Management's Discussion and Analysis of

GOODFOOD MARKET CORP.

For the 13 weeks ended December 6, 2025

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BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**") is intended to assist readers in understanding the business environment, trends and significant changes in the results of operations and financial condition of Goodfood Market Corp. and its subsidiaries (the "**Company**" or "**Goodfood**") for the 13 weeks ended December 6, 2025 and should be read in conjunction with its audited annual consolidated financial statements and the accompanying notes for the 52 weeks ended September 6, 2025 and its interim condensed consolidated financial statements and notes for the 13 weeks ended December 6, 2025. Please also refer to Goodfood's press release announcing its results for the 13 weeks ended December 6, 2025, issued on January 20, 2026.

Quarterly reports, the Annual Report, and the Annual Information Form can be found on SEDAR+ at www.sedarplus.ca and under the "Investor Relations – Financial Information" section of our website: https://www.makegoodfood.ca/en/investors. Press releases are available on SEDAR+ and under the "Investor Relations – Press Releases" section of our corporate website.

The Company's unaudited interim condensed consolidated financial statements were prepared in accordance with International Accounting Standard ("**IAS**") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("**IASB**") and the financial information herein was derived from those statements.

All amounts herein are expressed in Canadian dollars unless otherwise indicated. Certain totals, subtotals and percentages may not agree due to rounding.

In this MD&A, references to "we", "our", "Goodfood" or the "Company" refer to Goodfood Market Corp. and its subsidiaries on a consolidated basis.

Management determines whether information is material based on whether they believe a reasonable investor's decision to buy, sell or hold securities of the Company would likely be influenced or changed should the information be omitted or misstated, and discloses material information accordingly.

The information in this MD&A is current to January 20, 2026, unless otherwise noted.

KEY FINANCIAL HIGHLIGHTS

This section provides a summary of our financial performance for the first quarter of Fiscal 2026 compared to the same period in 2025. We present metrics and measures to help investors better understand our performance, including certain metrics and measures which are not recognized by IFRS. Definitions of these non-IFRS financial measures are provided in the "Metrics and Non-IFRS Financial Measures" section of this MD&A and are important metrics to be considered when analyzing our performance. For a reconciliation of these non-IFRS financial measures to the most comparable IFRS financial measures, as applicable, see the "Metrics and Non-IFRS Financial Measures – Reconciliation" section of this MD&A.

HIGHLIGHTS OF THE FIRST QUARTER OF 2026 COMPARED TO THE FIRST QUARTER OF 2025

- Net sales were $27.5 million, a 21% decrease from $34.7 million compared to the same quarter last year.
- Gross margin[1] was 42.3%, an increase of 3 percentage points and gross profit was $11.6 million, a decrease of $2.1 million or 15% compared to the same quarter last year.
- Net loss was $2.6 million, an increase of $0.9 million from net loss of $1.7 million in the same quarter last year.
- Adjusted EBITDA margin[2] of 3.7%, a decrease of 1.0 percentage point compared to the same quarter last year.
- Net cash flows provided by operating activities were $1.4 million compared to $2.2 million, a $0.8 million decrease compared to the same quarter last year.
- Adjusted free cash flow[2] was $1.2 million compared to $1.9 million, a $0.7 million decrease compared to the same quarter last year.
- Active customers[2] of 66,000 compared to 106,000 for the same quarter last year.

[1] Gross margin is defined as gross profit divided by net sales.

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

FORWARD-LOOKING INFORMATION

This MD&A 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 6, 2025 available on SEDAR+ at www.sedarplus.ca and under the "Events and Presentations" section of our website at www.makegoodfood.ca/en/investors: history of negative operating cash flow, 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, social media, 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 centres and logistics channels, factors which may prevent realization of growth targets, general economic conditions and disposable income levels, 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, climate change and environmental risks, losing our certified B Corp. status, as well as an inability to maintain high social responsibility standards could lead to reputational damage and adversely affect our business and Environment, Social and Governance ("**ESG**") matters. 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.

