Interim Condensed Consolidated Financial Statements of

GOODFOOD MARKET CORP.

For the 39 weeks ended June 3, 2023 and June 4, 2022

(Unaudited)

GOODFOOD MARKET CORP.

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GOODFOOD MARKET CORP.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
(In thousands of Canadian dollars, except share and per share information - Unaudited)

		13 weeks ended		39 weeks ended	
	Note	**June 3, 2023**	June 4, 2022	**June 3, 2023**	June 4, 2022
Net sales		**$ 42,139**	$ 67,031	**$ 131,330**	$ 218,229
Cost of goods sold		**24,853**	49,475	**80,171**	164,430
Gross profit		**17,286**	17,556	**51,159**	53,799
Selling, general and administrative expenses		**14,545**	29,369	**52,074**	97,107
Reorganization and other related costs (gains)	5	**370**	2,477	**(1,280)**	5,582
Depreciation and amortization		**2,206**	5,220	**8,831**	12,442
Operating income (loss)		**165**	(19,510)	**(8,466)**	(61,332)
Net finance costs	6	**1,329**	1,596	**4,369**	3,556
Loss before income taxes		**(1,164)**	(21,106)	**(12,835)**	(64,888)
Deferred income tax recovery		**-**	(2)	**(61)**	(1,534)
Net loss, being comprehensive loss		**$ (1,164)**	$ (21,104)	**$ (12,774)**	$ (63,354)
Basic and diluted loss per share		**$ (0.02)**	$ (0.28)	**$ (0.17)**	$ (0.85)
Basic weighted average number of common shares outstanding	11	**76,429,109**	75,011,168	**75,978,729**	74,941,836

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GOODFOOD MARKET CORP.

Interim Condensed Consolidated Statements of Financial Position
(In thousands of Canadian dollars - Unaudited)

As at	Note	June 3, 2023	September 3, 2022
Assets			
Current assets:			
Cash and cash equivalents		**$ 28,368**	$ 36,885
Accounts and other receivables		**4,101**	3,596
Inventories		**3,551**	6,884
Assets held for sale		**115**	3,654
Other current assets		**542**	1,178
		36,677	52,197
Non-current assets:			
Fixed assets		**12,059**	18,408
Right-of-use assets	7	**11,649**	55,419
Intangible assets		**2,932**	3,174
Other non-current assets		**286**	650
Total assets		**$ 63,603**	$ 129,848
Liabilities and Shareholders' Deficiency			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 18,407**	$ 27,104
Deferred revenues		**5,727**	5,501
Current portion of debt	8	**4,322**	11,743
Current portion of lease obligations	10	**2,851**	8,468
		31,307	52,816
Non-current liabilities:			
Convertible debentures	9	**40,920**	27,469
Lease obligations	10	**11,386**	60,741
Total liabilities		**83,613**	141,026
Shareholders' deficiency:			
Common shares	11	**179,996**	173,788
Contributed surplus		**8,125**	10,584
Convertible debentures	9	**5,367**	5,174
Deficit		**(213,498)**	(200,724)
Total shareholders' deficiency		**(20,010)**	(11,178)
Total liabilities and shareholders' deficiency		**$ 63,603**	$ 129,848

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Approved on behalf of Goodfood Market Corp. by:

Signed
Jonathan Ferrari, Director and Chair of the Board

Signed
Donald Olds, Director and Chair of the Audit Committee

GOODFOOD MARKET CORP.

Interim Condensed Consolidated Statements of Changes in Equity
(In thousands of Canadian dollars - Unaudited)

For the 39 weeks ended

						June 3, 2023
	Note	**Common Shares**	**Contributed Surplus**	**Convertible Debentures**	**Deficit**	**Total**
Balance as at September 3, 2022		$ 173,788	$ 10,584	$ 5,174	$ (200,724)	**$** (11,178)
Net loss for the period		–	–	–	(12,774)	(12,774)
Share-based payments expense	12	–	3,627	–	–	3,627
Net convertible debenture issuance (2)	9	–	–	202	–	202
Net convertible debenture conversions	9, 11	196	–	(9)	–	187
Restricted share units vested	11	6,083	(6,083)	–	–	–
Employee share purchase plan	11	(71)	(3)	–	–	(74)
Balance as at June 3, 2023		**$ 179,996**	**$ 8,125**	**$ 5,367**	**$ (213,498)**	**$ (20,010)**
						June 4, 2022
Balance as at August 31, 2021		$ 170,094	$ 5,901	$ 843	$ (78,963)	$ 97,875
Net loss for the period		–	–	–	(63,354)	(63,354)
Share-based payments expense (1)	12	–	5,505	–	–	5,505
Net convertible debenture issuance (2)	9	–	–	4,452	–	4,452
Net convertible debenture conversions	9, 11	618	–	(76)	–	542
Stock options exercised	11	726	(216)	–	–	510
Restricted share units vested	11	1,417	(1,417)	–	–	–
Employee share purchase plan	11	(308)	(13)	–	–	(321)
Balance as at June 4, 2022		$ 172,547	$ 9,760	$ 5,219	$ (142,317)	$ 45,209

