For Immediate Distribution

Goodfood Reports Second Quarter 2022 Results with Continued Positive Progress Across its Key Value-Creating Drivers and Adds John Khabbaz to its Board of Directors

- Net Sales of $73.4 million compared to $77.8 million in the first quarter of Fiscal 2022 and $100.7 million in the second quarter of Fiscal 2021
- Gross margin of 24.0%, stable compared to the first quarter of Fiscal 2022 gross margin of 24.0% and lower than second quarter of Fiscal 2021 gross margin of 30.4%
- Net loss of $20.6 million, lower than first quarter of Fiscal 2022 net loss of $21.6 million and higher than second quarter of Fiscal 2021 net loss of $4.3 million
- Positive progress across three key value-creating drivers
    - Grow on-demand Active Customers (1): reaching 27,000 households on-demand Active Customer (1) base at the end of the second quarter of 2022, a 108% increase since the first quarter of Fiscal 2022
    - Expand micro-fulfillment centre (MFC) footprint: now operating 6 MFCs in the dense urban areas of Toronto, Montreal and Ottawa
    - Sequentially improving quarterly profitability indicators: $1 million Adjusted EBITDA (1) improvement and $5 million reduction in net cash used in operating activities versus the first quarter of 2022
- On-demand platform now open to customers in Toronto and Montreal without a subscription
- John Khabbaz, Managing Partner of Phoenician Capital, Goodfood's largest institutional shareholder, joins Goodfood's Board of Directors, replacing Hamnett Hill

Montreal (Quebec), April 14, 2022

Goodfood Market Corp. ("Goodfood" or "the Company") (TSX: FOOD), a leading Canadian online grocery company, delivering fresh meal solutions and grocery items, today announced financial results for the second quarter of Fiscal 2022, ended March 5, 2022.

"I am pleased with the quarterly progress we are making across our three key value-creating drivers. Beginning with our focus to improve profitability and cash flow, we have made continued improvements in our cost structure and working capital management, leading to cash flow used in operating activities of $13.7 million, a significant improvement over the $18.9 million and $23.7 million used in the first quarter of Fiscal 2022 and last quarter of Fiscal 2021, respectively. From an operational perspective, we successfully implemented a series of efficiency initiatives that offset inflationary pressures and other macroeconomic headwinds to come inline from a gross margin perspective when compared to the first quarter of 2022. During the quarter, we also continued to sequentially reduce our fixed cost structure, having now fully realized the previously announced $12 million in annualized savings from headcount reduction," said Jonathan Ferrari, Chief Executive Officer of Goodfood.

"Growing our on-demand customer base is our second value creating driver as it will be the driving force of our planned return to top-line net sales growth. Only Goodfood, through our vertically integrated on-demand grocery and meal solutions network, allows Canadians to fulfill their meal planning needs in minutes with no mark-up to in-store prices. We are thrilled to have grown our on-demand Active Customer (1) base to over 27,000 households in Toronto and Montreal, clearly demonstrating Canadians' appetite for a fast delivery of our unique selection of products, and we are excited by the opportunity the recent opening of our digital store to non-subscriber creates. The exciting adoption rates we are seeing led, in a seasonally impacted quarter, to second quarter Net Sales essentially inline with those of the first quarter 2022 adjusted for its additional four days."

(1) See the non-IFRS financial measures and Active Customer and Subscriber sections at the end of this press release.

“Turning to our other value creating driver, on the back of the rapid growth of our on-demand customer base, we have launched 3 new micro fulfillment centres to serve new and existing customers better. Our total of now 6 on-demand facilities enable us to serve population-dense areas of Toronto, Montreal and now Ottawa, where our first automated facility opened in March,” added Mr. Ferrari.

“As we continue to execute on our three key value-creating drivers, we are giving particular focus to improving our profitability, and began implementing during the third quarter a further $10 to $12 million in headcount reductions as well as other measures to streamline operations. With the improved cost structure, we believe the $106 million of cash on hand and revolver availability provide the Company with the financial flexibility required to return to top-line growth and positive Adjusted EBITDA (1).”

"Lastly, we are also excited to welcome John Khabbaz to our Board of Directors, replacing Hamnett Hill who will continue to be an important shareholder of the Company. I would first like to thank Hamnett for his incredible support in helping build Goodfood over the years. I would also like to welcome John to our Board. His continued support in recent months and strong business acumen will help guide Goodfood in the exciting initiatives it is building,” concluded Mr. Ferrari.