The Company's sales and financial results are impacted by the health of the economy in Canada and are subject to numerous uncertainties such as the tariffs imposed by the government of the United States. Weakness in sales or consumer confidence could result in an increasingly challenging operating environment. Despite the Company sourcing most of its products in Canada, these tariffs can increase costs of goods sourced locally.

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.

METRICS AND NON-IFRS FINANCIAL MEASURES

The table below defines metrics and non-IFRS financial measures used by the Company throughout this MD&A. Non-IFRS financial measures 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. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS and should be read in conjunction with the consolidated financial statements for the periods indicated.

Metrics	Definitions
Active customers	An active customer is a customer that has placed an order on our e-commerce platforms, including our subsidiaries, 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.
EBITDA, **Adjusted EBITDA** **&** **Adjusted EBITDA margin**	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, reorganization and other related net costs (gains) pursuant to the Company's costs saving initiatives and acquisition costs. 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 **&** **Adjusted free cash flow**	Free cash flow is defined as net cash from 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 as well as acquisition costs. 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.
Total net debt to adjusted EBITDA (also named net leverage)	Total net debt to adjusted EBITDA is calculated as total net debt divided by the last four quarters adjusted EBITDA. Total net debt consists of the liability component of the convertible debentures less cash and cash equivalents and marketable securities. The last four quarters adjusted EBITDA is calculated by summing the actual adjusted EBITDA results of the current quarter and the three immediately preceding quarters. We believe that total net debt to adjusted EBITDA is a useful metric to assess the Company's ability to manage debt and liquidity. Please refer to the "Liquidity and Capital Resources" section of the MD&A for a reconciliation of this non-IFRS financial measure to the most comparable IFRS financial measures.

COMPANY OVERVIEW

WHO WE ARE AND OUR VISION

Goodfood (TSX: FOOD) is a leading 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 mission is 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 exceptional culinary team and direct-to-consumer infrastructure and technology. Goodfood is passionate about connecting its partner farms and suppliers to its customers' kitchens while eliminating food waste and costly retail overhead.

Goodfood is seeking to expand its market by acquiring brands to add to its platform and reach more customers across new verticals. In November 2024, the Company completed its first acquisition, Genuine Tea, a leading Canadian craft tea company, broadening its offering to Canadians coast-to-coast.

OUR OPERATIONS

The Company's main production facility and administrative offices are based in Montreal, Québec with additional locations in the provinces of Ontario and Alberta.

Together, our Montreal and Calgary facilities serve all of our customers across Canada, aligned with our go-forward strategy centered around building the Goodfood brand through our weekly meal plans and add-ons nationally, providing Goodfood branded grocery and ready-to-eat products, as well as increasing flexibility and access to our products over time. Genuine Tea also has a production and fulfilment facility in the Greater Toronto Area that is also used as their administrative office.

The following table provides a summary of our operating locations as at January 20, 2026:

	Total number of locations	Administrative offices	Manufacturing centres	Fulfillment facilities
Greater Montreal Area (Québec)	1	X	X	X
Greater Toronto Area (Ontario)	3	X		X
Calgary (Alberta)	1		X	X

FINANCIAL OUTLOOK

Goodfood's core financial purpose is to generate consistent cash flows by creating experiences that spark joy for our customers and help our community live longer on a healthier planet. To live this purpose, we aim to deliver meal solutions including meal kits and prepared meals, with a range of add-ons to complete a unique food experience for customers while generating cash flows for shareholders. Goodfood is also broadening its platform through acquisitions, with Genuine Tea, a leading Canadian craft tea company, our first acquisition, completed in late 2024.

In recent quarters, our focus has been on consistently generating positive cash flows and diversifying our revenue and cash flows through acquisitions. Through disciplined execution, we continued to deliver positive Adjusted EBITDA[1] while also increasingly enhancing product variety for our customers. In the last few months, we launched our Heat & Eat offering and included Genuine Tea products as part of our roster of add-ons. These additions to our offering have led to the average size, in dollars, of our customers' baskets to increase and reach a record in recent quarters, helping stabilize sequential revenues and cash flows.

