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Goodfood Announces \$35 Million Bought Deal Public Offering of Common Shares

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Montreal (Quebec), July 15, 2020

Goodfood Market Corp. (“Goodfood” or the “Company”) (TSX: FOOD), a leading online grocery company in Canada, announced today that it has entered into an agreement with a syndicate of underwriters co-led by Desjardins Capital Markets and Stifel GMP (together, the “Co-Lead Underwriters”, and collectively with the syndicate of underwriters, the “Underwriters”), pursuant to which the Underwriters have agreed to purchase from the Company 4,135,000 common shares of the Company (the “Treasury Shares”), and from Messrs. Jonathan Ferrari, Chairman and Chief Executive Officer of the Company, Neil Cuggy, President and Chief Operating Officer of the Company, Raffi Krikorian, Vice President, Merchandising of the Company, and Hamnett Hill, director of the Company, or their respective holding companies (collectively the “Selling Shareholders”), an aggregate of 1,653,000 common shares of the Company (the “Secondary Shares”, and collectively with the Treasury Shares, the “Offered Shares”) for an aggregate of 5,788,000 Offered Shares at a price of \$6.05 per Offered Share (the “Offering Price”) for gross proceeds of approximately \$25.0 million to the Company and \$10.0 million to the Shareholders (the “Offering”).

The Underwriters have also been granted an option (the “Over-Allotment Option”), exercisable in whole or in part and from time to time, at any time until 30 days after the closing of the Offering, to purchase from the Company up to 620,250 additional Treasury Shares and from the Selling Shareholders up to an aggregate of 247,950 additional Secondary Shares at the Offering Price for additional gross proceeds of up to approximately \$3.75 million to the Company and approximately \$1.5 million to the Selling Shareholders. If the Over-Allotment Option is exercised by the Underwriters in full, aggregate gross proceeds of the Offering (including the Over-Allotment Option) will be approximately \$40.25 million.

The Offered Shares will be offered by way of a short form prospectus to be filed in all of the provinces of Canada. The Company intends to use the net proceeds from the Offering to fund capital and operational projects to build out same-day delivery capabilities through fulfilment technology and automation equipment and for general corporate purposes. The Offering is expected to close on or about August 5, 2020 and is subject to certain conditions including, but not limited to, the receipt of all necessary corporate and regulatory approvals, including the approval of the Toronto Stock Exchange and the applicable securities regulatory authorities.

“The accelerating adoption of online grocery and home meal solutions has brought forward Goodfood’s growth and profitability plan and this capital raised will support our continued push for growth and bolster the efficiency and breadth of our operations. The proceeds of the Offering will help to propel Goodfood in its next phase of growth by adding same-day delivery capabilities through fulfilment technology and automation equipment. This initiative will not only set up our next phase of growth and penetration by providing added flexibility to our members, but also help further improve our margin profile as we aim to have among the lowest-cost fulfilment in the country. We are in an ideal position to capitalize on the seismic e-commerce shift in the food and grocery industry and this transaction will be pivotal in enabling Goodfood’s future as the #1 online grocer”, said Jonathan Ferrari, Chairman and Chief Executive Officer of Goodfood.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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 ecosystem that cuts out food waste and expensive retail overhead. The Company has a production facility and administrative offices in Montreal, two production facilities in the Greater Toronto Area, two production facilities out West, in Calgary and Vancouver, and a breakfast facility in Montreal. Goodfood had 272,000 active subscribers as at May 31, 2020. www.makegoodfood.ca

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, 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 centres, 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. In addition, information and expectations set forth herein are subject to and could change materially in relation to developments regarding the COVID-19 pandemic and its impact on product demand, labour mobility, supply chain continuity and other elements beyond our control. 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.