

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Happy Supplements Inc.
800-1199 West Hastings Street
Vancouver, BC V6E 3T5

Item 2 Date of Material Change

November 12, 2021

Item 3 News Release

A news release was disseminated on November 12, 2021, through the facilities of Accesswire subsequently filed on SEDAR.

Item 4 Summary of Material Change

The Company announced that further to its press release of October 15, 2021, it has completed the acquisition (the "Acquisition") of all outstanding share capital of Bettermoo(d) Holdings Corp. ("bettermoo(d)"), a purpose-driven, privately held Vancouver-based dairy alternative company, effective November 12, 2021.

Transaction Structure

The Transaction was completed pursuant to a share purchase agreement (the "Definitive Agreement") between the Company, bettermoo(d) and the shareholders of bettermoo(d), dated November 8, 2021. Pursuant to the Definitive Agreement and in consideration for the Acquisition, the Company issued 9,000,001 common shares (the "Consideration Shares"), 10,000,000 common share purchase warrants (each, a "Consideration Warrant") and 700,000 incentive stock options (each, a "Consideration Option") to the existing security holders of bettermoo(d). Each Consideration Warrant is exercisable to acquire an additional common share of the Company at a price of \$1.40 for a period of twenty-four months, and each Consideration Option is exercisable to acquire an additional common share at a price of \$0.30 for a period of sixty months.

The Company is at arm's length from bettermoo(d) and each of its shareholders. The acquisition of bettermoo(d) does not constitute a fundamental change for the Company, nor did it result in a change of control of the Company, within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. In connection with completion of the Acquisition, the Company issued 180,000 common shares (the "Success Shares") to Winchester Advisory Ltd., an arm's length third-party, in consideration for administrative services rendered in support of the Acquisition. The Success Shares are subject to a statutory hold period expiring on March 13, 2022.

Item 5 Full Description of Material Change

See attached news release for full description of material change.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

Geoff Balderson, CFO is knowledgeable about the material change and the Report and may be contacted at 236-521-0626.

Item 9 Date of Report

November 16, 2021.



CSE: HAPY
FWB: 015, WKN: A2QK6P

NEWS RELEASE

Happy Supplements Completes Acquisition of bettermoo(d), a Vancouver Plant-Based Dairy Alternative Company

Vancouver, British Columbia – November 12, 2021 – Happy Supplements Inc. (CSE: **HAPY**) (FWB: **015**, WKN: A2QK6P) (the “**Company**” or “**Happy**”) is pleased to announce that further to its press release of October 15, 2021, it has completed the acquisition (the “**Acquisition**”) of all outstanding share capital of Bettermoo(d) Holdings Corp. (“**bettermoo(d)**”), a purpose-driven, privately held Vancouver-based dairy alternative company, effective November 12, 2021.

Bettermoo(d) utilizes cutting edge food technology to develop the highest quality dairy replacement products on the market. Driven by the motto “*What A Cow Eats and A Human Needs*” bettermoo(d) is committed to providing consumers with quality, organic, and sustainably sourced plant-based dairy alternatives, and being a leader in the environmentally conscious and vegan food revolution. In October of this year, bettermoo(d) officially announced endorsement of its concept with the presentation of Canadian rock legend, and 30-year vegan veteran, Bryan Adams as a founding shareholder of the Company. Adams has been championing the values of a plant-based diet for over three decades and through his collaboration with bettermoo(d), hopes to increase awareness on how conscious product choices can effectively better individual health and the world in which we live.

The global dairy alternatives market is projected to grow at a compound annual growth rate of 13.3% over the next seven year, reaching USD 54 billion by 2028. This rapid market momentum signifies a significant shift in consumer eating patterns, changes in diet trends, and a growing global consciousness of the effects diet and food choices have on the environment.

“The \$675 billion global dairy food market is estimated to reach close to \$956 by 2025. With consumer trends moving towards plant-based and environmentally conscious products, there is potential for bettermoo(d) to capture significant portion of this market share from the dairy industry. I believe that the timing of this acquisition allows the Company to capitalize on a monumental shift towards plant-based diets,” stated Steve Pear, CEO of Happy Supplements.

