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## Goodfood Reports Third Quarter 2022 Results and Continued Progress Across Key Value-Creating Drivers Including Project Blue Ocean Driving Quarterly Sequential Improved Profitability Indicators

- Net Sales of \$67 million compared to \$73 million in Q2-2022 and \$108 million in Q3-2021
- Gross margin increased to 26.2%, a 2.2% improvement compared to Q2-2022, and lower than Q3-2021 gross margin of 35.0%
- Net loss of \$21 million, stable relative to the Q2-2022 net loss of \$21 million and higher than Q3-2021 net loss of \$2 million
- Consistent progress across three key value-creating drivers:
  - Sequentially improving quarterly profitability indicators: improving gross margin and decreasing selling, general and administrative expenses driving lower Adjusted EBITDA <sup>(1)</sup> loss of \$10.6m in Q3-2022 compared to a loss of \$13.6m in Q2-2022 and \$17.7m in Q4-2021, and Adjusted EBITDA <sup>(1)</sup> of \$1.3m in Q3-2021
  - Growing on-demand Active Customers <sup>(1)</sup>: 41% quarter-over-quarter growth reaching 38,000 households in Toronto, Montreal and Ottawa at the end of Q3-2022, translating in nearly \$7 million in on-demand sales before credits and incentives
  - Expanding micro-fulfillment centre (MFC) footprint: now operating 9 MFCs
- Ongoing execution of Project Blue Ocean developed with the objective of driving the return to growth and profitability in the first half of Fiscal 2023
  - Established clear path to profitability to be driven by high-value customer growth, continued gross margin expansion, and efficiencies in selling, general and administrative expenses

### Montreal (Quebec), July 13, 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 third quarter of Fiscal 2022, ended June 4, 2022.

“In our third quarter, we have demonstrated continued progress across our three key value-creating drivers. First, our focus to improve profitability is yielding substantial results as our gross margin surpassed 26% for the first time in a year, on its way to returning to our 30% historical average. This improvement, despite extraordinary inflationary pressures across all our input costs, along with strong cost discipline in our SG&A cost structure, have improved our Adjusted EBITDA <sup>(1)</sup> by \$3 million this quarter compared to the second quarter, reaching an Adjusted EBITDA <sup>(1)</sup> loss of \$10.6m, a significant improvement from our first post-COVID Adjusted EBITDA <sup>(1)</sup> loss of \$17.7m in the fourth quarter of Fiscal 2021,” said Jonathan Ferrari, Chief Executive Officer of Goodfood.

“We also showed important growth in our other two key value-creating drivers, with on-demand active customers <sup>(1)</sup> reaching 38,000 and our micro-fulfillment centre footprint standing at 9 facilities in operation. As we outlined in our second quarter disclosure, our path to profitability is expected to be driven by a return to back-to-school volumes in our weekly subscription offering and by reaching a certain level of scale in on-demand active customers <sup>(1)</sup> and micro-fulfillment centres. The progress made this quarter on our on-demand strategy positions us very well on our path to profitability. In addition to scale, additional efficiencies in costs of goods sold and selling, general and administrative expenses are expected to provide the required leverage to achieve positive Adjusted EBITDA <sup>(1)</sup>. Last quarter, we launched Project Blue Ocean, a series of identified initiatives which we have begun to put in place that are designed to yield cost efficiencies to return the company to a positive Adjusted EBITDA <sup>(1)</sup> position in the first half of Fiscal 2023,” added Mr. Ferrari

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

“As of today, through pricing, operational simplification and SG&A reductions, Project Blue Ocean, which we launched during the third quarter, has contributed to gross margin and SG&A improvements and we expect further savings opportunities in the near-term. With the objective of simplifying our operations, we are undertaking a review of our asset base, seeking opportunities to optimize our facilities infrastructure beginning with the consolidation in late June of our breakfast facility in Montreal into our main production facility. In addition, in recent months, we have begun to significantly simplify our operations through key actions such as ingredient reduction in our ready-to-eat meals and curtailing grocery availability in weekly subscription to streamline our processes. Finally, earlier this month, we passed through a high single-digit percentage price increase, placing us at or slightly below our largest competitor’s pricing.”

“As we continue to execute on our three key value-creating drivers and Project Blue Ocean, we are building an optimized cost structure that, combined with a return to growth, will provide the Company with the financial flexibility required to return to positive Adjusted EBITDA <sup>(1)</sup> and continue to execute on our on-demand strategy,” concluded Mr. Ferrari.