“I am grateful to have served as a Director and advisor to Goodfood over the past seven years. Our plan has always been to build a national grocery brand and delivery infrastructure by initially winning the subscription meal-kit market, once Canadians began to order groceries online. The acceleration of that shift in buying behavior brought about by COVID, combined with the incredible response to and demand for our on-demand grocery offering gives me confidence we will continue to capture share of that $140-billion-plus opportunity. My decision to step down is the result of a personal decision that my family and I have made to take an extended sabbatical leave. As a result of this decision, I have stepped down from all of the professional and non-profit boards I have been serving on,” said Hamnett Hill. “I am also excited by the experience, skills, background, and financial commitment that my replacement, John Khabbaz will bring to the company and the Board. His detailed understanding of the business, the industry and public markets will surely strengthen the company and the Board. While I may cease to be a Director moving forward, I will remain amongst your largest, most engaged and vocal shareholders and champions,” concluded Mr. Hill in his open letter to the Board, management and shareholders (http://edo.ink/letter).

John Khabbaz is the Founder and Chief Investment Officer of Phoenician Capital, an investment management firm headquartered in New York City. Phoenician’s mission is to invest in high-quality businesses built on foundations of strong unit economics and often led by pioneering founders. Mr. Khabbaz earned his undergraduate degree from McGill University and then attended Columbia University, where he received his MBA. Prior to founding Phoenician Capital in 2007, Khabbaz held leadership roles at a multi-asset class financial firm. Before that, he was the founder and CEO of a manufacturing business based in New York, with global operations spanning three continents.

“I am thrilled to be joining Goodfood’s Board of Directors as I am a staunch supporter of the Company’s vision and management team. The company is at the forefront of the structural evolution of the Canadian grocery landscape, as Canadian consumers shift their buying habits to on-demand delivery of grocery and meal solutions,” said Khabbaz. “As an entrepreneur and founder myself, I understand the challenges and opportunities faced by young, growing businesses. Working with my fellow Board members, I will seek to guide this dynamic team to cement its leadership in the Canadian online grocery market. Goodfood is currently selling at an attractive valuation, and, in the long run, the market will recognize its unique competitive advantages,” concluded Mr. Khabbaz.

(1) See the non-IFRS financial measures and Active Customer and Subscriber sections at the end of this press release.

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS – SECOND QUARTER OF FISCAL 2022 AND 2021

(In thousands of Canadian dollars, except per share and percentage information)

For the 13-weeks periods ended		March 5, 2022		February 28, 2021		($)	(%)
Net sales	**$**	**73,377**	$	100,654	$	(27,277)	(27)%
Cost of goods sold		**55,782**		70,018		(14,236)	(20)%
Gross profit	**$**	**17,595**	$	30,636	$	(13,041)	(43)%
Gross margin		**24.0%**		30.4%		N/A	(6.4)p.p.
Selling, general and administrative expenses		**33,163**		31,788		1,375	4%
Reorganization costs		**1,293**		139		1,154	830%
Depreciation and amortization		**4,282**		2,292		1,990	87%
Net finance costs		**1,056**		540		516	96%
Net loss before income taxes	**$**	**(22,199)**	$	(4,123)	$	(18,076)	*N/A*
Deferred income tax (recovery) expense		**(1,559)**		129		(1,688)	*N/A*
Net loss, being comprehensive loss	**$**	**(20,640)**	$	(4,252)	$	(16,388)	*N/A*
Basic and diluted loss per share	**$**	**(0.28)**	$	(0.06)	$	(0.22)	*N/A*

