



## Happy Belly Food Group Announces 10th Consecutive Record Quarter

Toronto, Ontario (November 21<sup>st</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 its interim financial results and corporate update for the quarter ended September 30<sup>th</sup>, 2024.

"I am happy to see the progress that our management team, alongside our brand partners and franchisees achieved in Q3. Our third quarter results demonstrate the strength of our brands and the power in creating what is quickly becoming the leading consolidator of emerging brands in Canada," said Sean Black, Chief Executive Officer of Happy Belly. "With our 10th consecutive record setting quarter in total revenues, you can see our commitment to creating value for our shareholders as we continue to execute our strategy. We are delivering organic and inorganic growth across the company's operations meanwhile staying financially disciplined. Our accretive M&A strategy included the acquisition of IQ Foods in September 2024, which included four (4) restaurants located in the downtown core of Toronto, Ontario.

"In Q3 2024, we once again achieved record revenues and positive EBITDA for BOTH our QSR and CPG segments. Each quarter has resulted in significant QoQ momentum while continuing to accelerate our growth, improve operations within our businesses and deliver strong and consistent results for our shareholders. We are very focused on delivering more organic growth in Q4 2024 and throughout 2025."

### Financial Highlights

- System sales across QSR brands increased 488% in Q3 2024 to \$8.52M versus \$1.45M in Q3 2023 and increased 13% versus \$7.55M in the prior quarter. The increase is attributed to the organic growth with baseline restaurants and the increase in restaurant count from 10 in Q3 2023 to 35 opened as at Q3 2024.
- Total revenues increased 69% in Q3 2024 to \$2.54M versus \$1.51M in Q3 2023. Furthermore, quarter over quarter total revenues increased by 10.4%. The significant growth was primarily driven by organic product sales growth in both the Quick Service Restaurants (QSR) and Consumer Product Goods (CPG) segments of the business, combined with new franchise fees and royalties collected on franchised restaurants.

- Total product sales from both the QSR and CPG segments increased 26% to \$1.87M in Q3 2024 as compared to \$1.48M in Q3 2023. Both segments continued to be profitable once again this quarter. QSR EBITDA reached \$0.68M versus \$0.28M in 2023, representing an increase of 36%. CPG EBITDA reached \$0.11M versus \$0.05M in 2023, representing an increase of 120%.
- Normalized adjusted EBITDA(1) increased 265% during the quarter to reach \$198,219, as compared to a normalized adjusted EBITDA loss of (\$119,820) in Q3 2023. Furthermore, Q3 2024 resulted in a net comprehensive gain of \$39,391 (adjusted for non cash expenses) versus a net comprehensive loss (\$320,218) in Q3 2023 and a net comprehensive loss (\$311,721) in the prior quarter. It is also the **first quarter in Company's history** to achieve a net comprehensive gain from cash operating activities.
- The Company continues to maintain a healthy net working capital position of 3.59M in Q3 2024 as compared to \$0.80M in Q4 2023 and \$1.80M in Q3 2023. Total cash and cash equivalents were \$3.64M in Q3 2024 driven by two non-brokered private placements completed in 2024 (\$3M combined) through the issuance of convertible debentures. The closing of the private placements strengthens our balance sheet and provides us the ability to accelerate our growth strategy and executing material M&A opportunities with strong positive cash flow, when the opportunity presents itself.
- 4 net new restaurant openings during Q3 2024 and 4 via acquisition (IQ Foods Co.). The Heal Lifestyle brand opened three locations in Sherwood Park, AB (July 20, 2024), West Abbotsford, BC (August 9, 2024) and Toronto, ON (September 3, 2024). The Joey Turks Island Grill brand opened one location in Scarborough, ON (August 15, 2024).

### **Q3 2024 Corporate Highlights**

- On September 18th, 2024, the Issuer's Announces the 100% asset acquisition of IQ Foods Co. and all four IQ Foods locations as of end of day.
- On September 16th, 2024, the Issuer's Heal Wellness Announces the Signing of a franchise agreement for Niagara Falls, Ontario.
- On September 3rd, 2024, the Issuer's Heal Wellness Announces the opening of its newest location in Toronto, Ontario (11th location to date).
- On August 27th, 2024, the Issuer's Announces the appointment of Sean Black as Chief Executive Officer ("CEO") and concurrently, former CEO Shawn Moniz will transition to the role of Chief Operating Officer and President.

