



HAPPY BELLY FOOD GROUP INC.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2026**

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

HAPPY BELLY FOOD GROUP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)

As At	Notes	March 31, 2026	December 31, 2025
<i>(Canadian dollars)</i>		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		6,224,665	3,020,627
Receivables	6	2,432,693	1,683,360
Equity investments		25,184	25,184
Inventory	7	330,188	327,484
Prepays		366,073	232,400
Total Current Assets		9,378,803	5,289,055
Assets held for sale	21	-	1,208,216
Non-current assets			
Prepays long-term		264,172	284,546
Property and equipment	8	6,210,839	6,207,796
Intangible assets	9	343,493	354,142
Investment in joint venture	10	252,714	254,513
Interest in sublease	12	119,057	125,555
Goodwill	11	633,007	633,007
Total non-current assets		7,823,282	7,859,559
TOTAL ASSETS		17,202,085	14,356,830
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		3,644,718	3,988,212
Current portion of long-term debt	13	54,005	71,875
Current portion of lease liabilities	12	593,852	544,871
Current portion of deferred revenue	14	209,820	184,154
Total current liabilities		4,502,395	4,789,112
Liabilities held for sale	21	-	122,993
Non-current liabilities			
Convertible debentures	13	1,396,718	1,377,462
Lease liabilities	12	4,198,865	4,355,323
Deferred revenue	14	1,264,538	1,029,021
Deferred tax liability		45,669	48,492
Total non-current liabilities		6,905,790	6,810,298
TOTAL LIABILITIES		11,408,185	11,722,403
SHAREHOLDERS' EQUITY			
Share capital	15	51,247,245	45,667,234
Convertible debenture-equity portion	13	387,422	387,422
Contributed surplus	15	16,881,777	14,623,702
Deficit		(63,037,881)	(58,278,487)
TOTAL SHAREHOLDERS' EQUITY		5,478,563	2,399,871
Non-controlling interest		315,337	234,556
TOTAL EQUITY		5,793,900	2,634,427
TOTAL LIABILITIES AND EQUITY		17,202,085	14,356,830

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements

Nature of operations (Note 1)

HAPPY BELLY FOOD GROUP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)

<i>(Canadian dollars)</i>	Notes	Three Months Ended March 31,	
		2026	2025
		\$	\$
Revenues			
Product sales		4,698,745	2,759,658
Franchise revenue	14	970,212	445,131
Consulting and services		294,133	68,020
Total Revenues		5,963,090	3,272,809
Expenses			
Direct operating costs		2,590,696	1,250,050
General and administrative	18	1,474,656	718,098
Salaries and wages	18	2,080,431	1,173,051
Depreciation and amortization	8,9	276,814	133,949
Expected credit loss	6	34,445	-
Share-based compensation	15	4,112,836	36,846
Total Expenses		10,569,878	3,311,994
Net loss from operations		(4,606,788)	(39,185)
Other items			
Financing costs	12,13	(211,499)	(222,009)
Interest income		23,385	36,091
Income/(loss) from investment in joint venture	10	(1,799)	6,193
Loss and comprehensive loss before taxes		(4,796,701)	(218,910)
Deferred income tax (expense)/recovery		2,822	2,822
Net loss and comprehensive loss from continuing operations		(4,793,879)	(216,088)
Gain on sale of discontinued operations		81,380	-
Net income from discontinued operations		33,886	41,270
Net income from disposition of discontinued operations	21	115,266	41,270
Net loss attributable to the owners of the Company		(4,759,394)	(340,111)
Net income attributable to non-controlling interest		80,781	165,293
Net loss and comprehensive loss		(4,678,613)	(174,818)
Loss per share			
Net loss per share – basic and diluted		\$(0.03)	\$(0.00)
Weighted average number of common shares outstanding – basic and diluted		140,666,544	129,399,436

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements

HAPPY BELLY FOOD GROUP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

<i>(Canadian dollars)</i>	Notes	Number of Common Shares	Share Capital	Contributed Surplus	Convertible Debentures	Accumulated Deficit	Non-Controlling Interest	Total
			\$	\$	\$	\$	\$	\$
Balance at December 31, 2024		129,026,039	40,468,178	11,603,526	692,495	(50,587,238)	253,562	2,430,523
Shares issued on Smile Tiger business acquisition	5	104,854	125,000	-	-	-	-	125,000
Shares issued on Salus Fresh Food Franchising Inc. business acquisition	5	272,479	300,000	-	-	-	34,382	334,382
Shares issued on Via Cibo earn-out	5	399,093	674,467	-	-	-	-	674,467
Issuance of common shares on private placement	15	333,333	409,431	90,569	-	-	-	500,000
Share based compensation	15	-	-	3,692,650	-	-	-	3,692,650
Stock options exercise		585,000	432,837	(144,837)	-	-	-	288,000
Non-controlling interest buyout	5	613,468	895,663	(395,984)	-	-	(499,679)	-
Treasury shares sold	5	-	222,222	(222,222)	-	-	-	-
Convertible debenture exercise		2,666,667	2,139,436	-	(367,388)	-	-	1,772,048
Convertible debenture deferred tax impact		-	-	-	62,315	-	-	62,315
Net loss and comprehensive loss		-	-	-	-	(7,691,249)	446,291	(7,244,958)
Balance at December 31, 2025		134,000,933	45,667,234	14,623,702	387,422	(58,278,487)	234,556	2,634,427
Share based compensation	15	-	-	4,112,836	-	-	-	4,112,836
Stock options exercise	15	915,000	854,428	(229,178)	-	-	-	625,250
Stock warrants exercise	15	13,333,333	4,725,583	(1,625,583)	-	-	-	3,100,000
Net loss and comprehensive loss		-	-	-	-	(4,759,394)	80,781	(4,678,613)
Balance at March 31, 2026		148,249,266	51,247,245	16,881,777	387,422	(63,037,881)	315,337	5,793,900

