



For Immediate Distribution

GOODFOOD REPORTS YEAR-OVER-YEAR REVENUE GROWTH OF 607%

- Active subscribers grew to 31,000 as at August 31, 2017, a net increase of 8,000, or 35%, compared to May 31, 2017
- Gross merchandise sales reached \$23.1 million for Fiscal 2017 and \$8.7 million for Q4, compared \$3.2 million and \$1.1 million, respectively, for the corresponding periods of 2016
- Adjusted gross margin rose to 29.8% for Fiscal 2017 and 25.5% for the fourth quarter, compared to 21.9% and 24.5%, respectively, for the corresponding periods of 2016
- Successfully transitioned to new Montreal production and distribution facility to support rapid subscriber growth and increase capacity five-fold
- Signed lease for Western Canada production facility, gaining access to a market of 11 million additional potential consumers, representing an increase of 45% in addressable market
- Continued to enhance client experience with new recipes and meal options, greater service availability, and more flexibility in delivery service

Montreal, Quebec, November 29, 2017 – Goodfood Market Corp. (“Goodfood” or “the Company”) (TSX: FOOD), a leader in the Canadian meal-kit industry, today announced strong financial results for the fourth quarter and fiscal year ended August 31, 2017.

Active subscribers reached 31,000 as at August 31, 2017, up from 3,000 as at August 31, 2016. During the fourth quarter, Goodfood added 8,000 net new subscribers, which represents an increase of 35% from the end of the third quarter of 2017.

“Our strong momentum continued during the fourth quarter, which is traditionally a slow quarter, capping an extraordinary year for Goodfood,” stated Jonathan Ferrari, Chief Executive Officer of Goodfood. “Goodfood was selected as the best meal-kit service by Toronto Life Magazine which is proof that more Canadians are turning to Goodfood for a healthy, hassle-free dinner.”

“Our significant growth in active subscribers, revenue and gross margin combined with our strong financial position provide for a solid foundation to continue to grow our business and expand our geographic footprint. In September of this year, we successfully expanded our Montreal production and distribution facility five-fold to support our rapid subscriber growth. We expect to launch our national platform in the first half of calendar 2018 with the addition of a facility in Western Canada,” added Jonathan Ferrari.

Financial highlights

(Audited except for non-IFRS financial measures, all amounts are in Canadian dollars)

<i>For the three-month period and year ended August 31, 2017 and 2016</i>						
	Q4 2017	Q4 2016	Change	FY 2017	FY 2016	Change
Revenue <i>Growth %</i>	7,488,379	995,984	6,492,395 652%	19,796,240	2,801,660	16,994,580 607%
Gross Profit <i>Gross margin %</i>	1,004,266 13.4%	128,643 12.9%	875,623 0.5 pts	3,589,737 18.1%	267,240 9.5%	3,322,497 8.6 pts
Gross merchandise Sales ¹	8,709,128	1,148,058	7,561,070	23,081,362	3,244,020	19,837,342
Adjusted Gross Profit <i>Adjusted Gross margin %¹</i>	2,225,015 25.5%	280,717 24.5%	1,944,298 1.0 pts	6,874,859 29.8%	709,600 21.9%	6,165,259 7.9 pts
Net Loss	(3,770,110)	(366,520)	(3,403,590)	(9,866,047)	(1,239,171)	(8,626,876)
Adjusted net loss ¹	(2,312,279)	(325,235)	(1,987,044)	(3,802,693)	(893,977)	(2,908,716)

¹See the non-IFRS financial measures section below

Revenue and Gross merchandise sales

Revenue for the fourth quarter grew 652% to \$7.5 million compared to \$1.0 million for the corresponding period of 2016 and grew 16.5% compared to \$6.4 million for the third quarter. Gross merchandise sales for the fourth quarter, which reflects the total retail value of merchandise sold by Goodfood before taking into account incentives and credits, totaled \$8.7 million compared to \$1.1 million for the corresponding period of 2016 and \$7.5 million for the third quarter.

Revenue for Fiscal 2017 grew 607% to \$19.8 million compared to \$2.8 million in Fiscal 2016. The increase in revenue for the fourth quarter and for Fiscal 2017 compared to the corresponding periods of 2016 is primarily attributable to substantial growth in the number of Active subscribers. Gross merchandise sales for Fiscal 2017 increased to \$23.1 million compared to \$3.2 million in Fiscal 2016. The gross merchandise sales run-rate reached \$36.2 million at the end of the fourth quarter of 2017.

