

Management's Discussion and Analysis of

GOODFOOD MARKET CORP.

(formerly Mira VII Acquisition Corp.)

For the year ended August 31, 2017

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Basis of Presentation

The following has been prepared for the purposes of providing Management's Discussion and Analysis ("MD&A") of the consolidated financial condition of Goodfood Market Corp. ("Goodfood" or "the Company") as at August 31, 2017, and the consolidated operating results of the Company for the year then ended. This MD&A and the related consolidated financial statements of the Company are a continuation of the MD&A and financial statements of Goodfood Market Inc., the acquirer in the reverse acquisition transaction described within the "Amalgamation and Reverse Acquisition" section of this MD&A. This MD&A is dated November 28, 2017 with information available at this date. All references in this MD&A to Fiscal 2018 are to the Fiscal year ended August 31, 2018, to Fiscal 2017 are to the Fiscal year ended August 31, 2017 and to Fiscal 2016 are to the Fiscal year ending August 31, 2016. This document should be read in conjunction with the audited annual consolidated financial statements and notes thereto for the year ended August 31, 2017. All amounts herein are expressed in Canadian dollars unless otherwise indicated. All financial information presented in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Certain financial measures used in this MD&A do not have any standardized meaning under IFRS, including "Gross merchandise sales", "Adjusted gross profit", "Adjusted gross margin", "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA margin", "Adjusted net loss" and "Adjusted loss per share". For a reconciliation of these non-IFRS financial measures to the most comparative IFRS measure, see the "Metrics and Non-IFRS Financial Measures" section of this MD&A.

Forward-Looking Statements

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, estimates and intentions. 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", or "continue", 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 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 year ended August 31, 2017 available on SEDAR at www.sedar.com: limited operating history, negative operating cash flow, food industry, quality control and health concerns, regulatory compliance, regulation of the industry, public safety issues, product recalls, damage to Goodfood's reputation, transportation disruptions, product liability, ownership and protection of intellectual property, evolving industry, reliance on a single facility, unionization activities, reliance on management, factors which may prevent realization of growth targets, competition, availability and quality of raw materials, limited number of products, environmental and employee health and safety regulations, online security breaches and disruption, reliance on data centers, open source license compliance, future capital requirements, operating risk and insurance coverage, management of growth, conflicts of interest, litigation, and catastrophic events. 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 availability of capital resources, business performance, market conditions, and customer demand. 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.

Business Strategy

Company Overview

Goodfood is a fast-growing meal subscription service company, delivering fresh ingredients that make it easy for subscribers to prepare delicious meals at home every week. Goodfood's objective is to take the hassle out of cooking, leaving subscribers with the fun part - cooking, sharing with family and eating. Subscribers select their favorite recipes from a variety of original dishes online. The Company prepares a personalized box of fresh ingredients and delivers it to the subscriber's doorstep with easy step-by-step instructions. The Company's main facility and offices are in Montréal, Canada, Goodfood had 31,000 active subscribers as of August 31, 2017.

Key Business Strategies

Our mission is about making healthy dinners easy and fun. We partner with farms and dedicated suppliers to delivery the fresh ingredients Canadians need to cook healthy, delicious meals at home.

The Company's business strategy is anchored on the profitable acquisition and retention of subscribers and increasing the penetration of meal-kits as part of the multi billion-dollar Canadian grocery market as well as continued logistics and supply chain optimization. Goodfood has developed a cost-efficient customer acquisition model with a high return on marketing investment. The Company acquires new subscribers through marketing channels including television and social media as well as through an internally developed referral program. New subscribers are often incentivized to sign up by using a coupon or discount code. The Company also features guest chefs from time to time on the menu and employs a publicly known personality as a brand ambassador. As we grow and expand our operations, we expect to benefit from substantial economies of scale resulting in lower direct costs for food, labour, packaging and shipping.

Management believes the Company's success and long-term viability depends upon its ability to provide its subscribers with a superior offering, a delicious cooking experience and substantial value. To that end, Goodfood's distribution facility is strategically located next to Montreal's main food terminals and logistics providers, which allows the Company to receive the best possible product in the shortest possible time. Furthermore, Goodfood's commitment to consistently provide an exceptional client experience drives the Company to continually adapt and improve its service through real-time customer feedback.

Financial Outlook

The meal-kit subscription service industry has become one of the fastest growing industries in the world and remains relatively new in Canada. As a result, Goodfood believes that there are significant opportunities to rapidly grow its subscriber base by continuing to invest in highly targeted marketing campaigns, capacity expansion and in establishing a national platform. As the Company grows its subscriber base, Management is confident that the Company can benefit from further economies of scale and reduce marketing expenses as a percentage of revenue which will lead to improvements in profitability. Further, with the expected opening of a Western Canadian production facility in the first half of calendar year 2018, Management expects the Company to expand its client base and begin serving customers located in Western Canada during Fiscal 2018.

These objectives are based upon assumptions and are subject to risks and uncertainties, many of which are beyond our control. These risks and uncertainties could cause actual results to differ materially from these objectives. See the "Forward-Looking Statements" and "Business Risks" sections of this MD&A.

