For Immediate Distribution

Goodfood Reports Second Quarter Results Including $40 million of Net Sales, $1.4 million of Net Income and $3.5 million of Adjusted EBITDA[1]

- Net sales were $40 million in the second quarter, a 5% reduction compared to the same quarter last year and flat compared to the first quarter of Fiscal 2024
- Gross margin increased to record 43.0% for the quarter, an improvement of 2.3% quarter-over-quarter, with gross profit at $17 million
- Net income for the quarter was $1.4 million, a $1.3 million improvement compared to the same quarter last year
- Adjusted EBITDA margin[1] of 8.9% for an adjusted EBITDA[1] of $3.5 million this quarter, a $0.5 million improvement compared to the same quarter last year
- Cash flows provided by operations were $0.1 million for the quarter, an improvement of $4.5 million compared to the same quarter last year, reaching $3.9 million year-to-date
- Adjusted free cash flow[1] was $0.3 million for the quarter, a $2.5 million improvement compared to the same quarter last year and surpassing $4 million year-to-date

Montreal (Quebec), April 16, 2024

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 2024, ended March 2, 2024.

"The first half for Fiscal 2024 showcased the efficient operating foundations we have laid, enabling Adjusted EBITDA[1] to grow and reach a total of $9 million over the last twelve months. These results have driven two key vectors of value creation: cash flow generation and de-leveraging. This quarter marks the second quarter in a row with positive adjusted free cash flow[1] and our last twelve months have delivered adjusted free cash flow[1] of more than $7 million. In the past nine months, we have also reduced our total net debt to adjusted EBITDA[2] ratio nearly 70% from 8X nine months ago to a little over 2X now. Combined, the cash flow generation and improved leverage help better position Goodfood to manage its capital structure and consider various capital allocation options as we strive to generate growth and enhance shareholder value," said Jonathan Ferrari, Chief Executive Officer of Goodfood.

"As we look forward to the second half of this fiscal year and beyond, we are encouraged by the results our growth strategy is beginning to yield. Sales were stable quarter-over-quarter and the 5% year-over-year decline is the most stable performance achieved since the fourth quarter of Fiscal 2021, despite a challenging macroeconomic backdrop and soft consumer spending. We continue to work to enhance our customer value proposition and our initiatives have begun bearing results. Our members' average basket size was the highest ever this quarter and we see improvements in our customers' feedback metrics. As we continue to augment our value proposition, we are focused on growing our top line, conscious that this represents a key element in continuing to grow cash flows and to deliver shareholder value," concluded Jonathan Ferrari.

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

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

RESULTS OF OPERATIONS – SECOND QUARTER OF FISCAL 2024 AND 2023

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

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

For the 13 weeks periods ended		**March 2, 2024**		March 4, 2023		($)	(%)
Net sales	**$**	**39,755**	$	42,043	$	(2,288)	(5)%
Cost of goods sold		**22,646**		24,929		(2,283)	(9)%
Gross profit	**$**	**17,109**	$	17,114	$	(5)	0%
Gross margin		**43.0%**		40.7%		N/A	2.3 p.p.
Selling, general and administrative expenses		**13,893**		15,531		(1,638)	(11)%
Depreciation and amortization		**1,818**		2,856		(1,038)	(36)%
Reorganization and other related gains		**(1,364)**		(2,769)		1,405	51%
Net finance costs		**1,369**		1,470		(101)	(7)%
Income before income taxes	**$**	**1,393**	$	26	$	1,367	5,258%
Deferred income tax recovery		**–**		(72)		72	N/A
Net income, being comprehensive income	**$**	**1,393**	$	98	$	1,295	1,321%
Basic and diluted income per share	**$**	**0.02**	$	–	$	0.02	N/A

