goodfood

**For Immediate Distribution**

**Goodfood Reports Third Quarter Results with $42 Million of Net Sales, $3 Million of Adjusted EBITDA[1] and Record $4 Million of Adjusted Free Cash Flow[1]**

- Net sales were $42 million in the third quarter, a 37% reduction compared to the same quarter last year and an increase of $0.1 million compared to the second quarter of Fiscal 2023. Net sales results were driven by our deliberate focus on higher value customers leading to better unit economics
- Record quarterly unadjusted gross margin of 41.0%, an improvement of 14.8% compared to the same quarter last year, with gross profit at $17.3 million compared to $17.6 million in the same quarter last year, a slight decrease despite net sales declining 37%
- Net loss for the quarter was $1 million, a $20 million improvement compared to the same quarter last year
- Record quarterly adjusted EBITDA margin[1] of 7.8% for an adjusted EBITDA[1] of $3 million this quarter, a $14 million improvement compared to the same quarter last year
- Cash flows from operations of $3 million for the quarter, an improvement of $17 million compared to the same quarter last year
- Adjusted free cash flows[1] of $4 million for the third quarter, a $23 million improvement compared to the same quarter last year
- Upgrading forecast to positive adjusted EBITDA[1] for the fiscal year 2023 underpinned by a lean cost structure, with expectations to build on third quarter growth for Fiscal 2024

**Montreal (Quebec), July 18, 2023**

Goodfood Market Corp. ("Goodfood" or "the Company") (TSX: FOOD), a leading Canadian online meal solutions company, today announced financial results for the third quarter of Fiscal 2023, ended June 3, 2023.

"We are pleased to have delivered positive cash flows for the third quarter, with adjusted free cash flow[1] reaching $4 million, highlighting our improved financial position and underscoring our commitment to delivering long-term shareholder value. Furthermore, the positive cash flows came on the back of sequentially stable net sales, which grew for the first time since the third quarter of Fiscal 2021," said Jonathan Ferrari, Chief Executive Officer of Goodfood. "Fueled by our leaner cost structure, we also delivered positive adjusted EBITDA[1] of $3 million dollars for a second consecutive quarter, and an adjusted EBITDA margin[1] of nearly 8%," added Mr. Ferrari.

"As we enter the fourth quarter, we are energized by the strengthening of our financial health and our positive business outlook. The $23 million annual improvement in adjusted free cash flow[1] is a testament to what our teams accomplished in the third quarter and to their dedication, hard work and consistent discipline in making sound business and financial decisions. With the structural financial strength established this quarter, the fourth quarter, which is typically marked by a seasonal slowdown in business activity as customers spend more time outside of their homes, provides the opportunity to build additional momentum on the implementation of our growth plan. Our teams are now focused on generating incremental customer acquisition efficiencies, as well as driving higher order frequency and basket size. We are concentrating our efforts on scaling our long-term growth platform through a set of initiatives that will seek to augment our 360-degree view of the customer, drive increased conversion and re-order rates, broaden our meal solutions assortment, and capture a larger share of Canadians' food wallet – please read our Financial Outlook section for additional information," concluded Jonathan Ferrari.

[1] Please refer to the "Non-IFRS Financial Measures" section of this press release for corresponding definitions.