(1) Share-based payments expense includes $1.1 million related to grants awarded to settle short-term incentive compensation for certain employees.
(2) The equity component of the convertible debentures presented above is net of income taxes of $0.1 million (2022 - $1.5 million).

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

GOODFOOD MARKET CORP.

Interim Condensed Consolidated Statements of Cash Flows
(In thousands of Canadian dollars - Unaudited)

		13 weeks		39 weeks	
For the periods ended	**Note**	**June 3, 2023**	June 4, 2022	**June 3, 2023**	June 4, 2022
Operating:					
Net loss		**$ (1,164)**	$ (21,104)	**$ (12,774)**	$ (63,354)
Adjustments for:					
Depreciation and amortization		**2,206**	5,220	**8,831**	12,442
Net (gain) loss on disposal of non-financial assets	5	**(20)**	–	**2,363**	–
Gain on termination of leases	5	**(1,580)**	–	**(12,137)**	–
Write-offs of non-financial assets	5	**23**	–	**1,724**	–
Share-based payments expense		**538**	1,152	**3,627**	4,435
Net finance costs	6	**1,329**	1,596	**4,369**	3,556
Deferred income tax recovery		**–**	(2)	**(61)**	(1,534)
Change in non-cash operating working capital	13	**1,502**	(315)	**(4,060)**	(1,669)
Other		**266**	(107)	**726**	(50)
Net cash provided by (used in) operating activities		**3,100**	(13,560)	**(7,392)**	(46,174)
Investing:					
Additions to fixed assets		**(9)**	(6,156)	**(698)**	(30,890)
Additions to intangible assets		**(202)**	(751)	**(822)**	(2,770)
Proceeds from disposal of non-financial assets		**–**	–	**2,629**	–
Interest received		**305**	178	**798**	453
Net cash provided by (used in) investing activities		**94**	(6,729)	**1,907**	(33,207)
Financing:					
Net (issue costs) proceeds from issuance of convertible debentures	9	**(73)**	(210)	**12,271**	28,286
Net repayment of debt	8	**(913)**	(156)	**(8,101)**	(468)
Net proceeds from revolving facility	8	**–**	16,770	**600**	32,707
Interest paid		**(1,362)**	(852)	**(4,307)**	(3,259)
Payments of lease obligations	10	**(608)**	(2,092)	**(3,503)**	(4,844)
Shares purchased under employee share purchase plan	12	**(12)**	(72)	**(70)**	(321)
Proceeds from exercises of stock options		**–**	–	**–**	510
Other		**26**	27	**78**	84
Net cash (used in) provided by financing activities		**(2,942)**	13,415	**(3,032)**	52,695
Increase (decrease) in cash and cash equivalents		**252**	(6,874)	**(8,517)**	(26,686)
Cash and cash equivalents, beginning of period		**28,116**	105,723	**36,885**	125,535
Cash and cash equivalents, end of period		**$ 28,368**	$ 98,849	**$ 28,368**	$ 98,849
Supplemental cash flow information	13				

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. REPORTING ENTITY

Goodfood Market Corp. is a digital meal solutions brand in Canada, delivering fresh meal and add-ons that make it easy for customers from across Canada to enjoy delicious meals at home every day. References to Goodfood Market Corp. (or "Goodfood", the "Company") represent the financial position, financial performance, cash flows and disclosures of Goodfood Market Corp. and its subsidiaries on a consolidated basis.

These financial statements are prepared on a consolidated basis and include its wholly-owned subsidiary which does not currently conduct any activities.

Goodfood Market Corp. is incorporated under the *Canada Business Corporations Act* and is listed on the Toronto Stock Exchange ("TSX") under the symbol "FOOD". The Company has its main production facility and administrative offices based in Montréal, Québec, with an additional operating facility in Calgary, Alberta.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated financial statements do not include all of the disclosures required for annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended September 3, 2022.