Financial and Business Highlights

Highlights of Fiscal 2017 compared to Fiscal 2016

- Gross merchandise sales reached \$23,081,362, an increase of \$19,837,342, or 612%. Revenue reached \$19,796,240, an increase of \$16,994,580, or 607%.
- Active subscribers reached 31,000 at August 31, 2017, an increase of 28,000, or 933% compared to August 31, 2016.
- Adjusted gross margin reached 29.8%, an improvement of 7.9 percentage points. Gross profit reached \$3,589,737, an increase of \$3,322,497. Gross margin reached 18.1%, an improvement of 8.6 percentage points.
- Adjusted net loss reached \$3,802,693, an increase of \$2,908,716.
- Net cash used in operations reached \$1,885,328, an increase of \$1,293,217.
- Adjusted EBITDA margin reached (17.9)%, an improvement of 13.3 percentage points.
- The Company completed a reverse acquisition transaction of Mira VII Acquisition Corp., details of which can be found in the "Amalgamation and Reverse Acquisition Transaction" section of this MD&A. In connection with the Amalgamation, the Company completed a private placement pursuant to which the Company issued 10,542,883 common shares at a price of \$2.00 per share for aggregate gross proceeds of \$21,085,766 and net cash proceeds of \$19,553,259. Furthermore, in connection with the Amalgamation, all outstanding convertible notes and preferred shares were converted into common shares of the Company.

Highlights of the three-month period ended August 31, 2017 compared to the three-month period ended August 31, 2016

- Gross merchandise sales reached \$8,709,128, an increase of \$7,561,070, or 659%. Revenue reached \$7,488,379, an increase of \$6,492,395, or 652%.
- Adjusted gross margin reached 25.5%, an improvement of 1.0 percentage points. Gross profit reached \$1,004,266, an increase of \$875,623. Gross margin reached 13.4%, an improvement of 0.5 percentage points. The decrease in gross margin for the three-month period ended August 31, 2017 compared to the nine-month period ended May 31, 2017 is primarily due to capacity constraints in our previous Montreal facility and continued ramping up of staffing levels in anticipation of Q1 2018 which is the beginning of the high season.
- Adjusted net loss reached \$2,312,279, an increase of \$1,987,044.
- Net cash used in operations reached \$1,826,575 an increase of \$1,623,601.
- Adjusted EBITDA margin reached (29.0)%, an improvement of 2.5 percentage points.

Business Highlights

- On June 21, 2017, the Company signed a five-year lease with a five-year renewal option for an 83,000-square foot production facility located in Saint-Laurent, Quebec, Canada. In addition, the Company secured a right of first refusal for an additional 72,000 square feet at a location directly adjacent to the new facility. In September 2017, production operations were transferred to the new facility. During Fiscal 2017, Goodfood incurred capital expenditures of approximately \$1,950,000 related to the new facility and Management expects significant capital expenditure at the new facility to continue in Fiscal 2018.

Selected Annual Financial Information

The selected financial information below was derived from the Company's August 31, 2017 and 2016 consolidated financial statements, prepared in accordance with IFRS.

As at	August 31, 2017	August 31, 2016
Financial position		
Cash	17,544,583	516,130
Total assets	21,310,242	829,880
Total debt ⁽¹⁾	511,809	1,566,983
Shareholders' equity (deficiency)	16,351,579	(1,249,655)

⁽¹⁾ Total debt consists of convertible notes, preferred shares and the current and non-current portion of long-term debt.

Year ended August 31,	2017	2016
Comprehensive loss		
Revenue	19,796,240	2,801,660
Net loss being comprehensive loss	(9,866,047)	(1,239,171)
Basic and diluted loss per share	(0.32)	(0.05)
Cash flows provided by (used in)		
Operating activities	(1,885,328)	(592,111)
Financing activities	20,766,924	1,162,983
Investing activities	(1,853,143)	(139,628)

Subsequent Events***Lease for Western Canadian production facility***

On November 10, 2017, the Company signed a seven-year lease with renewal options for some further twenty years for a 43,000-square foot production facility located in Western Canada. The lease is classified as an operating lease with a total estimated commitment of approximately \$4,500,000 over the seven-year term. The Company secured favorable terms including a tenant allowance that funds a significant portion of the expected capital expenditures to setup the facility, limited rent increases over the lease term and rights to expand into adjacent space to support future growth. Management intends to commence operations at the Western Canadian production facility during the first half of calendar year 2018.

Debt financing

In September 2017, the Company secured a commitment from a Canadian chartered bank to provide a five-year term loan of \$2,500,000, a \$500,000 revolving line of credit and \$300,000 in other short-term financing. In October 2017, the term loan was disbursed. The proceeds of the term loan were used to refinance the Company's long-term debt, finance capital expenditures and for general corporate purposes.

Metrics and Non-IFRS Financial Measures

This section describes certain metrics and non-IFRS financial measures used by the Company throughout this MD&A. It also provides a reconciliation between non-IFRS financial measures and the most comparable IFRS financial measures, where applicable. Non-IFRS financial measures do not have standard definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Non-IFRS financial measures are provided as additional information to complement IFRS measures by providing further understanding of the Company's results of operations from Management's 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 financial statements for the periods indicated.

Active subscribers¹

Management defines an Active subscriber as an account that is scheduled to receive a delivery or has elected to skip delivery in the subsequent weekly delivery cycle. For clarity, Active subscribers exclude cancelled accounts. Management believes that Active subscribers is a useful metric because it is indicative of future revenues. The Company reports the number of Active subscribers at the beginning and end of the period, rounded to the nearest thousand. Active subscribers is not a financial measure.