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements

HAPPY BELLY FOOD GROUP INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)

<i>(Canadian dollars)</i>	Notes	Three Months Ended March 31,	
		2026	2025
		\$	\$
Operating Activities			
Net loss and comprehensive loss		(4,793,879)	(216,088)
Items not affecting cash and cash equivalents:			
Amortization	8,9	276,814	133,949
Financing costs	12,13	162,750	103,337
Financing income on sublease	12	(3,702)	(5,265)
Expected credit loss	6	34,445	-
Share-based compensation	15	4,112,836	36,846
Bonuses paid in shares		-	39,500
Deferred tax recovery		(2,822)	(2,822)
Share of income from investment in joint venture	10	1,799	(6,193)
		(211,759)	83,264
Net change in non-cash working capital related to operations	19	(728,011)	(239,344)
Cash flows used in operating activities-continued operations		(939,770)	(156,080)
Cash flows from operating activities-discontinued operations		6,916	36,362
Investing Activities			
Property and equipment additions	8	(269,208)	(33,704)
Acquired cash on corporate acquisitions		-	306
Proceeds from corporate disposition	5	944,636	-
Proceeds from sublease	12	10,200	16,221
Corporate acquisition	5	-	(129,350)
Cash flows from (used in) investing activities		685,628	(146,527)
Financing Activities			
Proceeds from a share private placement	15	-	500,000
Repayment of long-term debt	13	(17,870)	(2,032)
Proceeds from stock option exercises	15	625,250	-
Proceeds from warrant exercises	15	3,100,000	-
Lease payments	12	(250,971)	(103,849)
Cash flows from financing activities- continuing operations		3,456,409	394,119
Cash flows used in financing activities – discontinued operations		(5,145)	(15,438)
(Decrease)/increase in cash and cash equivalents		3,204,038	112,436
Cash and cash equivalents, beginning of period		3,020,627	3,486,038
Cash and cash equivalents, end of period		6,224,665	3,598,474

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements

HAPPY BELLY FOOD GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Happy Belly Food Group Inc. (the “Company” or “Happy Belly”) was incorporated pursuant to the Canada Business Corporations Act on November 24, 2014. On June 23, 2017, the Company continued from the federal jurisdiction to the jurisdiction of British Columbia.

The Company operates and franchises Quick Service Restaurants (“QSR”) throughout Canada as well as sells its Consumer Product Goods (“CPG”) through wholesale and retail channels. The Company’s corporate office is located at Suite 400, 1681 Chestnut Street, Vancouver, British Columbia V6J 4M6.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IFRS”) on a going concern basis.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are classified as fair value through profit or loss (“FVTPL”).

Certain comparative amounts have been reclassified to conform with current accounting presentation.

These condensed consolidated interim financial statements were reviewed by the Audit Committee and authorized for issuance by the Board of Directors as of May 12, 2026.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

These condensed consolidated interim financial statements include the accounts of the Company, and its subsidiaries as follows:

Subsidiary name	Jurisdiction	Ownership interest
JBD Innovations Ltd.	Ontario	100%
1000317391 Ontario Inc. (O/A Lettuce Love)	Ontario	100%
Lettuce Love Franchising Inc.	Ontario	100%
Joey Turks Caribbean Grill Restaurants Inc.	Ontario	100%
1000061911 Ontario Inc. (O/A Lumberheads)	Ontario	51%
1000470444 Ontario Inc. (O/A Pirho Fresh Greek Grill Franchising)	Ontario	50%
1000193142 Ontario Inc. (O/A Heal Wellness)	Ontario	100%
Heal Lifestyle Franchising Inc.	Ontario	100%
Heal Lifestyle Inc.	Ontario	100%
1000691946 Ontario Inc. (O/A Rosie’s Burgers)	Ontario	50%
Via Cibo Franchising Inc.	Ontario	100%
Via Cibo Restaurants Inc.	Ontario	100%
Via Cibo Holdings Inc.	Ontario	100%
Via Cibo JV Inc.	Ontario	100%
Via Cibo IP Inc.	Ontario	100%
Crave It Management Inc.	Ontario	100%
Crave It Restaurant Group Inc.	Ontario	100%
2574578 Ontario Inc. (O/A IQ Foods)	Ontario	100%
Happy Belly Coffee Inc. (O/A Smile Tiger Coffee Roasters)	Ontario	100%
Salus Fresh Foods Franchising Inc.	Ontario	50%
Happy Belly Food Group US Inc.	Delaware, US	100%
Heal Wellness US Inc.	Delaware, US	100%
Rosie’s Burgers US Inc.	Delaware, US	100%

HAPPY BELLY FOOD GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026
(Expressed in Canadian Dollars)

Presentation and functional currency

The functional currency of the Company and its controlled entities are measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Company and its subsidiaries is Canadian dollars which is also the presentation currency of these condensed consolidated interim financial statements.

3. MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies under IFRS are presented in Note 3 to the Annual Financial Statements. Certain information and disclosures normally required to be included in the notes to the Annual Financial Statements prepared in accordance with IFRS have been condensed or omitted in the Interim Financial Statement.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements under IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The Company makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements relate to, but are not limited to, the following:

Expected credit loss

Management determines the expected credit loss by evaluating individual receivable balances and considering a member's financial condition and current economic conditions. Accounts receivable and loan receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. All accounts receivables are expected to be collected within one year of the statement of financial position date.

Inventories

The net realizable value of inventories represents the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. The determination of net realizable value requires significant judgement, including consideration of factors such as future demand for inventory and the expected future selling price that the Company expects to realize by selling the inventory. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts and net realizable value. The estimates are judgmental in nature and are made at a point in time, using available information, expected business plans, and expected market conditions. As a result, the actual amount received on sale could differ from the estimated value of the inventory. Periodic reviews are performed on the inventory balance. The impact of changes in inventory reserves is reflected in the cost of goods sold. In many cases, the products sold by the Company turn over quickly and inventory on-hand values are lower, thus reducing the risk of material misstatement. Management ensures that systems are in place to highlight and properly value inventory that may be approaching "best before" dates.

