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GOODFOOD REPORTS RECORD FINANCIAL RESULTS FOR FISCAL YEAR 2019 WITH GROSS MERCHANDISE SALES¹ EXCEEDING \$200 MILLION AND SIGNIFICANT GROSS MARGIN EXPANSION

- Revenue and gross merchandise sales¹ more than doubled in Fiscal 2019 from the previous year to reach \$161.3 million and \$200.8 million, respectively
- Gross margin increased 4.2 percentage points to 25.0% and adjusted gross margin¹ rose 6.1 percentage points to 39.7% for Fiscal 2019 on record adjusted gross profit¹ of \$79.8 million
- Generated positive cash from operations (\$0.9 million for Fiscal 2019) for a second year in a row and ended Fiscal 2019 with a solid financial position (\$47.6 million in cash, cash equivalents and restricted cash)
- Launched new and innovative ready-to-eat and breakfast meal solutions and private label grocery products
- Launched a proprietary reusable delivery box, initially in Quebec and Alberta, positioning Goodfood as an industry leader in environmentally sustainable initiatives
- Signed leases for two new production facilities in Montreal and Vancouver, and doubled production capacity at the main Montreal facility and at the Calgary facility
- Reached milestone of 200,000 active subscribers¹ as at August 31, 2019, a net increase of 111,000 compared to Fiscal 2018

Montreal (Quebec), November 14, 2019

Goodfood Market Corp. (“Goodfood” or “the Company”) (TSX: FOOD), a leading online grocery company in Canada, today announced strong financial results for the fourth quarter and fiscal year ended August 31, 2019.

“Fiscal 2019 was an excellent year, with record results on a number of key metrics. Our active subscribers¹, revenue, gross merchandise sales¹ and gross profit all more than doubled year-over-year. We also expanded our product offering of ready-to-cook meals, introduced breakfast and ready-to-eat meal solutions and recently launched our private label grocery products, allowing us to enhance our members’ experience and significantly broaden our addressable market. More recently, with a green vision in mind, we launched several sustainable initiatives, including a new proprietary reusable box which will eliminate several million single-use packaging items. We have laid down a solid foundation to play a leading role in accelerating the adoption of online grocery shopping in Canada,” said Jonathan Ferrari, Chief Executive Officer of Goodfood.

¹ See the non-IFRS financial measures and active subscribers sections at the end of this press release.

“Fiscal 2019 was another year of strong revenue and subscriber¹ growth and we continue to invest in our facilities to meet our subscribers’¹ needs and exceed their product expectations. In Fiscal 2020, we will have four production facilities across the country and the capacity to meet over \$750 million of annual sales. This year, we have also continued to invest in enhancing our operational efficiency to support our growth and improve our margins. As a result, our adjusted gross margin¹ expanded to nearly 40%, reflecting our recent investments in automation and gains in operating efficiency, and we are on track to reach our long-term goal of adjusted gross margins¹ of 45%. We have also more than quadrupled cash generated from operating activities compared to last year and are increasingly funding our subscriber¹ growth with internally generated cash from operations. Our solid financial position allows us to continue executing our growth strategy and pursue market leadership in our new product offerings. In Fiscal 2020, we will remain focused on three key objectives: furthering our market leadership by growing our subscriber¹ base, improving member experience by offering innovative, high-return products, and investing in automation to continue expanding our gross margin,” added Neil Cuggy, President and Chief Operating Officer of Goodfood.

FINANCIAL HIGHLIGHTS

For the three and twelve-month periods ended August 31, 2019 and 2018
(Amounts are in thousands of Canadian dollars – Audited except for non-IFRS financial measures)

	Q4 2019	Q4 2018	Variance	FY 2019	FY 2018	Variance
Revenue	\$ 45,259	\$ 21,371	\$ 23,888	\$ 161,333	\$ 70,502	\$90,831
<i>Growth %</i>			<i>112%</i>			<i>129%</i>
Gross profit	12,077	4,593	7,484	40,310	14,660	25,650
<i>Gross margin %</i>	<i>26.7%</i>	<i>21.5%</i>	<i>5.2 pp</i>	<i>25.0%</i>	<i>20.8%</i>	<i>4.2 pp</i>
Gross merchandise sales ¹	55,977	25,812	30,165	200,830	84,093	116,737
<i>Growth %</i>			<i>117%</i>			<i>139%</i>
Adjusted gross profit ¹	22,795	9,034	13,761	79,807	28,251	51,556
<i>Adjusted gross margin %¹</i>	<i>40.7%</i>	<i>35.0%</i>	<i>5.7 pp</i>	<i>39.7%</i>	<i>33.6%</i>	<i>6.1 pp</i>
Net loss	(5,887)	(2,956)	(2,931)	(20,937)	(9,434)	(11,503)
Cash provided by (used in) operating activities	(2,710)	939	(3,649)	880	176	704