	Three-month periods ended		Years ended	
	2017	August 31, 2016	2017	August 31, 2016
Active subscribers, beginning of period	23,000	2,000	3,000	1,000
Net change in Active subscribers	8,000	1,000	28,000	2,000
Active subscribers, end of period	31,000	3,000	31,000	3,000

Gross merchandise sales

Gross merchandise sales ("GMS") measures the total retail value of goods sold by the Company and is calculated before taking into account all incentives and credits included in revenue. Incentives and credits are principally comprised of sign-up inducements, which typically provide new Active subscribers with a discount on their first delivery. GMS is a non-IFRS financial measure. Management believes that GMS is a useful revenue measure because the exclusion of incentives and credits, which are principally comprised of sign-up inducements, provides a picture that is more indicative of future revenues.

The reconciliation of revenue to GMS is as follows:

	Three-month periods ended		Years ended	
	2017	August 31, 2016	2017	August 31, 2016
Revenue	7,488,379	995,984	19,796,240	2,801,660
Incentives and credits included in revenue	1,220,749	152,074	3,285,122	442,360
Gross merchandise sales	8,709,128	1,148,058	23,081,362	3,244,020

¹ Active subscribers are referred to as "Subscribers" and were rounded to the nearest hundred in the Company's MD&A for the year ended August 31, 2016.

Adjusted gross profit and Adjusted gross margin

Adjusted gross profit and Adjusted gross margin measure gross profit and gross margin on a retail value basis. Adjusted gross profit is calculated by subtracting cost of goods sold from GMS. Adjusted gross margin is expressed in percentage terms and calculated as Adjusted gross profit divided by GMS. Adjusted gross profit and adjusted gross margin are non-IFRS financial measures. Management believes that Adjusted gross profit and Adjusted gross margin are useful measures of financial performance because GMS is indicative of future revenues and therefore, of future gross profit and gross margin.

The reconciliation of Adjusted gross profit and Adjusted gross margin is as follows:

	Three-month periods ended		Years ended	
	2017	August 31, 2016	2017	August 31, 2016
Gross merchandise sales	8,709,128	1,148,058	23,081,362	3,244,020
Cost of goods sold	6,484,113	867,341	16,206,503	2,534,420
Adjusted gross profit	2,225,015	280,717	6,874,859	709,600
Adjusted gross margin	25.5%	24.5%	29.8%	21.9%

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin

EBITDA is defined as net income or loss before net finance expenses, depreciation and amortization expense and income tax expense. Adjusted EBITDA is defined as EBITDA excluding share-based compensation expenses as they are an equity compensation item and other items that Management believes do not necessarily arise as part of the Company's normal day-to-day operations and could distort the analysis of trends in business performance. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Revenue. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are non-IFRS financial measures. Management believes that EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin are useful measures of financial performance because these measures are useful to assess the Company's ability to seize growth opportunities in a cost-effective manner, to finance its ongoing operations and to service its long-term debt. They also allow comparisons with companies that different capital structures.

The reconciliation of net loss to EBITDA, Adjusted EBITDA and then to Adjusted EBITDA margin are as follows:

	Three-month periods ended		Years ended	
	2017	August 31, 2016	2017	August 31, 2016
Net loss	(3,770,110)	(366,520)	(9,866,047)	(1,239,171)
Net finance expenses	(49,670)	47,706	4,235,513	355,483
Depreciation and amortization	21,209	4,749	54,032	9,741
EBITDA	(3,798,571)	(314,065)	(5,576,502)	(873,947)
Reverse acquisition of Mira VII expenses	1,457,831	-	1,805,410	-
Share-based compensation expenses	166,767	-	219,612	-
Adjusted EBITDA	(2,173,973)	(314,065)	(3,551,480)	(873,947)
Revenue	7,488,379	995,984	19,796,240	2,801,660
Adjusted EBITDA margin (%)	(29.0)%	(31.5)%	(17.9)%	(31.2)%

Adjusted net loss and Adjusted loss per share

Adjusted net loss is defined as net loss adjusted for items that Management believes do not necessarily arise as part of the Company's normal day-to-day operations and could distort the analysis of trends in business performance. Adjusted loss per share is defined as Adjusted net loss divided by the basic weighted average number of common shares outstanding. Adjusted net loss and Adjusted loss per share are non-IFRS financial measures. Management believes that Adjusted net loss and Adjusted loss per share are useful measures of performance that can facilitate period-to-period comparisons.

The reconciliation of net loss to Adjusted net loss is as follows:

	Three-month periods ended		Years ended	
	2017	August 31, 2016	2017	August 31, 2016
Net loss	(3,770,110)	(366,520)	(9,866,047)	(1,239,171)
Loss on remeasurement of convertible notes	-	41,285	4,257,944	345,194
Reverse acquisition of Mira VII expenses	1,457,831	-	1,805,410	-
Adjustments to net loss	1,457,831	41,285	6,063,354	345,194
Adjusted net loss	(2,312,279)	(325,235)	(3,802,693)	(893,977)

For the three-month periods ended August 31, 2017 and 2016, Adjusted net loss excludes the non-cash loss on remeasurement of convertible notes of nil and \$41,285, respectively, and reverse acquisition of Mira VII expenses of \$1,457,831 and nil, respectively, as Management believes these items do not reflect the performance of the underlying business of the Company.