VARIANCE ANALYSIS FOR THE SECOND QUARTER OF 2022 COMPARED TO SECOND QUARTER OF 2021

- Net sales decreased compared to the same period last year mainly due to the reduced consumer demand following the removal of lock-down restrictions and the increased vaccine coverage partially offset by the growth of our on-demand Active Customer [(1)] base. In addition, due to the non-recurrence of the prior year's COVID-19 restrictions coupled with a lower sales base, there was an increase in incentives and credits used as a percentage of sales.
- The decrease in gross profit and gross margin primarily resulted from a decrease in net sales leading to operating de-leverage, including food, production costs and shipping costs. The increase in food costs was primarily driven by the expansion of our private label grocery offering. Higher production costs primarily resulted from an increase in production and fulfillment labour due to inflationary increases in wages and increases in supervisory and other non-direct labour. Lastly, higher shipping costs resulted mainly from reduced density due to operating de-leverage.
- The increase in selling, general and administrative expenses is primarily due to higher wages and salaries resulting from the expansion of the management team, including mainly our technology, operations management and marketing groups, and related administrative functions needed to build out the physical and digital on-demand fulfillment infrastructure, including the growing product offering required to support the Company's growth plan. Selling, general and administrative expenses as a percentage of net sales increased from 31.6% to 45.2%.
- Reorganization costs were incurred in the second quarter of Fiscal 2022 mainly consisting of severance costs related to organizational realignments being progressively implemented in light of the completion and implementation of systems and improved processes coupled with aligning our workforce towards our future catalyst for growth on-demand groceries and meal solutions.
- The increase in depreciation and amortization expense is mainly due to the recognition of right-of-use assets from new facility lease agreements and related additions of leasehold improvements as the Company continues to grow and expand its product offering of grocery products and the ramp-up of new facilities across Canada.
- The increase in net finance costs is mainly due to the Company's on-demand strategy leading to a ramp-up of new facilities across Canada from continuous expansion of its footprint and its network of centralized manufacturing with localized micro fulfillment resulting in an increase interest expense on lease obligations.

(1) See the non-IFRS financial measures and Active Customer and Subscriber sections at the end of this press release.

- In the second quarter of Fiscal 2022, a deferred income tax recovery was recognized due to the issuance of $30 million convertible debentures in February 2022.
- The increase in net loss in the second quarter of 2022 compared to the same quarter last year is mainly due to lower net sales and gross profit as well as higher wages and salaries.

RESULTS OF OPERATIONS – YEAR-TO-DATE FISCAL 2022 AND 2021

(In thousands of Canadian dollars, except per share and percentage information)

For the 26-weeks periods ended		March 5, 2022		February 28, 2021		($)	(%)
Net sales	**$**	**151,198**	$	192,081	$	(40,883)	(21)%
Cost of goods sold		**114,955**		131,872		(16,917)	(13)%
Gross profit	**$**	**36,243**	$	60,209	$	(23,996)	(40)%
Gross margin		**24.0%**		31.4%		N/A	(7.4) p.p.
Selling, general and administrative expenses		**67,738**		61,523		6,215	10%
Reorganization costs		**3,105**		139		2,996	2,134%
Depreciation and amortization		**7,222**		4,325		2,897	67%
Net finance costs		**1,960**		1,215		745	61%
Net loss before income taxes	**$**	**(43,782)**	$	(6,993)	$	(36,789)	*N/A*
Deferred income tax (recovery) expense		**(1,532)**		342		(1,874)	*N/A*
Net loss, being comprehensive loss	**$**	**(42,250)**	$	(7,335)	$	(34,915)	*N/A*
Basic and diluted loss per share	**$**	**(0.56)**	$	(0.11)	$	(0.45)	*N/A*

VARIANCE ANALYSIS FOR THE YEAR-TO-DATE 2022 COMPARED TO SAME PERIOD OF 2021

- Net sales decreased compared to the same period last year mainly due to the reduced consumer demand following the removal of lock-down restrictions and the increased vaccine coverage partially offset by the growth of our on-demand Active Customer [(1)] base. In addition, due to the non-recurrence of the prior year's COVID-19 restrictions coupled with a lower sales base, there was an increase in incentives and credits used as a percentage of sales.
- The decrease in gross profit and gross margin primarily resulted from a decrease in net sales leading to operating de-leverage, including food, production costs and shipping costs. The increase in food costs was primarily driven by the expansion of our private label grocery offering. Higher production costs primarily resulted from an increase in production and fulfillment labour due to inflationary increases in wages and increases in supervisory and other non-direct labour. Lastly, higher shipping costs resulted mainly from reduced density due to operating de-leverage.
- The increase in selling, general and administrative expenses is primarily due to higher wages and salaries resulting from the expansion of the management team, including mainly our technology, operations management and marketing groups, and related administrative functions needed to build out the physical and digital on-demand fulfillment infrastructure, including the growing product offering required to support the Company's growth plan. The increase was partially offset by lower professional fees mainly due to ERP implementation in Fiscal 2021. Selling, general and administrative expenses as a percentage of net sales increased from 32.0% to 44.8%.
- Reorganization costs were incurred in the half of Fiscal 2022 mainly consisting of severance costs related to organizational realignments being progressively implemented in light of the completion and implementation of systems and improved processes coupled with aligning our workforce towards our future catalyst for growth on-demand groceries and meal solutions.

