



## Happy Belly Closes Acquisition of CravelT Restaurant Group's Via Cibo Restaurant Chain

Toronto, Ontario (April 24<sup>th</sup>, 2024) - Happy Belly Food Group Inc. (CSE: HBFG) (OTCQB: VGANF) ("Happy Belly" or the "Company"), a leading consolidator of emerging food brands is pleased to announce that it has closed, as of April 23<sup>rd</sup>, 2024, its acquisition of CravelT Restaurant Group's ("CravelT") Via Cibo Restaurant Chain ("Via Cibo"), serving fast casual Italian street food made with the best traditional ingredients, as initially announced in the Company's press release dated January 5<sup>th</sup>, 2024 (the "Transaction").

"Happy Belly started 2024 with the signing of the largest M&A it has conducted to date, and today we are pleased to announce the closing of that transaction. This marks a significant stride forward in our journey to becoming a leading consolidator of emerging food brands. The closing of this Transaction represents the incorporation of our 7<sup>th</sup> restaurant brand, and our 9<sup>th</sup> brand overall", said Shawn Moniz, Chief Executive Officer of Happy Belly.

"Via Cibo, an all-franchised system, is an asset-light entity with established street-front real estate locations in both Ontario and Alberta. Furthermore, Via Cibo is debt free and cashflow positive. The acquisition fits the exact financial metrics and belly check criteria that Happy Belly looks for in an acquisition".



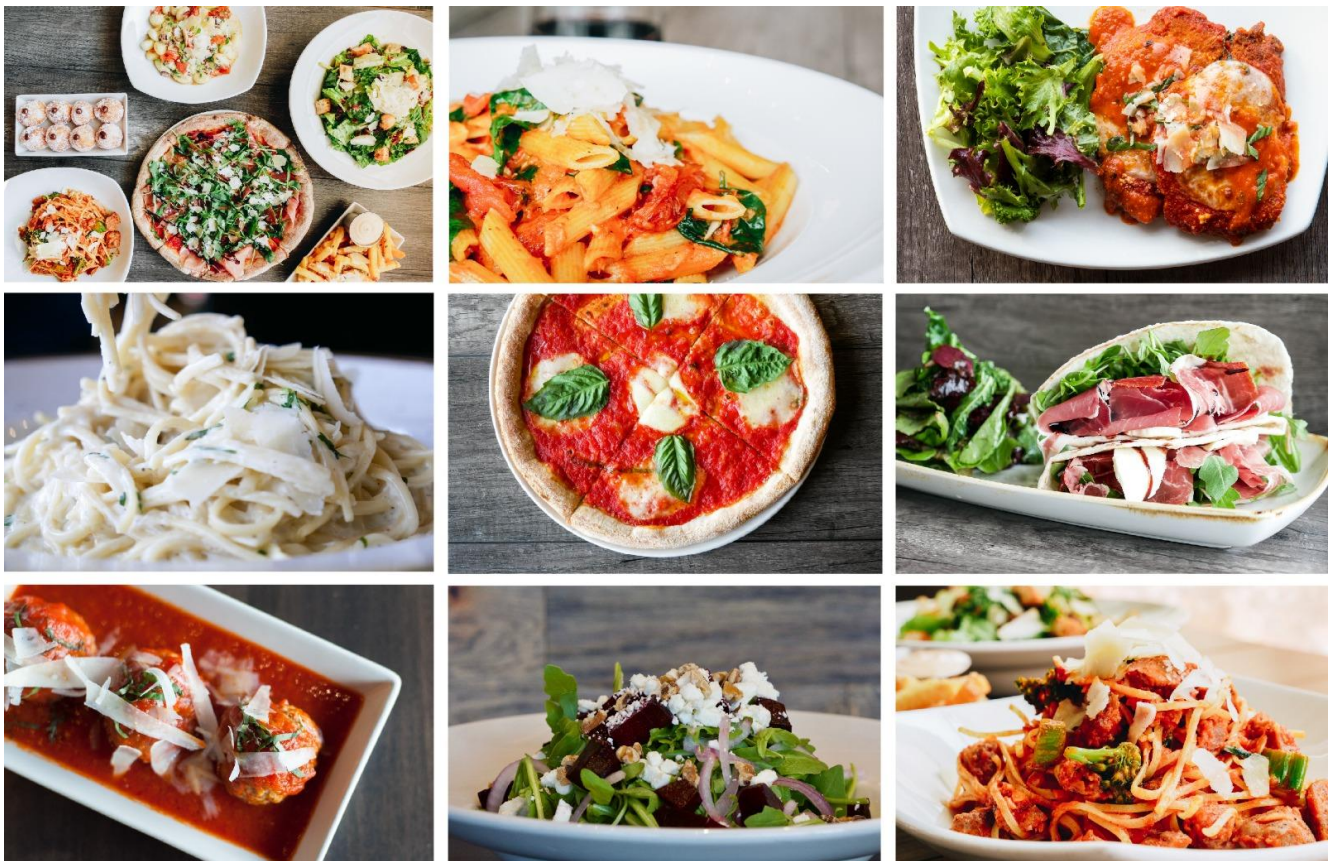
This Transaction is non-arms length, involving board members of Happy Belly, namely Sean Black, Alex Rechichi, and Mark Rechichi (the "Vendors"). To ensure transparency and fairness, an independent Review Committee comprising of Shawn Moniz, Gary Fung, Kevin Cole and Dean Callaway was established to scrutinize and negotiate the Transaction's terms.

