



GOODFOOD COMPLETES ITS PREVIOUSLY ANNOUNCED \$30 MILLION CONVERTIBLE DEBENTURE FINANCING

Montreal (Québec), February 26, 2020

**THIS PRESS RELEASE IS NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO
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Goodfood Market Corp. (“Goodfood” or the “Company”) (TSX: FOOD) is pleased to announce that it has closed its previously announced public offering (the “Offering”) of \$30,000,000 aggregate principal amount of 5.75% convertible unsecured subordinated debentures of the Company (the “Debentures”) due March 31, 2025, at a price of \$1,000 (the “Offering Price”) per \$1,000 principal amount of Debentures, through a syndicate of underwriters co-led by National Bank Financial Inc. and Desjardins Capital Markets (together, the “Co-Lead Underwriters”), and including Canaccord Genuity Corp., Raymond James Ltd., RBC Dominion Securities Inc., Stifel Nicolaus Canada Inc., TD Securities Inc., Eight Capital and Industrial Alliance Securities Inc. (collectively with the Co-Lead Underwriters, the “Underwriters”).

The Debentures will bear interest at a rate of 5.75% per annum, payable semi-annually on March 31 and September 30 of each year, commencing on September 30, 2020. The Debentures will be convertible at the holder’s option into Goodfood common shares (the “Common Shares”) at a conversion price of \$4.70 per Common Share, representing a conversion rate of 212.7660 Common Shares per \$1,000 principal amount of Debentures. The Debentures will be direct, subordinated unsecured obligations of the Company, subordinated to any senior indebtedness of the Company, including the Company’s revolving credit facility, and ranking equally with one another and with all other existing and future subordinated unsecured indebtedness of the Company to the extent subordinated on the same terms. The Debentures will mature on March 31, 2025 and may be redeemed by Goodfood, in certain circumstances, on or after March 31, 2023. The Debentures will be listed and posted for trading on the Toronto Stock Exchange under the symbol “FOOD.DB” at the opening of markets today.

An over-allotment option granted by the Company to the Underwriters for \$4,500,000 aggregate principal amount of additional Debentures at the Offering Price remains exercisable by the Underwriters, in whole or in part, at any time until 30 days after the date hereof.

The Company intends to use the net proceeds from the Offering to fund the buildout of a new Toronto production and distribution facility, to further investments in capital projects (including automation related capital projects) at its existing production facilities in Montreal, Calgary and Vancouver as well as Toronto, and for general corporate purposes.

Mr. Donald Olds, a director of the Company, has purchased \$50,000 principal amount of Debentures under the Offering. The participation of Mr. Olds is considered to be a “related party transaction” as defined in *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The participation of such insider is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the securities issued to such insiders nor the consideration for such securities exceeds 25% of the Company’s market capitalization. The Company did not file a material change report 21 days prior to closing of the Offering as the details of the participation of insiders of the Company in the Offering had not been confirmed at that time. The Offering, including the insider participation therein, has been approved by the board of directors of the Company.

The Debentures offered, and the Common Shares issuable on conversion, redemption or maturity thereof, have not and will not be registered under the U.S. Securities Act of 1933, as amended (the “1933 Act”), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the 1933 Act. This press release does not constitute an offer to sell or a solicitation of any offer to buy Debentures or Common Shares in the United States.

ABOUT GOODFOOD

Goodfood (TSX:FOOD) is a leading online grocery company in Canada, delivering fresh meals and grocery products coast to coast and making it easy for members to enjoy delicious meals at home, every week. Goodfood’s mission is to make the impossible come true, from farm to kitchen, by empowering members to complete their weekly meal planning and grocery shopping in less than 1 minute. Goodfood members get access to a unique selection of products online and exclusive pricing made possible by its world class direct to consumer fulfilment ecosystem that nearly eliminates food waste and the expensive grocery store brick-and-mortar 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 230,000 active subscribers as at November 30, 2019. www.makegoodfood.ca

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. 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. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

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 risks related to the use of proceeds of the Offering, including the risks that the net proceeds of the Offering be allocated differently from that described under “Use of Proceeds” in the (final) short form prospectus of the Company dated February 19, 2020, and 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.

FOR FURTHER INFORMATION:

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