In addition to focusing on the key pillars of discipline, stability and cash generation, we are increasingly considering various other growth avenues, including acquisitions. We announced last year our first acquisition, Genuine Tea. Genuine Tea is a leading third-wave craft tea Company with an attractive growth and margin profile. This acquisition is the first step in building our platform of brands and businesses and we will look to accelerate that effort in the coming months.

Overall, disciplined execution to drive cash flow generation is and will continue to be the theme of our near and long-term outlook. Underpinned by consistent adjusted EBITDA[1] and adjusted free cash flow[1] generation, we have some flexibility to deploy capital for acquisitions, which will be a key source of growth in 2026 and beyond.

FISCAL 2026 AT A GLANCE

<u>Management and Board Changes</u>

On August 20, 2025, the Company announced that Jonathan Ferrari, co-founder, Chair of the Board and Chief Executive Officer, stepped down from his executive roles. In parallel, Selim Bassoul was appointed Chair of the Board on the same date. Mr. Ferrari subsequently stepped down as a director of the Company on September 22, 2025.

On December 11, 2025, the Company announced that Neil Cuggy, co-founder, President and Chief Operating Officer, would step down from his executive roles effective January 16, 2026. Mr. Cuggy will remain a member of the Board of Directors until the Company's next annual meeting of shareholders, expected to be held in February 2026.

Effective immediately following this announcement, Mr. Bassoul, previously non-executive Chair of the Board, assumed the role of Executive Chair, and Donald Olds was re-appointed Lead Independent Director.

The Board expects to provide further updates regarding permanent executive leadership appointments in January 2026.

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

METRICS AND NON-IFRS FINANCIAL MEASURES – RECONCILIATION

We present certain metrics to assist investors in better understanding our performance, including metrics which are not measures recognized by IFRS. Definitions of these non-IFRS financial measures are provided in the "Metrics and Non-IFRS Financial Measures" section at the beginning of this MD&A and are important metrics to be considered when analyzing our performance.

ACTIVE CUSTOMERS

	For the 13 weeks ended	
	December 6, 2025	**December 7, 2024**
Active customers, beginning of period	**66,000**	101,000
Net change in active customers	**–**	5,000
Active customers, end of period	**66,000**	106,000
% net change in active customers	**N/A**	5%

Active customers remained stable for the 13 weeks ended December 6, 2025, compared to an increase of 5,000 in the same quarter last year. The decrease in active customers compared to the same period last year was largely driven by lower order rates as a result of lower marketing and incentive offerings and pressure on consumer discretionary spend and the meal-kit industry over the last year.

EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

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

(In thousands of Canadian dollars, except percentage information)

	For the 13 weeks ended	
	December 6, 2025	**December 7, 2024**
Net loss	**$ (2,581)**	$ (1,687)
Net finance costs	**2,076**	1,431
Depreciation and amortization	**1,291**	1,581
Income tax expense	**9**	–
EBITDA	**$ 795**	$ 1,325
Share-based payments expense	**216**	219
Acquisition costs	**–**	99
Adjusted EBITDA	**$ 1,011**	$ 1,643
Net sales	**$ 27,538**	$ 34,662
Adjusted EBITDA margin (%)	**3.7%**	4.7%

For the 13 weeks ended December 6, 2025, adjusted EBITDA margin decreased by 1.0 percentage point compared to the same quarter last year. This result was mainly driven by lower net sales as a result of lower active customers and lower order rates as well as higher selling, general and administrative expenses as a percentage of net sales mainly driven by lower net sales. This reduction was partially offset by an improved gross margin as a result of a higher average order value and lower incentives as a percentage of net sales compared to the same quarter last year. Overall, adjusted EBITDA decreased by $0.6 million this quarter compared to the same quarter last year while net sales decreased by $7.1 million.