"This Transaction symbolizes the culmination of having our entire team, both management

and directors alike, aligned and 100% focused on propelling Happy Belly's growth. It consolidates all our resources, infrastructure, and seasoned operators under one roof of operational excellence all rowing the same boat. This accretive acquisition checks a lot of boxes for Happy Belly's growth, and enhances our ability to scale and integrate future brands such as Via Cibo into Happy Belly's accelerated growth model.

"There are significant synergies that Happy Belly is immediately benefiting from including seamless integration into established frameworks for supplier contracts, rebate system integration, ordering and logistical systems, utilization of Learning Management Systems across franchised brands, shared resources encompassing culinary, accounting and marketing staff for increased labour and productivity efficiencies, performance based analytical systems, insurance coverage savings and much more."

"Over the past twenty-eight months Happy Belly has strategically onboarded former successful team members from both Extreme Brandz and Cravelt spanning various disciplines such as finance, seasoned area developers, legal counsel, real estate networks, and brand franchise operators and owners. With the addition of Cravelt's infrastructure, we have now assembled the final piece of the puzzle that began over two years ago with the inclusion of Sean, Mark, and Alex on the board of directors. With the closing of Via Cibo, we are now all operating behind Happy Belly to accelerate its growth into a leading consolidator of emerging food brands."



"Our approach has always been to focus on the development and growth of emerging brands in the food sector. Cravelt Restaurant Group is an accretive acquisition by Happy Belly Food

Group, and it is anticipated that our franchising program will deliver new franchised locations that will continue to drive both the top line and bottom line of the company."

For franchising inquiries please see [www.happybellyfg.com/franchise-with-us/](http://www.happybellyfg.com/franchise-with-us/) or contact us at [hello@happybellyfg.com](mailto:hello@happybellyfg.com).

### **Acquisition Closing and Transactional Details**

Following the Company's January 5<sup>th</sup>, 2024 press release, the Company entered into a share exchange agreement with the Vendors of CraveIT on January 4<sup>th</sup>, 2024 (the "Share Exchange Agreement").

In connection with the Transaction, and as a condition of closing, the Company intends issue to each of the Vendors, divided equally (being one third to each of the Vendors (as defined below)): (i) common shares of the Company (the "Consideration Shares") in the aggregate value of \$450,000, in exchange for all of the issued and outstanding shares in the capital of CraveIT, and (ii) common shares of the Company in the aggregate value of \$50,000 as a working capital payment (the "Working Capital Shares"), with the Consideration Shares and Working Capital Shares to be issued at a price that is equal to the 10 day VWAP of the Company's common shares as of the day immediately prior to the Closing Date. Out of the Consideration Shares, \$360,000 in shares will be restricted from trading for 12 months (the "Base Purchase Price") and \$90,000 in shares to be restricted for 13 months, with \$45,000 in shares (the "Escrowed Shares") of the \$90,000 to be held in escrow. The parties have appointed Garfinkle Biderman LLP as escrow agent (the "Escrow Agent") with respect to the Escrowed Shares pursuant to the terms of the Share Exchange Agreement.

In addition, the Company agreed to issue earn-out payments (if achieved) in the form of the Company's common shares (being one third to each of the Vendors) ("Earn Out Shares") following the 12 month anniversary of the closing of the Transaction, for the positive difference between the actual EBITDA that CraveIT [and its Subsidiaries achieve] and the estimated EBITDA for the 2024 calendar year, all multiplied by 6, to be issued at a price that is equal to the 10 day VWAP of the Company's common shares in and around the month subsequent to the 12 month anniversary of the closing date. Should the actual EBITDA be less than the estimated EBITDA, the Consideration Shares will be reduced by the difference, multiplied by 6, subject to the minimum of the Base Purchase Price.

The Consideration Shares, Working Capital Shares, and Earn Out Shares (if any) will be subject to a statutory hold period of four months and one day.

The Vendors, being Mr. Alex Rechichi, Mr. Mark Rechichi, and Mr. Sean Black, all directors of Company, are shareholders of CraveIT, and therefore the Transaction constitutes a "related party transaction under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101 based on a determination that the securities of the Company are listed on the Canadian Securities and that neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Transaction, in so far as it involves interested parties, exceeds 25% of the market capitalization of the Company. Pursuant to MI 61-101, the Company will file a material change report providing disclosure in relation to each "related party transaction" on SEDAR+ under the Company's issuer profile at [www.sedarplus.ca](http://www.sedarplus.ca). The Company did not file the material change report more than 21 days before the expected closing date of the Transaction as the details of the Transaction and the participation therein by each "related



party" of the Company were not settled until shortly prior to the closing of the Transaction, and the Company wished to close the Transaction on an expedited basis for sound business reasons.

### **About Happy Belly Food Group**

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

www: [www.happybellyfg.com](http://www.happybellyfg.com) or email [hello@happybellyfg.com](mailto:hello@happybellyfg.com)

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).*