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Goodfood Reports Second Quarter of 2026 Results and Advances Strategic Reset Focused on Cash Generation and Core Economics

- *Net sales were $23 million in the second quarter, with gross profit of $7 million and gross margin[1] reaching 30.6%, a 12.0 percentage points decline over the Q2 last year*
- *Net loss of $7 million compared to $2 million in the same period last year, adjusted EBITDA margin[2] of negative 4.4% and adjusted EBITDA[2] loss of $1 million for the second quarter*
- *Cash flows used by operating activities of $2.4 million and adjusted free cash flow[2] was negative $2.0 million for the second quarter, with cash balance and marketable securities[3] at $9 million bringing net leverage[2] ratio to 10x*
- *Advancing a focused strategic reset centered on an enhanced product offering and a disciplined cost structure to drive sustainable, profitable growth*

Montreal (Quebec), April 21, 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 and 26 weeks ended March 7, 2026.

The Company is advancing a focused strategic reset centered on simplifying operations, enhancing its product offering, and reinforcing a disciplined cost structure to support sustainable, profitable growth.

Second quarter results reflect the impact of a temporary Canadian Food Inspection Agency (CFIA) license suspension and a softer demand environment, which affected net sales and margins during the period. As a result, our net sales were $23 million, gross profit was $7 million, with gross margin[1] of 30.6%, net loss was $7 million, with adjusted EBITDA margin[2] of negative 4.4% and adjusted free cash flow[2] was negative $2.0 million, with cash and marketable securities[3] of $9 million.

"Second quarter results reflect the impact of a temporary disruption and softer demand. More importantly, CFIA clarified what needed to change—and we are acting on it decisively," said Selim Bassoul, Chairman and CEO. "We have simplified our cost structure, reduced complexity, and refocused the business on its core economics. At the same time, we are improving our product with better quality, larger portions and greater convenience to align with what customers value most."

"Our priorities are straightforward: protect margins, generate cash, and deploy capital with discipline. As we execute, we are focused on strengthening the business while evaluating a range of financial alternatives to enhance long-term value," added Selim Bassoul.

"Also, for fiscal year 2026, both the President, Najib Maalouf, and I have made the deliberate decision to forgo our base salaries. Our employment agreements remain unchanged, but we believe that in this phase of the Company's transformation, accountability needs to start at the top. This is not a signal that we expect others to do the same. Our priority is to build a stronger, more resilient company — one that creates long-term opportunities for our teams, delivers for our customers, and earns the trust of our shareholders," concluded Selim Bassoul.

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[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 news release for corresponding definitions.

[3] Cash balance and marketable securities is defined as the sum of cash, cash equivalents and marketable securities.

RESULTS OF OPERATIONS – SECOND 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		March 7, 2026		March 8, 2025		($)	(%)
Net sales	**$**	**22,509**	$	30,500	$	(7,991)	(26)%
Cost of goods sold		**15,611**		17,502		(1,891)	(11)%
Gross profit [(1)]	**$**	**6,898**	$	12,998	$	(6,100)	(47)%
Gross margin [(1)] [(2)]		**30.6%**		42.6%		N/A	(12.0) p.p.
Selling, general and administrative expenses		**8,552**		11,860		(3,308)	(28)%
Depreciation and amortization		**1,275**		1,670		(395)	(24)%
Reorganization and other related costs		**1,667**		–		1,667	N/A
Net finance costs		**2,156**		1,856		300	16%
Loss, before income taxes		**(6,752)**		(2,388)		(4,364)	183%
Income tax expense		**19**		–		19	N/A
Net loss, being comprehensive loss	**$**	**(6,771)**	$	(2,388)	$	(4,383)	184%
Basic and diluted loss per share	**$**	**(0.07)**	$	(0.03)	$	(0.04)	133%

(1) The gross profit and gross margin for the 13 weeks ended March 7, 2026 include a write-down of inventories of $0.4 million (March 8, 2025 – Nil).

(2) Gross margin is defined as gross profit divided by net sales.

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

- The decrease in net sales is explained by the decrease in active customers driving lower orders combined with the temporary CFIA suspension in the second quarter of 2026, partially offset by an increase in average order value. The decrease in active customers can be explained mainly by the CFIA suspension, and lower marketing and incentive offerings.
- The decrease in gross profit is driven mainly by the decrease in net sales as well as higher shipping, labour and other production costs mainly driven by the temporary CFIA suspension. This decrease was partially offset by an increase in average order value compared to the same quarter last year. Gross margin decreased by 12 percentage points mainly due to costs related to our temporary CFIA suspension and lower fixed cost absorption partially offset by the increase in average order value.
- The decrease in selling, general and administrative expenses is primarily due to lower marketing spend and wages and salaries. Selling, general and administrative expenses as a percentage of net sales decreased by 0.9 percentage points to 38.0% compared to 38.9% in the same quarter last year primarily driven by lower marketing spend partially offset by lower net sales.
- The reorganization and other related costs in the second quarter of Fiscal 2026 are mainly due to employee termination costs.
- The increase in net loss is primarily driven by lower profitability as a result of lower net sales and gross profit combined with reorganization costs partially offset by lower selling, general and administrative expenses.

