



Goodfood Completes \$12.675 Million Investment Led by Investissement Québec Through Private Placement of Convertible Unsecured Subordinated Debentures

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Goodfood Market Corp. ("**Goodfood**" or the "**Company**") (TSX: FOOD) is pleased to announce that it has closed an offering (the "**Offering**") of \$12,675,000 aggregate principal amount of 12.5% convertible unsecured subordinated debentures of the Company (the "**Debentures**") due February 6, 2028 (the "**Maturity Date**"), at a price of \$1,000 per \$1,000 principal amount of Debentures, by way of non-brokered private placement. The total investment consists of \$10 million from Investissement Québec and \$2.675 million from management, Board members and existing shareholders.

"We are pleased to partner with Investissement Québec to bolster Goodfood's balance sheet and achieve our path to profitability and positive cash flows. With the capital raised, we will continue to execute the final steps of our profitable growth plan and deliver more delicious Goodfood products to Canadians," said Jonathan Ferrari, Chief Executive Officer of Goodfood. "As our target cost structure is now nearly in place, we are transitioning our focus to growing the Goodfood brand in Quebec and across the country and we are thrilled to count on a partner such as Investissement Québec in our next growth phase. We are also proud to highlight the commitment of our management team, board and existing shareholders who are participating in this financing to the tune of \$2.675 million," concluded Mr. Ferrari.

"Investissement Québec is proud to support innovative Québec companies like Goodfood in order to propel their growth," says Bicha Ngo, Senior Executive Vice-President, Private Equity, Investissement Québec.

The Debentures will be convertible at the holder's option into Goodfood common shares (the "**Common Shares**") at a conversion price of \$0.75 per Common Share. The Debentures will bear interest at a rate of 12.5% per annum. The interest portion for the period commencing on the issuance date and ending in February 2025 will be capitalized semi-annually and convertible at a price equal to the volume weighted average trading price of the Common Shares on the TSX for the five (5) consecutive trading days ending on the date on which such interest portion becomes due, plus a premium of 50%. As of February 6 2025 and until the Maturity Date, the interest portion will be payable semi-annually in cash. As of February 6 2026, Goodfood may repurchase the non-converted portion of a Debenture at an amount of the principal and accrued interest plus an amount providing the holder with an internal rate of return (IRR) equal to 18% for the period during which such Debenture will have been outstanding. The holders may require a repurchase on the same terms upon a change of control of the Company.

The Debentures will be direct, subordinated unsecured obligations of the Company, subordinated to any senior indebtedness of the Company, including the Company's credit facility, and ranking equally with one another and with all other existing and future subordinated unsecured indebtedness of the Company to the extent subordinated on the same terms. The Company intends to use the net proceeds from the Offering to complete Project Blue Ocean initiatives and for general corporate purposes.

Jonathan Ferrari, Neil Cuggy, John Khabbaz and Donald Olds, all directors and/or officers of the Company, have purchased, indirectly, an aggregate of \$2,425,000 principal amount of Debentures under the Offering. Their participation is considered to be a "related party transaction" as defined in *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The participation of such insiders is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the securities issued to such insiders nor the consideration for such securities exceeds 25% of the Company's market capitalization. The Company did not file a material change report 21 days prior to closing of the Offering as the details of the participation of insiders of the Company in the Offering had not been confirmed at that time. The Offering, including the insiders'

participation therein, has been approved by the board of directors of the Company. Hamnett Hill, former director of the Company, and President of edo Capital is also participating with an investment of \$250,000.

The Debentures offered, and the Common Shares issuable on conversion, redemption or maturity thereof, have not and will not be registered under the U.S. *Securities Act of 1933*, as amended (the “**1933 Act**”), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the 1933 Act. This press release does not constitute an offer to sell or a solicitation of any offer to buy Debentures or Common Shares in the United States.

About Goodfood

Goodfood (TSX: FOOD) is a leading digitally native meal solutions brand in Canada, delivering fresh meals and add-ons that make it easy for customers from across Canada to enjoy delicious meals at home every day. The Goodfood team is building Canada’s most loved millennial food brand, with the mission to create experiences that spark joy and help our community live longer on a healthier planet. Goodfood customers have access to uniquely fresh and delicious products, as well as exclusive pricing, made possible by its world class culinary team and direct-to-consumer infrastructures and technology. We are passionate about connecting our partner farms and suppliers to our customers’ kitchens while eliminating food waste and costly retail overhead. The Company’s administrative offices are based in Montreal, Québec, with production facilities located in the provinces of Quebec and Alberta.

About Investissement Québec

Investissement Québec's mission is to play an active role in Quebec's economic development by stimulating business innovation, entrepreneurship and business acquisitions, as well as growth in investment and exports. Operating in all of the province's administrative regions, the Corporation supports the creation and growth of businesses of all sizes with investments and customized financial solutions. It also assists businesses by providing consulting services and other support measures, including technological assistance available from Investissement Québec – CRIQ. In addition, through Investissement Québec International, the Corporation prospects for talent and foreign investment, and assists Quebec businesses with export activities.

FURTHER INFORMATION:

Investors

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

Media

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

FORWARD-LOOKING STATEMENTS

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 concerning the anticipated use of net proceeds from the Offering. 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, risks related to the Offering and the following risk factors which are discussed in greater detail under “Risk Factors” in the Company’s Annual Information Form for the 52 weeks ended September 3, 2022 available on SEDAR at www.sedar.com: limited operating history, negative operating cash flow and net losses, going concern risk, 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, net sales and operating results could be impacted by changes in the overall economic condition in Canada and by the continuing inflationary pressures and by the impact these conditions could have on consumer discretionary spending. Fears of a looming recession, increases in interest rates, uncertainty surrounding the COVID-19 pandemic, continuing supply chain disruptions, increased input costs are expected to have a continuing significant impact on our economic condition that could materially affect our financial condition, results of operations and cash flows. 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.