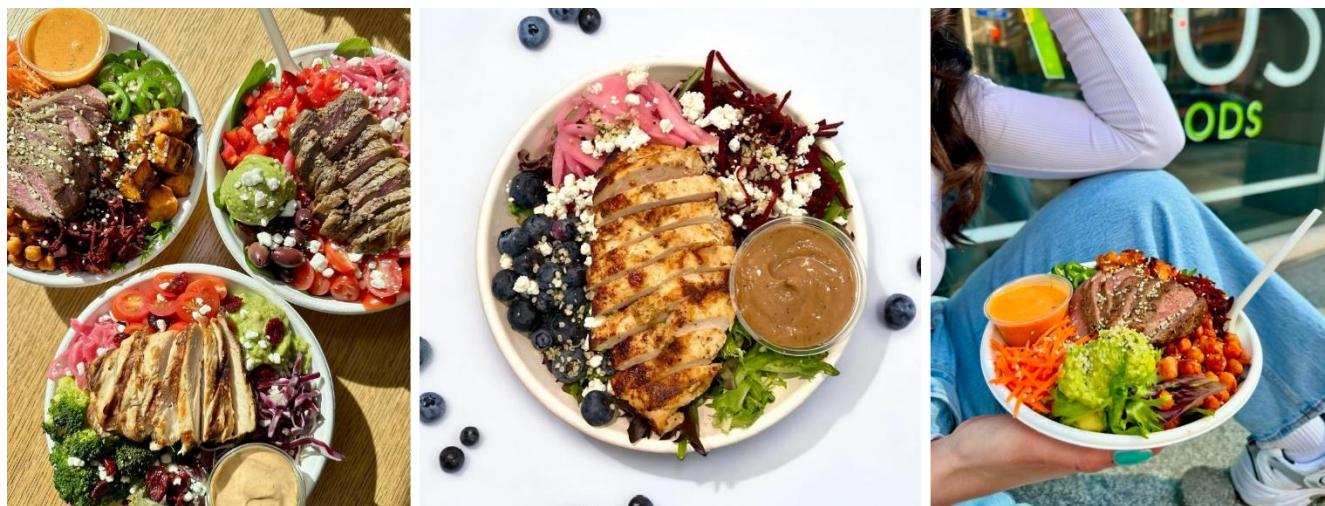


"In addition to meeting our criteria for people, product, and process, this acquisition aligns perfectly with the financial metrics and belly check criteria Happy Belly looks for in an acquisition, being debt free and cashflow positive. Once closed, this transaction, as part of our accelerated M&A program, will bring our current total operating count of corporate and franchised restaurants to forty-six (46). This is another significant achievement since launching our franchising program 19 months ago. It demonstrates our commitment to our shareholders and our executional excellence as we drive disciplined company growth while enhancing shareholder value through strategic and accretive M&A."



"This strategic acquisition aligns closely with Happy Belly's vision, significantly enhancing our ability to scale and integrate healthy, clean food brands as we gear up for expanded operations in 2025. Salus has shown impressive growth, with a +19% year-over-year increase in same-store sales (SSS), and we expect further sales momentum as employees return to central business districts. Currently operating in Ontario, Salus is well-positioned for cross-Canada expansion, and we are excited to support its journey beyond provincial borders. The acquisition brings substantial synergies that both brands can leverage, such as streamlined integration into our established frameworks for real estate, franchising, accounting, insurance, purchasing, supplier contracts, rebate systems, shared resources, and marketing

support. These efficiencies will drive productivity and optimize labor costs, allowing us to continue focusing on the development and growth of emerging brands in the food sector.



Acquisition Details

Happy Belly and Salus Fresh Foods have signed a definitive acquisition agreement for the 50% acquisition of Salus Fresh Foods by Happy Belly.

Happy Belly will issue such number of common shares of Happy Belly equal in value to \$300,000 (based on a 10-day VWAP) at time of closing for 50% ownership of Salus Fresh Foods, representing an estimated purchase price of 4x EBITDA. The Company anticipates the closing of this agreement to take place within the next 30-60 days. Happy Belly has also obtained the rights to acquire the remaining 50% of the business at its optionality.

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

About SALUS Fresh Foods

Fresh, Healthy, Made from Scratch, Delicious. Everyday our team is slicing, dicing, roasting, marinating, saucing, and having fun while ensuring that every meal is fresh, simple, and delicious. Salus locations are ideally selected in the heart of large urban areas fed by mass transit, with access to busy professionals, students, and families who are in need of a quick and healthy meal.

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

Sean Black

Chief Executive Officer

Shawn Moniz

Chief Operating Officer

FOR FURTHER INFORMATION, PLEASE VISIT:

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If you wish to contact us please call: (604) 737-2303

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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.