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Goodfood Reports Second Quarter Results with Positive Net Income and \$3 Million Adjusted EBITDA¹ Driven by Successful Turnaround Execution

- Net sales were \$42 million in the second quarter, a 43% reduction compared to the same quarter last year, driven by our focus on higher value customers leading to better unit economics
- Record quarterly gross margin of 40.7%, an improvement of 16.7% compared to the same period last year
- Net income for the quarter was \$0.1 million, a \$21 million improvement compared to the same period in 2022
- Positive adjusted EBITDA margin¹ of 7.2% for an adjusted EBITDA¹ of \$3 million this quarter, a \$17 million improvement compared to a loss of \$14 million in the same quarter of the prior year
- Adjusted free cash flow¹ use of \$2 million for the second quarter, a \$25 million improvement for the same period last year
- Confirming expectation of positive Adjusted EBITDA¹ in the third quarter of Fiscal 2023, on the back of improved cost structure as a result of completed cost saving measures, with focus now shifting to growth

Montreal (Quebec), April 12, 2023

Goodfood Market Corp. (“Goodfood” or “the Company”) (TSX: FOOD), a leading Canadian online meal solutions company, today announced financial results for the second quarter of Fiscal 2023, ended March 4, 2023.

“We are pleased to have delivered on our commitment to achieve positive Adjusted EBITDA¹ this quarter, supported by structurally higher gross margins. These results highlight the successful turnaround of our operational efficiency and consistent improvement of our cost structure driving solid financial performance. Our gross margin surpassed the 40% mark for the first time in Goodfood’s history with lower net sales of \$42 million being driven in part by our focus on attracting and retaining higher value customers that require lower incentives, leading to better unit economics. Combined with continued discipline in our selling, general and administrative expenses, our Adjusted EBITDA¹ came in at \$3 million this quarter compared to a loss of \$14 million in the same quarter last year,” said Jonathan Ferrari, Chief Executive Officer of Goodfood.

“As we enter the third quarter of our fiscal year, we are encouraged with our profitability levels and the resulting cash flow improvements, with adjusted free cash flow¹ use improving by \$25 million to \$2 million this quarter,” added Mr. Ferrari. “Having delivered on a simpler balance sheet and profitability, our focus is shifting towards profitable growth. We have developed key customer-centric initiatives such as a new customer reward program, restaurant collaborations, and the launch of our new Keto and Paleo meals supported by our exciting new marketing campaign with Montreal Canadiens captain Nick Suzuki. We have also committed to further elevate our dedication to sustainability through multiple initiatives that can be found in our [Be Good-er open letter](#). With the successful execution of our cost structure turnaround and our focus shifting to growth, we believe we are well underway towards implementing the building blocks that will drive long-term, consistent profitable growth and value for our shareholders,” concluded Mr. Ferrari.

¹ Please refer to the “Metrics and Non-IFRS Financial Measures” section of this MD&A for corresponding definitions.

RESULTS OF OPERATIONS – SECOND QUARTER OF FISCAL 2023 AND 2022

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

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

For the 13 weeks periods ended		March 4, 2023	March 5, 2022	(\$)	(%)
Net sales	\$	42,043	\$ 73,377	\$ (31,334)	(43)%
Cost of goods sold		24,929	55,782	(30,853)	(55)%
Gross profit	\$	17,114	\$ 17,595	\$ (481)	(3)%
Gross margin		40.7%	24.0%	N/A	16.7 p.p.
Selling, general and administrative expenses		15,531	33,163	(17,632)	(53)%
Depreciation and amortization		2,856	4,282	(1,426)	(33)%
Reorganization and other related (gains) costs		(2,769)	1,293	(4,062)	(314)%
Net finance costs		1,470	1,056	414	39%
Income (loss) before income taxes	\$	26	\$ (22,199)	\$ 22,225	(100)%
Deferred income tax recovery		(72)	(1,559)	1,487	(95)%
Net income (loss), being comprehensive income (loss)	\$	98	\$ (20,640)	\$ 20,738	(100)%
Basic and diluted income (loss) per share	\$	-	\$ (0.28)	\$ 0.28	(100)%

VARIANCE ANALYSIS FOR THE SECOND QUARTER OF 2023 COMPARED TO SECOND QUARTER OF 2022

- The decrease in net sales is mainly driven by the Company's focus on attracting and retaining customers that provide higher gross margins, in part by requiring lower credits and incentives, also by changing customer behaviours as well as the Company's decision to discontinue its on-demand offering. The decrease in net sales is partially offset by an increase in average order value.
- The decrease in gross profit primarily resulted from a decrease in net sales partially offset by improved food, production and packaging costs as a percentage of net sales costs driven by improved efficiencies as well as lower credit and incentives as a percentage of sales.
- 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 45.2% to 36.9%.
- 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 in the second quarter of Fiscal 2023 mainly consist of gains on termination of leases partially offset by headcount reduction costs.
- The increase in net finance costs is mainly due to the Company's \$30 million convertible debenture issued in February 2022 partially offset by lower interest on debt and lease obligations due to a lower debt balance and lower lease obligations in relation to Blue Ocean initiatives.
- The net income was \$0.1 million in the second quarter of 2023 compared to a net loss of \$20.6 million in the same quarter last year. The 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 partially offset by lower gross profit mainly driven by lower sales.