(1) See the non-IFRS financial measures and Active Customer and Subscriber sections at the end of this press release.

- The increase in depreciation and amortization expense is mainly due to the recognition of right-of-use assets from new facility lease agreements and related additions of leasehold improvements as the Company continues to grow and expand its product offering of grocery products and the ramp-up of new facilities across Canada.
- The increase in net finance costs is mainly due to the Company's on-demand strategy leading to a ramp-up of new facilities across Canada from continuous expansion of its footprint and its network of centralized manufacturing with localized micro fulfillment resulting in an increase interest expense on lease obligations.
- A deferred income tax recovery was recognized due to the issuance of $30 million convertible debentures in February 2022.
- The increase in net loss compared to the same period last year is mainly due to lower net sales and gross profit as well as higher wages and salaries.

EBITDA (1), ADJUSTED EBITDA (1) AND ADJUSTED EBITDA MARGIN (1)

The reconciliation of net loss to EBITDA (1), adjusted EBITDA (1) and adjusted EBITDA margin (1) is as follows:

(In thousands of Canadian dollars, except percentage information)

	For the 13-weeks ended		For the 26-weeks ended	
	March 5, 2022	February 28, 2021	**March 5, 2022**	February 28, 2021
Net loss	**$ (20,640)**	$ (4,252)	**$ (42,250)**	$ (7,335)
Net finance costs	**1,056**	540	**1,960**	1,215
Depreciation and amortization	**4,282**	2,292	**7,222**	4,325
Deferred income tax (recovery) expense	**(1,559)**	129	**(1,532)**	342
EBITDA (1)	**$ (16,861)**	$ (1,291)	**$ (34,600)**	$ (1,453)
Share-based payments expense	**1,984**	1,404	**3,337**	2,401
Reorganization costs	**1,293**	139	**3,105**	139
Adjusted EBITDA (1)	**$ (13,584)**	$ 252	**$ (28,158)**	$ 1,087
Net sales	**$ 73,377**	$ 100,654	**$ 151,198**	$ 192,081
Adjusted EBITDA margin (1) (%)	**(18.5)%**	0.3%	**(18.6)%**	0.6%

For the second quarter of 2022, adjusted EBITDA margin (1) decreased by 18.8 percentage points compared to the corresponding period in 2021 mainly due to a lower sales base resulting from the continued relaxation of lock-down restrictions and the increased vaccine coverage in the second quarter of 2022. In addition, lower adjusted EBITDA margin (1) can be explained mainly by higher wages and salaries as well as marketing spend as a percentage of net sales resulting from the expansion of the management team, including mainly our technology, operations management and marketing groups, and related administrative functions needed to build out the physical and digital on-demand fulfillment infrastructure, including the growing product offering required to support the Company's growth plan.

For the 26-weeks ended March 5, 2022, adjusted EBITDA margin (1) decreased by 19.2 percentage points compared to the corresponding period in 2021 mainly due to a lower sales base resulting from the continued relaxation of lock-down restrictions and the increased vaccine coverage in the first half of 2022. In addition, lower adjusted EBITDA margin (1) can be explained mainly by higher wages and salaries as well as marketing spend as a percentage of net sales resulting from the expansion of the management team, including mainly our technology, operations management and marketing groups, and related administrative functions needed to build out the physical and digital on-demand fulfillment infrastructure, including the growing product offering required to support the Company's growth plan.

(1) See the non-IFRS financial measures and Active Customer and Subscriber sections at the end of this press release.

FINANCIAL OUTLOOK

Online grocery is a fast-growing segment of the overall $140-billion-plus Canadian grocery industry, with digital grocery delivery penetration currently estimated to be in the single digits. We expect on-demand quick commerce delivery to act as a further catalyst of growth, potentially resulting in online grocery penetration reaching similar levels to other consumer goods product categories, which at 20% penetration, would result in a directly addressable market for online, on-demand grocery shopping of approximately $30 billion.