## FINANCIAL HIGHLIGHTS

### RESULTS OF OPERATIONS – THIRD QUARTER OF FISCAL 2022 AND 2021

The following table sets forth the components of the Company’s consolidated statement of loss and comprehensive loss:

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

For the 13-weeks periods ended	June 4, 2022	May 31, 2021	(\$)	(%)
Net sales	\$ 67,031	\$ 107,795	\$ (40,764)	(38)%
Cost of goods sold	49,475	70,063	(20,588)	(29)%
Gross profit	\$ 17,556	\$ 37,732	\$ (20,176)	(53)%
Gross margin	26.2%	35.0%	N/A	(8.8)p.p.
Selling, general and administrative expenses	29,369	37,255	(7,886)	(21)%
Reorganization and other related costs	2,477	-	2,477	N/A
Depreciation and amortization	5,220	2,318	2,902	125%
Net finance costs	1,596	431	1,165	270%
Net loss before income taxes	\$ (21,106)	\$ (2,272)	\$ (18,834)	N/A
Deferred income tax (recovery) expense	(2)	61	(63)	N/A
Net loss, being comprehensive loss	\$ (21,104)	\$ (2,333)	\$ (18,771)	N/A
Basic and diluted loss per share	\$ (0.28)	\$ (0.03)	\$ (0.25)	N/A

### VARIANCE ANALYSIS FOR THE THIRD QUARTER OF 2022 COMPARED TO THIRD QUARTER OF 2021

- Net sales decreased compared to the same period last year mainly due to the change in customer behaviors driven by removal of lock-down restrictions and the increased vaccine coverage as well as the current economic conditions partially offset by the growth of our on-demand active customer base. In addition, due to the non-recurrence of the prior year’s COVID-19 restrictions coupled with a lower sales base, there was a slight 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 as well as the current extraordinary inflationary pressures, both impacting our input costs mainly on food, labour, production, and shipping costs. The increase in food costs was also 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 operating de-leverage.

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

- The decrease in selling, general and administrative expenses is primarily due to lower marketing spend and wages and salaries driven primarily by lower net sales and the Company's reorganization initiatives, including the launch of Project Blue Ocean, to align its workforce and marketing spend towards its current net sales base and its future catalyst for growth, on-demand groceries and meal solutions. Selling, general and administrative expenses as a percentage of net sales increased from 34.6% to 43.8%.
- Reorganization and other related costs were incurred in the third quarter of Fiscal 2022 mainly consisting of external costs related to ongoing execution of Project Blue Ocean.
- 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 \$30 million convertible debenture issued in February 2022 as well as its 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.
- The increase in net loss in the third quarter of 2022 compared to the same quarter last year is mainly due to lower net sales and gross profit partially offset by lower higher wages and salaries and marketing spend.

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

The following table sets forth the components of the Company's consolidated statement of loss and comprehensive loss:

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

For the 39-weeks periods ended	June 4, 2022	May 31, 2021	(\$)	(%)
Net sales	\$ 218,229	\$ 299,876	\$ (81,647)	(27)%
Cost of goods sold	164,430	201,935	(37,505)	(19)%
Gross profit	\$ 53,799	\$ 97,941	\$ (44,142)	(45)%
Gross margin	24.7%	32.7%	N/A	(8.0) p.p.
Selling, general and administrative expenses	97,107	98,778	(1,671)	(2)%
Reorganization and other related costs	5,582	139	5,443	3,916%
Depreciation and amortization	12,442	6,643	5,799	87%
Net finance costs	3,556	1,646	1,910	116%
Net loss before income taxes	\$ (64,888)	\$ (9,265)	\$ (55,623)	N/A
Deferred income tax (recovery) expense	(1,534)	403	(1,937)	N/A
Net loss, being comprehensive loss	\$ (63,354)	\$ (9,668)	\$ (53,686)	N/A
Basic and diluted loss per share	\$ (0.85)	\$ (0.14)	\$ (0.71)	N/A

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

- Net sales decreased year-over-year mainly due to the change in customer behaviors driven by the removal of lock-down restrictions and the increased vaccine coverage and the current economic conditions partially offset by the growth of our on-demand active customer 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 as well as the current extraordinary inflationary pressures, both impacting our input costs mainly on food, labour, production, and shipping costs. The increase in food costs was also driven by the expansion of our private label grocery offering. Higher production costs primarily resulted

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

from an increase in production and fulfillment labour due to inflationary increases in wages and operating de-leverage.