For the years ended August 31, 2017 and 2016, Adjusted net loss excludes the non-cash loss on remeasurement of convertible notes of \$4,257,944 and \$345,194, respectively, and reverse acquisition of Mira VII expenses of \$1,805,410 and nil, respectively, as Management believes these items do not reflect the performance of the underlying business of the Company.

The reconciliation of basic and diluted loss per share to Adjusted loss per share is as follows:

	Three-month periods ended		Years ended	
	2017	August 31, 2016	2017	August 31, 2016
Net loss per share	(0.08)	(0.01)	(0.32)	(0.05)
Impact of adjustments to net loss above	0.03	-	0.20	0.01
Adjusted loss per share	(0.05)	(0.01)	(0.12)	(0.04)

Amalgamation and Reverse Acquisition Transaction

On April 25, 2017, Mira VII, together with its wholly-owned subsidiary Mira VII Subco Inc. ("Subco"), entered into an amalgamation agreement with Goodfood Market Inc. pursuant to which Subco would amalgamate with Goodfood Market Inc. (the "Amalgamation") to complete an arm's length qualifying transaction in accordance with the policies of the TSX Venture Exchange (the "Qualifying Transaction"). The Amalgamation was structured as a three-cornered amalgamation and as a result the amalgamated corporation was to become a wholly-owned subsidiary of Mira VII at the time of the completion of the Amalgamation.

Immediately prior to the completion of the Qualifying Transaction, Mira VII consolidated its common shares on the basis of one post-consolidation Mira VII common share for every 22.2222 Mira VII common share existing before such consolidation. Similarly, immediately prior to the Amalgamation, Goodfood Market Inc. split its common shares on the basis of 24.8379775 shares for each share existing prior to such split (the "Share Split").

On June 1, 2017, the Amalgamation was completed and Mira VII changed its name to Goodfood Market Corp. On June 7, 2017, the common shares of Goodfood Market Corp. began trading upon the Toronto Stock Exchange under the symbol "FOOD" and the common shares of the former Mira VII were delisted from the TSX Venture Exchange.

In connection with the Amalgamation, the following transactions occurred:

- On March 31, 2017, Goodfood Market Inc. completed a private placement (the "Private Placement") of 10,542,883 subscription receipts (the "Subscription Receipts") at a price of \$2.00 per Subscription Receipt for aggregate gross proceeds of \$21,085,766. Each Subscription Receipt was exchangeable for one common share of Goodfood Market Inc., and ultimately entitled the holder thereof to one common share of Goodfood Market Corp., upon completion of the Amalgamation;
- All outstanding Goodfood Market Inc. convertible notes were converted in accordance with their contractual provisions into 2,645,718 common shares of Goodfood Market Inc. (from which 1,319,717 common shares were issued to a company controlled by a Board member);
- The stock option plans of Goodfood Market Inc. and Mira VII were dissolved and replaced by a plan established by Goodfood Market Corp. Upon dissolution of the Mira VII stock option plan, all outstanding Mira VII stock options were cancelled and upon dissolution of the Goodfood Market Inc. stock option plan, all outstanding Goodfood Market Inc. stock options were cancelled and exchanged for stock options of Goodfood Market Corp. with comparable terms except for a reduced vesting period; and
- The holders of Goodfood Market Inc.'s common shares (including those investors in the Private Placement following the exchange of the Subscription Receipts for common shares of Goodfood Market Inc.) received one common share of Goodfood Market Corp. in exchange for each outstanding common share of Goodfood Market Inc. Following the share exchange, there were 47,690,185 issued and outstanding common shares of Goodfood Market Corp. of which the common shareholders of the former Goodfood Market Inc. controlled a significant majority.

For accounting purposes, it has been determined that Mira VII was the accounting acquiree and Goodfood Market Inc. was the accounting acquirer as the shareholders of the former Goodfood Market Inc. now control Goodfood Market Corp. Since Goodfood Market Inc. is considered the accounting acquirer, the consolidated financial statements Goodfood Market Corp. are prepared as a continuation of the financial statements of Goodfood Market Inc. reflecting the equity instruments of Mira VII. As a result, 2016 comparative figures included herein are solely the ones of Goodfood Market Inc.

In connection with the Amalgamation, the Company incurred reverse acquisition expenses of \$1,805,410 which include a loss of \$1,262,644 representing the excess of consideration transferred over the net assets acquired on the reverse acquisition date. For additional information pertaining to the Amalgamation, please refer to Note 1, Note 4 and Note 5 to the Company's audited annual consolidated financial statements for the year ended August 31, 2017.

Results of Operations – Fiscal 2017 and 2016

The following table sets forth the components of the Company's consolidated statement of loss and comprehensive loss for the years-ended August 31, 2017 and 2016:

Years ended August 31,	2017	2016	Variance	Variance (%)
Revenue	19,796,240	2,801,660	16,994,580	607%
Cost of goods sold	16,206,503	2,534,420	(13,672,083)	539%
Gross profit	3,589,737	267,240	3,322,497	1,243%
<i>Gross margin</i>	<i>18.1%</i>	<i>9.5%</i>	<i>8.6%</i>	<i>91%</i>
Selling, general and administrative expenses	7,360,829	1,132,721	(6,228,108)	550%
Depreciation and amortization expenses	54,032	9,741	(44,291)	455%
Reverse acquisition of Mira VII expenses	1,805,410	-	(1,805,410)	N/A
Loss on disposal of fixed assets	-	8,466	8,466	100%
Net finance expenses	4,235,513	355,483	(3,880,030)	1,091%
Net loss being comprehensive loss	(9,866,047)	(1,239,171)	(8,626,876)	696%

(1) A positive variance represents a positive impact to net loss and a negative variance represents a negative impact to net loss. Percentage change is presented in absolute values.