VARIANCE ANALYSIS FOR THE SECOND QUARTER OF 2024 COMPARED TO SECOND QUARTER OF 2023

- The decrease in net sales is primarily driven by the decrease in the number of active customers, as we focus on customers providing stronger unit economics, partially offset by an increase in average order value as a result of price optimizations, increased variety in the meal-kit offering and a focus on meal-kit offerings with ready meal solutions and grocery products as add-ons.
- The slight decrease in gross profit primarily resulted from a decrease in net sales as well as higher credit and incentives as a percentage of sales partially offset by lower food costs and production costs as a percentage of net sales driven by improved inventory management reducing waste, lower production labour cost and price optimizations. Gross margin increased mainly due to operational efficiencies driving lower food and production costs, as well as pricing optimization, partially offset by an increase in credits and incentives as a percentage of net sales.
- The decrease in selling, general and administrative expenses is primarily due to lower marketing spend as well as lower wages and salaries, utilities and maintenance and insurance expenses primarily resulting from the Company's costs saving initiatives. Selling, general and administrative expenses as a percentage of net sales decreased from 36.9% to 34.9%.
- The decrease in reorganization and other related gains is mainly due to higher net gains in Fiscal 2023 as a result of termination of leases following the Company's costs reduction initiatives compared to a net gain on reversal of impairment resulting from a sublease agreement concluded in the second quarter of Fiscal 2024.
- The decrease in depreciation and amortization expense is mainly due to the reduction in right-of-use assets following exiting facilities as part of the Company's costs reduction initiatives.
- The improvement in net income is mainly the result of operational efficiencies reducing food costs and product costs as well as lower wages and salaries in cost of goods sold, lower depreciation and amortization expense partially offset by a lower net sales base and lower reorganization and other related gains.

RESULTS OF OPERATIONS – YEAR-TO-DATE FISCAL 2024 AND 2023

The following table sets forth the components of the Company's interim condensed 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 2, 2024		March 4, 2023		($)	(%)
Net sales	**$**	**80,214**	$	89,191	$	(8,977)	(10)%
Cost of goods sold		**47,176**		55,318		(8,142)	(15)%
Gross profit	**$**	**33,038**	$	33,873	$	(835)	(2)%
Gross margin		**41.2%**		38.0%		N/A	3.2 p.p.
Selling, general and administrative expenses		**28,381**		37,529		(9,148)	(24)%
Depreciation and amortization		**3,773**		6,625		(2,852)	(43)%
Reorganization and other related gains		**(1,361)**		(1,650)		289	18%
Net finance costs		**2,825**		3,040		(215)	(7)%
Loss before income taxes	**$**	**(580)**	$	(11,671)	$	11,091	95%
Deferred income tax recovery		**–**		(61)		61	N/A
Net loss, being comprehensive loss	**$**	**(580)**	$	(11,610)	$	11,030	95%
Basic and diluted loss per share	**$**	**(0.01)**	$	(0.15)	$	0.14	93%

VARIANCE ANALYSIS FOR THE YEAR-TO-DATE 2024 COMPARED TO SAME PERIOD OF 2023

- The decrease in net sales is primarily driven by a decrease in the number of active customers partially offset by an increase in average order value as a result of price optimizations, increased variety in the meal-kit offering and a focus on meal-kit offerings with ready meal solutions and grocery products as add-ons. This net sales decrease can also be explained by the Company's decision to discontinue its on-demand offering. 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 slight decrease in gross profit primarily resulted from a decrease in net sales as well as higher credit and incentives as a percentage of sales mostly offset by lower food, production and fulfilment costs as a percentage of net sales driven by improved inventory management reducing waste, lower production labour cost and lower packaging and shipping costs. Gross margin increased mainly due to operational efficiencies driving lower food and production costs, as well as pricing optimization, partially offset by an increase in credits and incentives as a percentage of net sales.
- The decrease in selling, general and administrative expenses is primarily due to lower wages and salaries, utilities, maintenance, operating leases and software expenses as well as lower marketing spend driven primarily by the Company's costs saving initiatives. Selling, general and administrative expenses as a percentage of net sales decreased from 42.1% to 35.4%.
- The decrease in depreciation and amortization expense is mainly due to the reduction in right-of-use assets following exiting facilities as part of the Company's costs reduction initiatives.
- The decrease in reorganization and other related gains is mainly due to higher net gains in Fiscal 2023 as a result of termination of leases and headcount reduction costs compared to a net gain on reversal of impairment resulting from a sublease agreement concluded in Fiscal 2024.
- The decrease in net finance costs is mainly due to lower interest expense on lease obligations in relation to the Company's costs saving, lower interest on debt as a result of a lower debt balance as well as lower debt renewal fees in Fiscal 2024 partially offset with higher interest expense on debentures in relation to the Company's $30 million convertible debentures issued in February 2023.
- The decrease in net loss is mainly due to lower wages and salaries in cost of goods sold and in selling, general and administrative expenses as well as lower food costs, lower utilities and maintenance, operating leases and software expenses and lower marketing spend partially offset by a lower sales base.