Over the past two and a half years, the Company has increased its offering from approximately 50 products to over 1,000 products today, which have built a cult-like following among customers. In addition, the Company has increased its delivery speed moving from a four-day delivery cycle to a same-day/next-day offering, and now to extremely fast on-demand delivery in as little as 30 minutes in Toronto, Montreal and now Ottawa. The results of this strategy have led to a more engaged Goodfood customer, with improved retention and more frequent order rates. Building on this, Goodfood intends to continue to create significant long-term shareholder value by:

- Continuing to grow its weekly orders and Active Customer (1) base supported by rapid on-demand delivery and an expanding grocery and meal solutions product portfolio
- Expanding the geographic coverage and increasing the density of its on-demand grocery and meal solutions fulfillment network
- Improving progressively its Net Loss and Adjusted EBITDA (1) as a percentage of Net Sales, as well as reducing its overall cash outflows through optimized capital spend, benefiting from the operating leverage Net Sales growth provides as well as through improved efficiencies and processes

Each quarter, Goodfood's Active Customer (1) base places nearly a million weekly-subscription and on-demand orders, serviced through a hub and spoke national network of distribution centres and manufacturing facilities feeding micro-fulfillment centres ("MFC") that are strategically located close to our customers' homes. The Company intends to grow its Active Customer (1) base and weekly orders by increasing the coverage of its on-demand 30-minute delivery to go along with an expanding product portfolio that now includes national brands, hyper-local brands, alcohol and health and beauty products, and a digital store with continuously improving user-interface and capabilities.

Since Goodfood launched its ground-breaking 30-minute on-demand grocery and meal solution service in Toronto and Montreal, the Company sustained rapidly growing new on-demand customers and reached an annualized $34 million sales run-rate before incentives and credits within 4 months of launch, a ~129% increase since the end of the first quarter of 2022. Supported by an attractive Net Promoter Score, an indication of customer satisfaction that is approximately 2x higher than traditional brick and mortar grocery, industry leading average order values and monthly order frequency, strong monthly cohort on-demand order retention rates, and the attractive at scale unit-economics these MFCs can provide, the Company plans on opening additional facilities to expand both the coverage and density within Toronto and Montreal, as well as Canada's other leading cities. As we look towards 2023, we expect the approximately 20 MFCs we plan on adding to our network during calendar 2022 to be the driver of the return of year-over-year growth. With adequate organizational capabilities and capital, we intend to launch approximately an additional 15-plus facilities per year beginning in Fiscal 2023. With these expected launches, our asset-light growth strategy will aim to have over $1 billion of on-demand grocery and meal solution capacity added by the end of Fiscal 2025 or sooner for as little as $40 million of capex for the local MFCs. Estimated required capex is based on capex investments for MFCs previously launched.

Goodfood's growth strategy involves delaying short-term profitability through the investment of capital in operating expenses related to building out its on-demand fulfillment capability, its grocery and meal-solutions offering as well as the technology and marketing required to support these growth initiatives. While Goodfood expects these investments to continue, we expect, through the on-going implementation of cost saving initiatives, a continued progressive improvement in our cost structure on a sequential quarter-over-quarter basis, as we generate efficiencies through the implementation of technology systems and improved

(1) See the non-IFRS financial measures and Active Customer and Subscriber sections at the end of this press release.

processes, improved purchasing power, fulfillment and delivery costs, and realized operating leverage across our network.

Looking further out, as the Company grows its market share and scale, it is confident that it will achieve economies of scale and additional efficiencies which will lead to attractive profitability levels and returns on invested capital.

Our overall strategy as well as the metrics discussed in this section of the Press Release can be found in our latest investor presentation. The investor presentation can be found under the "Investor Presentation" section of our investor relations website here: https://www.makegoodfood.ca/en/investisseurs/evenements.

Lastly, the COVID-19 pandemic has had an impact on Goodfood's overall business and operations. The Company experienced an acceleration of growth in demand as well as on-going pressure on its cost structure. During the summer of 2021 and in the Winter and Spring of 2022, we observed significant relaxation of COVID-19 restrictions versus the prior year and a change in consumer behavior as it relates to the pandemic, which negatively impacted weekly subscriber order volume. As we navigate the return to normalcy, we expect to see inconsistent demand patterns, and supply chain and operational conditions. Combined with recent inflationary pressures, these challenges are expected to impact Goodfood until stable consumer and behavioral patterns are established.

