Condensed Interim Consolidated Financial Statements of

GOODFOOD MARKET CORP.

For the three-month and six-month periods ended February 29, 2020 and February 28, 2019
(Unaudited)

GOODFOOD MARKET CORP.

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(Unaudited)

GOODFOOD MARKET CORP.

Condensed Interim Consolidated Statements of Financial Position
February 29, 2020 and August 31, 2019
(In thousands of Canadian dollars – Unaudited)

	Notes	**February 29, 2020**	August 31, 2019
Assets			
Current assets:			
Cash and cash equivalents		**$ 67,040**	$ 45,149
Amounts receivable		**2,384**	2,605
Inventories		**5,146**	4,735
Other current assets		**415**	246
		74,985	52,735
Non-current assets:			
Restricted cash	7	**2,500**	2,500
Fixed assets	5	**16,143**	13,545
Right-of-use assets	6	**21,809**	11,089
Intangible assets		**1,516**	512
Other non-current assets		**1,145**	402
		$ 118,098	$ 80,783
Liabilities and Shareholders' Equity			
Current liabilities:			
Line of credit	7	**$ 3,240**	$ 1,540
Accounts payable and accrued liabilities		**35,111**	30,704
Deferred revenue		**6,738**	5,923
Current portion of long-term debt	7	**344**	31
Current portion of lease obligations	9	**2,389**	1,273
		47,822	39,471
Non-current liabilities:			
Long-term debt	7	**12,194**	12,460
Convertible debentures	8	**22,971**	–
Lease obligations	9	**21,471**	11,451
		104,458	63,382
Shareholders' equity:			
Common shares		**56,883**	56,598
Contributed surplus		**3,125**	2,349
Convertible debentures	8	**3,690**	–
Deficit		**(50,058)**	(41,546)
		13,640	17,401
		$ 118,098	$ 80,783

See accompanying notes to the unaudited condensed interim consolidated financial statements.

GOODFOOD MARKET CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Three-month and six-month periods ended February 29, 2020 and February 28, 2019
(In thousands of Canadian dollars, except share information – Unaudited)

		Three-month periods ended		Six-month periods ended	
	Notes	**February 29, 2020**	February 28, 2019	**February 29, 2020**	February 28, 2019
Revenue		**$ 58,790**	$ 36,593	**$ 115,081**	$ 66,210
Cost of goods sold		**40,974**	28,943	**81,046**	52,066
Gross profit		**17,816**	7,650	**34,035**	14,144
Expenses:					
Selling, general and administrative		**21,222**	13,566	**41,503**	24,337
Depreciation and amortization		**1,066**	555	**2,059**	1,042
		22,288	14,121	**43,562**	25,379
Net finance expenses	**10**	**218**	89	**315**	176
Net loss before income taxes		**(4,690)**	(6,560)	**(9,842)**	(11,411)
Deferred income tax recovery	**8**	**(1,330)**	–	**(1,330)**	–
Net loss, being comprehensive loss for the period		**$ (3,360)**	$ (6,560)	**$ (8,512)**	$ (11,411)
Basic and diluted loss per share (in $)	**11**	**$ (0.06)**	$ (0.13)	**$ (0.15)**	$ (0.22)

See accompanying notes to the unaudited condensed interim consolidated financial statements.

GOODFOOD MARKET CORP.

Condensed Interim Consolidated Statements of Changes in Equity
Six-month periods ended February 29, 2020 and February 28, 2019
(In thousands of Canadian dollars, except share information – Unaudited)