METRICS AND NON-IFRS FINANCIAL MEASURES – RECONCILIATION

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 26 weeks ended	
	March 2, 2024	**March 4, 2023**	**March 2, 2024**	March 4, 2023
Gross profit	**$ 17,109**	$ 17,114	**$ 33,038**	$ 33,873
Discontinuance of products related to on-demand offering	**–**	631	**–**	1,274
Adjusted gross profit	**$ 17,109**	$ 17,745	**$ 33,038**	$ 35,147
Net sales	**$ 39,755**	$ 42,043	**$ 80,214**	$ 89,191
Gross margin	**43.0%**	40.7%	**41.2%**	38.0%
Adjusted gross margin (%)	**43.0%**	42.2%	**41.2%**	39.4%

For the 13 weeks ended March 2, 2024, adjusted gross profit decreased by $0.6 million while adjusted gross margin increased by 0.8 percentage points compared to the same quarter last year. This adjusted gross margin improvement can mainly be explained by operational efficiencies driving lower food and production costs as a percentage of net sales resulting from improved inventory management reducing waste and lower production labour cost, as well as pricing optimization, partially offset by an increase in credits and incentives as a percentage of net sales.

For the 26 weeks ended March 2, 2024, the adjusted gross profit decreased by $2.1 million primarily due to a decrease in net sales partially offset by lower costs of goods sold mainly in food, production and fulfilment costs. The increase in adjusted gross margin of 1.8 percentage points can be explained by lower food, production and fulfilment costs as a percentage of net sales driven by improved inventory management to reduce waste, lower production labour cost and lower packaging and shipping costs, as well as pricing optimization, partially offset by an increase in credits and incentives as a percentage of net sales.

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

EBITDA[1], ADJUSTED EBITDA[1] AND ADJUSTED EBITDA MARGIN[1]

The reconciliation of net income (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 26 weeks ended	
	March 2, 2024	March 4, 2023	**March 2, 2024**	March 4, 2023
Net income (loss)	**$ 1,393**	$ 98	**$ (580)**	$ (11,610)
Net finance costs	**1,369**	1,470	**2,825**	3,040
Depreciation and amortization	**1,818**	2,856	**3,773**	6,625
Deferred income tax recovery	**–**	(72)	**–**	(61)
EBITDA	**$ 4,580**	$ 4,352	**$ 6,018**	$ (2,006)
Share-based payments expense	**325**	794	**338**	3,087
Discontinuance of products related to on-demand offering	**–**	631	**–**	1,274
Reorganization and other related gains	**(1,364)**	(2,769)	**(1,361)**	(1,650)
Adjusted EBITDA	**$ 3,541**	$ 3,008	**$ 4,995**	$ 705
Net sales	**$ 39,755**	$ 42,043	**$ 80,214**	$ 89,191
Adjusted EBITDA margin (%)	**8.9%**	7.2%	**6.2%**	0.8%

For the 13 weeks ended March 2, 2024, adjusted EBITDA margin improved by 1.7 percentage points compared to the corresponding period in 2023 mainly driven by lower selling, general and administrative expenses mostly as a result of lower marketing spend as well as the Company's cost savings measures which reduced salaries, utilities, maintenance and insurance expenses. The improved adjusted EBITDA margin was partly offset by a lower net sales base.

For the 26 weeks ended March 2, 2024, adjusted EBITDA margin improved by 5.4 percentage points compared to the corresponding period in 2023 mainly driven by stronger adjusted gross margin and lower selling, general and administrative expenses mostly as a result of the Company's cost savings measures which reduced salaries, utilities and maintenance, operating leases and software expenses. The improved adjusted EBITDA margin was partly offset by a lower net sales base.