These interim condensed consolidated financial statements of the Company were approved by the Board of Directors ("Board") on July 17, 2023 for publication on July 18, 2023.

2.2 BASIS OF MEASUREMENT

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for the following:

- financial instruments at fair value through profit or loss;
- equity share-based payment arrangements which are measured at fair value at grant date; and
- lease obligations, which are measured at the present value of minimum lease payments at lease inception.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The interim condensed consolidated financial statements are stated in Canadian dollars, which is the functional and presentation currency of Goodfood Market Corp.

2.4 SEASONALITY OF THE BUSINESS

The Company’s net sales and expenses are impacted by seasonality. During the winter holiday season and summer season, the Company anticipates net sales to be lower as a higher proportion of customers elect to skip their delivery. 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.

(All tabular amounts are in thousands of Canadian dollars, except share information – Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in these interim condensed consolidated financial statements are the same as those applied to the Company's annual audited consolidated financial statements for the year ended September 3, 2022.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's interim condensed consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, net sales and expenses and accompanying disclosures. Uncertainty about these assumptions and estimates, including the current economic environment, could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These assumptions and estimates are regularly reviewed. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied to the Company's annual audited consolidated financial statements for the year ended September 3, 2022.

5. REORGANIZATION AND OTHER RELATED COSTS (GAINS)

	13 weeks		39 weeks	
	June 3, 2023	June 4, 2022	**June 3, 2023**	June 4, 2022
(Gains) charges related to facility closures [1]	**$ (23)**	$ –	**$ (8,297)**	$ 126
Write-offs (recovery) of non-financial assets	**(73)**	–	**1,628**	–
Net loss on disposal of non-financial assets	**77**	–	**2,459**	–
Employee termination and benefit costs	**379**	677	**1,676**	3,656
External advisor fees [2]	**(8)**	1,800	**945**	1,800
Other	**18**	–	**309**	–
	$ 370	$ 2,477	**$ (1,280)**	$ 5,582

(1) For the 13 weeks ended and 39 weeks ended June 3, 2023, (gains) charges related to facility closures include gain on termination of leases amounting to $1.6 million and $12.1 million, respectively.
(2) External advisor fees consist of fees related to the Company's reorganization initiatives.

(All tabular amounts are in thousands of Canadian dollars, except share information – Unaudited)

6. NET FINANCE COSTS

	13 weeks		39 weeks	
	June 3, 2023	June 4, 2022	**June 3, 2023**	June 4, 2022
Interest expense on debt	**$ 112**	$ 245	**$ 538**	$ 733
Interest expense on lease obligations	**229**	640	**1,285**	1,898
Interest expense on debentures, including accretion interest	**1,311**	872	**3,144**	1,319
Interest income	**(305)**	(206)	**(798)**	(419)
Foreign exchange (gain) loss	**–**	(2)	**(45)**	4
Fair value gain on interest rate swaps	**–**	–	**–**	(26)
Other finance (gains) costs	**(18)**	47	**245**	47
	$ 1,329	$ 1,596	**$ 4,369**	$ 3,556

7. RIGHT-OF-USE ASSETS

	Facilities	**Automotive equipment**	**Other equipment**	**Total**
As at September 3, 2022	$ 54,527	$ 475	$ 417	$ 55,419
Additions	160	81	–	241
Derecognition	(39,504)	(57)	(12)	(39,573)
Depreciation	(4,154)	(163)	(121)	(4,438)
As at June 3, 2023	**$ 11,029**	**$ 336**	**$ 284**	**$ 11,649**

(All tabular amounts are in thousands of Canadian dollars, except share information – Unaudited)

8. DEBT

As at		**June 3, 2023**		September 3, 2022
Interest-bearing financing:				
Secured revolving facility, variable interest at BA [(1)] plus 4.50%, maturing in November 2023	**$**	**–**	$	–
Secured term loan, variable interest at BA [(1)] plus 4.50%, maturing in November 2023		**4,375**		–
Matured borrowings:				
Secured term loan, variable interest at BA [(1)] plus 2.50%, maturing in November 2023		**–**		11,875
	$	**4,375**	$	11,875
Unamortized financing costs		**(53)**		(132)
	$	**4,322**	$	11,743
Current portion of debt		**(4,322)**		(11,743)
	$	**–**	$	–

(1) BA is defined as the Canadian Bankers' Acceptance Rate.