Since the Company’s initial press release announcing the potential acquisition of bettermoo(d), bettermoo(d) has finalized the formulation for their inaugural plant-based dairy-alternative product, ‘Moodrink’. The Moodrink formulation incorporates gluten-free organic oats and an

undisclosed blend of herbs, and in essence replicates what free-range pasture raised cows eat and emulates the great taste of milk from the Alps' regions of Europe. Moodrink, is gluten, lactose and dairy free, and suitable for those who cannot or choose not to consume dairy products.

bettermoo(d) expects to launch original flavour Moodrink in winter 2021/ 2022, with additional flavours, such as vanilla, matcha, and chai to be launched soon after.

Following a successful launch of its Moodrink line, bettermoo(d) intends to develop a full line of dairy alternative products that encompasses the full spectrum of traditional dairy products, including alternatives to butter, yogurt, cheese and crème fraiche. All of bettermoo(d)'s products will incorporate the Company's proprietary blend of herbs and will also include plant-based proteins selected to complement the specific dairy-alternative product being formulated.

Transaction Structure

The Transaction was completed pursuant to a share purchase agreement (the "**Definitive Agreement**") between the Company, bettermoo(d) and the shareholders of bettermoo(d), dated November 8, 2021. Pursuant to the Definitive Agreement and in consideration for the Acquisition, the Company issued 9,000,001 common shares (the "**Consideration Shares**"), 10,000,000 common share purchase warrants (each, a "**Consideration Warrant**") and 700,000 incentive stock options (each, a "**Consideration Option**") to the existing security holders of bettermoo(d). Each Consideration Warrant is exercisable to acquire an additional common share of the Company at a price of \$1.40 for a period of twenty-four months, and each Consideration Option is exercisable to acquire an additional common share at a price of \$0.30 for a period of sixty months.

The Company is at arm's length from bettermoo(d) and each of its shareholders. The acquisition of bettermoo(d) does not constitute a fundamental change for the Company, nor did it result in a change of control of the Company, within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. In connection with completion of the Acquisition, the Company issued 180,000 common shares (the "Success Shares") to Winchester Advisory Ltd., an arm's length third-party, in consideration for administrative services rendered in support of the Acquisition. The Success Shares are subject to a statutory hold period expiring on March 13, 2022.

About Happy Supplements

Happy Supplements Inc. is an innovative beverage company focused on delivering high quality beverages both online and through local market retailers. Happy Supplements utilizes social media to deliver educational experiences with their customer base while demonstrating their innovative beverage technology.

ON BEHALF OF THE BOARD of DIRECTORS

Steve Pear

Chief Executive Officer and Director

For further information please contact:

investors@happytea.com

Happy Supplements Inc.

Company URL: www.happytea.com

Phone: 1-236-521-0626

The CSE does not accept responsibility for the adequacy or accuracy of this release.

This news release may contain certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. When or if used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "schedule" and similar words or expressions identify forward-looking statements or information. These forward-looking statements or information may relate to the potential development of products by bettermoo(d), and other factors or information. Such statements represent the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social risks, contingencies and uncertainties. Many factors, both known and unknown, could cause results, performance, or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements and information other than as required by applicable laws, rules and regulations.



CSE: HAPY
FWB: 015, WKN: A2QK6P

NEWS RELEASE

HAPPY SUPPLEMENTS SIGNS LETTER OF INTENT TO ACQUIRE PLANT-BASED DAIRY ALTERNATIVE COMPANY – BETTERMoo(D)

Vancouver, British Columbia – October 15, 2021 – Happy Supplements Inc. (CSE: **HAPY**) (FWB: **015**, WKN: A2QK6P) (the “**Company**” or “**Happy**”) is pleased to announce that it has entered into a Letter of Intent (“**LOI**”), dated effective October 15, 2021, to acquire all of the outstanding share capital of Bettermoo(d) Holdings Corp. (“**bettermoo(d)**”).