		Common Shares		Contributed	Convertible		
	Notes	Number	Amount	Surplus	Debentures	Deficit	Total
Balance as at August 31, 2018		51,825,245	$ 36,283	$ 782	$ –	$ (20,609)	$ 16,456
Net loss		–	–	–	–	(11,411)	(11,411)
Share-based payments	13	–	–	804	–	–	804
Stock options settled in cash	13	–	–	(99)	–	–	(99)
Share issuance	12	6,019,212	21,067	–	–	–	21,067
Share issuance costs	12	–	(1,497)	–	–	–	(1,497)
Balance as at February 28, 2019		57,844,457	$ 55,853	$ 1,487	$ –	$ (32,020)	$ 25,320
Balance as at August 31, 2019		**58,144,400**	**$ 56,598**	**$ 2,349**	**$ –**	**$ (41,546)**	**$ 17,401**
Net loss		**–**	**–**	**–**	–	**(8,512)**	**(8,512)**
Share-based payments	**13**	**–**	**–**	**896**	–	**–**	**896**
Stock options exercised	**13**	**124,390**	**312**	**(120)**	–	**–**	**192**
Employee share purchase plan		**(9,986)**	**(27)**	**–**	–	**–**	**(27)**
Convertible debentures issuance	**8**	**–**	**–**	**–**	**5,386**	**–**	**5,386**
Convertible debentures issuance costs	**8**	**–**	**–**	**–**	**(366)**	**–**	**(366)**
Convertible debentures income tax impact	**8**	**–**	**–**	**–**	**(1,330)**	**–**	**(1,330)**
Balance as at February 29, 2020		**58,258,804**	**$ 56,883**	**$ 3,125**	**$ 3,690**	**$ (50,058)**	**$ 13,640**

See accompanying notes to the unaudited condensed interim consolidated financial statements.

GOODFOOD MARKET CORP.

Condensed Interim Consolidated Statements of Cash Flows
Three-month and six-month periods ended February 29, 2020 and February 28, 2019
(In thousands of Canadian dollars – Unaudited)

	Notes	Three-month periods ended February 29, 2020	Three-month periods ended February 28, 2019	Six-month periods ended February 29, 2020	Six-month periods ended February 28, 2019
Cash (used in) provided by:					
Operating:					
Net loss		**$ (3,360)**	$ (6,560)	**$ (8,512)**	$ (11,411)
Adjustments for:					
Depreciation and amortization		**1,066**	555	**2,059**	1,042
Share-based payments	**13**	**485**	429	**896**	804
Stock options settled in cash	**13**	**–**	(99)	**–**	(99)
Net finance expenses	**10**	**218**	89	**315**	176
Deferred income tax recovery	**8**	**(1,330)**	–	**(1,330)**	–
Other		**103**	(40)	**102**	(83)
Change in non-cash operating working capital	**16**	**(1,063)**	5,127	**4,050**	10,822
		(3,881)	(499)	**(2,420)**	1,251
Financing:					
Net borrowing under line of credit		**1,200**	–	**1,700**	(500)
Proceeds from issuance of long-term debt	**7**	**–**	5,027	**–**	7,534
Proceeds from issuance of convertible debentures	**8**	**30,000**	–	**30,000**	–
Convertible debenture issuance costs	**8**	**(1,647)**	–	**(1,647)**	–
Repayment of long-term debt	**7**	**5**	–	**11**	(2,017)
Proceeds from exercise of stock options	**13**	**187**	–	**192**	–
Shares purchased under employee share purchase plan		**(13)**	–	**(27)**	–
Proceeds from issuance of common shares	**12**	**–**	21,067	**–**	21,067
Share issuance costs	**12**	**–**	(1,497)	**–**	(1,497)
Interest paid		**(330)**	(24)	**(649)**	(61)
Payments of lease obligations		**(387)**	(409)	**(969)**	(760)
		29,015	24,164	**28,611**	23,766
Investing:					
Interest received		**215**	107	**446**	217
Acquisition and deposits on fixed assets	**5**	**(2,220)**	(2,763)	**(3,913)**	(3,354)
Acquisition of intangible assets		**(638)**	(62)	**(833)**	(62)
		(2,643)	(2,718)	**(4,300)**	(3,199)
Increase in cash and cash equivalents		**22,491**	20,947	**21,891**	21,818
Cash and cash equivalents, beginning of period		**44,549**	25,324	**45,149**	24,453
Cash and cash equivalents, end of period		**$ 67,040**	$ 46,271	**$ 67,040**	$ 46,271

Additional cash flow information is presented in Note 16.