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 26 weeks periods ended	March 4, 2023	March 5, 2022	(\$)	(%)
Net sales	\$ 89,191	\$ 151,198	\$ (62,007)	(41)%
Cost of goods sold	55,318	114,955	(59,637)	(52)%
Gross profit	\$ 33,873	\$ 36,243	\$ (2,370)	(7)%
Gross margin	38.0%	24.0%	N/A	14.0 p.p.
Selling, general and administrative expenses	37,529	67,738	(30,209)	(45)%
Depreciation and amortization	6,625	7,222	(597)	(8)%
Reorganization and other related (gains) costs	(1,650)	3,105	(4,755)	(153)%
Net finance costs	3,040	1,960	1,080	55%
Loss before income taxes	\$ (11,671)	\$ (43,782)	\$ 32,111	73%
Deferred income tax recovery	(61)	(1,532)	1,471	96%
Net loss, being comprehensive loss	\$ (11,610)	\$ (42,250)	\$ 30,640	73%
Basic and diluted loss per share	\$ (0.15)	\$ (0.56)	\$ 0.41	73%

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

- The decrease in net sales is primarily driven by the Company's focus on attracting and retaining customers that provide higher gross margins, in part by requiring lower credits and incentives, also by changing customer behaviours as well as decision to discontinue its on-demand offering. The decrease in net sales is partially offset by an increase in average order value.
- The decrease in gross profit primarily resulted from a decrease in net sales partially offset by lower food costs and production costs as a percentage of net sales costs driven by improved efficiencies as well as lower credit and incentives as a percentage of sales.
- 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 44.8% to 42.1%.
- 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 incurred 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.
- The decrease in net loss 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 partially offset by lower gross profit mainly driven by lower sales.

ADJUSTED GROSS PROFIT¹ AND ADJUSTED GROSS MARGIN¹

The reconciliation of gross profit to adjusted gross profit¹ and adjusted gross margin¹ is as follows:

(In thousands of Canadian dollars, except percentage information)

	For the 13 weeks ended		For the 26 weeks ended	
	March 4, 2023	March 5, 2022	March 4, 2023	March 5, 2022
Gross profit	\$ 17,114	\$ 17,595	\$ 33,873	\$ 36,243
Discontinuance of products related to on-demand offering	631	–	1,274	–
Adjusted gross profit ¹	\$ 17,745	\$ 17,595	\$ 35,147	\$ 36,243
Net sales	\$ 42,043	\$ 73,377	\$ 89,191	\$ 151,198
Gross margin	40.7%	24.0%	38.0%	24.0%
Adjusted gross margin ¹ (%)	42.2%	24.0%	39.4%	24.0%

For the 13 weeks ended March 4, 2023, the adjusted gross profit¹ increased by \$0.2 million primarily due to lower costs of goods sold. The increase in adjusted gross margin¹ of 18.2% can be explained mainly by improved food, production and packaging costs as a percentage of net sales costs 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 margin¹ was partly offset by a lower net sales base.

For the 26 weeks ended March 4, 2023, the adjusted gross profit¹ decreased by \$1.1 million primarily due to a decrease in net sales partially offset by lower costs of goods sold mainly in food, production and packaging costs. The increase in adjusted gross margin¹ of 15.4% can be explained by lower food, production and packaging costs as a percentage of net sales costs 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.

EBITDA¹, ADJUSTED EBITDA¹ AND ADJUSTED EBITDA MARGIN¹

The reconciliation of net loss to EBITDA¹, adjusted EBITDA¹ and adjusted EBITDA margin¹ is as follows:

(In thousands of Canadian dollars, except percentage information)

	For the 13 weeks ended		For the 26 weeks ended	
	March 4, 2023	March 5, 2022	March 4, 2023	March 5, 2022
Net income (loss)	\$ 98	\$ (20,640)	\$ (11,610)	\$ (42,250)
Net finance costs	1,470	1,056	3,040	1,960
Depreciation and amortization	2,856	4,282	6,625	7,222
Deferred income tax recovery	(72)	(1,559)	(61)	(1,532)
EBITDA ¹	\$ 4,352	\$ (16,861)	\$ (2,006)	\$ (34,600)
Share-based payments expense	794	1,984	3,087	3,337
Discontinuance of products related to on-demand offering	631	–	1,274	–
Reorganization and other related (gains) costs	(2,769)	1,293	(1,650)	3,105
Adjusted EBITDA ¹	\$ 3,008	\$ (13,584)	\$ 705	\$ (28,158)
Net sales	\$ 42,043	\$ 73,377	\$ 89,191	\$ 151,198
Adjusted EBITDA margin ¹ (%)	7.2%	(18.5)%	0.8%	(18.6)%