CREDIT FACILITY 2022

During the second quarter of Fiscal 2023, the Company reached an agreement to amend the syndicated credit agreement (Credit Facility 2021) with its existing lenders providing bank financing of $9.5 million. The facilities include a $5.0 million term loan, a $2.5 million revolving credit facility, and $2.0 million in additional short-term financing. The facilities bear variable interest rates of BA plus 4.50% and mature in November 2023. The facilities feature updated financial conditions, including minimum cash balance and financing related covenants. The term loan is repayable in quarterly installments of $313 thousand with a bullet repayment of the balance of $4.1 million at the end of the term in November 2023. The revolving facility matures in November 2023. As at June 3, 2023, no amount was drawn from the revolving facility. The total drawn credit facility is presented as a current liability.

9. CONVERTIBLE DEBENTURES

2023 Debentures

On February 6, 2023, the Company issued 12,675 convertible unsecured subordinated debentures (the "2023 Debentures") at a price of $1,000 per Debenture for gross proceeds of $12.7 million. The 2023 Debentures mature on February 6, 2028 (the "Maturity Date") and bear a fixed interest 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.

The 2023 Debentures are convertible into common shares of the Company at the option of the holder at any time prior to the close of business on the earlier of the last business day immediately preceding the Maturity Date and the last business day immediately preceding the date specified for redemption by the Company at a price of $0.75 (the "Conversion Price") per common share.

(All tabular amounts are in thousands of Canadian dollars, except share information – Unaudited)

As of February 6, 2026, Goodfood may repurchase the non-converted portion of a 2023 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 2023 Debentures are 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 conversion option, net of related issuance costs and deferred income taxes, has been recorded in shareholders' equity for an amount of $0.2 million. Factoring in the 2023 Debentures issuance costs, the effective interest rate on the Debentures is 13.5%.

In connection with the issuance of the 2023 Debentures, 2,675 Debentures were purchased by the Board members and key management personnel at a price of $1,000 per Debenture. These transactions were recorded at the amount of consideration paid as established and agreed to by the related parties.

The following table summarizes the continuity of the Company's total Debentures for the 39 weeks ended:

	June 3, 2023	September 3, 2022
Convertible debentures, liability component balance, beginning of period	**$ 27,469**	$ 5,623
Net proceeds from issuance of the Debentures (1) (2)	**11,970**	22,048
Accretion interest	**1,657**	901
Conversion of the Debentures	**(176)**	(1,103)
Convertible debentures, liability component balance, end of period	**$ 40,920**	$ 27,469

(1) For Fiscal 2023 issued convertible debentures, issuance costs attributable to the liability component amounts to $0.4 million. Net proceeds of $0.2 million, including $0.1 million of deferred income taxes, were recorded as the equity component.

(2) For Fiscal 2022 issued convertible debentures, issuance costs attributable to the liability component amounts to $1.5 million. Net proceeds of $4.5 million, including $0.4 million of issuance costs and $1.5 million of deferred income taxes, were recorded as the equity component.

The following summarizes convertible debentures for the 13 and 39 weeks ended June 3, 2023 and June 4, 2022:

	13 weeks		39 weeks	
	June 3, 2023	June 4, 2022	**June 3, 2023**	June 4, 2022
In thousands of dollars				
Reclassification from Convertible debentures liability component to common shares	**$ –**	$ –	**$ 176**	$ 514
Reclassification from Convertible debentures equity component to common shares	**–**	–	**20**	132
Deferred income tax expense recognized upon Debentures conversion	**–**	–	**11**	27
Deferred income tax recovery recognized upon Debentures issuance	**–**	2	**72**	1,561
In number of debentures or common shares				
Number of debentures converted	**–**	–	**210**	620
Number of common shares issued from converted debentures (Note 11)	**–**	–	**45,652**	131,910
Total number of outstanding Debentures, end of period	**47,953**	36,232	**47,953**	36,232

10. LEASE OBLIGATIONS

The following table summarizes the continuity of the Company's lease obligations as at:

	June 3, 2023	September 3, 2022
Balance, beginning of period	**$ 69,209**	$ 73,111
Additions and lease modifications	**241**	24,615
Derecognition	**(51,710)**	(22,302)
Payment of lease obligations	**(4,788)**	(9,259)
Interest expense on lease obligations	**1,285**	3,044
Balance, end of period	**$ 14,237**	$ 69,209

(All tabular amounts are in thousands of Canadian dollars, except share information – Unaudited)

The following table summarizes the contractual undiscounted cash flows from lease obligations:

As at	June 3, 2023	September 3, 2022
Less than one year	**$ 3,484**	$ 11,024
One to five years	**10,654**	40,807
More than 5 years	**1,791**	27,942
Total undiscounted lease obligations	**$ 15,929**	$ 79,773
Lease obligations balance, end of period	**$ 14,237**	$ 69,209
Current portion	**$ 2,851**	$ 8,468
Non-current portion	**$ 11,386**	$ 60,741

11. SHAREHOLDERS' EQUITY

COMMON SHARES

The Company is authorized to issue an unlimited number of no-par value common shares.