See accompanying notes to unaudited condensed interim consolidated financial statements.

NOTE 1 REPORTING ENTITY

Goodfood Market Corp. (the "Company") is incorporated under the *Canada Business Corporations Act* and is listed on the Toronto Stock Exchange. The Company has its main production facility and administrative offices based in Montreal, Quebec, and three additional production facilities located in Alberta, British Columbia, and Quebec.

The Company 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. The Company's members get access to a unique selection of products online as well as exclusive pricing made possible by its direct to consumer fulfilment ecosystem that cuts out food waste and expensive retail overhead.

In March 2019, the Company created a wholly-owned subsidiary, Yumm Meal Solutions Corp. (the "Subsidiary"). These financial statements are prepared on a consolidated basis since the creation of the Subsidiary.

NOTE 2 BASIS OF ACCOUNTING

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended August 31, 2019.

The unaudited condensed interim consolidated financial statements of the Company for the three-month and six-month periods ended on February 29, 2020 and February 28, 2019 were authorized for issue by the Board of Directors ("Board") on April 7, 2020.

NOTE 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These assumptions and estimates are regularly reviewed. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied to the Company's annual audited consolidated financial statements for the year ended August 31, 2019.

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in these unaudited condensed interim consolidated financial statements are the same as those applied to the Company's annual audited consolidated financial statements for the year ended August 31, 2019.

(Amounts are in thousands of Canadian dollars, except share and stock options information – Unaudited)

NOTE 5 FIXED ASSETS

	Furniture and fixtures	Machinery and equipment	Computer hardware and other	Leasehold improve-ments	Assets under construction	Total
Cost :						
Balance as at August 31, 2019	$ 716	$ 6,480	$ 674	$ 7,079	$ 232	$ 15,181
Additions	201	354	321	56	2,741	3,673
Transfers	–	–	–	428	(428)	–
Balance as at February 29, 2020	**$ 917**	**$ 6,834**	**$ 995**	**$ 7,563**	**$ 2,545**	**$ 18,854**
Accumulated depreciation:						
Balance as at August 31, 2019	$ 130	$ 507	$ 216	$ 783	$ –	$ 1,636
Depreciation	88	430	130	427	–	1,075
Balance as at February 29, 2020	**$ 218**	**$ 937**	**$ 346**	**$ 1,210**	**$ –**	**$ 2,711**
Net carrying amounts:						
Balance as at August 31, 2019	$ 586	$ 5,973	$ 458	$ 6,296	$ 232	$ 13,545
Balance as at February 29, 2020	**$ 699**	**$ 5,897**	**$ 649**	**$ 6,353**	**$ 2,545**	**$ 16,143**

NOTE 6 RIGHT-OF-USE ASSETS

	Facilities	Automotive equipment	Other equipment	Total
Balance as at August 31, 2019	$ 10,348	$ 290	$ 451	$ 11,089
Additions	11,638	329	211	12,178
Derecognition	–	–	(73)	(73)
Depreciation	(1,126)	(171)	(88)	(1,385)
Balance as at February 29, 2020	**$ 20,860**	**$ 448**	**$ 501**	**$ 21,809**

NOTE 7 DEBT

Credit facility

During the year ended August 31, 2019, the Company obtained from a Canadian financial institution two secured three-year term loans totalling $12,500, a $10,000 revolving line of credit and $5,000 in other short-term financing. This credit facility is secured by a first-ranking hypothec on all of the Company's movable and immovable assets. The proceeds are being used to fund expansion capital expenditures, invest in automation, and were also used to refinance the Company's long-term debt.

As at February 29, 2020, $12,500 of the term loans were disbursed, bearing variable interest at the Canadian Dollar Offered Rate ("CDOR") plus 2.50% (4.48% as at February 29, 2020). The term loans are repayable in quarterly installments of $125 and $31, beginning on November 30, 2020 and August 31, 2020, respectively, with a bullet repayment of the balance at the end of the term ending in November 2021.