## RESULTS OF OPERATIONS – THIRD QUARTER OF FISCAL 2023 AND 2022

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 3, 2023 | | June 4, 2022 | | ($) | (%) |
|---|---|---|---|---|---|---|---|
| Net sales | $ | 42,139 | $ | 67,031 | $ | (24,892) | (37)% |
| Cost of goods sold | | 24,853 | | 49,475 | | (24,622) | (50)% |
| Gross profit | $ | 17,286 | $ | 17,556 | $ | (270) | (2)% |
| Gross margin | | 41.0% | | 26.2% | | N/A | 14.8p.p. |
| Selling, general and administrative expenses | | 14,545 | | 29,369 | | (14,824) | (50)% |
| Depreciation and amortization | | 2,206 | | 5,220 | | (3,014) | (58)% |
| Reorganization and other related costs | | 370 | | 2,477 | | (2,107) | (85)% |
| Net finance costs | | 1,329 | | 1,596 | | (267) | (17)% |
| Loss before income taxes | $ | (1,164) | $ | (21,106) | $ | 19,942 | 94% |
| Deferred income tax recovery | | – | | (2) | | 2 | (100)% |
| Net loss, being comprehensive loss | $ | (1,164) | $ | (21,104) | $ | 19,940 | 94% |
| Basic loss per share | $ | (0.02) | $ | (0.28) | $ | 0.26 | 93% |

### VARIANCE ANALYSIS FOR THE THIRD QUARTER OF 2023 COMPARED TO THIRD QUARTER OF 2022

- The decrease in net sales is mainly driven by lower active customers and the Company's decision to discontinue its on-demand offering partially offset by an increase in average order value. The decrease in active customers is mainly driven by the Company's focus on attracting and retaining customers that provide higher gross margins and by changing customer behaviours.
- The decrease in gross profit primarily resulted from a decrease in net sales mostly offset by improved production, food and shipping costs as a percentage of net sales costs driven by improved efficiencies.
- The decrease in selling, general and administrative expenses is primarily due to lower wages and salaries and marketing spend driven primarily by the Company's Blue Ocean initiatives. Selling, general and administrative expenses as a percentage of net sales decreased from 43.8% to 34.5 %.
- The decrease in depreciation and amortization expense is mainly due to the reduction in fixed assets and right-of-use assets in relation to Blue Ocean initiatives.
- The decrease in reorganization and other related costs mainly consist of lower external advisor fees and lower headcount reduction costs as the Company completes its Blue Ocean initiatives.
- The decrease in net finance costs is mainly due to lower interest expense on debt and lease obligations due to a lower debt balance and lower lease obligations in relation to Blue Ocean initiatives partially offset by higher interest on the Debentures as the Company issued convertible debenture in February 2023.
- Despite the decrease in net sales compared to same quarter last year, net loss has improved significantly. This improvement is mainly due to lower wages and salaries in cost of good sold and in selling, general and administrative expenses as well as lower food costs and lower marketing spend.

## RESULTS OF OPERATIONS – YEAR-TO-DATE FISCAL 2023 AND 2022

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 3, 2023 | | June 4, 2022 | | ($) | (%) |
|---|---|---|---|---|---|---|---|
| Net sales | $ | 131,330 | $ | 218,229 | $ | (86,899) | (40)% |
| Cost of goods sold | | 80,171 | | 164,430 | | (84,259) | (51)% |
| Gross profit | $ | 51,159 | $ | 53,799 | $ | (2,640) | (5)% |
| Gross margin | | 39.0% | | 24.7% | | N/A | 14.3p.p. |
| Selling, general and administrative expenses | | 52,074 | | 97,107 | | (45,033) | (46)% |
| Depreciation and amortization | | 8,831 | | 12,442 | | (3,611) | (29)% |
| Reorganization and other related (gains) costs | | (1,280) | | 5,582 | | (6,862) | (123)% |
| Net finance costs | | 4,369 | | 3,556 | | 813 | 23% |
| Loss before income taxes | $ | (12,835) | $ | (64,888) | $ | 52,053 | 80% |
| Deferred income tax recovery | | (61) | | (1,534) | | 1,473 | (96)% |
| Net loss, being comprehensive loss | $ | (12,774) | $ | (63,354) | $ | 50,580 | 80% |
| Basic and diluted loss per share | $ | (0.17) | $ | (0.85) | $ | 0.68 | 80% |