Impairment of goodwill

The values associated with goodwill involve significant estimates and assumptions, including those with respect to the determination of cash generating units, future cash inflows and outflows, discount rates and asset lives. At least annually, the carrying amount of goodwill is reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgement, which could affect the Company's future results if the current estimates of future performance and fair value change.

HAPPY BELLY FOOD GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026
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Impairment of long-lived assets

The Company evaluates the recoverability of long-lived assets, including property and equipment, right of use assets, and definite life intangible assets, whether events or changes in circumstances indicate that the carrying value of the asset, or asset group, may not be recoverable. When the Company determines that the carrying value of the long-lived asset may not be recoverable based upon the existence of one or more of the indicators, the assets are assessed for impairment based on the estimate of future discounted cash flows expected to result from the use of the asset and its eventual disposition. If the carrying value of an asset exceeds its estimated future discounted cash flows, an impairment loss is recorded for the excess of the asset's carrying value over its fair value. Management judgement is required in the determination of indicators of impairment, as well as the estimation of future undiscounted cash flows, and as necessary, the fair value of those assets or asset groups in which indicators of impairment have been identified.

Share-based compensation

Valuation of share-based compensation requires management to make estimates regarding the inputs for option pricing models, such as the expected life of the option, the volatility of the Company's stock price, the vesting period of the option and the risk-free interest rate are used. Actual results could differ from those estimates. The estimates are considered for each new grant of stock options.

Fair value of financial instruments

The individual fair values attributed to the different components of a financing transaction, and/or derivative financial instruments, are determined using valuation techniques. The Company uses judgement to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Income taxes

The Company is subject to assessments by tax authorities, who may interpret tax legislation differently than the Company. When there is uncertainty over income tax positions, the Company assesses whether it is probable that the relevant tax authority will accept the uncertain tax position. This assessment affects the amount of income tax expense recognized by the Company. If the Company concludes that it is not probable that a tax authority will accept the uncertain tax position, the effect of the uncertain tax position is reflected in the determination of the Company's income tax expense or recovery based on the most likely amount or, if there are a wide range of possible outcomes, the expected value. Any interest and penalties related to unrecognized tax liabilities are presented within the provision for income taxes within the consolidated statements of loss and comprehensive loss.

Contingent consideration

Contingent consideration payable as the result of a business combination is recorded at the date of acquisition at fair value. The fair value of contingent consideration is subject to significant judgment and estimates. Subsequent changes to the fair value of contingent consideration are measured at each reporting date, with changes recognized through profit or loss.

Convertible debentures

Convertible debentures are financial instruments which contain a separate financial liability and equity instrument. The identification of such components embedded within a convertible debenture requires significant judgment, given that it is based on the interpretation of the substance of the contractual arrangement. The individual fair values attributed to the different components of a financing transaction, and/or derivative financial instruments, are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributed to each component of a transaction at the time of their issuance. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

HAPPY BELLY FOOD GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
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(Expressed in Canadian Dollars)

5. ACQUISITIONS AND DISPOSITIONS

Holy Crap Disposition

On February 27, 2026, Happy Belly Food Group completed the sale of its 100% wholly owned subsidiary, Holy Crap Foods Inc., for \$1,000,000 CAD in cash, plus an asset-secured, first-position promissory note, due within 12-months post close, in the amount of working capital transferred on close.

	\$
Cash	55,364
AR	59,489
Inventory	168,555
Prepays	20,766
	304,174
AP	(17,839)
Lease	(47,220)
CEBA loan	(60,000)
	(125,059)
Property, plant and equipment	60,601
Goodwill	905,239
	965,840
Net assets disposed	1,144,955
Cash Proceeds	1,000,000
Promissory note	226,335
Total Proceeds of sale	1,226,335
Net gain on sale	81,380

Heal Lifestyle Buy-Out

On October 9, 2025, the Company acquired the remaining 50% ownership interest in Heal Lifestyle Inc. from the non-controlling interest (NCI) holders by the issuance of 613,468 common shares valued at \$895,663 and the transfer of 2,777,777 treasury shares, which were recognized in share capital at their original book value of \$222,222. The NCI of \$499,679 was derecognized, resulting in an adjustment of \$395,984 to contributed surplus.

Via Cibo Earn-Out

The Company closed the earn-out agreement regarding the acquisition of Via Cibo Restaurant Chain. The contingent consideration was settled by issuing 399,093 common shares valued at \$674,467, resulting in a loss on settlement of the contingent consideration of \$586,057, which was recognized in the statement of loss and comprehensive loss in the year.

HAPPY BELLY FOOD GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026

(Expressed in Canadian Dollars)

Salus Fresh Foods Franchising Inc.

On August 20, 2025, the Company acquired Salus Fresh Foods Franchising Inc. by issuing 272,479 common shares valued at \$300,000 (based on a 10-day VWAP) for 50% ownership of Salus Fresh Foods in an all-share transaction. Salus Fresh Foods is a 100% franchised system with nine established street-front and food court real-estate locations in Ontario. The Company acquired control of voting rights, and determined that the acquisition is a business combination under IFRS 3, Business Combinations.

Fair value of net assets acquired	\$
Cash	4,854
Receivables	151,214
Accounts payable	(87,304)
Goodwill	265,618
Non-controlling interest	(34,382)
	<u>300,000</u>
Consideration	\$
Shares issued	300,000
	<u>300,000</u>

Via Cibo Restaurant

On April 28, 2025, the Company acquired one of its Via Cibo restaurant franchises through settlement of a pre-existing relationship of \$17,370. Net assets acquired amounted to \$17,370.