As at February 29, 2020, $3,240 of the revolving line of credit was disbursed, bearing variable interest at the Canadian Dollar Offered Rate ("CDOR") plus 2.50%, resulting in an interest rate of 4.48%. The revolving line of credit was fully disbursed in March 2020.

As at February 29, 2020, three irrevocable financial standby letters of credit totalling $937 were issued by the aforementioned Canadian financial institution. The letters of credit represent security with regards to lease or other short-term financing agreements of the Company and reduce the borrowing capacity on the Company's revolving line of credit.

As at February 29, 2020, the Company has corporate credit cards used for business purposes with authorized limits totaling $6,750 (August 31, 2019 – $7,875), including the $5,000 in other short-term financing secured from a Canadian financial institution. Amounts owing with respect to credit cards are included in accounts payable and accrued liabilities.

The credit facility includes a collateral requirement of $2,500 placed in a restricted cash account and financial covenants with which the Company was in compliance as at February 29, 2020.

Interest rate swaps

As at February 29, 2020, the Company has four signed swap agreements with the same Canadian financial institution whereby the Company fixed the interest rates on notional amounts totalling $7,013 until November 2021.

As at February 29, 2020, the Company's interest rate swaps are classified as derivative financial liabilities not designated as hedging instruments. In accordance with IFRS 9, *Financial Instruments*, the Company's swap agreements are measured at fair value with gains and losses in fair value presented in net finance expenses in the Company's condensed interim consolidated statements of loss and comprehensive loss. For the three-month and six-month periods ended February 29, 2020, losses in change of fair value of $49 and $36, respectively, are presented in net finance expenses (refer to Note 10). As at February 29, 2020, a liability of $82 is presented in long-term debt.

(Amounts are in thousands of Canadian dollars, except share and stock options information – Unaudited)

NOTE 8 CONVERTIBLE DEBENTURES

On February 26, 2020, the Company issued 30,000 convertible unsecured subordinated debentures (the "Debentures") at a price of $1 thousand per debenture for gross proceeds of $30 million. The debentures mature on March 31, 2025 (the "Maturity Date") and bear a fixed interest rate of 5.75% per annum, payable semi-annually in arrears on March 31 and September 30 of each year, commencing on September 30, 2020.

The Debentures are convertible into common shares of the Company at the option of the holder at any time prior to the close of business on the earlier of the last business day immediately preceding the Maturity Date and the last business day immediately preceding the date specified for redemption by the Company at a price of $4.70 (the "Conversion Price") per common share.

On or after March 31, 2023, and prior to March 31, 2024, provided that the volume weighted average trading price of the Company's common shares on the TSX for the 20 consecutive trading days preceding the date on which the notice of redemption is given is not less than 125% of the Conversion Price, the Debentures may be redeemed in whole or in part at the option of the Company at price equal to the principal amount thereof plus accrued and unpaid interest. On or after March 31, 2024, and prior to the Maturity Date, the Debentures may be redeemed in whole or in part at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest.

In the event of a change in control, the Company will be required to make a payment to the holders of the Debentures in accordance with the Make-Whole Premium provisions set forth by the indenture of the Debentures.

The conversion option, net of related issuance costs and deferred income taxes, has been recorded in shareholders' equity for an amount of $3,690. Factoring in the Debentures issuance costs, the effective interest rate on the Debentures is 11.61%.

Proceeds from issuance of the Debentures	$	**30,000**
Debentures issuance costs		**(2,038)**
Net proceeds	$	**27,962**
Amount classified as equity (net of issuance costs of $366) [1]		**(5,020)**
Interest expense on the Debentures		**29**
Convertible debentures, liability component at February 29, 2020	$	**22,971**

(1) In connection with the issuance of the Debentures, a net amount of $3,690 was recorded in equity, representing gross proceeds of $5,386, less allocated issuance costs of $366 and deferred income tax recovery of $1,330.