### VARIANCE ANALYSIS FOR THE YEAR-TO-DATE 2023 COMPARED TO SAME PERIOD OF 2022

- The decrease in net sales is primarily driven by lower active customers, the Company's decision to discontinue its on-demand offering partially offset by an increase in average order value. The decrease in active customers is mainly driven by the Company's focus on attracting and retaining customers that provide higher gross margins also by changing customer behaviours.
- The decrease in gross profit primarily resulted from a decrease in net sales mainly offset by lower production costs and food costs as a percentage of net sales costs driven by improved efficiencies.
- The decrease in selling, general and administrative expenses is primarily due to lower wages and salaries and marketing spend driven primarily by the Company's Blue Ocean initiatives. Selling, general and administrative expenses as a percentage of net sales decreased from 44.5% to 39.7%.
- The decrease in depreciation and amortization expense is mainly due to the reduction in fixed assets and right-of-use assets in relation to Blue Ocean initiatives.
- Reorganization and other related gains mainly consist of gains on termination of leases partially offset by loss on disposal of non-financial assets and headcount reduction costs.
- The increase in net finance costs is mainly due to the Company's $30 million convertible debentures issued in February 2022 partially offset by lower interest expense on lease obligations in relation to Blue Ocean initiatives.
- Although net sales have decreased compared to same period last year, net loss has improved significantly. This improvement is mainly due to the reduction in selling, general and administrative expenses driving by Project Blue Ocean initiatives as well as improved gross margin driven by improved operational efficiencies.

## ADJUSTED GROSS PROFIT[1] AND ADJUSTED GROSS MARGIN[1]

The reconciliation of gross profit to adjusted gross profit[1] and adjusted gross margin[1] is as follows:

(In thousands of Canadian dollars, except percentage information)

| | For the 13 weeks ended | | For the 39 weeks ended | |
|---|---|---|---|---|
| | June 3, 2023 | June 4, 2022 | June 3, 2023 | June 4, 2022 |
| Gross profit | $ 17,286 | $ 17,556 | $ 51,159 | $ 53,799 |
| Discontinuance of products related to on-demand offering | (1) | – | 1,273 | – |
| Adjusted gross profit | $ 17,285 | $ 17,556 | $ 52,432 | $ 53,799 |
| Net sales | $ 42,139 | $ 67,031 | $ 131,330 | $ 218,229 |
| Gross margin | 41.0% | 26.2% | 39.0% | 24.7% |
| Adjusted gross margin (%) | 41.0% | 26.2% | 39.9% | 24.7% |

For the 13 weeks ended June 3, 2023, the adjusted gross profit decreased slightly by $0.3 million primarily due to lower net sales partially offset by operational efficiencies driving lower food and production costs. The increase in adjusted gross margin of 14.8 percentage points can be explained mainly by improved food, production, packaging and shipping costs as a percentage of net sales driven by efficiencies gained as part of Project Blue Ocean as well as lower credit and incentives as a percentage of sales. Lower credits and incentives can be explained in part by the Company's focus on attracting and retaining customers that require lower incentives. The improved adjusted gross margin was partly offset by a lower net sales base.

For the 39 weeks ended June 3, 2023, the adjusted gross profit decreased by $1.4 million primarily due to lower net sales partially offset by lower costs of goods sold mainly in food, production and packaging costs. The increase in adjusted gross margin of 15.2 percentage points can be explained by lower food, production, packaging and shipping costs as a percentage of net sales costs driven by efficiencies gained as part of Project Blue Ocean.