RESULTS OF OPERATIONS – YEAR-TO-DATE 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 26 weeks periods ended		March 7, 2026	March 8, 2025	($)	(%)
Net sales	$	**50,047**	65,162	(15,115)	(23)%
Cost of goods sold		**31,503**	38,443	(6,940)	(18)%
Gross profit [1]	$	**18,544**	26,719	(8,175)	(31)%
Gross margin [1] [2]		**37.1%**	41.0%	N/A	(3.9) p.p.
Selling, general and administrative expenses		**19,403**	24,256	(4,853)	(20)%
Depreciation and amortization		**2,566**	3,251	(685)	(21)%
Reorganization and other related costs		**1,667**	–	1,667	N/A
Net finance costs		**4,232**	3,287	945	29%
Loss, before income taxes		**(9,324)**	(4,075)	(5,249)	129%
Income tax expense		**28**	–	28	N/A
Net loss, being comprehensive loss	$	**(9,352)**	(4,075)	(5,277)	129%
Basic and diluted loss per share	$	**(0.09)**	(0.05)	(0.04)	80%

(1) The gross profit and gross margin for the 26 weeks ended March 7, 2026 include a write-down of inventories of $0.4 million (March 8, 2025 – Nil).

(2) Gross margin is defined as gross profit divided by net sales.

VARIANCE ANALYSIS FOR YEAR-TO-DATE 2026 COMPARED TO YEAR-TO-DATE 2025

- The decrease in net sales is explained by the decrease in active customers driving lower orders combined with the temporary CFIA suspension in the second quarter of 2026 partially offset by an increase in average order value. The decrease in active customers can be explained mainly by lower marketing and incentive offerings combined with the temporary CFIA suspension in the second quarter of 2026.
- The decrease in gross profit is explained mainly by a decrease in net sales as well as higher shipping, labour and other production costs primarily driven by the temporary CFIA suspension. This decrease was partially offset by lower incentives as a percentage of net sales as well as an increase in average order value compared to the same period last year. Gross margin decreased by 3.9 percentage points mainly due to higher shipping, labour and other production costs driven by the temporary CFIA suspension combined with lower fixed cost absorption partially offset by higher average order value.
- The decrease in selling, general and administrative expenses is primarily due to lower marketing spend and wages and salaries. Selling, general and administrative expenses as a percentage of net sales increased by 1.6 percentage points from 37.2% to 38.8% primarily driven by fixed cost absorption due to lower net sales.
- The reorganization and other related costs in Fiscal 2026 are mainly due to employee termination costs.
- The increase in net finance costs is mainly due to a decrease in the fair value of the marketable securities.
- The increase in net loss is primarily driven by lower profitability as a result of lower net sales and gross profit combined with reorganization costs partially offset by lower selling, general and administrative expenses.

METRICS AND NON-IFRS FINANCIAL MEASURES – RECONCILIATION

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

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		For the 26 weeks ended	
	March 7, 2026	March 8, 2025	**March 7, 2026**	March 8, 2025
Net loss	**$ (6,771)**	$ (2,388)	**$ (9,352)**	$ (4,075)
Net finance costs	**2,156**	1,856	**4,232**	3,287
Depreciation and amortization	**1,275**	1,670	**2,566**	3,251
Income tax expense	**19**	–	**28**	–
EBITDA	**$ (3,321)**	$ 1,138	**$ (2,526)**	$ 2,463
Write-down of inventories	**437**	–	**437**	–
Share-based payments expense	**232**	222	**448**	441
Reorganization and other related costs	**1,667**	–	**1,667**	–
Acquisition costs	**–**	–	**–**	99
Adjusted EBITDA	**$ (985)**	$ 1,360	**$ 26**	$ 3,003
Net sales	**$ 22,509**	$ 30,500	**$ 50,047**	$ 65,162
Adjusted EBITDA margin (%)	**(4.4) %**	4.5%	**0.1 %**	4.6%

For the 13 weeks ended March 7, 2026, adjusted EBITDA margin decreased by 8.9 percentage points compared to the same quarter last year, mainly driven by lower gross margin due to higher shipping, labour and other production costs as a result of the temporary suspension from the CFIA combined with lower net sales due to the impact of the license suspension and lower active customers leading to lower order rate. The decrease in gross margin was partially offset by lower selling, general and administrative expenses primarily from lower marketing spend as well as higher basket size. Overall, adjusted EBITDA decreased by $2.3 million this quarter compared to the same quarter last year.