(2) Gross margin is calculated as Gross profit (loss) divided by Revenue and is expressed in percentage terms.

Explanation of variance for Fiscal 2017 compared to Fiscal 2016

- The increase in Revenue was primarily driven by the continued growth in the number of Active subscribers.
- The increase in Gross profit was primarily driven by the continued growth in the number of Active subscribers. The increase in Gross margin primarily resulted from lower unit costs for food, packaging and shipping.
- The increase in Selling, general and administrative expenses is primarily due to a planned increase in marketing costs and higher wage costs due to the addition of administrative personnel to support the Company's growth.
- The increase in Depreciation and amortization expenses resulted from the acquisition of fixed and intangible assets.
- Reverse acquisition of Mira VII expenses pertain to the transaction described in the "Amalgamation and Reverse Acquisition Transaction" section of this MD&A and are primarily comprised of a non-cash loss incurred upon the reverse acquisition and professional fees.
- The increase in Net finance expenses primarily resulted from higher losses incurred upon on the remeasurement of convertible notes.
- The increase in Net loss primarily resulted from the increase in Selling, general and administrative expense, Net finance expense and reverse acquisition of Mira VII expense, partially offset by higher Gross profit.

Results of Operations – Three-month periods ended August 31, 2017 and 2016

The following table sets forth the components of the Company's consolidated statement of loss and comprehensive loss for the three-month periods ended August 31, 2017 and 2016:

Three-month periods ended August 31,	2017	2016	Variance	Variance (%)
Revenue	7,488,379	995,984	6,492,395	652%
Cost of goods sold	6,484,113	867,341	(5,616,772)	648%
Gross profit	1,004,266	128,643	875,623	681%
<i>Gross margin</i>	<i>13.4%</i>	<i>12.9%</i>	<i>0.5%</i>	<i>4%</i>
Selling, general and administrative expenses	3,345,006	442,708	(2,902,298)	656%
Depreciation and amortization expenses	21,209	4,749	(16,460)	347%
Reverse acquisition of Mira VII expense	1,457,831	-	(1,457,831)	N/A
Net finance (income) expenses	(49,670)	47,706	97,376	204%
Net loss being comprehensive loss	(3,770,110)	(366,520)	(3,403,590)	929%

⁽³⁾ A positive variance represents a positive impact to net loss and a negative variance represents a negative impact to net loss. Percentage change is presented in absolute values.

⁽⁴⁾ Gross margin is calculated as Gross profit (loss) divided by Revenue and is expressed in percentage terms.

Explanation of variance for the three-month period ended August 31, 2017 compared to 2016

- The increase in Revenue was primarily driven by the continued growth in the number of Active subscribers.
- The increase in Gross profit was primarily driven by the continued growth in the number of Active subscribers. The increase in Gross margin primarily resulted from lower unit costs for packaging offset by higher labour costs. The decrease in Gross margin for the three-month period ended August 31, 2017 compared to the nine-month period ended May 31, 2017 is primarily due to capacity constraints in our previous Montreal facility and continued ramping up of staffing levels in anticipation of Q1 2018 which is the beginning of the high season.
- The increase in Selling, general and administrative expenses is primarily due to a planned increase in marketing costs and higher wage costs due to the addition of administrative personnel to support the Company's growth.
- The increase in Depreciation and amortization expenses resulted from the acquisition of fixed and intangible assets.
- Reverse acquisition of Mira VII expenses pertain to the transaction described in the "Amalgamation and Reverse Acquisition Transaction" section of this MD&A and are primarily comprised of a non-cash loss incurred upon the reverse acquisition and professional fees.
- The decrease in Net finance (income) expenses primarily resulted from higher interest income and a lower loss on the remeasurement of convertible notes.
- The increase in Net loss primarily resulted from the increase in Selling, general and administrative expense and reverse acquisition of Mira VII expense, partially offset by higher Gross profit and lower Net finance expenses.

Financial Position

The following table provides an analysis of the Company's statement of financial position as at August 31, 2017 compared to 2016:

As at	August 31, 2017	August 31, 2016	Variance
Total Assets	21,310,242	829,880	20,480,362
<i>Variance mainly due to:</i>			
Cash and cash equivalents	17,544,583	516,130	17,028,453
Sales tax receivable	773,462	81,248	692,214
Fixed assets	2,300,147	78,564	2,221,583
Total Liabilities	4,958,663	2,079,535	2,879,128
<i>Variance mainly due to:</i>			
Accounts payable and accrued liabilities	3,605,817	489,529	3,116,288
Deferred revenue	841,037	23,023	818,014
Convertible notes	-	506,368	(506,368)
Preferred shares	-	800,015	(800,015)
Total Shareholders' Equity (Deficiency)	16,351,579	(1,249,655)	17,601,234
<i>Variance mainly due to:</i>			
Common shares	27,144,084	59,000	27,085,084
Deficit	(11,174,702)	(1,308,655)	(9,866,047)

Explanation of variance from August 31, 2016 to August 31, 2017

- The increase in Cash and cash equivalents is due to the private placement equity financing, partially offset by operating losses and capital expenditures.
- The increase in Sales tax receivable is primarily due to the Company's growth and additions to fixed assets for the three-month period ended August 31, 2017.
- The increase in Fixed assets is primarily due to capital expenditures incurred at the Company's new primary production and distribution facility which remained under construction as at August 31, 2017.
- The increase in Accounts payable and accrued liabilities is primarily due to higher trade payables resulting from higher revenue and higher wages payable resulting from a larger workforce.
- The increase in deferred revenue is primarily results from higher revenue and the timing of period-end within the Company's weekly delivery cycle.
- The decrease in Preferred shares and Convertible notes is due to their conversion into common shares.
- The increase in Common shares is primarily due to the private placement equity financing, the conversion of preferred shares into commons shares and the conversion of convertible notes into common shares.
- The increase in Deficit is due to the net loss incurred for the twelve-month period ended August 31, 2017.