## 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 39 weeks ended | |
|---|---|---|---|---|
| | June 3, 2023 | June 4, 2022 | June 3, 2023 | June 4, 2022 |
| Net loss | $ (1,164) | $ (21,104) | $ (12,774) | $ (63,354) |
| Net finance costs | 1,329 | 1,596 | 4,369 | 3,556 |
| Depreciation and amortization | 2,206 | 5,220 | 8,831 | 12,442 |
| Deferred income tax recovery | – | (2) | (61) | (1,534) |
| EBITDA | $ 2,371 | $ (14,290) | $ 365 | $ (48,890) |
| Share-based payments expense | 544 | 1,177 | 3,631 | 4,514 |
| Discontinuance of products related to on-demand offering | (1) | – | 1,273 | – |
| Reorganization and other related costs (gains) | 370 | 2,477 | (1,280) | 5,582 |
| Adjusted EBITDA | $ 3,284 | $ (10,636) | $ 3,989 | $ (38,794) |
| Net sales | $ 42,139 | $ 67,031 | $ 131,330 | $ 218,229 |
| Adjusted EBITDA margin (%) | 7.8% | (15.9)% | 3.0% | (17.8)% |

[1] Please refer to the "Non-IFRS Financial Measures" section of this press release for corresponding definitions.

For the 13 weeks ended June 3, 2023, adjusted EBITDA margin improved by 23.7 percentage points compared to the corresponding period in 2022 mainly driven by stronger adjusted gross margin and lower selling, general and administrative expenses due to a lower salary base and other Project Blue Ocean initiatives. The improved adjusted EBITDA margin was partly offset by a lower net sales base.

For the 39 weeks ended June 3, 2023, adjusted EBITDA margin improved by 20.8 percentage points compared to the corresponding period in 2022 mainly driven by stronger adjusted gross margin and lower selling, general and administrative expenses mainly due to a lower salary base and other Project Blue Ocean initiatives. The improved adjusted EBITDA margin was partly offset by a lower net sales base.

### FREE CASH FLOW[11] AND ADJUSTED FREE CASH FLOW[1]

The reconciliation of net cash flows from operating activities to free cash flow and adjusted free cash flow is as follows:

(In thousands of Canadian dollars, except percentage information)

| | For the 13 weeks ended | | For the 39 weeks ended | |
|---|---|---|---|---|
| | June 3, 2023 | June 4, 2022 | June 3, 2023 | June 4, 2022 |
| Net cash provided by (used in) operating activities | $ 3,100 | $ (13,560) | $ (7,392) | $ (46,174) |
| Additions to fixed assets | (9) | (6,156) | (698) | (30,890) |
| Additions to intangible assets | (202) | (751) | (822) | (2,770) |
| Free cash flow | $ 2,889 | $ (20,467) | $ (8,912) | $ (79,834) |
| Payments related to discontinuance of products related to on-demand offering | 184 | – | 312 | – |
| Payments made to reorganization and other related costs | 1,058 | 1,757 | 5,752 | 4,796 |
| Adjusted free cash flow | $ 4,131 | (18,710) | (2,848) | (75,038) |

For the 13 weeks ended June 3, 2023, adjusted free cash flow improved by $22.8 million compared to the corresponding period in 2022 mainly driven by lower net loss in the third quarter of 2023 compared to same corresponding 2022 period resulting primarily from lower salary base and other Project Blue Ocean initiatives and lower additions to fixed assets as new facility roll-outs were concluded in Fiscal 2022.

For the 39 weeks ended June 3, 2023, adjusted free cash flow improved by $72.2 million compared to the corresponding period in 2022 mainly driven by lower net loss resulting primarily from lower salary base and other Project Blue Ocean initiatives, lower additions to fixed assets as new facility roll-outs were concluded in Fiscal 2022 as well as proceeds on disposal of non-financial assets received mainly in the first quarter of 2023.

### FINANCIAL OUTLOOK

Goodfood’s core purpose is to create experiences that spark joy and help our community live longer on a healthier planet. As a food brand with a strong following from Canadians coast to coast, we are focused on growing the Goodfood brand through our meal solutions including meal kits and prepared meals, with a range of exciting Goodfood branded add-ons to be explored and complete a unique food experience for customers.