- The decrease in selling, general and administrative expenses is primarily due to lower marketing spend driven by lower net sales and the Company's reorganization initiatives, including the launch of Project Blue Ocean, to align its workforce and marketing spend towards its current net sales base and its future catalyst for growth, on-demand groceries and meal solutions partially offset by 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 32.9% to 44.5%.
- Reorganization and other related costs were incurred in Fiscal 2022 mainly consisting of severance and other 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 as well as interest expense related to the Company's \$30 million convertible debenture issued in February 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 year-over-year is mainly due to lower net sales and gross profit as well as higher depreciation and amortization expense and reorganization and other related costs.

### EBITDA <sup>(1)</sup>, ADJUSTED EBITDA <sup>(1)</sup> AND ADJUSTED EBITDA MARGIN <sup>(1)</sup>

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

(In thousands of Canadian dollars, except percentage information)

	For the 13-weeks ended		For the 39-weeks ended	
	June 4,	May 31,	June 4,	May 31,
	2022	2021	2022	2021
Net loss	\$ (21,104)	\$ (2,333)	\$ (63,354)	\$ (9,668)
Net finance costs	1,596	431	3,556	1,646
Depreciation and amortization	5,220	2,318	12,442	6,643
Deferred income tax (recovery) expense	(2)	61	(1,534)	403
EBITDA <sup>(1)</sup>	\$ (14,290)	\$ 477	\$ (48,890)	\$ (976)
Share-based payments expense	1,177	869	4,514	3,270
Reorganization and other related costs	2,477	-	5,582	139
Adjusted EBITDA <sup>(1)</sup>	\$ (10,636)	\$ 1,346	\$ (38,794)	\$ 2,433
Net sales	\$ 67,031	\$ 107,795	\$ 218,229	\$ 299,876
Adjusted EBITDA margin <sup>(1)</sup> (%)	(15.9)%	1.2%	(17.8)%	0.8%

For the third quarter of 2022, adjusted EBITDA margin <sup>(1)</sup> decreased by 17.1 percentage points compared to the corresponding period in 2021 mainly due to a lower sales base resulting from a shift in customer behaviors driven by post COVID-19 effects and the current economic conditions partially offset by the growth of our on-demand active customer <sup>(1)</sup> base. A decrease in gross margin contributed to the lower adjusted

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

EBITDA margin <sup>(1)</sup> primarily due to a decrease in net sales leading to operating de-leverage as well as the current extraordinary inflationary pressures across all input costs. In addition, lower adjusted EBITDA margin <sup>(1)</sup> can be explained mainly by higher wages and salaries and marketing spend as a percentage of net sales resulting from lower net sales.

For the 39-weeks ended June 4, 2022, adjusted EBITDA margin <sup>(1)</sup> decreased by 18.6 percentage points compared to the corresponding period in 2021 mainly due to a lower sales base resulting from a shift in customer behaviors from post COVID-19 effects as well as the current economic conditions partially offset by the growth of our on-demand active customer base. A decrease in gross margin contributed to the lower adjusted EBITDA margin <sup>(1)</sup> primarily due to a decrease in net sales leading to operating de-leverage as well as the current extraordinary inflationary pressures across all input costs. In addition, lower adjusted EBITDA margin <sup>(1)</sup> can be explained mainly by higher wages and salaries as a percentage of net sales resulting from the expansion of the management team 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 as well as marketing spend as a percentage of net sales.

## **FINANCIAL OUTLOOK**

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Online grocery is a 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. At 20% penetration, online grocery would result in a market of approximately \$30 billion.

To gain share in this market, over the past two and a half years, Goodfood 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 Toronto, Montreal and Ottawa. As we build our selection and expand our coverage, we aim to gain share in the online grocery market by focusing on complementing Canadians' weekly shop with our rapid delivery of our differentiated grocery products and delicious meal solutions.

Building on this, Goodfood intends to continue to create long-term shareholder value by focusing and executing on three key value drivers:

- Growing its orders and Active Customer <sup>(1)</sup> base supported by rapid on-demand delivery and an expanding grocery and meal solutions product portfolio
- Expanding the reach and density of its on-demand grocery and meal solutions fulfillment network
- Improving progressively its Net Loss and Adjusted EBITDA <sup>(1)</sup> as a percentage of Net Sales through Project Blue Ocean: building an optimized cost structure, benefiting from the operating leverage Net Sales growth provides as well as through improved efficiencies and processes, to set up Goodfood for its next phase of growth

Each quarter, Goodfood's Active Customer <sup>(1)</sup> base places 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 <sup>(1)</sup> base and weekly orders by increasing the reach of its on-demand 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 on-demand grocery and meal solution service in Toronto, Montreal and Ottawa, the Company sustained rapidly growing new on-demand customers generating nearly \$7 million sales before incentives in the third quarter of Fiscal 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 retention rates, and the

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

attractive at scale unit-economics these MFCs can provide, Goodfood now has 9 operational MFCs. As the Company focuses on scaling up existing facilities and bringing their economics towards its target, it could open additional facilities to expand both the coverage and density within Toronto and Montreal, as well as Canada's other leading cities, while focusing on returning to profitability for the overall Company.