Smile Tiger Coffee Roasters

On January 27, 2025, the Company acquired Smile Tiger Coffee Roasters ("Smile Tiger"), which is based in Kitchener, Ontario, serving rich and bold blended coffee. The Company determined that the acquisition is a business combination under IFRS 3, Business Combinations.

Fair value of net assets acquired	\$
Cash	306
Receivables	11,000
Accounts payable and accrued liabilities	(30,827)
Prepays	19,519
Deferred revenue	(4,587)
Inventory	20,239
Goodwill	212,915
Property and equipment	37,085
ROU assets	340,201
Lease obligations	(340,201)
	<u>265,650</u>
Consideration	\$
Cash	140,650
Common shares issued (i)	125,000
	<u>265,650</u>

i) The Company issued 104,854 common shares, which were valued at \$125,000.

HAPPY BELLY FOOD GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026
(Expressed in Canadian Dollars)

6. RECEIVABLES

The Company's receivables are comprised of the following items:

	March 31, 2026	December 31, 2025
	\$	\$
Trade accounts receivable	2,639,315	1,889,982
	2,639,315	1,889,982
Expected credit losses (note 17)	(206,622)	(206,622)
	2,432,693	1,683,360

The Company recorded a \$34,445 expected credit loss during the period (2025-\$NIL).

7. INVENTORY

	March 31, 2026	December 31, 2025
	\$	\$
Raw ingredients	326,988	326,139
Finished goods	3,200	1,345
Total	330,188	327,484

The total inventory expensed year-to-date through direct operating costs was \$1,768,548 (December 31, 2025 - \$6,945,901).

8. PROPERTY AND EQUIPMENT

	Computer equipment	Furniture and fixtures	Leasehold improvements	Vehicles	ROU assets	Total
Cost	\$	\$	\$	\$	\$	\$
December 31, 2024	86,324	883,866	701,888	26,653	1,987,300	3,686,031
Classified as held for sale	-	(43,436)	-	(9,653)	(151,113)	(204,202)
Acquisition	-	54,810	-	-	736,817	791,627
Additions	36,105	404,035	835,451	-	2,620,238	3,895,829
December 31, 2025	122,429	1,299,275	1,537,339	17,000	5,193,242	8,169,285
Additions	1,354	32,333	235,521	-	-	269,208
March 31, 2026	123,783	1,331,608	1,772,860	17,000	5,193,242	8,438,493
Accumulated amortization	Computer equipment	Furniture and fixtures	Leasehold improvements	Vehicles	ROU assets	Total
	\$	\$	\$	\$	\$	\$
December 31, 2024	51,318	427,577	249,805	15,736	429,994	1,174,430
Classified as held for sale	-	(27,041)	-	(6,490)	(110,070)	(143,601)
Amortization-Discontinued Operations	-	4,099	-	791	22,387	27,277
Amortization	21,525	114,839	200,398	1,393	565,228	903,383
December 31, 2025	72,843	519,474	450,203	11,430	907,539	1,961,489
Amortization	4,046	24,661	46,152	278	191,028	266,165
March 31, 2026	76,889	544,135	496,355	11,708	1,098,567	2,227,654
Net book value						
December 31, 2025	49,586	779,801	1,087,136	5,570	4,285,703	6,207,796
March 31, 2026	46,894	787,473	1,276,505	5,292	4,094,675	6,210,839

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9. INTANGIBLE ASSETS

	Trademarks and brand names	Franchise agreements	Total
Cost	\$	\$	\$
December 31, 2024	605,579	191,000	1,220,599
December 31, 2025	605,579	191,000	1,220,599
March 31, 2026	605,579	191,000	1,220,599
Accumulated amortization	Trademark and brand names	Franchise agreements	Total
	\$	\$	\$
December 31, 2024	386,719	13,118	806,987
Amortization	23,500	19,100	59,470
December 31, 2025	410,219	32,218	866,457
Amortization	5,874	4,775	10,649
March 31, 2026	416,093	36,993	877,106
Net book value			
December 31, 2025	195,360	158,782	354,142
March 31, 2026	189,486	154,007	343,493

10. INVESTMENT IN JOINT VENTURE

Yolks Breakfast Inc.

On January 29, 2024, the Company completed the acquisition of 50% ownership in Yolks Breakfast Inc., which operates and franchises restaurant businesses. The Company issued 904,856 common shares, which were measured at \$250,000.

The Company recognized the investment on an equity basis as follows:

	March 31, 2026	December 31, 2025
	\$	\$
Opening balance	254,513	270,278
Share of (loss) income from investment in joint venture	(1,799)	(15,765)
Net equity investment	252,714	254,513

11. GOODWILL

The movement in the net carrying amount of goodwill is as follows:

Gross carrying amount	March 31, 2026	December 31, 2025
	\$	\$
Opening balance	633,007	1,059,713
Discontinued operations	-	(905,239)
Acquired through business combinations	-	478,533
Carrying amount at end of period	633,007	633,007

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it may be impaired. The Company allocated its goodwill balance to three CGUs: Via Cibo Franchising Inc., Salus Fresh Foods Franchising Inc. and Smile Tiger Coffee Roasters.

The recoverable amount of the CGUs was determined using the fair value less cost of disposal approach using level 3 inputs in a discounted cash flow ("DCF") model. The significant assumptions applied in the determination of the recoverable amount are described as follows:

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- Cash flows: Estimated cash flows were projected based on actual operating results from internal sources as well as industry and market trends. The expected revenue growth rate was in the range of 1%-10%, with the long-term growth rate of 1%.
- Discount rate: The discount rate is reflective of current market assessments of the time value of money and the risks specific to the CGU. A discount rate of 15% (2025 – 15%) was used and reflects appropriate adjustments relating to market risk and specific risk factors of the CGUs.

An increase (decrease) of 1% to the discount rate or the forecasted sales growth rate used in 2025 would not have resulted in any impairment.