FREE CASH FLOW AND ADJUSTED FREE CASH FLOW

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)

	For the 13 weeks ended	
	December 6, 2025	**December 7, 2024**
Net cash provided by operating activities	**$ 1,356**	$ 2,189
Additions to fixed assets	**(43)**	(188)
Additions to intangible assets	**(116)**	(174)
Free cash flow	**$ 1,197**	$ 1,827
Payments made to reorganization and other related costs	**51**	–
Payments made to acquisition costs	**–**	27
Adjusted free cash flow	**$ 1,248**	$ 1,854

For the 13 weeks ended December 6, 2025, adjusted free cash flow was $1.2 million compared to $1.9 million. This $0.7 million decrease is driven mainly by a decrease in profitability resulting from lower net sales.

RESULTS OF OPERATIONS – FIRST QUARTER OF FISCAL 2026 AND 2025

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 13 weeks periods ended	December 6, 2025	December 7, 2024	($)	(%)
Net sales	**$ 27,538**	$ 34,662	$ (7,124)	(21)%
Cost of goods sold	**15,892**	20,941	(5,049)	(24)%
Gross profit	**$ 11,646**	$ 13,721	$ (2,075)	(15)%
Gross margin	**42.3%**	39.6%	N/A	2.7 p.p.
Selling, general and administrative expenses	**10,851**	12,396	(1,545)	(12)%
Depreciation and amortization	**1,291**	1,581	(290)	(18)%
Net finance costs	**2,076**	1,431	645	45%
Loss, before income taxes	**$ (2,572)**	$ (1,687)	$ (885)	52%
Income tax expense	**9**	–	9	100%
Net loss, being comprehensive loss	**(2,581)**	(1,687)	(894)	53%
Basic and diluted loss per share	**$ (0.03)**	$ (0.02)	$ (0.01)	50%

VARIANCE ANALYSIS FOR THE FIRST QUARTER OF 2026 COMPARED TO FIRST QUARTER OF 2025

- The decrease in net sales is driven by the decrease in active customer driving lower orders partially offset by an increase in average order value. The decrease in active customers can be explained mainly by lower demand and lesser marketing and incentive offerings.

- The decrease in gross profit is driven mainly by a decrease in net sales as well as higher fulfilment and shipping costs and production labour costs driven by lower fixed cost absorption as a result of lower orders. This decrease was mostly offset by lower incentives as a percentage of net sales as well as an increase in average order value compared to the same quarter last year. Gross margin increased by 2.7% mainly due to improved average order value and lower incentives as a percentage of net sales.
- The decrease in selling, general and administrative expenses is primarily due to lower marketing spend and salaries. Selling, general and administrative expenses as a percentage of net sales increased by 3.6 percentage points to 39.4% compared to 35.8% in the same quarter last year primarily driven by lower net sales and fixed cost absorption as a result of that.
- Net finance costs increased due to a decrease in the fair value of the marketable securities in the first quarter of Fiscal 2026.
- The increase in net loss is primarily driven by lower profitability as a result of lower net sales partially offset by lower selling, general and administrative expenses and improved gross margin.

FINANCIAL POSITION

The following table provides the main variances in the Company's interim condensed consolidated statement of financial position:

(In thousands of Canadian dollars)

As at	December 6, 2025	September 6, 2025	Variance	Main Components
Cash and cash equivalents	**$ 11,791**	$ 12,345	$ (554)	Mainly due to interest payments made on debentures and lease payments partially offset by cash provided by operations
Marketable Securities	**2,733**	3,425	(692)	As a result of losses related to revaluation of the marketable securities' fair value
Fixed assets	**5,726**	6,230	(504)	Mainly due to depreciation
Right-of-use assets	**5,689**	6,225	(536)	Mainly due to depreciation
Convertible debentures	**41,374**	40,871	503	Mainly due to accretion interest
Lease obligations, including current portion	**10,168**	10,933	(765)	Mainly due to recurring lease payments

LIQUIDITY AND CAPITAL RESOURCES

This section examines the Company's sources of liquidity and various financial instruments, including its debt instruments.