Gross margin and Adjusted gross margin

Gross margin increased slightly to 13.4% for the fourth quarter compared to 12.9% for the corresponding period of 2016. Gross margin for the fourth quarter declined when compared to the nine-month period ended May 31, 2017 due to capacity constraints in our previous Montreal facility and continued ramping up of our operations in anticipation of Q1 2018 which is the beginning of the high season. Adjusted gross margin for the quarter was 25.5% up from 24.5% for the corresponding period of 2016.

Gross margin for Fiscal 2017 almost doubled to 18.1% compared to 9.5% in Fiscal 2016 as Goodfood benefited from economies of scale which resulting in significant savings to

the unit costs of packaging, shipping and food. Adjusted gross margin for Fiscal 2017 was 29.8% up from 21.9% in Fiscal 2016.

Adjusted net loss and Adjusted net loss per share

Adjusted net loss for the fourth quarter was \$2.3 million, or \$0.05 per share (basic and diluted), compared to an adjusted net loss of \$0.3 million, or \$0.01 per share (basic and diluted) for the corresponding period of 2016. The increase in adjusted net loss was mainly due to planned investments in administrative expenses to support continued subscriber growth and an increased marketing budget. Adjusted net loss excludes reverse acquisition expenses of \$1.5 million recorded in Q4 2017 and a loss on the remeasurement of convertible notes of \$41,000 recorded in Q4 2016.

Adjusted net loss for Fiscal 2017 was \$3.8 million, or \$0.12 per share (basic and diluted), compared to an adjusted net loss of \$0.9 million, or \$0.04 per share (basic and diluted) for Fiscal 2016. The increase in adjusted net loss was mainly due to planned investments in administrative expenses to support continued subscriber growth and an increased marketing budget. Adjusted net loss excludes a loss on the remeasurement of convertible notes of \$4.3 million and reverse acquisition expenses of \$1.8 million recorded in Fiscal 2017 and a loss on the remeasurement of convertible notes of \$0.3 million recorded in Fiscal 2016.

Subsequent events

New Montreal production and distribution facility

In September 2017, Goodfood transferred its production and distribution operations to a new facility strategically located in the greater Montreal area to meet the Company's constantly growing demand. The new facility significantly expanded the Company's production capacity from 16,000 to 83,000 square feet with the option to grow to 155,000 square feet. The expanded capacity will have higher automation levels which is expected to have a positive impact on gross margins going forward.

Lease for Western Canadian production facility

On November 10, 2017, the Company signed a lease for a 43,000-square foot production facility located in Western Canada. The lease is classified as an operating lease with a total commitment of approximately \$4,500,000 over the seven-year initial lease term. 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.

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, it is confident that it can achieve 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.

Fourth Quarter Fiscal 2017 Results Conference Call:

When: November 29, 2017 at 10:00 a.m. E.T
Dial in number: 647-788-4922 or 877-225-9706

Conference call replay available until December 14, 2017
416-621-4642 or 1-800-585-8367

To access the webcast and view the slide presentation, click on this link:
<http://www.gowebcasting.com/9071>.

The conference ID is 3695899.

A full version of the Company's Fiscal 2017 Management's Discussion and Analysis (MD&A) and audited Annual Consolidated Financial Statements for the year-ended August 31, 2017 will be posted on <http://www.sedar.com> later today.

Non-IFRS financial measures

There are measures included in this news release that do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other publicly traded companies. The Company includes these measures because it believes they provide to certain investors a meaningful way of assessing financial performance. 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 year ended August 31, 2017.

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

- An active subscriber is defined as an account that will receive a delivery or has elected to skip a delivery in the subsequent weekly delivery cycle.
- Gross merchandise sales measures the total retail value of all goods sold by the Company before taking into account all incentives and credits.
- Gross merchandise sales run-rate is defined as gross merchandise sales for the four-week period ending the fiscal quarter multiplied by thirteen. Management believes that gross merchandise sales run-rate is a useful measure of financial performance because it is indicative of gross merchandise sales on an annual basis for the Company's current level of active subscribers.
- Adjusted gross profit is calculated as gross merchandise sales less cost of goods sold.
- Adjusted gross margin is calculated as adjusted gross profit divided by gross merchandise sales.
- 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 to better analyze trends in performance and financial results. These adjustments result in a truer economic representation of the underlying business on a comparative basis.

About Goodfood

Goodfood is Canada's leading meal kit 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. Headquartered in Montréal, Canada, Goodfood had 31,000 subscribers as of August 31, 2017. www.makegoodfood.ca

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

For further information:

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Forward-Looking Information

This 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, 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.