(Amounts are in thousands of Canadian dollars, except share and stock options information – Unaudited)

NOTE 9 LEASE OBLIGATIONS

The following table presents an analysis of the lease obligations of the Company:

	February 29, 2020	August 31, 2019
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**$ 3,512**	$ 1,874
One to five years	**12,207**	7,050
More than 5 years [(1)]	**13,776**	6,944
Total undiscounted lease obligations	**$ 29,495**	$ 15,868
Lease obligations included in the statement of financial position	**$ 23,860**	$ 12,724
Current portion	**2,389**	1,273
Non-current portion	**21,471**	11,451

(1) As at February 29, 2020, future lease payments of $5,591 (August 31, 2019 – $5,591) for which the Company is reasonably certain to exercise the renewal options, have been recognized in lease obligations, representing an amount of $6,443 (August 31, 2019 – $6,443) of undiscounted cash outflows.

There are no future cash outflows related to lease agreements to which the Company is potentially exposed that are not reflected in the measurement of lease obligations.

NOTE 10 NET FINANCE EXPENSES

	Three-month periods ended		**Six-month periods ended**	
	February 29, 2020	February 28, 2019	**February 29, 2020**	February 28, 2019
Interest expense on debt	**$ 171**	$ 31	**$ 329**	$ 79
Interest expense on lease obligations	**165**	157	**331**	300
Interest expense on the Debentures (refer to Note 8)	**29**	–	**29**	–
Interest income	**(208)**	(105)	**(439)**	(220)
Foreign exchange loss	**12**	6	**29**	17
Change in fair value on interest rate swaps (refer to Note 7)	**49**	–	**36**	–
	$ 218	$ 89	**$ 315**	$ 176

(Amounts are in thousands of Canadian dollars, except share and stock options information – Unaudited)

NOTE 11 LOSS PER SHARE

	Three-month periods ended		Six-month periods ended	
	February 29, 2020	**February 28, 2019**	**February 29, 2020**	**February 28, 2019**
Net loss	**$ (3,360)**	$ (6,560)	**$ (8,512)**	$ (11,411)
Basic weighted average number of common shares	**58,227,791**	52,163,403	**58,185,903**	51,992,445
Loss per share – basic and diluted	**$ (0.06)**	$ (0.13)	**$ (0.15)**	$ (0.22)

Issued shares from the exercise of stock options and share issuance are weighted from the transaction date.

Stock options, unvested shares issued in connection with the employee share purchase plan, and the convertible debentures conversion option were excluded from the diluted weighted average number of common shares calculation because such inclusion would have been antidilutive due to the net loss reported by the Company.

NOTE 12 SHARE CAPITAL

In connection with the public offering completed on February 22, 2019, the Company issued 6,019,212 common shares (of which 26,500 common shares were purchased by Board members and key management personnel) at a price of $3.50 per share for gross proceeds of $21,067, less share issuance costs of $1,497.

NOTE 13 STOCK OPTION PLAN

The stock option plan was established by the Company to attract and retain employees, consultants, directors and officers. The plan provides for the granting of options to purchase common shares where at any given time the number of stock options reserved for issuance is equal to 10% of the Company's issued and outstanding common shares. Under the plan, options generally vest over a period of four years and expire eight years from the grant date. As at February 29, 2020, 1,292,826 stock options were available for issuance (August 31, 2019 – 450,661).

For the three-month and six-month periods ended February 29, 2020, share-based payments recognized under the stock option plan amounted to $485 (2019 – $429) and $896 (2018 – $804), respectively.

During the six-month period ended February 29, 2020, 1,109,015 options (2019 – 1,490,688 options) were granted at a weighted average exercise price of $3.06 (2019 – $2.67) per option, of which 414,502 options (2019 – 1,075,000 options) were granted to key management personnel and members of the Board.