CAPITAL STRUCTURE

(In thousands of Canadian dollars, except ratio information)

	December 6, 2025	December 7, 2024
Convertible debentures, liability component, including current portion	**$ 41,374**	$ 45,683
Total debt	**41,374**	45,683
Cash and cash equivalents	**11,791**	21,263
Marketable securities	**2,733**	500
Total net debt (1)	**26,850**	23,920
Adjusted EBITDA (trailing 12 months) (1)	**5,461**	9,252
Total net debt to adjusted EBITDA (1)	**4.92**	2.59

(1) For the definition of these Non-IFRS financial measures, please refer to the "Metrics and Non-IFRS Financial Measures" section of this MD&A.

The Company's total net debt increased by $2.9 million and its total net debt to adjusted EBITDA ratio was 4.92 compared to 2.59 last year. This is mainly explained by the Company's reduction in cash and cash equivalents mainly driven by an increase in net loss and the Genuine Tea acquisition partially offset by the reduction in convertible debentures following the maturity of the 2025 Debentures.

CAPITAL MANAGEMENT

The Company's objective in managing its capital structure is to ensure a sufficient liquidity position to finance its operations, its growth and to deliver competitive returns on invested capital. The Company has defined its capital as debt, if any, the liability component of its convertible debentures and its shareholders' deficit net of cash and cash equivalents and marketable securities.

In managing its capital structure, the Company monitors performance throughout the year to ensure anticipated working capital requirements and capital expenditures are funded from operations and available cash. The Company manages its capital structure and may make adjustments to it in order to support the broader corporate strategy or in response to changes in economic conditions and risk. In order to maintain or adjust its capital structure, the Company issues new shares, issues new debt, or reduces the amount of existing debt.

The Company has generated positive cash flows from operations and adjusted free cash flow in seven of the nine last quarters, providing a base for capital structure flexibility to fund its operations and capital expenditures.

In Fiscal 2025, the Company invested $3.0 million in Bitcoin through a spot ETF. This initiative aligns with the Company's long-term value creation strategy, serving as a hedge against inflation and currency depreciation while reinforcing Goodfood's commitment to financial resilience and innovation.

In order to manage its capital structure, the Company has the option to redeem its 2027 Debentures in common shares in accordance with its 2027 Redemption Right when it matures. At the issuance date of this MD&A, the Company would have to issue approximately 89.6 million common shares to redeem its 2027 Debentures if settled in common shares at the March 31, 2027 maturity date.

CASH FLOWS

A summary of net cash flows by activity for the 13 weeks ended December 6, 2025 and December 7, 2024, is presented below:

(In thousands of Canadian dollars)

For the 13 weeks ended		December 6, 2025		December 7, 2024		Variance
Net cash flows provided by operating activities [1]	**$**	**1,356**	$	2,189	$	(833)
Net cash flows provided by (used in) investing activities		**88**		(1,734)		1,822
Net cash flows used in financing activities		**(1,998)**		(3,202)		1,204
Net change in cash and cash equivalents	**$**	**(554)**	$	(2,747)	$	2,193
Cash and cash equivalents, beginning of period		**12,345**		24,010		(11,665)
Cash and cash equivalents, end of period	**$**	**11,791**	$	21,263	$	(9,472)

(1) Net cash flows provided by operating activities include $0.4 million of positive change in non-cash operating working capital (December 7, 2024 – $0.7million).

Operating Activities	↓ **$0.8 million change** Mainly driven by a decrease in profitability resulting from lower net sales and an unfavorable change in non-cash operating working capital.
Investing Activities	↑ **$1.8 million change** Mainly driven by payment made toward Genuine Tea's acquisition and investment in marketable securities in the first quarter of Fiscal 2025.
Financing Activities	↑ **$1.2 million change** Mainly driven by lower debt repayment upon maturity of the term loan in the first quarter of Fiscal 2025

CONVERTIBLE DEBENTURES

2028 Debentures

On February 6, 2023, the Company issued 12,675 convertible unsecured subordinated debentures (the "2028 Debentures") at a price of $1,000 per Debenture for gross proceeds of $12.7 million. The 2028 Debentures mature on February 6, 2028 (the "**2028 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 was capitalized semi-annually and is 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%. Commencing on February 6, 2025, and until the 2028 Maturity Date, the interest portion will be payable semi-annually in cash in arrears on February 6 and August 6 of each year.

