



Happy Belly Food Group Reports \$63.1M in System Wide QSR Sales Up 108% Growth YOY in Record Breaking Fiscal 2025

Toronto, Ontario - (May 1st, 2026) - Happy Belly Food Group Inc. (CSE: HBFGE) (OTCQB: HBFGE) ("Happy Belly" or the "Company"), a leader in acquiring and scaling emerging food brands is pleased to announce its audited financial results and corporate update for the fiscal year ended December 31st, 2025.

Fiscal 2025 and Recent Business Highlights

- System wide sales across Quick Service Restaurants ("QSR") totaled \$63.1M in fiscal 2025, up 108% versus the prior fiscal year (2024 - \$30.30M). The increase is attributed to organic baseline restaurant growth, alongside increased restaurant count, which reached 77 operating restaurants in 2025 versus 43 in the prior fiscal year, representing a 79% increase in operating restaurant count. Total restaurant count includes the acquisitions and investments during fiscal 2025.
- Total operating revenues, services, interest income, and rebates totaled \$22.1M in fiscal 2025, up 176% versus the prior fiscal year (2024 - \$8.0M). Year-over-year growth was driven by continued sales growth in the QSR segment, as well as four (4) business acquisitions in 2025, combined with new franchised restaurant openings and royalties collected during 2025 (34 restaurants added to the Happy Belly portfolio).
- Total product sales totaled \$18.1M in fiscal 2025, up 162% versus the prior fiscal year (2024 - \$6.9M). Furthermore, royalties and franchise fee revenues reached \$2.8M, up 195% from the prior fiscal year (2024 - \$0.95M), which was driven by royalties collected from 34 new restaurant additions to the Happy Belly portfolio in 2025.

- Adjusted EBITDA(1) reached \$0.1M or 0.3% in fiscal 2025, a 60% increase versus the prior fiscal year (2024 – adjusted EBITDA loss of \$(0.1)M or (1.2)%). Q4 2025 adjusted EBITDA was \$(0.5)M or negative 8.2% versus \$(0.2)M or negative 6.5% in the same quarter last year.
- Total cash and cash equivalents remain healthy at \$3.0M as of December 31, 2025 (2024 - \$3.5M). One non-brokered private placement was completed during fiscal 2025 for aggregate proceeds of \$500,000 at a subscription price of \$1.50.
- Happy Belly made strategic cash and equity investments during fiscal 2025. First, acquiring two (2) QSR brands: Smile Tiger Coffee Roasters, and Salus Fresh Foods Inc. The Company also (i) completed an earn-out transaction in regard to its Via Cibo Restaurants brand, and (ii) acquired the remaining 50% ownership of Heal Wellness. In addition, with a franchise pipeline of over 680 restaurants in development, and expectations of a record number of new restaurant openings in 2026, the Company determined to increase capacity for growth in 2026 and, as a result, investments were made in Q4 2025 to add headcount and infrastructure.
- As of April 30, 2026, subsequent to fiscal 2025, the Company has opened and is operating 17 additional restaurants.

Management Commentary

“Happy Belly closed 2024 with 43 operating locations and 421 contractually committed franchise locations across a portfolio of emerging brands at various stages of development, construction, and operation. By the end of 2025, we had expanded to 77 operating locations and 666 committed franchise locations. This meaningful acceleration in both open and committed units reflects the increasing demand for our brands and the strength of our area developer model.”

“Our performance in 2025 reinforces our position as a disciplined, high-growth, multi-brand restaurant platform with a scalable and predictable expansion model. These achievements lay a strong foundation as we continue executing on our strategy to become Canada’s leading acquirer and scaler of emerging food brands, while delivering long-term shareholder value,” said Sean Black, Chief Executive Officer.

“We are proud of what our team has accomplished. Our proven, repeatable growth model drove system sales to more than double year over year, increasing 108%. During the year, we added 34 new restaurant locations to the Happy Belly portfolio through a balanced mix of organic expansion and strategic acquisitions, further strengthening our presence across key markets and concepts.”

“I would like to congratulate our brand leaders, franchise partners, area development partners, team members, and cross-functional groups in both Canada and the United States for an outstanding year. As Happy Belly continues to scale, so do its highest-margin revenue streams of royalties, franchise fees, and rebates which grew by 195% year over year. This marks an important milestone as we transition from foundational capital deployment to meaningfully advancing toward positive cash flow. As our franchised footprint expands, these high-margin segments will play an increasingly critical role in accelerating that trajectory.”

"Our core principles have been the 3P's: People, Product and Process, while staying operationally and financially disciplined throughout our execution. Our current infrastructure is a testament to the team-oriented culture at Happy Belly. Our brand partners and management team work together to support franchisees in global expansion. In 2026 we anticipate delivering significant organic growth beyond our 2025 growth total of 34 new locations, surpassing our original expectations for the full year. With a clear focus on growth, we believe our best years are still to come."

"We are just getting started," said Sean Black.

Full details of the financial reports and operating results for the fiscal year ended December 31st, 2025, are described in the Company's consolidated financial statements with accompanying notes and related Management's Discussion and Analysis, available on SEDAR+ at www.sedarplus.ca.

FOOTNOTES:

1. Adjusted EBITDA is a non-IFRS financial measure which does not have a standardized 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, gain (loss) on equity investments and sublease, expected credit loss and non-recurring expenses.

Franchising

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

About Happy Belly Food Group

Happy Belly Food Group Inc. (CSE: HBBFG) (OTCQB: HBBFGF) ("Happy Belly" or the "Company") is a leader in acquiring and scaling emerging food brands across Canada.



Sean Black
Co-founder, Chief Executive Officer

Shawn Moniz
Co-founder, President

FOR FURTHER INFORMATION, PLEASE VISIT:

www: www.happybellyfg.com or email hello@happybellyfg.com

If you wish to contact us please call: 1-877-589-8805

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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.