REVENUE AND GROSS MERCHANDISE SALES¹

Revenue for the fourth quarter of Fiscal 2019 more than doubled to \$45.3 million, compared to \$21.4 million in the corresponding period of Fiscal 2018. Gross merchandise sales¹ (“GMS”), which reflects the total retail value of merchandise sold by Goodfood before taking into account all incentives and credits, more than doubled for the fourth quarter of Fiscal 2019 to reach \$56.0 million, compared to \$25.8 million for the corresponding period of Fiscal 2018. The increase in revenue and GMS¹ was primarily driven by the continued growth in the number of active subscribers¹, the expansion of the national platform to new geographies in Canada, now reaching the vast majority of the country’s population, and the increase in the product offering, including the launch of breakfast and ready-to-eat meal solutions.

For Fiscal 2019, revenues grew 129% to a record \$161.3 million, compared to \$70.5 million for Fiscal 2018, while GMS¹ increased 139% to a record \$200.8 million, versus \$84.1 million last year, for the same reasons mentioned above.

¹ See the non-IFRS financial measures and active subscribers sections at the end of this press release.

The GMS run-rate¹ was \$226.0 million at the end of the fourth quarter of Fiscal 2019, compared to \$256.5 million at the end of the third quarter of 2019. This variance is explained by the fourth quarter being seasonally the weakest of the year.

The reconciliation of revenue to GMS¹ is as follows:

(Amounts are in thousands of Canadian dollars – Unaudited)	Three-month periods ended August 31,		Years ended August 31,	
	2019	2018	2019	2018
Revenue	\$ 45,259	\$ 21,371	\$ 161,333	\$ 70,502
Credits removed from cancelled accounts	-	-	(638)	-
Incentives and credits	10,718	4,441	40,135	13,591
Gross merchandise sales ¹	\$ 55,977	\$ 25,812	\$ 200,830	\$ 84,093

GROSS MARGIN AND ADJUSTED GROSS MARGIN¹

The gross margin for the fourth quarter of 2019 increased substantially to 26.7%, compared to 21.5% for the corresponding period of Fiscal 2018. Adjusted gross margin¹ was 40.7% for the fourth quarter of Fiscal 2019, compared to 35.0% for the corresponding period last year, an improvement of 5.7 percentage points. The increase in gross margin and adjusted gross margin¹ resulted primarily from lower production labour costs as a percentage of revenue, driven by continued investments in automation, lower packaging and shipping unit costs as a result of additional operational efficiencies, increased density in delivery zones and purchasing power with key suppliers. This was partially offset by an increase in incentives and credits included in revenue primarily driven by the increase in active subscribers¹, the continued investments in the expansion of our national platform and the increase in our product offering. The Company expects that fixed costs as a percentage of revenue will continue to decrease with the Company's continued growth which should further increase gross margin and adjusted gross margin¹ in the future.

For Fiscal 2019, gross margin grew 4.2 percentage points to 25.0% for gross profit of \$40.3 million. For the same period, adjusted gross margin¹ grew 6.1 percentage points to 39.7% on adjusted gross profit¹ growth of 182% to \$79.8 million. The increases in gross margin and adjusted gross margin¹ were mainly driven by reasons mentioned above.

The reconciliation of adjusted gross profit¹ and adjusted gross margin¹ is as follows:

(Amounts are in thousands of Canadian dollars – Unaudited)	Three-month periods ended August 31,		Years ended August 31,	
	2019	2018	2019	2018
Gross merchandise sales ¹	\$ 55,977	\$ 25,812	\$ 200,830	\$ 84,093
Cost of goods sold	33,182	16,778	121,023	55,842
Adjusted gross profit ¹	\$ 22,795	\$ 9,034	\$ 79,807	\$ 28,251
Adjusted gross margin ¹	40.7%	35.0%	39.7%	33.6%

NET LOSS AND NET LOSS PER SHARE

Net loss for the fourth quarter of Fiscal 2019 was \$5.9 million, or \$0.10 per share (basic and diluted), compared to a net loss of \$3.0 million, or \$0.06 per share (basic and diluted) for the corresponding period of Fiscal 2018. The increase in net loss was mainly attributable to higher selling, general and administrative expenses and depreciation and amortization expenses, partially offset by higher gross profit.

¹ See the non-IFRS financial measures and active subscribers sections at the end of this press release.

Net loss for Fiscal 2019 was \$20.9 million, or \$0.38 per share (basic and diluted), compared to a net loss of \$9.4 million, or \$0.19 per share (basic and diluted) for the corresponding period of Fiscal 2018. The increase in net loss was mainly attributable to the same reasons mentioned above.