To return to profitability, the Company has embarked on a review of its cost structure efficiency called Project Blue Ocean. As part of Project Blue Ocean, Goodfood will increase its focus on near-and-medium-term profitability. The project has helped Goodfood identify a series of initiatives to simplify the business' operational complexity and asset base, and set up the structure to facilitate a return to top line growth and to improve gross margin, and review its organizational structure and marketing processes to gain further efficiency. A significant portion of the initiatives identified have been or are currently in process of execution and this strategic focus on optimizing asset use and returning to profitability may result in fewer than the previously anticipated 20 MFCs by the end of calendar 2022. The goal of Project Blue Ocean aims to return Goodfood to positive Adjusted EBITDA <sup>(1)</sup> in the first half of Fiscal Year 2023. In recent months and in the near future, Goodfood's key focus is to attract and retain high-value customers and continue to implement cost discipline across its assets and operations.

Goodfood's strategy involves investing 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 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 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 relaxation of COVID-19 restrictions versus the prior year and a change in consumer behaviors 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 and that we are able to implement Project Blue Ocean and its components as currently expected. 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, as well as other administrative and operational matters, including project Blue Ocean, 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.

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

## **TRENDS AND SEASONALITY**

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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 <sup>(1)</sup> to be lower during these periods. While this is typically the case, the COVID-19 effects 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.

## **CONFERENCE CALL**

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Goodfood will hold a conference call to discuss these results on July 13, 2022, at 8:00AM Eastern Time. Interested parties can join the call by dialing 1-416-764-8646 (Toronto or overseas) or 1-888-396-8049 (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 1-877-674-7070 and entering the playback passcode 136007#. This recording will be available on July 13, 2022, as of 11:00 AM Eastern Time until 11:59 PM Eastern Time on July 20, 2022.

A full version of the Company's Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements for the third quarters ended June 4, 2022, and May 31, 2021, will be posted on <http://www.sedar.com> later today.

## **NON-IFRS FINANCIAL MEASURES**

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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 third quarter ended June 4, 2022.

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

- EBITDA is defined as net income or loss before net finance costs, depreciation and amortization and income taxes. Adjusted EBITDA is defined as EBITDA excluding share-based payments expense and reorganization and other related costs. Adjusted EBITDA margin is defined as the percentage of adjusted EBITDA to net sales. EBITDA, adjusted EBITDA, and adjusted EBITDA margin are non-IFRS financial measures. We believe that EBITDA, adjusted EBITDA, and adjusted EBITDA margin are useful measures of financial performance to assess the Company's ability to seize growth opportunities in a cost-effective manner, to finance its ongoing operations and to service its long-term debt. They also allow comparisons between companies with different capital structures.
- Total cash, net of debt is a non-IFRS measure that 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. We believe that total cash, net of debt measure is a useful measure to assess the Company's overall financial position.

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

- Total cash, net of debt to total capitalization is a non-IFRS measure that is calculated as total cash, net of debt over total capitalization. Total capitalization is measured as total debt plus shareholder's equity. We believe this non-IFRS financial ratio to be a useful measure to assess the Company's financial leverage.

## **ACTIVE CUSTOMERS <sup>(1)</sup>**

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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 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.

A subscription active customer and an on-demand active customer should be evaluated independently, as a customer of the Company's platform can be counted as both a subscription active customer and an on-demand active customer. For example, this could occur if the customer has made an on-demand order in the three months prior to the relevant measurement date and holds a subscription account which has not been cancelled on or before the relevant measurement date.

## **ABOUT GOODFOOD**

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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**

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



## **FORWARD-LOOKING INFORMATION**

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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](http://www.sedar.com): limited operating history, negative operating cash flow and net losses, food industry including current industry inflation levels, COVID-19 pandemic impacts and the appearance of COVID variants, 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 and the appearance of COVID variants 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.