For the 26 weeks ended March 7, 2026, adjusted EBITDA margin decreased by 4.5 percentage points compared to the same period last year mainly driven by lower net sales as a result of the license suspension and lower active customers leading to lower order rates and lower gross margin mainly as a result of higher shipping costs and other production costs. The decrease was partially offset by an increase in basket size. Overall, adjusted EBITDA decreased by $3.0 million compared to the same period last year while net sales decreased by $15.1 million. The lower net sales impact on the adjusted EBITDA was partially offset by lower marketing spend and wages and salaries.

[1] Please refer to the "Metrics and Non-IFRS Financial Measures" section of this news 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 and adjusted free cash flow is as follows:

(In thousands of Canadian dollars)

	For the 13 weeks ended		For the 26 weeks ended	
	March 7, 2026	March 8, 2025	**March 7, 2026**	March 8, 2025
Net cash (used in) provided by operating activities	**$ (2,441)**	$ (1,152)	**$ (1,085)**	$ 1,037
Additions to fixed assets	**(11)**	(265)	**(54)**	(453)
Additions to intangible assets	**(130)**	(147)	**(246)**	(321)
Free cash flow	**$ (2,582)**	$ (1,564)	**$ (1,385)**	$ 263
Payments made to reorganization and other related costs	**559**	–	**610**	–
Payments made to acquisition costs	**–**	75	**–**	102
Adjusted free cash flow	**$ (2,023)**	$ (1,489)	**$ (775)**	$ 365

For the 13 weeks ended March 7, 2026, adjusted free cash flow decreased by $0.5 million compared to the same quarter last year mainly driven by a decrease in profitability resulting from lower gross margin and lower net sales, partially offset by lower marketing spend and improvement in the change in non-cash operating working capital as a result of a favorable increase in accounts payable and accrued liabilities mainly due to timing of vendor payments. In the second quarter of Fiscal 2025, the Company invested in fire compliance work in the Montreal warehouse resulting in higher addition to fixed assets compared to the second quarter of Fiscal 2026.

For the 26 weeks ended March 7, 2026, adjusted free cash flow decreased by $1.1 million compared to the same period last year mainly driven by a decrease in profitability resulting from lower net sales and lower gross margin, partially offset by lower marketing spend and improvement in the change in non-cash operating working capital as a result of favorable timing of vendor payments. In addition, in Fiscal 2025, the Company invested in fire compliance work in the Montreal warehouse resulting in higher addition to fixed assets compared to Fiscal 2026.

[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)

	March 7, 2026	March 8, 2025
Convertible debentures, liability component, including current portion	**$ 41,870**	$ 46,186
Total debt	**41,870**	46,186
Cash and cash equivalents	**7,382**	17,383
Marketable securities	**2,046**	1,721
Total net debt [1]	**32,442**	27,082
Adjusted EBITDA (trailing 12 months) [1]	**3,116**	7,071
Total net debt to adjusted EBITDA [1]	**10.41**	3.83

The Company's total net debt increased by $5.4 million and its total net debt to adjusted EBITDA ratio was 10.41 compared to 3.83 last year. This is mainly explained by the Company's reduction in cash and cash equivalents and EBITDA driven by lower net sales and lower gross margin.

Management remains focused on actively managing the balance sheet and maintaining flexibility in how capital is structured going forward.

FINANCIAL OUTLOOK

Goodfood's core purpose is to create experiences that spark joy and help our community live longer on a healthier planet. The Company is focused on strengthening its meal solutions offering, including meal kits and prepared meals, to deliver a differentiated and compelling food experience.

In recent quarters, the Company has taken actions to better align its product offering with evolving customer preferences. This includes enhancing value through larger portions, improving quality, and increasing convenience with faster meal preparation and expanded ready-to-eat options.

Our focus remains on improving unit economics, driving consistent cash generation, and allocating capital only to initiatives that meet strict return thresholds.

The Company is also executing on additional growth avenues, including selective expansion into adjacent food categories and opportunities to strengthen its product portfolio.

Coupled with a disciplined approach to cost management and a continued focus on customer experience, these actions are designed to reinforce the Company's operating model and support long-term value creation.

In addition to innovating the product and reigniting customer demand, Management remains focused on actively strengthening the balance sheet and maintaining flexibility in how capital is structured going forward.

[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 April 21, 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 84705#. This recording will be available until April 28, 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 and 26 weeks ended March 7, 2026, 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 and 26 weeks ended March 7, 2026.

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, write-down of inventories as a result of the Company's reorganization activities 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, also named net leverage, 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 ingredients and ready-to-eat trays 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.

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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.

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.