Liquidity and Capital Resources

Capital management

The Company's objective in managing its capital is to ensure a sufficient liquidity position to finance its operations, maximize the preservation of capital and deliver competitive returns on invested capital. To fund its activities, the Company has to date relied on private placements of its common and preferred shares, the issuance of convertible notes and long-term debt, which are included in the Company's definition of capital. The Company manages its excess cash such that it has sufficient reserve to fund its operations and capital expenditures.

Cash flows

A summary of net cash flows by activity for the years ended August 31, 2017 and 2016 is presented below:

Years ended August 31,	2017	2016	Variance
Net cash used in operating activities	(1,885,328)	(592,111)	(1,293,217)
Net cash from financing activities	20,766,924	1,162,983	19,603,941
Net cash used in investing activities	(1,853,143)	(139,628)	(1,713,515)
Net change in cash and cash equivalents	17,028,453	431,244	16,597,209
Cash and cash equivalents, beginning of period	516,130	84,886	431,244
Cash and cash equivalents, end of period	17,544,583	516,130	17,028,453

The negative variance in Net cash used in operating activities is primarily due to larger operating losses partially offset by favorable changes in working capital. The positive variance in Net cash from financing activities is primarily due to the private placement equity financing and the issuance of convertible notes. The negative variance in Net cash used in investing activities is primarily due to capital expenditures incurred at the Company's new primary distribution facility.

A summary of net cash flows by activity for the three-month periods ended August 31, 2017 and 2016 is presented below:

Three-month periods ended August 31,	2017	2016	Variance
Net cash used in operating activities	(1,826,575)	(202,974)	(1,623,601)
Net cash from financing activities	19,546,519	77,369	19,469,150
Net cash used in investing activities	(1,692,403)	(60,421)	(1,631,982)
Net change in cash and cash equivalents	16,027,541	(186,026)	16,213,567
Cash and cash equivalents, beginning of period	1,517,042	702,156	814,886
Cash and cash equivalents, end of period	17,544,583	516,130	17,028,453

The negative variance in Net cash used in operating activities is primarily due to larger operating losses partially offset by favorable changes in working capital. The positive variance in Net cash from financing activities is primarily due to the private placement equity financing. The negative variance in Net cash used in investing activities is primarily due to capital expenditures incurred at the Company's new primary distribution facility.

Common Shares

Prior to the Amalgamation, common share transactions of Goodfood Market Inc. occurring in Fiscal 2017 were as follows:

- On May 31, 2017, the common shares of Goodfood Market Inc. were split on a 1:24.8379775 basis (the "Share Split"). The Share Split is reflected retrospectively to comparative periods in this MD&A;
- On May 31, 2017, following a resolution of the majority holders of preferred shares, all outstanding preferred shares were converted into 9,101,106 common shares of Goodfood Market Inc.;
- On June 1, 2017, in connection with the Amalgamation, all outstanding convertible notes were converted in accordance with their contractual provisions into 2,645,718 common shares of Goodfood Market Inc. (from which 1,319,717 common shares were issued to a company controlled by a Board member); and
- On June 1, 2017, in connection with the Amalgamation, Goodfood Market Inc. issued 10,542,883 common shares in a private placement for gross proceeds of \$21,085,766, incurring share issue costs of \$1,725,693. Included in share issue costs is \$193,186 related to the fair value of 405,002 two-year compensation options granted to the agents to purchase common shares of Goodfood Market Corp. at a price of \$2.00 per common share.

Following the Amalgamation, significant common share transactions of Goodfood Market Corp. occurring in Fiscal 2017 are as follows:

- On June 1, 2017, in connection with the Amalgamation, all outstanding common shares of Goodfood Market Inc. were exchanged on a one for one basis for common shares of Goodfood Market Corp.;
- During the fourth quarter of Fiscal 2017, 63,647 common shares were issued following the exercise of stock options.

Convertible Notes

Convertible note transactions occurring in Fiscal 2017 were as follows:

- In September and October 2016, convertible notes with a face value of \$1,000,000 bearing interest at 8% were issued (\$500,000 of which were issued to a company controlled by a Board member);
- In September 2016, convertible notes with a conversion date fair value of \$471,550 were converted into 46,419 Class A preferred shares Series 2 (of which \$349,015 and 34,306 shares were converted by a company controlled by a Board member); and
- On June 1, 2017, in connection with the Amalgamation, all outstanding convertible notes with a conversion date fair value of \$5,291,436 were converted in accordance with their contractual provisions into 2,645,718 common shares of Goodfood Market Inc. (from which 1,319,717 common shares were issued to a company controlled by a Board member).