12. LEASE LIABILITIES

During 2025, the Company acquired certain new leases relating to restaurant locations. The lease payments were discounted using a 12% incremental borrowing rate.

In 2024, and in conjunction with the IQ Foods acquisitions, the Company acquired four new leases. Two of the leases are on a month-to-month basis and have not been recognized as right-of-use assets (total lease expense in 2024 was \$13,776), while the other two expire on December 31, 2029 and Aug 30, 2025, respectively. These leases were recognized as lease liabilities and were discounted using a 12% incremental borrowing rate.

The changes in lease liabilities are as follows:

	March 31, 2026	December 31, 2025
	\$	\$
Balance, beginning of period	4,900,194	1,974,611
Additions and extensions	4,303	3,357,055
Discontinued operations	-	(51,524)
Lease payments	(256,116)	(857,103)
Interest expense	144,336	477,155
Balance, end of period	4,792,717	4,900,194
Current portion	593,852	544,871
Long-term portion	4,198,865	4,355,323
Lease liabilities	4,792,717	4,900,194

The following is a reconciliation from the undiscounted lease payments to the lease liabilities:

	\$
2026	840,201
2027	1,117,026
2028	995,036
2029	806,412
2030	772,190
2031	708,696
2032	725,396
2033	627,716
2034	512,355
2035	197,289
Total contractual cash flows	7,302,317
Less: interest	2,509,600
Lease liabilities	4,792,717

The Company is an intermediate lessor on two of its sub-leased retail spaces. During the year ended December 31, 2024, the Company terminated its sublease on January 1, 2024, for one of the retail spaces. On July 1, 2024, the Company entered a new lease with a sub-tenant with a lease term of 20 months. The lease was valued at the present value of the expected cash flows using an incremental borrowing rate of 12%.

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The following table summarizes interest in sublease transactions for the years ended:

	March 31, 2026	December 31, 2025
	\$	\$
Opening balance	125,555	179,108
Disposition	-	(19,291)
Payments received	(10,200)	(52,263)
Finance income	3,702	18,001
Closing balance	119,057	125,555

The following table presents the contractual undiscounted cash inflows for lease receivables:

	\$
2026	33,340
2027	45,940
2028	48,340
2029	16,000
Total contractual cash inflows	143,620
Interest	24,563
Interest in sublease	119,057

13. DEBT

Debt consists of one CEBA loan and a loan payable to financial institutions, which are payable in monthly installments.

As at period-end, the Company had the following outstanding debt:

	Maturity	Rate	March 31, 2026	December 31, 2025
			\$	\$
CEBA loan	31-Dec-26	5%	54,005	60,000
Bank loan 2	15-Sep-26	BDC Prime + 0.97%	-	11,875
			54,005	71,875
Current			54,005	71,875
Long-term			-	-

During the period ended March 31, 2026, the Company incurred interest expense of \$2,158 (December 31, 2025- \$20,843), which was recorded in Financing cost in the consolidated statements of loss and comprehensive loss.

Convertible debentures issued

On July 3, 2024, the Company issued unsecured convertible debentures (the "July 2024 Convertible Debentures") for gross proceeds of \$2,000,000. The July 2024 Convertible Debentures have a term of 36 months and bears interest at the rate of 12% per annum payable quarterly. The July 2024 Convertible Debenture is convertible at the holder's option into common shares of the Company at a conversion price equal to \$0.75 per share.

The present value of the liability component of the July 2024 Convertible Debenture at issuance was \$1,632,611, using a discount rate of 20%, which is the estimated interest rate the Company would pay on a similar debt instrument without a conversion option. The residual value of \$367,389 was allocated to the equity component. Subsequent to initial recognition, the loan liability is being accreted over the term of the loan to its face value using an effective interest rate of 20%.

On December 5, 2025, the July 2024 Convertible Debentures were converted, resulting in the issuance of 2,666,667 common shares.

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On February 23, 2024, the Company issued unsecured convertible debentures (the "February 2024 Convertible Debentures") for gross proceeds of \$1,000,000. The Convertible Debentures have a term of 36 months bears interest at the rate of 12% per annum, split into two components:

- a) 6% interest paid in cash on a quarterly basis, and
- b) 6% will be deferred until the maturity date and at this time will be repaid or converted as detailed below.

The February 2024 Convertible Debenture is convertible at the holder's option into common shares of the Company at a conversion price equal to \$0.5 per share.

The present value of the liability component of the February 2024 Convertible Debenture at issuance was \$811,851, using a 20% discount rate, which is the estimated interest rate the Company would pay on a similar debt instrument without a conversion option. The residual value of \$188,149 was allocated to the equity component. Subsequent to initial recognition, the loan liability is accreted over the term of the loan to its face value using an effective interest rate of 20%. In December 2024, the convertible note was converted to shares (Note 17).

	March 31, 2026	December 31, 2025
	\$	\$
Balance, beginning of the period	1,377,462	2,985,313
Debt converted to equity	-	(1,772,048)
Accretion on convertible debentures	19,256	164,197
Balance, end of the period	1,396,718	1,377,462

During the period ended March 31, 2026, the Company incurred interest and accretion expense of \$ 68,606 (December 31, 2025 - \$ 657,867), which was recorded in Financing costs in the consolidated statements of loss and comprehensive loss.

14. DEFERRED REVENUE

Deferred revenue relates to initial franchise fees paid by franchisees at the inception of a franchise contract. As at March 31, 2026, the Company had deferred initial franchise fees received from franchisees that will be recognized over the remaining term of the respective franchise agreements as follows:

	March 31, 2026	December 31, 2025
	\$	\$
Balance, beginning of the period	1,213,175	454,222
Invoiced revenue deferred	288,424	789,088
Business acquisition	-	4,587
Deferred revenue recognised current period	(27,241)	(30,135)
Balance, end of the period	1,474,358	1,213,175
Current	209,820	184,154
Long-term	1,264,538	1,029,021

15. SHARE CAPITAL

a) Common shares

Authorized:

An unlimited number of common shares without par value.