The movements in common shares were as follows for the 39 weeks periods ended:

	June 3, 2023		June 4, 2022	
	Number of shares	**Carrying amount**	Number of shares	Carrying amount
Balance, beginning of period	**75,233,023**	**$ 173,788**	74,647,547	$ 170,094
Debenture conversions (Note 9)	**45,652**	**196**	131,910	618
Exercise of stock options	**–**	**–**	161,707	726
Purchased and held in trust through employee share purchase plan	**(144,392)**	**(73)**	(75,104)	(321)
Restricted share units vested	**1,345,337**	**6,083**	158,560	1,417
Employee share purchase vested	**8,476**	**2**	6,493	13
Balance, end of period	**76,488,096**	**$ 179,996**	75,031,113	$ 172,547

LOSS PER SHARE

	13 weeks		**39 weeks**	
For the periods ended	**June 3, 2023**	June 4, 2022	**June 3, 2023**	June 4, 2022
Basic and diluted weighted average number of common shares outstanding	**76,429,109**	75,011,168	**75,978,729**	74,941,836

Issued shares from the exercise of stock options, Debenture conversions and share issuance are weighted from the transaction date. The purchase of common shares to fund the employee share purchase plan is weighted from the transaction date.

For the 13 and 39 weeks ended June 3, 2023 and June 4, 2022, the diluted loss per share calculation did not take into consideration the potential dilutive effect of the stock options, restricted share units, unvested shares in connection with the employee share purchase plan and the Debentures conversion option as they are not dilutive.

(All tabular amounts are in thousands of Canadian dollars, except share information – Unaudited)

12. SHARE-BASED PAYMENTS

The Company's share-based payment plans consist of a stock option plan, a restricted share unit plan and an employee share purchase plan.

STOCK OPTION PLAN

A stock option plan (the "Stock Option Plan") was established by the Company to attract and retain employees, consultants, officers and directors of the Company. The Stock Option Plan provides for the granting of options to purchase common shares where at any given time the number of stock options reserved for issuance is equal to 10% of the Company's issued and outstanding common shares, less any shares reserved for issuance under the restricted share unit plan. Under the Stock Option Plan, stock options generally vest over a period of three or four years and expire eight years from the grant date.

1,848,701 stock options were granted during the 39 weeks ended June 3, 2023 (June 4, 2022 – 979,912) and had a weighted average fair value of $0.31 per option (June 4, 2022 – $2.33), using the Black-Scholes option pricing model with the following weighted-average assumptions for the 39 weeks ended:

	June 3, 2023	June 4, 2022 (1)
Volatility	**66%**	58%
Risk-free interest rate	**3.03%**	1.54%
Expected life of options	**4.8 years**	4.8 years
Common share value at grant date	**$ 0.54**	$ 4.72
Weighted average exercise price	**$ 0.54**	$ 4.72

(1) Included in the stock options granted during the 39 weeks ended June 4, 2022 were 173,595 options granted to settle short-term incentive compensation for certain employees.

During the 13 and 39 weeks ended June 3, 2023, an expense, including fringe benefits, of $83 thousand and $0.8 million, respectively (June 4, 2022 – $0.5 million and $1.6 million) was recorded in selling, general and administrative expenses in the interim condensed consolidated statements of loss in relation to the Stock Option Plan.

RESTRICTED SHARE UNIT PLAN

The Company granted to Participants a number of restricted share units ("RSUs") based on the volume weighted average trading price of the common shares for the five days immediately preceding the grant date. The expense in relation to the RSU Plan is measured at the fair value of the underlying RSU at the grant date and is expensed over the award's vesting period. The RSU Plan provides for a maximum number of common shares available and reserved for issuance to 10% of the Company's issued and outstanding common shares, less any shares reserved for issuance under the Stock Option Plan. The RSUs are generally time-based awards and one third of the amount of RSUs granted will vest upon the continuous employment of the Participants on each of the anniversaries of the RSU grant, over a period of three years starting from the date of the grant or such other period not exceeding three years as determined by the Board.

