Management's Discussion and Analysis of

GOODFOOD MARKET CORP.

For the three and six-month periods ended February 28, 2021

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April 7, 2021

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("MD&A") is intended to assist readers in understanding the business environment, trends and significant changes in the results of operations and financial condition of Goodfood Market Corp. and its subsidiary (also referred to in this MD&A as "we", "our", "Goodfood" or the " Company") for the three and six-month periods ended February 28, 2021. This document should be read in conjunction with our audited consolidated financial statements and accompanying notes for the years ended August 31, 2020 and 2019 and our interim condensed consolidated financial statements and notes thereto for the three and six-month periods ended February 28, 2021 and February 29, 2020. Please also refer to Goodfood's press release announcing its results for the three and six-month periods ended February 28, 2021 issued on April 7, 2021. Quarterly reports, the Annual Report, and the Annual Information Form can be found on SEDAR at www.sedar.com and under the "Investor Relations – Financial Information" section of our website: https://www.makegoodfood.ca/en/investors. Press releases are available on SEDAR and under the "Investor Relations – Press Releases" section of our corporate website.

The Company's unaudited interim condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the financial information herein was derived from those statements.

All amounts herein are expressed in Canadian dollars unless otherwise indicated and all references to the second quarter of Fiscal 2021 are to the three and six-month periods ended February 28, 2021, to Fiscal 2021 are to the fiscal year ending August 31, 2021, to Fiscal 2020 are to the fiscal year ended August 31, 2020 and to Fiscal 2019 are to the fiscal year ended August 31, 2019.

Management determines whether information is material based on whether they believe a reasonable investor's decision to buy, sell or hold securities of the Company would likely be influenced or changed should the information be omitted or misstated, and discloses material information accordingly.

FORWARD-LOOKING STATEMENTS

This MD&A 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", and "continue", as well as 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 on 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, 2020 available on SEDAR: limited operating history, negative operating cash flow, food industry, COVID-19 pandemic, quality control and health concerns, regulatory compliance, regulation of the industry, public safety issues, product recalls, damage to Goodfood's reputation, transportation disruptions, storage and delivery of perishable foods, product liability, unionization activities, consolidation trends, ownership and protection of intellectual property, evolving industry, reliance on management, factors which may prevent realization of growth targets, competition, availability and quality of raw materials, 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, limited number of products, conflicts of interest, litigation, catastrophic events, risks associated with payments from customers and third parties, being accused of infringing intellectual property rights of others and, climate change and environmental risks. 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 the 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 duration and severity of 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.

METRICS AND NON-IFRS FINANCIAL MEASURES

The table below defines metrics and non-IFRS financial measures used by the Company throughout this MD&A. Non-IFRS financial measures do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. They are provided as additional information to complement IFRS measures and to provide a further understanding of the Company's results of operations from our perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS and should be read in conjunction with the financial statements for the periods indicated. For a reconciliation of these non-IFRS financial measures to the most comparable IFRS financial measures, as applicable, see the "Metrics and Non-IFRS Financial Measures – Reconciliation" section of this MD&A.

Metrics	Definitions
Active subscribers	An account that is scheduled to receive a delivery, has elected to skip delivery in the subsequent weekly delivery cycle or that is registered to Goodfood WOW. 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 the Company's consolidated financial statements, we believe that active subscribers is a useful metric for investors because it is indicative of potential future revenues. The Company reports the number of active subscribers at the beginning and end of the period, rounded to the nearest thousand.
EBITDA, **Adjusted EBITDA** **&** **Adjusted EBITDA margin**	EBITDA is defined as net income (loss) before net finance costs, depreciation and amortization and income taxes. Adjusted EBITDA is defined as EBITDA excluding share-based payments and restructuring costs. Adjusted EBITDA margin is defined as the percentage of adjusted EBITDA to revenues. EBITDA, adjusted EBITDA, and adjusted EBITDA margin are non-IFRS financial measures. We believe that EBITDA, adjusted EBITDA, and adjusted EBITDA margin are useful measures of financial performance to assess the Company's ability to seize growth opportunities in a cost-effective manner, to finance its ongoing operations and to service its long-term debt. They also allow comparisons between companies with different capital structures.

COMPANY OVERVIEW

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 across Canada to enjoy delicious meals at home every day. Goodfood's vision is to be in every kitchen every day by enabling members to complete their grocery shopping and meal planning in minutes. Goodfood members have access to a unique selection of online products as well as exclusive pricing made possible by its world class direct-to-consumer infrastructures and technology that eliminate food waste and costly retail overhead. The Company's main production facility and administrative offices are based in Montreal, Québec, with five additional production facilities located in the provinces of Québec, Ontario, Alberta, and British Columbia. A seventh production facility located in the province of Ontario is currently under construction. As at February 28, 2021, Goodfood had 319,000 active subscribers.