Issued:

On January 9, 2025, the Company closed on a non-brokered private placement of 333,333 units for gross proceeds of \$500,000. Each unit consists of one share and one warrant, which entitles the holder to purchase one share of the Company for \$1.50 per share prior to January 9, 2026.

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On January 27, 2025, the Company issued 104,854 shares, valued at \$125,000, as part of the Smile Tiger acquisition agreement (Note 5).

On August 20, 2025, the Company issued 272,479 shares, valued at \$300,000, as part of the Salus Fresh Foods Franchising acquisition agreement (Note 5).

On October 9, 2025, the Company issued 612,468 shares, valued at \$895,663, as part of the Heal Lifestyle Buy-out arrangement (Note 5).

On October 24, 2025, the Company issued 399,093 shares, valued at \$674,467, as per the Via Cibo-Earn out (Note 5).

On December 5, 2025, the Company issued 2,666,667 common shares pursuant to the conversion of the February 2024 Convertible Debentures (100% conversion). The total value of the debentures converted was \$1,772,048.

b) Share Purchase Warrants

In the period ended March 31, 2026, the Company issued 13,333,333 shares on warrant exercise for proceeds of \$3,100,000.

A continuity of the share purchase warrants is summarized as follows:

	March 31, 2026		December 31, 2025	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Warrants outstanding, beginning of period	45,203,333	0.92	26,995,000	0.20
Issued	-	-	18,208,333	1.99
Exercised	(13,333,333)	0.23	-	-
Warrants outstanding, end of period	31,870,000	1.21	45,203,333	0.92

The Company's weighted average share price for the period ended March 31, 2026, was \$1.81 (2025- \$1.38).

On January 9, 2025, the Company issued 333,333 warrants at an exercise price of \$1.50 per share to an investor. The options expire January 9, 2026.

On November 12, 2025, the Company issued 1,000,000 performance warrants at an exercise price of \$2.00 per share to members of its executive team. The options expire on November 12, 2030, and shall vest upon reaching certain market conditions. A Monte Carlo probability model was applied to the market conditions, resulting in probabilities of between 14% and 55%, which were applied to the unvested tranches.

On November 12, 2025, the Company issued 16,875,000 performance warrants at an exercise price of \$2.00 per share to the Company CEO. The options expire on November 12, 2030, and shall vest upon certain market conditions. A Monte Carlo probability model was applied to the market conditions, resulting in probabilities of between 14% and 25%, which were applied to the unvested tranches.

The Company recognized \$2,563,369 during the period (Year ended December 31, 2025 - \$1,395,612) in share-based compensation on performance warrants.

As at March 31, 2026, the Company had outstanding warrants as follows:

Expiry date	Exercise Price \$	Remaining life (years)	Warrants outstanding
June 18, 2026	0.20	0.22	13,995,000
November 12, 2030	2.00	4.62	1,000,000
November 12, 2030	2.00	4.62	16,875,000
	0.92		31,870,000

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c) Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will be in accordance with the plan's prescribed limit. Stock options granted under the stock options plan are equity settled and exercisable for a period not to exceed five years.

In the period ended March 31, 2026, the Company issued 915,000 shares on option exercise for proceeds of \$625,250.

In the year ended December 31, 2025, the Company issued 585,000 shares on option exercise for proceeds of \$288,000.

A summary of the Company's stock option transactions is presented below:

	March 31, 2026		December 31, 2025	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Options outstanding, beginning of period	17,772,500	1.58	4,170,000	0.43
Granted	-	-	14,187,500	1.87
Exercised	(915,000)	0.68	(585,000)	0.49
Options outstanding, end of period	16,857,500	1.63	17,772,500	1.58

The Company's weighted average share price for the period ended March 31, 2026, was \$1.81 (2025- \$1.38).

On April 20, 2023, the Company issued 1,000,000 performance options to its President and CEO as part of his compensation package. Each option entitles the holder to acquire one share at a price of \$0.20 for a period of five years from their date of issue and vests upon market conditions.

On February 12, 2024, the Company issued 390,000 stock options, an option to acquire common shares of the Company at an exercise price of \$0.50 per share. The options expire February 12, 2026, and vest quarterly over a period of 12 months from the date of grant.

On May 10, 2024, the Company issued 1,000,000 stock options to its CFO. Each option entitles the holder to acquire one share at a price of \$0.40 for a period of two years from their date of issue and vests equally upon the occurrence of certain market conditions. The options expire June 18, 2026.

On May 24, 2024, the Company issued 1,300,000 stock options to members of the Board of Directors. Each option entitles the holder to acquire one share at a price of \$0.50 for a period of two years from their date of issue and vests upon certain market conditions.

On July 3, 2024, the Company issued 480,000 stock options at an exercise price of \$0.75 per share. The options expire July 3, 2027, and shall vest quarterly in equal parts until the expiry date.

A Monte Carlo probability model was applied to the market conditions, resulting in probabilities of between 9% and 34%, which were applied to the five unvested tranches.

On April 7, 2025, the Company issued 1,000,000 stock options at an exercise price of \$1.11 per share. The options expire June 18, 2026. Half vest immediately, half vest upon certain market conditions. A Monte Carlo probability model was applied to the market conditions, resulting in probabilities of between 30% and 54%, which were applied to the two unvested tranches.

On April 15, 2025, the Company issued 1,000,000 stock options at an exercise price of \$1.14 per share. The options expire June 18, 2026. Half vest immediately, half vest upon certain market conditions. A Monte Carlo probability model was applied to the market conditions, resulting in probabilities of between 30% and 56%, which were applied to the two unvested tranches.

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On October 3, 2025, the Company issued 10,125,000 performance stock options at an exercise price of \$2.00 per share to its CEO. The options expire on October 3, 2030, and shall vest upon certain market conditions. A Monte Carlo probability model was applied to the market conditions, resulting in probabilities of between 25% and 44%, which were applied to the unvested tranches.