The online meal solutions market continues to grow rapidly and meal kits are now estimated to have reached approximately $1 billion dollar in size in Canada as part of the $144 billion Canadian Grocery industry. Globally, the meal kit market is estimated by Vantage Research to reach US$51.2 billion by 2030, growing at an 18.2% CAGR (Vantage Research, July 2023). With roughly only 8.4% of households subscribed to a meal kit service (see Annual Information Form for details), we believe there is substantial runway for additional penetration of meal kits into Canadian households. We believe that consumers’ willingness to

[1] Please refer to the “Non-IFRS Financial Measures” section of this press release for corresponding definitions.

simplify their weekly meal planning combined with their desire for joyful, exciting, and nourishing food experiences at home while reducing food waste provides for significant room to increase online food delivery penetration. With a future household penetration of 20%, the market for weekly meal plans including meal kits, prepared meals and add-ons in Canada could reach approximately $3 billion in the coming years and Goodfood is well positioned to capture a significant share of that market.

Before scaling our efforts to capture an outsized share of the meal solutions market, our focus has been and continues to be on further improving and growing cash flows. We are pleased to have now reported two consecutive quarters of positive adjusted EBITDA[1] and have driven adjusted free cash flows[1] in positive territory to the tune of $4 million in the third quarter alone. Having improved adjusted EBITDA[1] and adjusted free cash flows[1] by $14 million and $23 million, respectively, on the back of lower net sales highlights the cost discipline we have shown in improving our operational efficiency and selling, general and administrative reduction. This turnaround, enabled in large part by our team's execution of Project Blue Ocean, positions Goodfood ideally to turn its focus to growth and fund its growth with internally generated cash flows. The stable net sales this quarter – increasing by $0.1 million compared to the second quarter of this year – provide a template and launchpad to return Goodfood to consistent growth during Fiscal 2024.

During Fiscal 2024, Goodfood will focus on three key growth drivers: 1) customer growth, 2) order frequency increase, and 3) basket size enhancement.

To grow our customer base, the first step is building customer acquisition cost efficiencies to enable adding more customers to the Goodfood platform every week with the same investment. In recent months, we have completed a thorough review of our acquisition channels and tested various data-driven strategies that have driven initial improvements to acquisition costs in the third quarter. Moreover, we have made and continue to make investments in our digital product to elevate the customer experience by reducing friction and enhancing ease of signups. Combined with reactivations of previous Goodfood members, these customer growth initiatives will look to broaden our base of customers, with our focus continuing to be on the profitability of new customers.

To enhance our order frequency, we have further built our loyalty VIP program, which rewards our best customers with exclusive discounts, live events and a dedicated customer service experience. In addition to enticing our most loyal customers, we are increasing the diversity of our recipe and ingredient offering to provide additional choices to enhance order rate. With a focus on *Better-for-You* products like organic chicken breasts and paleo and keto meals, combined with a growing selection of ready-to-eat meals and exciting upcoming partnerships with first-rate restaurants, we plan on offering an exciting and mouth-watering selection to customers to drive consistently increasing order frequency.

The dollar-value of the baskets our customers are building is also increasing and we are building a differentiated set of meal kits, ready-to-eat meals and add-ons to provide Canadians with an exciting online meal solutions option and increasingly capture a larger share of their food wallet. With the recent launch of our discovery bundles including our Block Party BBQ and Italian Discovery we aim to bring customers through a culinary journey that will aim to drive larger baskets purchased on Goodfood. In addition, we will soon be providing more choice of proteins to our customers, with the upcoming launch of customization and upsells within our meal-kit recipes allowing customers to swap or double the proteins included in their chosen recipes. With these initiatives, we aim to provide customers with an array of options to easily make their baskets bigger.

In addition to focusing on these three key drivers of top-line growth, we will continue to explore the potential for multi-channel partnerships that can broaden Goodfood's customer reach and resilience.