The weighted average fair value of stock options granted during the six-month period ended February 29, 2020, was $1.34 (2019 – $1.32) and was estimated at the date on which the options were granted using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2020
Volatility	**49%**
Risk-free interest rate	**1.54%**
Expected life of options	**5.1 years**
Common share value at grant date	**$3.06**
Exercise price	**$3.06**

(Amounts are in thousands of Canadian dollars, except share and stock options information – Unaudited)

Information concerning the movement in stock options is as follows:

	Number of options	Weighted average exercise price
Outstanding as at August 31, 2019	**3,910,169**	**$ 2.57**
Granted	**1,109,015**	**3.06**
Exercised	**(124,390)**	**1.56**
Forfeited	**(360,741)**	**2.71**
Outstanding as at February 29, 2020	**4,534,053**	**2.71**
Exercisable as at February 29, 2020	**1,117,404**	**$ 2.12**

On December 4, 2018, the Company exceptionally agreed to settle in cash a specific number of vested stock options with two members of the Board. The net cash settled amount was $99 and represents the difference between the fair value of the stock on the date of settlement and the exercise stock price. There are no other stock options that can be or are intended to be net settled in cash in the future.

For the six-month period ended February 29, 2020, the weighted average share price of the Company's common shares upon the exercise date of stock options was $3.09 (2019 – $2.94).

Summary of options outstanding is as follows:

Exercise price	Number of options outstanding	Weighted average contractual life outstanding	Exercisable options
Balance as at February 29, 2020:			
Less than $1.00	**129,158**	**6.16**	**129,158**
$ 1.00 – 1.99	**283,718**	**5.48**	**153,285**
$ 2.00 – 2.49	**192,819**	**6.43**	**150,157**
$ 2.50 – 2.99	**2,039,381**	**6.61**	**661,172**
$ 3.00 – 3.49	**1,888,977**	**7.49**	**23,632**
	4,534,053	**6.89**	**1,117,404**
Balance as at August 31, 2019:			
Less than $1.00	178,834	6.81	178,834
$ 1.00 – 1.99	283,718	5.98	109,808
$ 2.00 – 2.49	203,325	6.87	143,050
$ 2.50 – 2.99	2,313,573	7.08	207,347
$ 3.00 – 3.49	930,719	7.67	–
	3,910,169	7.12	639,039

NOTE 14 FINANCIAL INSTRUMENTS

The Company determined that the fair value of its long-term debt and convertible debentures approximates its carrying amount as it bears interest at market interest rates for financial instruments with similar terms and risks.

The Company determined the valuation of its convertible debentures using Level 2 inputs.

The fair value of interest rate swaps as at February 29, 2020 was estimated using Level 2 inputs.

NOTE 15 FINANCIAL RISKS

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 takes 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, amounts receivable, restricted cash, and security deposits included in other assets. The Company's maximum credit exposure corresponds to the carrying amount of these financial assets. Management believes the credit risk is limited because the Company deals with major North American financial institutions and an internationally established payment processor.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in market interest rates. The Company’s long-term debt and revolving line of credit bear interest at variable rates which are determined by a base rate set by the lender plus a margin. As a result, the Company is exposed to interest rate cash flow risk due to fluctuations in lenders’ base rates. The Company manages its interest rate risk by using variable-to-fixed interest rate swaps as described in Note 7.

The Company does not account for any fixed-rate financial assets or financial liabilities, at fair value through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for interest rate risk

An increase or decrease of 100 basis points in the interest rate would not have a significant impact on the Company’s net loss.

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 it has sufficient funds to fulfill its obligations.