FINANCIAL OUTLOOK

The online grocery industry is among the fastest growing industries in the world. As a result, Goodfood believes there are significant opportunities to rapidly grow its subscriber base and basket sizes by investing 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 involves delaying in part short-term profitability in order to invest in generating long-term shareholder value creation, and also to continue improving its cost structure to achieve long-term margin and profitability goals. Growing Goodfood's subscriber base and data, 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 subscriber base, it is confident that it will achieve economies of scale and additional efficiencies which will lead to improvements in profitability while maintaining an unrivalled customer experience.

The COVID-19 pandemic has had an impact on Goodfood's overall business and operations and has resulted in different levels of restrictions by government authorities. As an essential service in Canada, Goodfood has been operating throughout the pandemic and implemented increased safety protocols at its facilities to ensure the safety of its employees. The Company experienced an acceleration of growth in demand. Pressure on supply chains, inventory levels and increased operational costs or disruptions and labour shortages could increase depending on the duration and severity of the pandemic as well as any changes to Goodfood's industry regulatory framework. The magnitude, duration, and severity of the COVID-19 pandemic are difficult to predict and could affect the significant estimates and judgements used in the preparation of the Company's interim condensed consolidated financial statements.

As a result of the COVID-19 pandemic, the number of employees working remotely has increased significantly, which has also increased demands on information technology resources and systems and increased the risk of phishing and other cybersecurity attacks.

Objectives are based upon assumptions and are subject to risks and uncertainties, many of which are beyond our control. These risks and uncertainties could cause actual results to differ materially from objectives. See the "Forward-Looking Statements" and "Business Risk" sections of this MD&A.

SECOND QUARTER FISCAL 2021 HIGHLIGHTS

This section provides a summary of our financial performance for the three and six-month periods ended February 28, 2021 compared to the same periods in 2020. We present metrics and measures to help investors better understand our performance, including certain metrics and measures which are not recognized by IFRS. Definitions of these non-IFRS financial measures are provided in the "Metrics and Non-IFRS Financial Measures" section at the beginning of this MD&A and are important metrics to be considered when analyzing our performance. For a reconciliation of these non-IFRS financial measures to the most comparable IFRS financial measures, as applicable, see the "Metrics and Non-IFRS Financial Measures – Reconciliation" section of this MD&A.

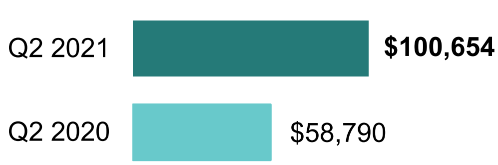
HIGHLIGHTS FOR THE THREE-MONTH PERIOD ENDED FEBRUARY 28, 2021 COMPARED TO THE THREE-MONTH PERIOD ENDED FEBRUARY 29, 2020

- Revenues surpassed the $100 million mark, reaching $100.7 million, an increase of $41.9 million, or 71% year-over-year.
- Gross margin was 30.4%, an improvement of 0.1 percentage points and gross profit increased to $30.6 million, an improvement of $12.8 million or 72%.
- Net loss was $4.0 million, an increase of $0.7 million compared to the same period last year.
- Adjusted EBITDA margin (1) was 0.5% for the three-month period ended February 28, 2021, an improvement of 5.5 percentage points year-over-year.
- Cash flows provided by operating activities totaled $5.4 million, an improvement of $9.3 million compared to the same period last year.
- The Company had a cash balance (2) of $163.0 million as at February 28, 2021, an increase of $93.5 million compared to February 29, 2020.
- Active subscribers (1) totaled 319,000 as at February 28, 2021, an increase of 73,000, or 30%, compared to February 29, 2020.

For the three-month periods ended		**February 28, 2021**		February 29, 2020	(%)
Key Performance Indicator					
Active subscribers (1)		**319,000**		246,000	30%
Results of Operations (in thousands of Canadian dollars, except percentage information)					
Revenues	**$**	**100,654**	$	58,790	71%
Gross profit	**$**	**30,636**	$	17,816	72%
Gross margin		**30.4%**		30.3%	*0.1 p.p.*
Net loss	**$**	**(4,030)**	$	(3,360)	20%
Adjusted EBITDA (1)	**$**	**535**	$	(2,921)	118%
Adjusted EBITDA margin (1)		**0.5%**		(5.0%)	*5.5 p.p.*
Financial Position and Cash Flows (in thousands of Canadian dollars, except percentage information)					
Cash, cash equivalents and restricted cash (2)	**$**	**163,018**	$	69,540	134%
Cash flows provided by (used in) operating activities		**5,406**		(3,881)	239%

The graphs below are in thousands of Canadian dollars.

