



For Immediate Distribution

Goodfood Reports First Quarter of 2026 Results with Net Sales of \$28 million, Gross Profit of \$12 million and Adjusted EBITDA¹ of \$1 million

- *Cash flows provided by operating activities of \$1.4 million and adjusted free cash flow¹ was \$1.2 million for the first quarter, with cash balance and marketable securities² at \$15 million*
- *Net sales were \$28 million in the first quarter, with gross profit of \$12 million and gross margin³ reaching 42.3%, a 2.7 percentage point improvement over the Q1 last year*
- *Net loss of \$3 million compared to \$2 million in the same period last year, adjusted EBITDA margin¹ of 3.7% and adjusted EBITDA¹ of \$1 million for the first quarter*
- *Heat & Eat meal solutions and Genuine Tea performances contributing to sequential stabilization of revenue and cash flows*
- *New leadership in place with focus on stabilizing core meal kit business and diversifying revenue and profitability*

Montreal (Quebec), January 20, 2026

Goodfood Market Corp. ("**Goodfood**", "the **Company**", "**us**", "**we**" or "**our**") (TSX: FOOD), a leading Canadian online meal solutions company, today announced financial results for the 13 weeks ended December 6, 2025.

"The first quarter marks a clear step in stabilizing the business in a still-challenging operating environment, and despite these conditions, we delivered a 42.3% gross margin³, positive adjusted EBITDA¹ and \$1.2 million of adjusted free cash flow¹. These results reflect tighter cost controls, improved execution and a deliberate focus on cash and margins," said Selim Bassoul, Executive Chairman of Goodfood.

"We are managing the business with a clear-eyed view of the market. The meal solutions category, particularly meal kits, remains under pressure, and we are not assuming a near-term recovery. Our focus is building a simpler, more resilient operating model that performs consistently at current volumes," added Selim Bassoul.

"Our operational review is nearing completion and is focused on sharpening execution, prioritizing profitable demand and deploying capital where returns are strongest. We are tightening decision-making and accountability across the organization and aligning the business around cash flow and margin performance."

"With the leadership transition almost complete, our priorities are clear: protect margins, generate cash and allocate capital with discipline. Alongside organic improvements, we will remain highly selective on acquisitions that strengthen our platform, improve our cost and margin structure and align with our long-term strategy." concluded Mr. Bassoul.

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

² Cash balance and marketable securities is defined as the sum of cash, cash equivalents and marketable securities.

³ Gross margin is defined as gross profit divided by 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.

METRICS AND NON-IFRS FINANCIAL MEASURES – RECONCILIATION

EBITDA¹, ADJUSTED EBITDA¹ AND ADJUSTED EBITDA MARGIN¹

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% 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 FLOW¹ AND ADJUSTED FREE CASH FLOW¹

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

(In thousands of Canadian dollars)

	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.

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

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

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.

Management remains focused on maintaining adequate liquidity and applying disciplined capital allocation to support operations and strengthen the balance sheet over time.

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 EBITDA¹ 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 EBITDA¹ and adjusted free cash flow¹ generation, we have some flexibility to deploy capital for acquisitions, which will be a key source of growth in 2026 and beyond.

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

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.

CONFERENCE CALL

Goodfood will hold a conference call to discuss these results on January 20, 2026 at 8:00AM Eastern Time. Interested parties can join the call by dialing 1-800-717-1738, (Toronto or overseas) or 1-514-400-3792, (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 37370#. This recording will be available until January 27, 2026.

A full version of the Company's Management's Discussion and Analysis (MD&A) and Interim Condensed Consolidated Financial Statements for the 13 weeks ended December 6, 2025, will be posted on the Company's SEDAR+ profile, accessible at <http://www.sedarplus.ca> later today.

METRICS AND NON-IFRS FINANCIAL MEASURES

Certain non-IFRS financial measures included in this news 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 13 weeks ended December 6, 2025.

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

- 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 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.

- 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.
- 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 "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.

ABOUT GOODFOOD

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 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 main production facility and administrative offices are based in Montreal, Quebec with additional locations in the provinces of Ontario and Alberta.

Except where otherwise indicated, all amounts in this news release are expressed in Canadian dollars.

For further information: Investors and Media

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FORWARD-LOOKING INFORMATION

This news 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 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.