The 2028 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 2028 Maturity Date and the last business day immediately preceding the date specified for redemption by the Company at a price of $0.75 (the "**2028 Conversion Price**") per common share.

As of February 6, 2026, Goodfood may repurchase the non-converted portion of a 2028 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 2028 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' deficit for an amount of $0.2 million. Factoring in the 2028 Debentures issuance costs, the effective interest rate on the Debentures is 13.5%.

As at December 6, 2025, 12,675 of 2028 Debentures (September 6, 2025 – 12,675) were outstanding at a price of $1,000 per Debenture.

2027 Debentures

On February 11, 2022, the Company issued 30,000 convertible unsecured subordinated debentures (the "2027 Debentures") at a price of $1,000 per Debenture for gross proceeds of $30 million. The 2027 Debentures mature on March 31, 2027 (the "**2027 Maturity Date**") and bear a fixed interest rate of 5.75% per annum, payable semi-annually in arrears on March 31 and September 30 of each year, commencing September 30, 2022.

The 2027 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 2027 Maturity Date and the last business day immediately preceding the date specified for redemption by the Company at a price of $4.60 (the "**2027 Conversion Price**") per common share.

On or after March 31, 2025, and prior to March 31, 2026, provided that the volume weighted average trading price of the Company's common shares on the TSX for the 20 consecutive trading days preceding the date on which the notice of redemption is given is not less than 125% of the 2027 Conversion Price, the 2027 Debentures may be redeemed in whole or in part at the option of the Company at a price equal to the principal amount thereof plus accrued and unpaid interest (the "2027 Redemption Right"). On or after March 31, 2026, and prior to the 2027 Maturity Date, the 2027 Debentures may be redeemed in cash or common shares in whole or in part at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest.

In the event of a change in control, the Company will be required to make a payment to the holders of the 2027 Debentures in accordance with the make-whole premium provisions set forth by the indenture of the 2027 Debentures.

The conversion option, net of related issuance costs and deferred income taxes, was recorded in shareholders' deficit for an amount of $4.5 million. Factoring in the 2027 Debentures issuance costs, the effective interest rate on the Debentures is 12.6%.

As at December 6, 2025, 29,046 of 2027 Debentures (September 6, 2025 – 29,046) were outstanding at a price of $1,000 per Debenture.

COMMON SHARES

Transactions that took place during the 13 ended December 6, 2025, were as follows:

- 21,144 stock options were exercised and 10,647 common shares were issued;
- 216,635 restricted share units vested and the same number of common shares were issued; and
- 23,336 employee share purchases vested and the same number of common shares were issued.

SELECTED QUARTERLY FINANCIAL INFORMATION

The table below presents selected quarterly financial information for the last eight fiscal quarters:

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

	Fiscal 2026				Fiscal 2025			Fiscal 2024
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Active customers (1)	**66,000**	66,000	76,000	84,000	106,000	101,000	105,000	117,000
Net sales	**$ 27,538**	$ 25,034	$ 30,683	$ 30,500	$ 34,662	$ 34,063	$ 38,561	$ 39,755
Gross profit	**11,646**	10,087	13,593	12,998	13,721	12,991	16,949	17,109
Gross margin	**42.3%**	40.3%	44.3%	42.6%	39.6%	38.1%	44.0%	43.0%
Net (loss) income	**$ (2,581)**	$ (4,074)	$ 54	$ (2,388)	$ (1,687)	$ (3,160)	$ 307	$ 1,393
Net finance costs	**2,076**	1,124	964	1,856	1,431	1,476	1,213	1,369
Depreciation and amortization	**1,291**	1,373	1,333	1,670	1,581	1,879	1,729	1,818
Income tax expense (recovery)	**9**	(15)	25	–	–	–	–	–
EBITDA (1)	**$ 795**	$ (1,592)	$ 2,376	$ 1,138	$ 1,325	$ 195	$ 3,249	$ 4,580
Share-based payments	**216**	240	263	222	219	231	310	325
Reorganization and other related net costs (gains)	**–**	1,789	–	–	–	34	–	(1,364)
Acquisition costs	**–**	–	14	–	99	49	–	–
Adjusted EBITDA (1)	**$ 1,011**	$ 437	$ 2,653	$ 1,360	$ 1,643	$ 509	$ 3,559	$ 3,541
Adjusted EBITDA margin (1)	**3.7%**	1.7%	8.6%	4.5%	4.7%	1.5%	9.2%	8.9%
Basic and diluted (loss) income per share (2)	**$ (0.03)**	$ (0.04)	$ 0.00	$ (0.03)	$ (0.02)	$ (0.05)	$ 0.00	$ 0.02