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

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

The reconciliation of net cash flows from operating activities to free cash flow[1] and adjusted free cash flow[1] is as follows:

(In thousands of Canadian dollars)

	For the 13 weeks ended		For the 26 weeks ended	
	March 2, 2024	March 4, 2023	**March 2, 2024**	March 4, 2023
Net cash provided by (used in) operating activities	**$ 90**	$ (4,417)	**$ 3,927**	$ (10,492)
Additions to fixed assets	**–**	(3)	**(32)**	(689)
Additions to intangible assets	**(118)**	(494)	**(246)**	(620)
Free cash flow	**$ (28)**	$ (4,914)	**$ 3,649**	$ (11,801)
Payments related for discontinuance of products related to on-demand offering	**–**	127	**–**	127
Payments made to reorganization and other related costs	**359**	2,576	**689**	4,694
Adjusted free cash flow	**$ 331**	$ (2,211)	**$ 4,338**	$ (6,980)

For the 13 weeks ended March 2, 2024, adjusted free cash flow was $0.3 million compared to negative $2.2 million in the same period last year. This is an improvement of $2.5 million compared to the same period last year which is mainly driven by higher net income after non-cash items resulting from lower selling, general and administrative expenses as well as the completion of our cost saving initiatives in Fiscal 2023. The improvement to the adjusted free cash flow can also be explained by a favorable change in non-cash operating working capital due to a positive change in accounts payable and accrued liabilities resulting from lower supplier payments as well as lower spend on intangible assets projects during the second quarter 2024.

For the 26 weeks ended March 2, 2024, adjusted free cash flow was $4.3 million compared to negative $7.0 million in the same period last year. This is an improvement of $11.3 million compared to the corresponding period in 2023 mainly driven by lower net loss resulting from stronger adjusted gross margin and lower selling, general and administrative expenses. The improvement to the adjusted free cash flow can also be explained by a favorable change in non-cash operating working capital due to a positive change in accounts payable and accrued liabilities resulting from lower supplier payments as well as lower spend on fixed assets and intangible assets projects in Fiscal 2024.

TOTAL NET DEBT TO ADJUSTED EBITDA

The reconciliation of total net debt to adjusted EBITDA (net leverage) is as follows:

(In thousands of Canadian dollars, except the ratio)

As at	**March 2, 2024**	June 3, 2023
Debt	**$ 1,763**	$ 4,322
Convertible debentures, liability component	**43,475**	40,920
Total debt	**$ 45,238**	$ 45,242
Cash and cash equivalents	**(23,712)**	(28,368)
Total net debt	**$ 21,526**	$ 16,874
Adjusted EBITDA (trailing 12 months) (1)	**$ 8,985**	$ 2,062
Total net debt to adjusted EBITDA	**2.4**	8.2

(1) Please refer to the “Selected Quarterly Financial Information” section of the Management’s Discussion and Analysis for the 12 months Adjusted EBITDA

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

Total net debt to adjusted EBITDA is calculated as total net debt divided by the last twelve months adjusted EBITDA. Total net debt consists of debt and the liability component of the convertible debentures less cash and cash equivalents.

With stronger results in the last four quarters and adjusted EBITDA now reaching $9 million over the last twelve months, we reduced our total net debt to adjusted EBITDA nearly 70% from 8X nine months ago to approximately 2X now. Although this is not a non-IFRS metric that we consider important to understand our performance on a recurring basis, we included it in the Press Release this quarter as there has been a significant improvement over the last 9 months that is important to note. We do not expect to present this metric in the future as we do not anticipate total net debt to adjusted EBITDA ratio to fluctuate at the same level as it has in the last 9 months.

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 complete a unique food experience for customers.

We believe there is runway for additional penetration of meal kits into Canadian households, as evidenced by 2023 and 2024 industry research estimating the Canadian meal kit market to grow at a CAGR in the mid-teen percentage points through 2028. 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.

Before scaling our efforts to endeavour to capture an outsized share of the Canadian 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 five consecutive quarters of positive adjusted EBITDA[1], which on a last twelve months basis stands at $9 million. The substantial rise in adjusted EBITDA[1] has led to significant adjusted free cash flow[1] improvement which has now been positive in three of our last four quarters. The improved adjusted EBITDA[1] and adjusted free cash flow[1] on the back of stable net sales highlights the cost discipline we have shown in improving our operational efficiency, reducing our selling, general and administrative expense and consistently enhancing our unit economics. These improvements help position Goodfood to turn its focus to growth and to fund this growth with internally generated cash flows.