Revenues



Net loss

Adjusted EBITDA (1)

Cash flows provided by (used in) operating activities

(1) Please refer to the "Metrics and Non-IFRS Financial Measures" section of this MD&A for corresponding definitions.
(2) Cash balance as at February 28, 2021 includes cash and cash equivalents. Cash balance as at February 29, 2020 includes cash, cash equivalents and restricted cash.

KEY HIGHLIGHTS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 28, 2021

Recognized on the 2020 TSX30

In September 2020, the Company announced that it was included in the Toronto Stock Exchange's TSX30, a flagship program recognizing the 30 top-performing TSX stocks based on share price appreciation over a three-year period. It is an acknowledgement of the value Goodfood has created for shareholders through the strong growth and financial performance of the Company.

Launch of Goodfood WOW

In October 2020, the Company announced the launch of its new unlimited same-day grocery delivery service, Goodfood WOW, in the Greater Montréal Area and in February 2021, the Company launched it in the Greater Toronto Area. This new service is scheduled to expand to other major Canadian cities over the next year. Goodfood WOW offers an even more flexible and convenient online grocery experience, allowing members to order any combination of meal kits, groceries, prepared meals and other products as frequently as needed during the week, with same-day delivery included for all orders over $35, for a monthly subscription fee.

Active Subscribers [(1)]

As at February 28, 2021, Goodfood reached 319,000 active subscribers, with the addition of 13,000 net new active subscribers during the second quarter. This represents an increase of 30% compared to the same period last year. A strong rise in demand, accelerated by the COVID-19 pandemic, has driven subscriber additions, and prompted higher order rates and average order values.

Refinancing of Credit Facility

On November 30, 2020, the Company entered into a new syndicated bank financing totaling $46 million, including a revolving credit facility of $27.5 million, a term loan facility of $12.5 million and other short-term financing of $6 million. On February 16, 2021, the Company increased the revolving credit by $15 million for a total of $42.5 million, and the other short-term financing by an amount not to exceed $15 million, and an additional lender was added to the syndicate. The facilities feature flexible and improved financial conditions, including variable rates of Bankers' Acceptance plus 250 basis points, and come to maturity in November 2023. The Company will use the proceeds to fund the continued growth of the Company through capital expenditures focusing on automation as well as the expansion of the business, refinancing of existing credit facilities and general corporate purposes.

Departure of its Chief Financial Officer

In January 2021, the Company announced the departure of Philippe Adam, its Chief Financial Officer, effective on April 2, 2021, who is pursuing an opportunity outside the Company. The Company has initiated an executive search for his replacement and has named Rania Lawandi to serve as its interim Chief Financial Officer effective April 2, 2021 until the executive search is completed.

Equity Issuance

In February 2021, the Company completed a bought deal public offering with a syndicate of underwriters and issued 4.8 million common shares for gross proceeds of $60 million.

COVID-19 Impact and Measures

The World Health Organization declared COVID-19 a global pandemic on March 11, 2020, and the outbreak has had an impact on Goodfood's overall business and operations. As the Company is deemed an essential service in Canada, Goodfood has continued to operate without interruption.

(1) Please refer to the "Metrics and Non-IFRS Financial Measures" section of this MD&A for corresponding definitions.

Starting in the second half of Fiscal 2020, Goodfood experienced several positive impacts on its financial results related to the COVID-19 pandemic such as increased subscriber growth, number of orders and average order values, which positively impacted revenue and continued in the first half of Fiscal 2021, with the second wave of the COVID-19 pandemic across Canada. The Company incurred direct COVID-19 incremental costs of approximately $0.7 million and $1.6 million for the three and six-month periods ended February 28, 2021, respectively, consisting of additional production costs and temporary agency premiums.

At the onset of the pandemic, precautionary measures were implemented at all of the Company's facilities across Canada in addition to its already rigorous food safety standards. These measures include, but are not limited to:

- Enhanced hygiene procedures, including additional cleaning at all of its facilities, mandatory hand washing prior to entry (for both visitors and employees), and accessibility to hand sanitizer stations;
- Social distancing measures put in place for the health and safety of employees, mandatory non-contact temperature checks before entering the facility, installation of physical safety barriers, requirement for all frontline employees to wear personal protection equipment, such as face masks and face shields, and the hiring of a team to ensure the health screening for employees and reinforce social distancing measures inside and outside of all facilities; and
- Temporary suspension of its Box Pick-up and Reusable Box Program to eliminate the risk of cross-contamination in its facilities.