(1) For the definition of these metrics and Non-IFRS financial measures, please refer to the "Metrics and Non-IFRS Financial Measures" section of this MD&A.

(2) The sum of basic and diluted (loss) income per share on a quarterly basis may not equal basic and diluted (loss) income per share on a year-to-date basis due to rounding.

Quarter-over-quarter variations in net sales were caused by the various factors including the following:

- seasonality which is the strongest in the second quarter due to the winter holidays and the fourth quarter due to summer months, when the number of active customers and order rate trend lower;
- impacts of economic conditions which led to a shift in customer ordering behaviors;
- marketing campaigns and customer incentives;
- fluctuations in inflation.

Quarter-over-quarter variations in net (loss) income were caused by the various factors including the following:

- seasonality which is the strongest in the fourth quarter due to summer months and the second quarter due to the winter holidays, when the number of active customers and order rate trend lower and can result in lower operating margins;
- impacts of economic conditions which led to inflationary pressures partially offset by increase in basket prices;
- marketing campaigns and customer incentives.

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.

FINANCIAL RISK MANAGEMENT

CREDIT RISK

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligation. The Company regularly monitors credit risk exposure and takes steps to mitigate the likelihood of this exposure resulting in losses. The Company's exposure to credit risk is primarily attributable to its cash and cash equivalents, marketable securities, accounts and other receivables and lease receivables. The majority of the Company's net sales are paid prior to delivery and therefore the main credit exposure to net sales is with respect to the payment processor. The Company's maximum credit exposure corresponds to the carrying amount of these financial assets. Management believes the credit risk is limited given that the Company deals with major North American financial institutions and an internationally established payment processor. To cover its credit risk on lease receivables, the Company holds guarantees over its lessees in form of deposits and performs credit reviews prior to entering into an agreement.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the Company no longer has a debt outstanding and interest rates on Debentures are fixed, the Company is not exposed to future cash flow risk on interest rates. The company is only exposed to the fair value risk of the Debentures' interest rates.

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 constantly reviews its operations and overall business to drive efficiencies to form the basis for positive cash flow and long-term profitable growth.

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.

The following are amounts due on contractual maturities of financial liabilities, including estimated interest payments as at:

					December 6, 2025
	Total carrying amount	**Contractual cash flows**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	**$ 13,805**	**$ 13,805**	**$ 13,805**	**$ –**	**$ –**
Debentures, liability component [1]	**41,374**	**52,590**	**3,575**	**49,015**	**–**
Lease obligations, including current portion	**10,168**	**12,024**	**3,890**	**7,847**	**287**
	$ 65,347	**$ 78,419**	**$ 21,270**	**$ 56,862**	**$ 287**

					September 6, 2025
	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 13,683	$ 13,683	$ 13,683	$ –	$ –
Debentures, liability component [1]	40,871	52,791	3,776	49,015	–
Lease obligations, including current portion	10,933	12,636	3,877	8,390	369
	$ 65,487	$ 79,110	$ 21,336	$ 57,405	$ 369

[1] This assumes cash settlement. The Company has the option to redeem its 29,046 2027 Debentures in common shares at maturity on March 31, 2027. At the issuance date of this MD&A, the Company would have to issue approximately 89.6 million common shares to redeem its 2027 Debentures if settled in common shares at maturity date, based on the 2027 Redemption Right and subject to shareholders' approval, if required.