Driven by the motto “*What A Cow Eats and A Human Needs*” bettermoo(d) is a Canadian dairy alternative company, located in Vancouver, British Columbia, that is committed to providing consumers with quality, organic, and sustainably sourced plant-based dairy alternatives, and being a leader in the environmentally conscious food revolution.

bettermoo(d)’s mission is to create dairy alternative products that rival the flavor profile of the region with the best-tasting dairy in the world – the Alps regions of Switzerland, France, and Austria. Through research and many conversations with farmers in these countries, bettermoo(d) has concluded that, what cows eat and where they live greatly influences the taste of the dairy products they produce. To emulate the great taste of milk from these regions, bettermoo(d)’s inaugural product ‘Moodrink’ has been formulated to incorporate an undisclosed blend of herbs which in essence replicates what free-range pasture raised cows eat. bettermoo(d) expects to launch its initial ‘Moodrink’ in original flavour in winter 2021/ 2022, with additional flavours, such as vanilla, matcha, and chai to be launched soon after. bettermoo(d) further intends to develop a full line of dairy alternative products that encompasses the full spectrum of traditional dairy products, including alternatives to butter, yogurt, cheese and crème fraiche. All of bettermoo(d)’s products will incorporate the company’s proprietary blend of herbs.

The Company anticipates its Moodrink will be available in select retail stores across Canada and through an e-commerce platform for online shoppers. Moodrink, is gluten, lactose and dairy free, and suitable for those who cannot or choose not to consume dairy products.

“bettermoo(d) is excited at the opportunity to join Happy Supplements. I believe we can add a lot of value to their operations, and in return their leadership and ability to access capital will allow bettermoo(d) to grow exponentially faster,” stated Nima Bahrami, CEO of bettermoo(d).

There is a rapidly growing consumer base opting for plant-based and other dairy alternative products. In 2020 the global dairy alternatives market was valued at close to USD 20 billion and

is expected to grow at a compound annual growth rate of 13.3% over the next seven years, reaching USD 53.97 billion 2028. This market momentum signifies a significant shift in consumer eating patterns, changes in diet trends, and a growing consciousness of the effects diet and food choices have on the environment.

“Acquiring bettermoo(d) will further expand and diversify our presence in the beverage industry and allow us to capitalize on the growth of an environmentally and health-conscious consumer base”, stated Steve Pear, CEO of Happy.

“The dairy alternatives industry is projected to grow significantly over the next decade and we feel the timing couldn’t be better for our Company to acquire Vancouver based start-up bettermoo(d).”

Transaction Terms

Under the terms of the LOI, in consideration for all outstanding share capital of bettermoo(d), the Company is expected to issue 9,000,000 common shares, 10,000,000 common share purchase warrants (each, a **“Consideration Warrant”**) and 700,000 incentive stock options (each, a **“Consideration Option”**) to the existing security holders of bettermoo(d). Each Consideration Warrant will be exercisable to acquire an additional common share of the Company at a price of \$1.40 for a period of twenty-four months, and each Consideration Option will be exercisable to acquire an additional common share at a price of \$0.30 for a period of sixty months.

Completion of the acquisition of bettermoo(d) remains subject to a number of conditions, including: the satisfactory completion of due diligence; the receipt of any required regulatory approvals; and the negotiation of definitive documentation. The acquisition cannot be completed until these conditions have been satisfied.

The Company is at arm’s length from bettermoo(d) and each of its shareholders. The acquisition of bettermoo(d) is not expected to constitute a fundamental change for the Company, nor is it expected to result in a change of control of the Company, within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. The Company may pay finders' fees or commissions to eligible arm’s-length third-parties in connection with the acquisition of bettermoo(d).

About Happy Supplements

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ON BEHALF OF THE BOARD OF DIRECTORS

Steve Pear

Chief Executive Officer and Director

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