During Fiscal 2024, Goodfood will focus on key growth pillars to drive growth in top line and, most importantly, in profitability and cash flows: 1) customer growth, 2) order frequency increase, 3) basket size enhancement, and 4) continue to enhance our sustainability practices.

To grow our customer base, the first step is building customer acquisition cost efficiencies to enable adding more active customers to the Goodfood platform every week with the same investment. In recent months, we have completed a thorough review of and made significant adjustments to our acquisition channels. We have also made and continue to make investments in our digital product to elevate the customer experience by reducing friction and enhancing ease of use. Combined with reactivations of previous Goodfood members, these initiatives have driven a reduction of our customer acquisition costs since the fourth quarter of Fiscal 2023 and improved the profitability and unit economics of customers.

A key driver that can enhance order frequency is product variety. In addition to launching our VIP program, which rewards high-frequency customers, we have increased 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, organic lean ground beef, bison, sustainably raised steelhead trout and paleo and

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

keto meals, combined with exciting partnerships with first-rate restaurants, we plan on offering a growing 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 grocery add-ons to provide Canadians with an exciting online meal solutions option and increasingly capture a larger share of their food wallet. In addition, we have provided and continue to provide more choice of proteins to our customers, with the launch of upsells and upcoming launch of customization 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 meals better and their baskets bigger.

We are also continuously looking to enhance our sustainability initiatives by prioritizing planet-friendly options. Not only do we offer perfectly portioned ingredients that save from food waste, we also constantly look to simplify our supply chain by removing middlemen from farm to kitchen table. This year, we are also offsetting carbon emissions on deliveries and introducing packaging innovations that have helped us to remove the equivalent of 2.4 million plastic bags annually from our deliveries. Our goal is clear, build a business that helps our customers live healthier lives on a healthier planet.

In addition to focusing on these key pillars of top-line growth, we are currently testing the potential for multi-channel partnerships that can broaden Goodfood's customer reach and resilience.

Our strategic execution to drive profitability and cash flows continues to position us for growth and profitability, 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 to be lower during these periods. During periods with significantly colder or 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 16, 2024, at 8:00AM Eastern Time. Interested parties can join the call by dialing 1 289 514 5100 (Toronto or overseas) or 1 800 717 1738 (elsewhere in North America). To access the webcast and view the presentation, click on this link: https://www2.makegoodfood.ca/en/investisseurs/evenements

Parties unable to call in at this time may access a recording by calling 1 888 660 6264 and entering the playback passcode 24585#. This recording will be available until April 23, 2024.

A full version of the Company's Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements for the second quarters ended March 2, 2024, and March 4, 2023, will be posted on http://www.sedarplus.ca later today.

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

NON-IFRS FINANCIAL MEASURES

Certain non-IFRS financial measures included in this press release do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. They are provided as additional information to complement IFRS measures and to provide a further understanding of the Company's results of operations from our perspective. 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 Fiscal year 2023.

Goodfood's definition of the non-IFRS financial 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 costs saving initiatives. 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 and reversal of impairment of non-financial assets and reorganization and other related (gains) costs pursuant to the Company's costs saving initiatives. 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.
- 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 the Company to assess its 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” 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. Goodfood is passionate about connecting its partner farms and suppliers to its 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

Roslane Aouameur
Chief Financial Officer
(855) 515-5191
IR@makegoodfood.ca

Jennifer Stahlke
Executive Vice President, Marketing
(855) 515-5191
media@makegoodfood.ca

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 2, 2023 available on SEDAR+ at www.sedarplus.ca: limited operating history, negative operating cash flows and net losses, going concern risk, food industry including current industry inflation levels, indebtedness and impact upon financial condition, future capital requirements, 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, fulfillment centers and logistics channels, factors which may prevent realization of growth targets, competition, availability and quality of raw materials, environmental and employee health and safety regulations, online security breaches and disruptions, reliance on data centers, open source license compliance, operating risk and insurance coverage, management of growth, limited number and scope of products, conflicts of interest, litigation, food costs and availabilities, 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, as well as an inability to maintain high social responsibility standards could lead to reputational damage and adversely affect our business. 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, as well as 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, continuing supply chain disruptions and 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.