Pursuant to the terms of the RSU Plan, Participants will receive, upon vesting of the RSUs, common shares of the Company issued from treasury.

2,054,907 RSUs were granted during the 39 weeks ended June 3, 2023 (June 4, 2022 – 2,540,752 RSUs granted) and had a weighted average trading price for the five days immediately preceding the grant date of $0.47 per unit (June 4, 2022 – $4.51).

(All tabular amounts are in thousands of Canadian dollars, except share information – Unaudited)

During the 13 and 39 weeks ended June 3, 2023, an expense of $0.4 million and $2.8 million respectively (June 4, 2022 – $0.6 million and $2.9 million) was recorded in selling, general and administrative expense in the interim condensed consolidated statements of loss in relation to the RSU Plan.

13. SUPPLEMENTAL CASH FLOW INFORMATION

The following summarizes the net changes in non-cash items related to operating working capital:

	13 weeks		39 weeks	
For the periods ended	**June 3, 2023**	June 4, 2022	**June 3, 2023**	June 4, 2022
Accounts and other receivables	**$ (705)**	$ (810)	**$ (505)**	$ 1,051
Inventories	**387**	1,840	**3,333**	3,659
Other current assets	**427**	14	**604**	(8)
Accounts payable and accrued liabilities	**1,540**	(817)	**(7,718)**	(7,411)
Deferred revenues	**(147)**	(542)	**226**	1,040
	$ 1,502	$ (315)	**$ (4,060)**	$ (1,669)

The following transactions had no cash impact for the 13 and 39 weeks ended:

	13 weeks		39 weeks	
For the periods ended	**June 3, 2023**	June 4, 2022	**June 3, 2023**	June 4, 2022
Investing activities				
Unpaid fixed assets additions	**$ –**	$ 3,372	**$ –**	$ 3,386
Unpaid intangible assets additions	**–**	32	**–**	46
Capitalized depreciation on right-of-use assets and interest expense on lease obligations included in assets under construction additions	**–**	144	**–**	2,065
Financing activities				
Unpaid debenture issue costs	**$ 28**	$ 225	**$ 28**	$ 225

(All tabular amounts are in thousands of Canadian dollars, except share information – Unaudited)

The following had a cash impact in the net cash generated from operating activities for the 13 and 39 weeks ended:

	13 weeks		39 weeks	
For the periods ended	**June 3, 2023**	June 4, 2022	**June 3, 2023**	June 4, 2022
Operating activities				
Payments related to discontinuance of products related to on-demand offering	**$ 184**	$ –	**$ 312**	$ –
Payments made to reorganization and other related costs [(1)]	**1,058**	1,757	**5,752**	4,796

(1) Payments made to reorganization and other related costs are mainly composed of penalties paid upon lease termination, employee termination and benefit costs paid as well as external advisors fees paid (refer to Note 5).

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Financial instruments:

Goodfood has determined that the fair value of cash and cash equivalents, accounts and other receivables and accounts payable and accrued liabilities approximate their respective carrying amounts at the consolidated statement of financial position date, due to the short-term maturity of those instruments.

Goodfood determined that the fair value of its debt approximates its carrying amount as it is short-term and it bears a variable interest rate at BA plus 4.50% which is a similar market interest rate for financial instruments with similar terms and risks.

The Company determined the valuation of its Debentures at issuance using Level 3 inputs. As at June 3, 2023, the Company determined that the fair value of its Debentures was $11.4 million which was determined based on market trading value.

Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements. The Company prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

The Company monitors its risk of shortage of funds by monitoring forecasted and actual cash flows and maturity dates of existing financial liabilities and commitments and is actively managing its capital to ensure a sufficient liquidity position to finance its general and administrative, working capital and overall capital expenditures.

In order to manage its liquidity risk, the Company relies on its reorganization initiatives, mostly completed, constantly reviews its operations and overall business to drive efficiencies to form the basis for positive cash flow and long-term profitable growth. The Company expects to have sufficient liquidities in order to repay its credit facilities when it becomes due in November 2023.

This assessment could be affected by economic, financial and future competitive factors, and other future events that are beyond the control of the Company. Management's liquidity assessment could be impacted if the actual operational performance is lower than the one used in the forecasted cash flows.