LIQUIDITY AND CAPITAL RESOURCES

Cash used in operating activities in the fourth quarter of Fiscal 2019 amounted to \$2.7 million, compared to cash provided by operating activities of \$0.9 million for the same period last year, primarily due to a higher net loss, a less favorable change in non-cash working capital and a tenant allowance that reimbursed a significant portion of the capital expenditures for the production facility in Alberta, Canada received in the fourth quarter of Fiscal 2018, partially offset by the impact of IFRS 16.

For Fiscal 2019, cash provided by operating activities more than quadrupled to \$0.9 million, compared to \$0.2 million for Fiscal 2018, mainly due to a favorable change in non-cash working capital, mostly driven by the Company's growth and more favorable payment terms with key suppliers, as well as the impact of IFRS 16, partially offset by a higher net loss.

In Fiscal 2019, the Company closed three financing transactions for proceeds of over \$50 million and used its cash primarily to invest in automation and the expansion of its production facilities in order to increase operational efficiencies and production capacity, and in the development of new product offerings.

As at August 31, 2019, the Company had total debt of \$14.0 million and \$47.6 million in cash, cash equivalents and restricted cash.

OUTLOOK

The online grocery industry is one of the fastest growing industries in the world. As a result, Goodfood believes that there are significant opportunities and advantages to rapidly grow its subscriber¹ base by continuing to invest in highly targeted marketing campaigns, capacity expansion through additional facilities and investments in automation, increasing its product offering and in continuing to expand its national platform.

Goodfood's strategy continues to focus on growing its subscriber¹ base while investing in improving its cost structure to achieve its long-term margin goals. Growing Goodfood's market share, scale and product offering will allow the Company to deliver greater value to its customers while attaining high returns on invested capital. As the Company grows its subscriber¹ base, we are confident that Goodfood will achieve economies of scale and additional efficiencies which will lead to improvements in profitability while maintaining an unrivalled experience for subscribers¹.

It is important to note that the fourth quarter of Goodfood, which includes the months of June, July and August, is typically the slowest quarter of the year due to seasonal demand patterns. As such, it is characterized by lower order rates, lower marketing expenses and less new subscriber¹ additions.

¹ See the non-IFRS financial measures and active subscribers sections at the end of this press release.

CONFERENCE CALL

Goodfood will hold a conference call to discuss these results on November 14, 2019, at 8:00AM Eastern Time. Interested parties can join the call by dialing 1-647-788-4922 (Toronto or overseas) or 1-877-223-4471 (elsewhere in North America). To access the webcast and view the presentation, click on this link: <https://www.makegoodfood.ca/en/investisseurs/evenements>. Parties unable to call in at this time may access a recording by calling 1-800-585-8367 and entering the passcode 8299731. This recording will be available on Thursday, November 14, 2019 as of 11:00 AM Eastern Time until 11:59 PM Eastern Time on Thursday, November 21, 2019.

A full version of the Company's Management's Discussion and Analysis (MD&A) and audited Financial Statements for the year ended August 31, 2019 will be posted on <http://www.sedar.com> later today.

NON-IFRS FINANCIAL MEASURES

Certain financial and non-financial measures included in this news release do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other 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 three-month and twelve-month periods ended August 31, 2019.

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

- 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 ended as at the date indicated 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 subscribers¹.
- 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.

ACTIVE SUBSCRIBERS

An active subscriber is defined as an account that is scheduled to receive a delivery or has elected to skip delivery in the subsequent weekly delivery cycle. Active subscribers exclude cancelled accounts. For greater certainty, an active subscriber is only accounted for once, although different products might have been ordered in a given weekly delivery cycle. While active subscribers 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 our financial statements, we believe that active subscribers is a useful metric for investors 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.

ABOUT GOODFOOD

Goodfood (TSX:FOOD) is a leading online grocery company in Canada, delivering fresh meal solutions and grocery items that make it easy for members from coast to coast to enjoy delicious meals at home every week. Goodfood's mission is to make the impossible come true, from farm to kitchen, by enabling members to do their weekly meal planning and grocery shopping in less than 1 minute. Goodfood members get access to a unique selection of products online as well as exclusive pricing made possible by its world class direct to consumer fulfilment eco-system that cuts out food waste and expensive retail overhead. The Company has its main production facility and administrative offices based in Montreal, Quebec, a second production facility in Calgary, Alberta, a breakfast facility in Montreal, Quebec and is currently building out its new production facility in Vancouver. Goodfood had 200,000 active subscribers¹ as at August 31, 2019. www.makegoodfood.ca

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

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¹ See the active subscribers section in this press release.

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, 2019 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, 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.