Preferred Shares

Prior to the Amalgamation, preferred share transactions of Goodfood Market Inc. occurring in Fiscal 2017 were as follows:

- In September 2016, convertible notes with a conversion date fair value of \$471,550 were converted into 46,419 Class A preferred shares Series 2 (from which 34,306 shares were issued to a company controlled by a board member);
- On May 31, 2017, following a resolution of the majority holders of preferred shares, all outstanding Class A preferred shares consisting of 320,000 Class A Series 1 preferred shares and 46,419 Class A Series 2 preferred shares were converted (of which 270,306 shares were held by a company controlled by a board member) into 9,101,106 common shares of Goodfood Market Inc. (of which 6,713,854 common shares were issued to a company controlled by a board member); and
- On May 31, 2017, following the conversion of all outstanding Class A preferred shares into common shares, Goodfood Market Inc. amended its articles of incorporation such that its authorized capital consisted solely of an unlimited number of common shares.

Long-term Debt

Significant long-term debt transactions occurring in Fiscal 2017 were as follows:

- In December 2016, the Company received a secured term loan of \$230,000 bearing variable interest of 10.03% as at August 31, 2017, repayable in monthly instalments beginning in October 2017 and ending in September 2022.

Contractual Obligations

The following are amounts due on contractual maturities of financial liabilities, including estimated interest payments, as well as commitments with respect to operating leases as at August 31, 2017:

	Total	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued liabilities	3,605,817	3,605,817	-	-
Long-term debt	624,270	158,637	457,877	7,756
Operating leases	3,125,494	632,752	2,492,742	-
	7,355,581	4,397,206	2,950,619	7,756

Selected Quarterly Information

The table below presents revenue, net loss, adjusted net loss, net loss per share and adjusted net loss per share for the last eight quarters:

Three-month period ended,	Revenue	Net loss	Adjusted net loss	Basic and diluted loss per share	Adjusted loss per share
August 31, 2017	7,488,379	(3,770,110)	(2,312,279)	(0.08)	(0.05)
May 31, 2017	6,428,446	(1,216,635)	(860,830)	(0.05)	(0.03)
February 28, 2017	3,686,947	(1,766,488)	(207,887)	(0.07)	(0.01)
November 30, 2016	2,192,468	(3,112,814)	(421,697)	(0.13)	(0.02)
August 31, 2016	995,984	(366,520)	(325,235)	(0.01)	(0.01)
May 31, 2016	928,433	(344,794)	(194,350)	(0.01)	(0.01)
February 29, 2016	562,005	(420,940)	(270,363)	(0.02)	(0.01)
November 30, 2015	315,238	(106,917)	(104,029)	-	-

⁽¹⁾ Basic and diluted loss per share and adjusted loss per share has been adjusted retrospectively to reflect the Share Split.

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

Trends and Seasonality

The Company's revenues and expenses are affected by seasonality. During holiday and popular vacation periods, the Company anticipates revenues to be lower as a higher proportion of Active subscribers elect to skip their delivery. The Company also anticipates the growth rate of Active subscribers to be lower during these periods. During periods with warmer weather, the Company anticipates packaging costs to be higher due to the additional packaging required to maintain food freshness and quality. The Company also anticipates food cost to be positively affected due to improved availability during periods with warmer weather.

The Company's historical revenue growth has minimized the impact of seasonality, but as our growth rate moderates or seasonal spending by our customers becomes more pronounced, seasonality could have a more significant impact on the Company's operating results from period-to-period.

Dividend Policy

Since its incorporation, the Company has not paid any dividend on its common shares and prior to the Amalgamation, Goodfood Market Inc. had not paid any dividend on its common or Class A preferred 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.

Financial Risk Management

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 that it has sufficient funds to fulfill its obligations.

For the year ended August 31, 2018, anticipated operating losses as the Company continues to grow its Active subscriber base and capital expenditures associated with the construction of production facilities are expected to reduce the Company's cash balance and liquidity position compared to August 31, 2017 absent additional financing. Management believes that the Company's cash on hand and financing capacity will provide adequate sources of funds to meet short-term requirements, finance planned capital expenditures and fund any operating losses.

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 take 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, short-term investments and bank deposits included in other current assets. The Company's maximum credit exposure corresponds to the carrying value of these financial assets. Management believes the credit risk is limited because the Company deals with major North American financial institutions.

Business Risk

For a detailed discussion of the Company's risk factors, please refer to the Company's Annual Information Form for the year ended August 31, 2017 on SEDAR at www.sedar.com.

Additional Financing Requirements

As a result of realized and anticipated growth in the number of Active subscribers, planned investment in operations, logistics, automation and technology as well as the potential for continued operating losses, Management expects that the Company may require additional debt or equity financing in the future to realize the goals outlined in the "Financial Outlook" section of this MD&A.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements consist of obligations under operating leases, which are disclosed in Note 19 of its audited annual consolidated financial statements for Fiscal 2017. The Company does not currently have any other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial condition, changes in revenue or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material.

Financial Instruments

Investment Policy

The Company invests its excess cash and cash equivalents with varying terms to maturity selected with regards to the expected timing of investments or expenditures for continuing operations.

Convertible Notes

The Company's convertible notes are classified at fair value through profit or loss. Changes in fair value, which is estimated using Level 3 inputs of the fair value hierarchy, are recorded in net finance expense. Convertible notes derive value from conversion features, which are generally tied to the equity valuation of the Company at a point in time.