On October 3, 2025, the Company issued 2,000,000 performance stock options at an exercise price of \$2.00 per share to its members of its executive team. The options expire October 3, 2030, and shall vest upon certain market conditions. A Monte Carlo probability model was applied to the market conditions, resulting in probabilities of between 11% and 44%, which were applied to the unvested tranches.

On October 3, 2025, the Company issued 62,500 performance stock options at an exercise price of \$1.50 per share to a member of its Board of Directors. The options expire on October 3, 2030, and shall vest upon certain market conditions. A Monte Carlo probability model was applied to the market conditions, resulting in probabilities of between 66% and 90%, which were applied to the unvested tranches.

The share options outstanding as at March 31, 2026, are as follows:

Grant date	Number of options outstanding	Exercise price \$	Expiry date
April 20, 2023	985,000	0.20	April 20, 2028
May 10, 2024	1,000,000	0.40	June 18, 2026
May 24, 2024	480,000	0.50	June 18, 2026
July 3, 2024	480,000	0.75	July 3, 2027
April 7, 2025	725,000	1.11	June 18, 2026
April 15, 2025	1,000,000	1.14	June 18, 2026
October 3, 2025	10,125,000	2.00	October 3, 2030
October 3, 2025	2,000,000	2.00	October 3, 2030
October 3, 2025	62,500	1.50	October 3, 2030
	16,857,500	1.63	

The Company recognized \$1,549,467 during the period (Year ended December 31, 2025 - \$ 2,297,037) in share-based compensation on performance options.

The fair value of options was estimated using an Option Pricing Model based on the date of grant and using the following assumptions:

Grant date	Risk-free interest rate	Stock Price \$	Expected stock price volatility	Expected life	Fair value option price \$
April 20, 2023	3.15%	0.18	134%	5	0.16
May 10, 2024	4.31%	0.40	97%	2	0.21
May 24, 2024	4.24%	0.50	97%	2	0.26
July 3, 2024	3.87%	0.54	86%	3	0.27
April 7, 2025	2.48%	1.08	69%	1.2	0.31
April 15, 2025	2.60%	1.12	69%	1.2	0.28
October 3, 2025	2.73%	1.40	94%	5	1.04
October 3, 2025	2.73%	1.40	94%	5	1.03
October 3, 2025	2.73%	1.40	94%	5	0.99

Expected volatility was based on historical volatility for the corresponding period.

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16. RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with companies that are controlled by directors and officers of the Company:

	Period ended March 31, 2026	Year ended December 31, 2025
	\$	\$
Consulting and other fees	289,911	735,399
Share-based compensation	4,112,836	3,692,650
	4,402,747	4,428,049

*Consulting and other fees include annual compensation for Chief Executive Officer ("CEO"), President and Chief Operating Officer ("COO") and Chief Financial Officer("CFO").

As at March 31, 2026, the Company had a net amount of \$7,391 balance owing (December 31, 2025 - \$7,891) to its related parties and \$125,000 convertible debentures payable to the President and COO of the Company.

As at March 31, 2026, the Company had a receivable of \$165,123 (December 31, 2025 - \$128,717) from one of the Heal franchisees that is related by the virtue of being controlled by the Board Chair and COO. This receivable relates to invoices for franchise and related fees that were issued in the normal course of business.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial instruments

The carrying values of cash and cash equivalents, accounts receivable, other receivables, accounts payable and accrued liabilities, and other liabilities approximate their carrying values due to the immediate or short-term nature of these instruments.

IFRS 13 - Fair Value Measurement, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Equity investments where the shares are publicly traded are revalued using level 1 inputs. Non-publicly traded shares and warrants are measured using level 3 inputs.

Fair values of financial instruments are summarized as follows:

As at March 31, 2026	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and cash equivalents	6,224,665	-	-	6,224,665
Equity investments	22,522	-	2,662	25,184
	6,247,187	-	2,662	6,249,849

As at December 31, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and cash equivalents	3,020,627	-	-	3,020,627
Equity investments	22,522	-	2,662	25,184
	3,043,149	-	2,662	3,045,811

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

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Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum credit risk that the Company is exposed to is the carrying value of the cash and cash equivalents, accounts receivable and other receivables. Credit risk exposure to cash and cash equivalents is minimized substantially by ensuring that cash is held with credible financial institutions. The Company mitigates the credit risk associated with accounts receivable by establishing relationships with creditworthy purchasers. Other receivables mostly relate to amounts receivable from long-term investors in the Company; the Company mitigates the credit risk by only establishing relationships with creditworthy investors.

	Current	1-30	31-60	61-90	91 and over
Expected loss rate	0.0%	0.0%	0.0%	0.0%	25.3%
Gross carrying amount	1,139,943	218,608	280,324	183,171	817,269
Loss allowance provision, end of period	-	-	-	-	206,622

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments and business development. The Company manages liquidity risk by maintaining adequate cash balances. The Company's expected source of cashflow in the upcoming year will be through equity financing and revenue generation. Cash on hand as at December 31, 2025 and expected cashflows for the next 12 months are sufficient to fund the Company's ongoing operational needs. The Company may need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof. Liquidity risk is assessed as low.

Based on the contractual obligations of the Company as at December 31, 2025, cash outflows of those obligations are estimated and summarized as follows:

Payment due by year	2026	2027	2028 and beyond	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	3,644,718	-	-	3,644,718
CEBA loan	54,005	-	-	54,005
Lease liabilities	1,117,026	995,036	4,350,054	6,462,116
Convertible debentures	-	-	1,645,000	1,645,000
	4,815,749	995,036	5,995,054	11,805,839

*These amounts do not include interest payable.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest risk as its TD and BDC loans have a variable interest rate. The Company does not believe the exposure to interest rate risk is significant. When assessing interest rate risk the Company believes 1% volatility is a reasonable measure. The effect of a 1% change in interest rates would have had an immaterial impact on the Company's net earnings for the period ended March 31, 2026.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. Foreign currency risk is assessed as low as the Company has no material expenses denominated in foreign currencies.