For the 13 weeks ended March 4, 2023, adjusted EBITDA margin¹ improved by 25.7 percentage points compared to the corresponding period in 2022 mainly driven by stronger adjusted gross margin¹ and lower

¹ Please refer to the "Metrics and Non-IFRS Financial Measures" section of this MD&A for corresponding definitions.

selling, general and administrative expenses due to a lower salary base and other Project Blue Ocean initiatives. The improved adjusted EBITDA margin¹ was partly offset by a lower net sales base.

For the 26 weeks ended March 4, 2023, adjusted EBITDA margin¹ improved by 19.4 percentage points compared to the corresponding period in 2022 mainly driven by stronger adjusted gross margin¹ and lower selling, general and administrative expenses mainly due to a lower salary base and other Project Blue Ocean initiatives. The improved adjusted EBITDA margin¹ was partly offset by a lower net sales base.

FREE CASH FLOW¹ AND ADJUSTED FREE CASH FLOW¹

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 26 weeks ended	
	March 4, 2023	March 5, 2022	March 4, 2023	March 5, 2022
Net cash used in operating activities	\$ (4,417)	\$ (13,692)	\$ (10,492)	\$ (32,614)
Additions to fixed assets	(3)	(13,924)	(689)	(24,734)
Additions to intangible assets	(494)	(1,015)	(620)	(2,019)
Free cash flow ¹	\$ (4,914)	\$ (28,631)	\$ (11,801)	\$ (59,367)
Payments related for discontinuance of products related to on-demand offering	127	–	127	–
Payments made for reorganization and other related costs	2,576	1,293	4,694	2,979
Adjusted free cash flow ¹	\$ (2,211)	(27,338)	(6,980)	(56,388)

For the 13 weeks ended March 4, 2023, adjusted free cash flow¹ improved by \$24.9 million compared to the corresponding period in 2022 mainly driven by a net income in the 2023 period compared to a net loss in the corresponding 2022 period and lower additions to fixed assets as new facility roll-outs were concluded in Fiscal 2022. Included in the net cash used in operating activities is \$2.7 million spent on reorganization and other related costs such as facility closures and head count reduction costs as well as costs related to the discontinuance of on-demand grocery products.

For the 26 weeks ended March 4, 2023, adjusted free cash flow¹ improved by \$46.8 million compared to the corresponding period in 2022 mainly driven by lower net loss, 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. Included in the net cash used in operating activities is \$4.8 million spent on reorganization and other related costs such as facility closures and head count reduction costs as well as costs related to the discontinuance of on-demand grocery products.

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.

Meal kits are estimated to have reached approximately \$1 billion dollar in size in Canada as part of the \$144 billion Canadian Grocery industry, with roughly 8.4% of households subscribed to a meal kit service (see Annual Information Form for additional details). We believe that consumers' willingness to 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

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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.

To capture an outsized share of the meal solutions market, Goodfood has launched exciting initiatives that are aimed at attracting a broader set of customers, generating more orders, and increasing basket sizes. To attract new customers and enhance their stickiness, we are investing in our digital product – our mobile application and web platform – in order to drive improved conversions and retention. With an updated customer platform, we also aim for our product innovation to play a key role in our growth trajectory. We are collaborating with some of Canada's top restaurants and chefs to create unique recipes our customers can only find on Goodfood. To further grow our household penetration, we are exploring broadening our product offering and distribution channels, including the potential addition of a wider range of ready-to-eat products, a discount offering, and distribution partnerships. Our focus has now shifted to growing our business and doing so profitably, and to achieve that, our teams are executing on the highest-return opportunities.

To maximize the reach of our exciting initiatives, we invest in efficient, data-driven, and highly targeted marketing strategies to capture new customers with solid profitability metrics, to increase order frequency and to grow basket sizes through effective cross-selling. Now that we have delivered on our goal to return to Adjusted EBITDA¹ profitability and improved cash flows, 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 increasingly shifting with platform, product and marketing initiatives.

Despite recent challenges (see the discussions in the "Basis of Presentation" section of the MD&A including material uncertainty regarding our ability to continue as a going concern), our strategic execution to drive profitability and cash flows continues to bear fruit, underpinned by consistent improvement in Adjusted EBITDA¹ which has now turned positive. 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 Customers¹ 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 April 12, 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 463513#. This recording will be available until April 19, 2023.

A full version of the Company's Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements for the second quarters ended March 4, 2023, and March 5, 2022, will be posted on <http://www.sedar.com> later today.

¹ Please refer to the "Metrics and Non-IFRS Financial Measures" section of this MD&A 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 first quarter ended March 4, 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 generate 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.