The foregoing discussion is based on assumptions that we are able to launch on-demand facilities in accordance with our strategic plan, that such facilities would be open and operational in accordance with planned timing and that they would have the impact on our operations, Net Sales and financial results expected by management based on current circumstances. Actual results could differ materially, and risks related to the launch of such facilities and their impact include availability of locations, our ability to source locations for the facilities, the cost of leasing space and costs of materials and labour to build out the facilities as well as availability and ability to source capital to fund the build-out and launch of planned facilities. The impact of new facilities and their contribution to our operational and financial results is also subject to the risk factors related to our business in general identified or referred to in the ''Forward-Looking Information'' and ''Business Risk" sections of the MD&A.

TRENDS AND SEASONALITY

The Company's net sales and expenses are impacted by seasonality. During the holiday season and the summer season, the Company anticipates net sales to be lower as a higher proportion of customers elect to skip their delivery. The Company generally anticipates the growth rate of the number of Active Customers [(1)] to be lower during these periods. While this is typically the case, the COVID-19 pandemic as well as the impact of the vaccine rollout and changing government restrictions have had, and may continue to have, an impact on this trend. Seasonality was muted during the pandemic. In light of the COVID-19 vaccine rollout as well as relaxation of lock-down restrictions in the summer, seasonality trends returned in the fourth quarter of Fiscal 2021 and lasted well into the first quarter of 2022 due to the unseasonably warm weather throughout most of the quarter. During periods with warmer weather, the Company anticipates packaging costs to be higher due to the additional packaging required to maintain food freshness and quality. The Company also anticipates food costs to be positively affected due to improved availability during periods with warmer weather.

(1) See the non-IFRS financial measures and Active Customer and Subscriber sections at the end of this press release.

CONFERENCE CALL

Goodfood will hold a conference call to discuss these results on April 14, 2022, at 8:00AM Eastern Time. Interested parties can join the call by dialing 1 (438) 803-0547 (Montreal or overseas) or 1 (888) 440-2169 (elsewhere in North America). To access the webcast and view the presentation, click on this link: https://www.makegoodfood.ca/en/investisseurs/evenements

Parties unable to call in at this time may access a recording by calling 1 (800) 770-2030 and entering the conference ID 1927890. This recording will be available on April 14, 2022 as of 11:00 AM Eastern Time until 11:59 PM Eastern Time on April 21, 2022.

A full version of the Company's Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements for the second quarters ended March 5, 2022 and February 28, 2021 will be posted on http://www.sedar.com later today.

NON-IFRS FINANCIAL MEASURES

Certain financial and non-financial measures included in this news release do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company includes these measures because it believes they provide to certain investors a meaningful way of assessing financial performance. For a more complete description of these measures and a reconciliation of Goodfood's non-IFRS financial measures to financial results, please see Goodfood's Management's Discussion and Analysis for the second quarter ended March 5, 2021.

Goodfood's definition of the non-IFRS measures are as follows:

- EBITDA is defined as net income (loss) before net finance costs, depreciation and amortization and income taxes.
- Adjusted EBITDA is defined as EBITDA excluding share-based payments and restructuring costs.
- Adjusted EBITDA margin is defined as the percentage of adjusted EBITDA to revenues.
- Total cash, net of debt measures how much total cash the Company has after taking into account its total debt. Total cash include cash and cash equivalent. Total debt includes the current and long-term portions of the debt as well as the liability component of the convertible debentures.
- Total cash, net of debt to total capitalization is calculated as total cash, net of debt over total capitalization. Total capitalization is measured as total debt plus shareholder's equity.

ACTIVE SUBSCRIBERS [(1)]

An active subscriber is an account that is scheduled to receive a delivery, has elected to skip delivery in the subsequent weekly delivery cycle or that is registered to Goodfood WOW. Active subscribers exclude cancelled accounts. For greater certainty, an active subscriber is only accounted for once, although different products might have been ordered in a given weekly delivery cycle. While the active subscribers metric is not an IFRS or non-IFRS financial measure, and, therefore, does not appear in, and cannot be reconciled to a specific line item in the Company's consolidated financial statements, we believe that the active subscribers metric is a useful metric for investors because it is indicative of potential future net sales. The Company reports the number of active subscribers at the beginning and end of the period, rounded to the nearest thousand.