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Capital management

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements. The Company has been successful in raising additional capital in the past and intends to continue with the issuance of securities to finance its operations if required.

18. GENERAL AND ADMINISTRATIVE EXPENSES

The following table provides a breakdown of general and administrative expenses:

	Three months ended March 31,	
	2026	2025
	\$	\$
Legal and accounting	290,109	234,021
Advertising and marketing	430,380	186,958
Consulting	-	11,040
Management	420,131	134,500
Office and sundry	205,999	84,183
Business development	103,862	52,186
Compliance and regulatory	24,175	15,210
Total general and administrative	1,474,656	718,098

For the period ended March 31, 2026, salaries and wages were \$2,080,319 (2025 - \$ 1,173,051), which includes head office salaries and wages at the restaurant level.

19. SUPPLEMENTAL CASH FLOW INFORMATION

The changes in non-cash working capital related to operations are summarized below:

	Three months ended March 31,	
	2026	2025
	\$	\$
Accounts receivable	(557,442)	(474,123)
Inventory	(2,704)	(50,414)
Prepays	(113,300)	(247,072)
Accounts payable and accrued liabilities	(186,753)	368,118
Deferred revenue	261,183	169,220
Other liabilities	(128,995)	(5,073)
Net change in non-cash working capital related to operations	(728,011)	(239,344)

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20. SEGMENTED INFORMATION

As at	March 31, 2026			
	Quick Service Restaurants	Consumer Product Goods	Corporate	Consolidated
	\$	\$	\$	\$
Current assets	4,498,288	193,150	4,687,365	9,378,803
Property and equipment	6,132,271	30,590	47,978	6,210,839
Intangible assets	343,493	-	-	343,493
Goodwill	633,007	-	-	633,007
Other non-current assets	383,229	-	252,714	635,943
Total assets	11,990,288	223,740	4,988,057	17,202,085
Current liabilities	3,021,053	40,763	1,440,579	4,502,395
Long-term liabilities	5,541,148	-	1,364,642	6,905,790
Total liabilities	8,562,201	40,763	2,805,221	11,408,185

As at	December 31, 2025			
	Quick Service Restaurants	Consumer Product Goods	Corporate	Consolidated
	\$	\$	\$	\$
Current assets	3,852,928	150,110	1,286,017	5,289,055
Property and equipment	6,126,158	28,834	52,804	6,207,796
Intangible assets	354,142	-	-	354,142
Goodwill	633,007	-	-	633,007
Other non-current assets	410,101	-	254,513	664,614
Assets held for sale	-	1,208,216	-	1,208,216
Total assets	11,376,336	1,387,160	1,593,334	14,356,830
Current liabilities	3,290,331	13,179	1,485,602	4,789,112
Long-term liabilities	5,478,819	-	1,331,479	6,810,298
Liabilities held for sale	-	122,993	-	122,993
Total liabilities	8,769,150	136,172	2,817,081	11,722,403

Three months ended	March 31, 2026			
	Quick Service Restaurants	Consumer Product Goods	Corporate	Consolidated
	\$	\$	\$	\$
Revenue	5,701,109	135,351	126,630	5,963,090
Direct operating costs	2,498,595	92,771	(670)	2,590,696
General and administrative	2,521,008	21,402	1,012,677	3,555,087
Impairment, interest, depreciation, and amortization	412,801	2,055	107,902	522,758
Other (income)/expense	(3,442)	-	4,091,870	4,088,428
Discontinued operations	-	115,266	-	115,266
Net income/(loss)	272,147	134,389	(5,085,149)	(4,678,613)

Three months ended	March 31, 2025			
	Quick Service Restaurants	Consumer Product Goods	Corporate	Consolidated
	\$	\$	\$	\$
Revenue	3,135,729	150,980	(13,900)	3,272,809
Direct operating costs	1,202,681	92,372	(45,003)	1,250,050
General and administrative	1,483,289	38,421	369,439	1,891,149
Impairment, interest, depreciation, and amortization	197,977	1,802	156,179	355,958
Other (income)/expense	13,566	2,131	(23,957)	(8,260)
Discontinued operations	-	41,270	-	41,270
Net income/(loss)	238,216	57,524	(470,558)	(174,818)

HAPPY BELLY FOOD GROUP INC.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)
For the three months ended March 31, 2026
(Expressed in Canadian Dollars)

21. DISCONTINUED OPERATIONS

Holy Crap Disposition

On February 27, 2026, Happy Belly Food Group completed the sale of Holy Crap Foods Inc. that was part of its CPG segment.

The results of the Holy Crap operations are presented below:

	Three months ended March 31,	
	2026	2025
	\$	\$
Revenues		
Product sales	171,275	320,519
Consulting and services	-	-
	171,275	320,519
Expenses		
Direct operating costs	100,454	180,443
General and administrative	23,069	67,543
Salaries and wages	12,526	19,902
Depreciation and Amortization	-	6,819
	136,049	274,707
Other items	-	
Financing costs	(1,336)	(4,542)
Foreign exchange	(4)	-
Total Income	33,886	41,270

As at December 31, 2025 the assets held for sale were as follows:

	\$
Receivables	46,725
Inventory	168,247
Prepays	27,404
	242,376
Accounts payable and accrued liabilities	(11,469)
Lease	(51,524)
Debt	(60,000)
	(122,993)
Property and equipment	60,601
Goodwill	905,239
	965,840
Net assets held for sale	1,085,223

22. SUBSEQUENT EVENTS

The Company announced it has signed as of May 4th, 2026, a binding LOI agreement that will see a 50% acquisition of the Ghost Taco fast casual restaurant chain through the formation of a joint venture with optionality to acquire the remaining 50%.