To maximize the reach of our growth initiatives, we first improved the economics of our customer acquisition cost and customer metrics and, beginning in the first quarter of next fiscal year, will invest in efficient, data-driven, and highly targeted marketing strategies to capture new customers with solid profitability metrics. Now that we have delivered on our goal to return to Adjusted EBITDA[2] profitability and that cash flows are positive in the third quarter, growing these two metrics in the coming quarters and years is likely to be driven by top-line growth and that is where our focus is, building a frictionless platform, product diversity, customer retention and efficient marketing initiatives.

With the steps we have taken and progress made in overcoming recent challenges, our strategic execution to drive profitability and cash flows continues to bear fruit, underpinned by consistent improvement in Adjusted EBITDA[1] and cash flows. Coupled with our unrelenting focus on nurturing our customer relationships, profitable growth remains our top priority. The Goodfood team is fully focused on building and growing Canada's most loved millennial food brand.

## TRENDS AND SEASONALITY

The Company's net sales and expenses are impacted by seasonality. During the winter 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 number of Active Customers[1] to be lower during these periods. 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

Goodfood will hold a conference call to discuss these results on July 18, 2023, 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 698192#. This recording will be available until July 25, 2023.

A full version of the Company's Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements for the third quarters ended June 3, 2023, and June 4, 2022, will be posted on http://www.sedar.com later today.

[1] Please refer to the "Non-IFRS Financial Measures" section of this press release for corresponding definitions.

## 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 third quarter ended June 3, 2023.

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

- Adjusted gross profit is defined as gross profit excluding the impact of the discontinuance of products related to Goodfood On-Demand offering pursuant to the Company's Blue Ocean initiative. Adjusted gross margin is defined as the percentage of adjusted gross profit to net sales. The Company uses adjusted gross profit and adjusted gross margin to measure its performance from one period to the next excluding the variation caused by the items described above. Adjusted gross profit and adjusted gross margin are non-IFRS financial measures. We believe that these metrics are useful measures of financial performance to assess how efficiently the Company uses its resources to service its customers as well as to assess underlying trends in our ongoing operations without the variations caused by the impacts of strategic initiatives such as the items described above and facilitates the comparison across reporting periods.
- 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, the impact of the inventories write-downs due to the discontinuance of products related to Goodfood On-Demand offering, impairment of non-financial assets and reorganization and other related costs pursuant to the Company's Blue Ocean initiative. 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 debt. They also allow comparisons between companies with different capital structures. We also believe that these metrics are useful measures of financial performance to assess underlying trends in our ongoing operations without the variations caused by the impacts of the items described above and facilitates the comparison across reporting periods. Please refer to the "Metrics and non-IFRS financial measures – reconciliation" section of the MD&A for a reconciliation of these non-IFRS financial measures to the most comparable IFRS financial measures.
- Free cash flow is defined as net cash used in or provided by operating activities less additions to fixed assets and additions to intangible assets. This measure allows us to assess financial strength and liquidity as well as to assess how much cash is generated and available to invest in growth opportunities, to finance its ongoing operations and to service its debt. It also allows comparisons between companies with different capital structures. Adjusted free cash flow is defined as free cash flow excluding cash payments made to costs related to reorganization activities. We believe that adjusted free cash flow is a useful measure when comparing between companies with different capital structures by removing variations caused by the impacts of the items described above. We also believe that this metric is a useful measure of financial and liquidity performance to assess underlying trends in our ongoing operations without the variations caused by the impacts of the items described above and facilitates the comparison across reporting periods. Please refer to the "Metrics and non-IFRS financial measures – reconciliation" section of the MD&A for a reconciliation of these non-IFRS financial measures to the most comparable IFRS financial measures.

- Please refer to the “Metrics and non-IFRS financial measures – reconciliation” and the “Liquidity and capital resources” sections of the MD&A for a reconciliation of these non-IFRS financial measures to the most comparable IFRS financial measures.

## ACTIVE CUSTOMERS

An active customer is a customer that has placed an order within the last three months. 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 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.

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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## 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. 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 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.