- On August 20th, 2024, the Issuer's Joey Turks Island Grill Announces the Signing of a 3-Unit franchise agreement in Scarborough, Ontario.
- On August 19th, 2024, the Issuer's Rosie's Burgers Announces the Signing of a franchise agreement in Vaughan, Ontario (8th locations to date).
- On August 15th, 2024, the Issuer's Joey Turks Island Grill Announces the opening of the brand's second location in Scarborough, Ontario.
- On August 9th, 2024, the Issuer's Heal Wellness Announces the opening of the brand's tenth location in West Abbotsford, British Columbia.
- On July 29th, 2024, the Issuer Announces the Signing of a Binding Agreement to acquire 50% of SALUS Fresh Foods QSR restaurant chain.
- On July 26th, 2024, the Issuer's Yolks Breakfast Inc. Announces the Signing of it's first franchisee in Quebec.
- On July 24th, 2024, the Issuer's Heal Wellness Announces the Signing of a 40-Unit Area Development Agreement in Ontario with seasoned developer.
- On July 19th, 2024, the Issuer's Heal Wellness Announces the opening of the brand's ninth location in Sherwood Park, Alberta.
- On July 17th, 2024, the Issuer's Rosie's Burgers Announces the Signing of a franchise agreement in Oakville, Ontario.
- On July 4th, 2024, the Issuer's Heal Wellness Announces the Signing of a franchise agreement for Whitby, Ontario.
- On July 10th, 2024, the Issuer's Announces the expansion of their CPG offerings with a new flavour, retail, and distribution in the Lumberheads Popcorn brand.
- On July 8th, 2024, the Issuer's Heal Wellness Announces the Signing of its forty-third franchise and third real estate location in Calgary's Bridgeland Area.
- On July 5th, 2024, the Issuer's Rosie's Burgers Announces the Signing of a franchise agreement in Burlington, Ontario.
- On July 4th, 2024, the Issuer's Heal Wellness Announces the Signing of a franchise agreement for Richmond Hill, Ontario.
- On July 3rd, 2024, the Issuer's Rosie's Burgers Announces the signing of their second franchisee and real-estate location in Calgary, Alberta (first on June 26, 2024).

## **Subsequent Events**

- On November 15th, 2024, the Issuer's Heal Wellness Announces it has secured a real estate location for Toronto, Ontario (10th location in Ontario and 5th in Toronto).
- On November 14th, 2024, the Issuer's Via Cibo Announces it has secured a real estate location for Barrhaven, in the City of Ottawa, Ontario.
- On November 12th, 2024, the Issuer's Rosie's Burgers Announces the Signing of a franchise agreement for Hamilton, Ontario.
- On November 1st, 2024, the Issuer's Announces the signing of a Definitive Agreement to acquire 50% of SALUS Fresh Foods.
- On October 25th, 2024, the Issuer's Pirho Fresh Greek Grill Announces the opening of its newest location in the city of Calgary, Alberta (4th location to date).
- On October 18th, 2024, the Issuer's IQ Foods Announces the Signing of a 25-Unit Area Development Agreement in Ontario.
- On October 16th, 2024, the Issuer's Heal Wellness secures 5th Calgary based real-estate location at Aspen Landing Shopping Center.
- On October 15th, 2024, the Issuer's Via Cibo Announces the Signing of a franchise agreement for Barrhaven, in the City of Ottawa, Ontario.
- On October 10th, 2024, the Issuer's Via Cibo Announces the Signing of a franchise agreement for the Niagara Falls region of Ontario.
- On October 7th, 2024, the Issuer's Announces the appointment of Randall Papineau as Brand President of IQ Foods.
- On October 4th, 2024, the Issuer's Heal Wellness Announces the opening of its newest location in the Kitsilano neighborhood of Vancouver, BC (12th location to date).
- On October 3rd, 2024, the Issuer's Announces the appointment of John Delutis as Vice President of Restaurant Operations.

***(1) Adjusted EBITDA Is a non-IFRS financial measure which does not have a standardised meaning prescribed by IFRS. Adjusted EBITDA and Adjusted EBITDA Margin are used by management as supplemental measures to review and assess operating performance and to provide a more complete understanding of factors and trends impacting the Company's business. Management believes Adjusted EBITDA are useful measures of operating performance and the Company's ability to***

*generate cash-based earnings, as they provide a more relevant position of operating results by excluding the effects of financing and investing activities, which removes the effects of interest, depreciation and amortization expenses as well as other expenses, as described, that are not reflective of the Company's underlying business. This non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.*

*Adjusted EBITDA is defined as net comprehensive income or (loss), excluding interest, taxes, depreciation and amortization (EBITDA), adjusted for share-based compensation, foreign exchange gains and losses, impairment and non-recurring expenses.*

#### **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](http://www.sedarplus.ca).*