BUSINESS RISK

For a detailed discussion of business risk factors, please refer to the Company's Annual Information Form for the 52 weeks ended September 6, 2025, available on SEDAR+ at www.sedarplus.ca and under the "Events and Presentations" section of our website at www.makegoodfood.ca/en/investors.

FINANCIAL INSTRUMENTS

The Company's financial instruments primarily consist of cash and cash equivalents, marketable securities, accounts and other receivables, accounts payable and accrued liabilities, liability portion of convertible debentures and other non-current liabilities except deferred tax liabilities.

INVESTMENT POLICY

The Company invests its excess cash with varying terms to maturity selected with regards to the expected timing of investments or expenditures for continuing operations, currently in a savings account earning interests.

SHARE-BASED PAYMENTS

A stock option plan (the "**Stock Option Plan**") was established by the Company to attract and retain employees, consultants, officers and directors. 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, options generally vest over a period of three or four years and expire eight years from the grant date.

A restricted share unit plan (the "**RSU Plan**") was established by the Company to attract and retain employees, officers and directors. 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. Under the RSU plan, RSUs generally vest over a period of three years.

An employee share purchase plan ("**ESPP**") was established to attract and retain employees and directors. Under this plan, employees or directors are permitted to contribute between 1% and 5% of their eligible earnings, up to $10,000 annually, to purchase the Company's equity shares. The Company, in turn, provides a matching contribution equal to 50% of the participant's personal contribution. Shares purchased with the Company's contributions become vested two years from the contribution date. All contributions are used by the plan's trustee to purchase equity shares on the open market, on behalf of employees.

OUTSTANDING SHARE DATA

As at	January 20, 2026	December 6, 2025	September 6, 2025
Common shares outstanding (1)	98,840,150	98,823,996	98,591,259
Debentures outstanding (2) (3)	23,214,348	23,214,348	23,214,348
Stock options outstanding	3,444,111	3,456,798	3,924,712
Stock options exercisable	2,399,125	2,381,823	2,752,232
Restricted share units outstanding	3,408,847	3,486,140	3,237,363

(1) As at January 20, 2026 and December 6, 2025, 600,791 and 606,634 common shares held in trust through the employee share purchase plan (September 6, 2025 – 610,005 common shares) were excluded in the common shares outstanding.

(2) As at January 20, 2026 and December 6, 2025, 29,046 of 2027 Debentures (September 6, 2025 – 29,046 Debentures) were outstanding which are convertible into 6,314,348 common shares of the Company, respectively, at a conversion price of $4.60. Please refer to the "Debt" subsection of the "Liquidity and Capital Resources" section of this MD&A.

(3) As at January 20, 2026 and December 6, 2025, 12,675 of 2028 Debentures (September 6, 2025 – 12,675) were outstanding which are convertible into 16,900,000 common shares of the Company, respectively, at a conversion price of $0.75. Please refer to the "Debt" subsection of the "Liquidity and Capital Resources" section of this MD&A.

SEGMENT REPORTING

The Company has one reportable segment as its principal business activity is focused on developing and servicing the online meal-kit and grocery add-on market.

DIVIDEND POLICY

Since its incorporation, the Company has not paid any dividend on its common shares. The Company's current policy is to retain future earnings to finance its growth. Any future determination to pay dividends is at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and other such factors as the Board of Directors of the Company may deem relevant.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The Company's significant judgments, estimates and assumptions are the same as those that were applied to the Company's consolidated financial statements for the year ended September 6, 2025.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109 C*ertification of Disclosure in Issuers' Annual and Interim Filings*, the Company has filed certificates signed by the Executive Chairman of the Board, performing similar functions to those of a Chief Executive Officer, and the Chief Financial Officer ("**Certifying Officers**") that, among other things, report on the design of disclosure controls and procedures ("**DC&P**") and the design of internal control over financial reporting ("**ICFR**").

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

No changes were made during the first quarter of Fiscal 2026 to the Company's ICFR that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.