Capital management

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

(Amounts are in thousands of Canadian dollars, except share and stock options information – Unaudited)

The following are amounts due on contractual maturities of financial liabilities, including estimated interest payments:

					February 29, 2020
	Total carrying amount	**Contractual cash flows (2)**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Line of credit	**$ 3,240**	**$ 3,240**	**$ 3,240**	**$ –**	**$ –**
Accounts payable and accrued liabilities	**35,111**	**35,111**	**35,111**	**–**	**–**
Long-term debt, including current portion (1)	**12,538**	**13,476**	**910**	**12,566**	**–**
Convertible debentures, liability component	**22,971**	**38,626**	**863**	**6,900**	**30,863**
	$ 73,860	**$ 90,453**	**$ 40,124**	**$ 19,466**	**$ 30,863**

					August 31, 2019
	Total carrying amount	Contractual cash flows (2)	Less than 1 year	1 to 5 years	More than 5 years
Line of credit	$ 1,540	$ 1,540	$ 1,540	$ –	$ –
Accounts payable and accrued liabilities	30,704	30,704	30,704	–	–
Long-term debt, including current portion (1)	12,491	13,755	597	13,158	–
	$ 44,735	$ 45,999	$ 32,841	$ 13,158	$ –

(1) As at February 29, 2020, an interest rate of 4.48% (August 31, 2019 – 4.46%) was used to determine the estimated interest payments on the Company's variable-rate portion of the Company's long-term debt, and fixed interest rates pursuant to swap agreements mentioned in Note 7 were used to determine the interest payments on the fixed-rate portion of the Company's long-term debt.

(2) Refer to Note 9 for contractual payments due on lease obligations.

NOTE 16 ADDITIONAL CASH FLOW INFORMATION

The following details the change in non-cash operating working capital:

	Three-month periods ended		**Six-month periods ended**	
	February 29, 2020	**February 28, 2019**	**February 29, 2020**	**February 28, 2019**
Amounts receivable	**$ 1,050**	$ (233)	**$ 214**	$ (327)
Inventories	**109**	(919)	**(411)**	(1,979)
Other current assets	**66**	(373)	**(169)**	(297)
Accounts payable and accrued liabilities	**(898)**	5,561	**3,601**	11,442
Deferred revenue	**(1,390)**	1,091	**815**	1,983
	$ (1,063)	$ 5,127	**$ 4,050**	$ 10,822

(Amounts are in thousands of Canadian dollars, except share and stock options information – Unaudited)

Additional transactions that had no cash impact on investing activities as at February 29, 2020, were as follows:

- Fixed asset additions of $1,356 (August 31, 2019 – $1,273) and intangible asset additions of $534 (August 31, 2019 – $242) were unpaid and included in accounts payable and accrued liabilities; and
- Assets under construction additions of $685 (August 31, 2019 – $38) relate to capitalized depreciation and interest expense on lease obligations.

Additional transactions that had no cash impact on financing activities as at February 29, 2020, were as follows:

- Convertible debenture issuance costs of $391 were unpaid and included in accounts payable and accrued liabilities.

Deposits on fixed assets of $909 (August 31, 2019 – $115) are included in other non-current assets.

The following are amounts of cash, cash equivalents and restricted cash:

	February 29, 2020	August 31, 2019
Cash and cash equivalents	**$ 67,040**	$ 45,149
Restricted cash (1)	**2,500**	2,500
	$ 69,540	$ 47,649

(1) Restricted cash consists of cash held as collateral, which is subject to the terms of the financing agreement (refer to Note 7).

NOTE 17 SUBSEQUENT EVENTS

Goodfood has started to experience the impact of the outbreak of COVID-19 on its overall business and operations. As an essential service in Canada, Goodfood continues to operate during the current pandemic and has so far experienced a growth in demand on a daily basis. While we have been able to fulfill orders, we have experienced challenges to our operations and supply chain, putting pressure on food and labour costs. We will continue to monitor developments of the pandemic and continuously assess its potential further impact on our production activities, supply chain, and facilities capacity to respond to the increasing demand and prevent any disruptions to fulfillment. Pressure on our supply chain, inventory level and increased operational cost or disruptions and labour shortages could occur depending on the longevity and severity of the pandemic as well as any changes to our regulatory framework. It should also be noted that Goodfood raised the pay of all its hourly and salaried operations and production employees by a minimum of $2 per hour, effective March 26, 2020, and this will continue throughout the duration of the COVID-19 crisis.