ACTIVE CUSTOMERS [(1)]

An active customer is a customer that has placed an order within the last three months. Active customers include customers who have placed an order (1) received as part of our weekly meal subscription plan, a

[(1)] The active subscriber and active customer metrics should be evaluated independently, as they are related metrics where a user of the Company's platform can be counted as both an active subscriber and active customer. For example, this could occur if the user has made an order in the three months prior to the relevant measurement date and holds an account which has not been cancelled on or before the relevant measurement date. The Company has been transitioning towards the active customer metric as it provides greater clarity and transparency on the number of customers who placed an order during a quarter (active customers) as opposed to only customers who have a subscription (active subscribers).

subscription active customer; and (2) received on a next-day, same-day or less basis, an on-demand active customer. For greater certainty, an active customer is only accounted for once, although different products and multiple orders might have been purchased within a quarter. While the active customers metric is not an IFRS or non-IFRS financial measure, and, therefore, does not appear in, and cannot be reconciled to a specific line item in the Company's consolidated financial statements, we believe that the active customers metric is a useful metric for investors because it is indicative of potential future net sales. The Company reports the number of active customers at the beginning and end of the period, rounded to the nearest thousand.

ABOUT GOODFOOD

Goodfood (TSX: FOOD) is a leading online grocery company in Canada, delivering fresh meal solutions and grocery items that make it easy for customers from across Canada to enjoy delicious meals at home every day. Goodfood's vision is to be in every kitchen every day by enabling customers to complete their grocery shopping and meal planning in minutes and to receive their order in as little as 30 minutes. Goodfood customers have access to a unique selection of online products as well as exclusive pricing made possible by its direct-to-consumer infrastructures and technology that eliminate food waste and costly retail overhead. The Company's main production facility and administrative offices are based in Montreal, Québec, with additional production facilities located in the provinces of Québec, Ontario, Alberta, and British Columbia.

Except where otherwise indicated, all amounts in this press release are expressed in Canadian dollars.

For further information: Investors and Media

Jonathan Roiter
Chief Financial Officer
(855) 515-5191
IR@makegoodfood.ca

Roslane Aouameur
Vice President, Corporate Development
(855) 515-5191
IR@makegoodfood.ca

FORWARD-LOOKING INFORMATION

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, assumptions, estimates and intentions, including, without limitation, statements in the "Financial Outlook" section of the MD&A related to the build-out and launch of on demand fulfillment centres or infrastructure and the impact of on-demand grocery and meal solution offerings supported by an optimized digital platform and the realization and impact of the foregoing. This forward-looking information is identified by the use of terms and phrases such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", and "continue", as well as the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases. Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical trends, current condition and possible future developments and therefore the reader is cautioned that such information may not be appropriate for other purposes.

Forward-looking information is based upon a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in, or implied by, such forward-looking information. These risks and uncertainties include, but are not limited to, the following risk factors which are discussed in greater detail under "Risk Factors" in the Company's Annual Information Form for the year ended August 31, 2021 available on SEDAR at www.sedar.com: limited operating history, negative operating cash flow and net losses, food industry including current industry inflation levels, COVID-19 pandemic as well as the impact of the vaccine rollout and easing of restrictions, quality control and health concerns, regulatory compliance, regulation of the industry, public safety issues, product recalls, damage to Goodfood's reputation, transportation disruptions, storage and delivery of perishable foods, product liability, unionization activities, consolidation trends, ownership and protection of intellectual property, evolving industry, reliance on management, failure to attract or retain key employees which may impact the Company's ability to effectively operate and meet its financial goals, factors which may prevent realization of growth targets, inability to effectively react to changing consumer trends, competition, availability and quality of raw materials, environmental and employee health and safety regulations, the inability of the Company's IT infrastructure to support the requirements of the Company's business, online security breaches, disruptions and denial of service attacks, reliance on data centers, open source license compliance, future capital requirements, operating risk and insurance coverage, management of growth, limited number of products, conflicts of interest, litigation, catastrophic events, risks associated with payments from customers and third parties, being accused of infringing intellectual property rights of others and, climate change and environmental risks. This is not an exhaustive list of risks that may affect the Company's forward-looking statements. Other risks not presently known to the Company or that the Company believes are not significant could also cause actual results to differ materially from those expressed in its forward-looking statements. Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information concerning the availability of capital resources, business performance, market conditions, and customer demand. In addition, information and expectations set forth herein are subject to and could change materially in relation to developments regarding the duration and severity of the COVID-19 pandemic as well as the impact of the vaccine rollout and easing of the restrictions and its impact on product demand, labour mobility, supply chain continuity and other elements beyond our control. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.