As at August 31, 2017, following the conversions described in the "Liquidity and Capital Resources" section of this MD&A, no convertible notes remain outstanding. As at August 31, 2016, convertible notes outstanding had a fair value of \$506,368. For the year ended August 31, 2017, the Company recorded a non-cash loss on remeasurement of convertible notes of \$4,257,944 (2016 - \$345,194).

Additional information regarding the convertible notes including details of their conversion features and valuation methodology is provided in Note 12 and Note 21 of the Company's audited annual consolidated financial statements for the year ended August 31, 2017.

Derivatives

The Company did not enter into derivative contracts for the year ended August 31, 2017.

Financial Covenants

The Company's long-term debt which as at the date of this MD&A, is principally comprised of a five-year variable rate term loan of \$2,500,000, includes financial covenants which require the Company to maintain a minimum interest coverage ratio (based on a modified EBITDA calculation), a minimum working capital ratio and a minimum shareholders' equity balance. These financial covenants may restrict the Company's ability to pursue future transactions or opportunities. As at the date of this MD&A, the Company is in compliance with these financial covenants.

Outstanding Share Data

As at November 28, 2017, the Company had 47,753,832 common shares issued and outstanding, 751,581 stock options outstanding and 405,002 agent compensation options outstanding.

Segment Reporting

The Company has one reportable segment as our principal business activity is focused on developing and servicing the Canadian meal-kit market.

Critical Accounting Estimates

The preparation of the 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 accounting estimates and assumptions for the year ended August 31, 2017 include the estimation of the redemption percentage for sales and referral credits included in deferred revenue and the recoverability of deferred income taxes. The Company uses judgment in determining the date at which fixed assets are available for their intended use.

Related Party Transactions

The chief executive officer ("CEO") and the chief financial officer who also acts as the chief operating officer ("CFO/COO") are controlling shareholders of the Company and are members of the board of directors of the Company. The CEO is also Chairman of the board of directors.

The Company's related party transactions for the year ended August 31, 2017 are as follows:

- For the year ended August 31, 2017, the Company incurred an expense of \$276,533 (2016 - \$146,521) with respect to short-term employee benefits paid to key management personnel;
- For the year ended August 31, 2017, the Company incurred share-based payment expense of \$80,503 (2016 - nil) with respect to stock option awards granted to key management personnel;
- On June 1, 2017, convertible notes held by an entity controlled by a board member with a carrying value of \$2,639,434 were converted into 1,319,717 common shares;
- On May 31, 2017, 34,306 Class A Series 1 preferred shares and 236,000 Class A Series 2 preferred shares held by a company controlled by a board member with a carrying value of \$706,953 were converted into 6,713,854 common shares;
- On September 14, 2016, the Company issued a convertible note with a face value of \$500,000 to a company controlled by a board member; and
- On September 6, 2016, convertible notes held by a company controlled by a board member with a carrying value of \$471,550 were converted into 34,306 Class A preferred shares Series 2.

These transactions are recorded at the amount of consideration paid as established and agreed to by the related parties. Convertible notes are subsequently measured at fair value through net loss.

Recent Accounting Pronouncements

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

In June 2016, the International Accounting Standards Board ("IASB") issued amendments to IFRS 2, Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments apply for annual periods beginning on or after January 1, 2018. As a practical simplification, the amendments can be applied prospectively. Retrospective or early application is permitted if information is available without the use of hindsight. The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Company intends to adopt the amendments to IFRS 2 in its consolidated financial statements for the annual period beginning on September 1, 2018. The extent of the impact of adoption of the amendments has not yet been determined.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. IFRS 15 will replace IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfer of Assets from Customers, and SIC 31, Revenue - Barter Transactions Involving Advertising Services. In April 2016, the IASB issued Clarifications to IFRS 15, Revenue from Contracts with Customers, which are effective at the same time as IFRS 15. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time.

The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRS. The clarifications to IFRS 15 provide additional guidance with respect to the five-step analysis, transition, and the application of the standard to licenses of intellectual property. The Company intends to adopt IFRS 15 and the clarifications in its consolidated financial statements for the annual period beginning on September 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 9, Financial Instruments

In July 2014, the IASB issued the complete IFRS 9 (IFRS 9 (2014)). The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. IFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2014), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new "expected credit loss" model for calculating impairment. IFRS 9 (2014) also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. The Company intends to adopt IFRS 9 (2014) in its consolidated financial statements for the annual period beginning on September 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16, Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, Revenue from Contracts with Customers, at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company intends to adopt IFRS 16 in its consolidated financial statements for the annual period beginning on September 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

Internal Controls Over Financial Reporting

With respect to internal controls over financial reporting as defined in *National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings*, the Company became a reporting issuer upon the completion of the Amalgamation and has undertaken a process of designing and implementing internal controls designed to provide reasonable assurance that information required to be disclosed in its filings under securities legislation is recorded, processed, summarized and reported within applicable required periods and to provide reasonable assurance regarding the reliability of financial reporting and preparation of its financial statements for external purposes in accordance with IFRS. Management of the Company is continuing to develop, expand and refine such controls in order to minimize risks in this regard.

During Fiscal 2017, there was a lack of segregation of duties within the Company's finance department which resulted in the need to mitigate the risk of misappropriation of assets and the risk of error. No misstatements were identified as a result of this and Management has designed and implemented additional controls to improve the lack of segregation of duties within the Company's finance department.