The Company continues to follow precautionary measures at its facilities in addition to its already rigorous food safety standards to safeguard the health and safety of its employees as well as ensuring the quality of its products to its customers.

METRICS AND NON-IFRS FINANCIAL MEASURES - RECONCILIATION

Please refer to the "Metrics and Non-IFRS Financial Measures" section of this MD&A for corresponding definitions.

ACTIVE SUBSCRIBERS

	Three-Month		Six-Month	
For the periods ended	**February 28, 2021**	February 29, 2020	**February 28, 2021**	February 29, 2020
Active subscribers, beginning of period	**306,000**	230,000	**280,000**	200,000
Net change in active subscribers	**13,000**	16,000	**39,000**	46,000
Active subscribers, end of period	**319,000**	246,000	**319,000**	246,000

EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

The reconciliation of net loss to EBITDA, adjusted EBITDA and adjusted EBITDA margin is as follows:

(In thousands of Canadian dollars, except percentage information)

	Three-Month		Six-Month	
For the periods ended	**February 28, 2021**	February 29, 2020	**February 28, 2021**	February 29, 2020
Net loss	**$ (4,030)**	$ (3,360)	**$ (6,655)**	$ (8,512)
Net finance costs	**540**	218	**1,215**	315
Depreciation and amortization	**2,353**	1,066	**4,447**	2,059
Deferred income tax expense (recovery)	**129**	(1,330)	**342**	(1,330)
EBITDA	**$ (1,008)**	$ (3,406)	**$ (651)**	$ (7,468)
Share-based payments	**1,404**	485	**2,401**	896
Restructuring costs	**139**	–	**139**	–
Adjusted EBITDA	**$ 535**	$ (2,921)	**$ 1,889**	$ (6,572)
Revenues	**$ 100,654**	$ 58,790	**$ 192,081**	$ 115,081
Adjusted EBITDA margin (%)	**0.5%**	(5.0%)	**1.0%**	(5.7%)

For the three and six-month periods ended February 28, 2021, adjusted EBITDA margin improved by 5.5 percentage points and 6.7 percentage points, respectively, compared to the corresponding periods in 2020. For the three and six-month periods ended February 28, 2021, the increase in adjusted EBITDA margin resulted in part from an improvement in gross margin, driven by a larger revenue base, a decrease in incentives and credits as a percentage of revenues as well as lower unit costs for shipping and packaging. In addition, the increase in our revenue base accelerated the operating leverage effect as selling, general and administrative expenses as a percentage of revenues decreased compared to the corresponding period in 2020 and is primarily explained by a controlled decrease of marketing spend as a percentage of revenues. The improvement in adjusted EBITDA margin in the three and six-month periods ended February 28, 2021, was partially offset by additional expenses resulting from the launch of new product offerings, a marketing promotion on grocery items, and higher wages and salaries as the Company continues to grow its national footprint as well as additional costs incurred due to COVID-19.

RESULTS OF OPERATIONS: THREE-MONTH PERIODS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

The following table sets forth the components of the Company's interim condensed consolidated statement of loss and comprehensive loss:

(In thousands of Canadian dollars, except per share and percentage information)

For the three-month periods ended	**February 28, 2021**	February 29, 2020	($)	(%)
Revenues	**$ 100,654**	$ 58,790	$ 41,864	71%
Cost of goods sold	**70,018**	40,974	29,044	71%
Gross profit	**$ 30,636**	$ 17,816	$ 12,820	72%
Gross margin	***30.4%***	*30.3%*	*N/A*	*0.1 pp*
Selling, general and administrative expenses	**$ 31,644**	$ 21,222	$ 10,422	49%
Depreciation and amortization	**2,353**	1,066	1,287	121%
Net finance costs	**540**	218	322	148%
Net loss before income taxes	**(3,901)**	(4,690)	789	17%
Deferred income tax expense (recovery)	**129**	(1,330)	1,459	110%
Net loss, being comprehensive loss	**$ (4,030)**	$ (3,360)	$ (670)	20%
Basic and diluted loss per share	**$ (0.06)**	$ (0.06)	$ 0.00	0%

VARIANCE ANALYSIS FOR THE THREE-MONTH PERIOD ENDED FEBRUARY 28, 2021 COMPARED TO THE THREE-MONTH PERIOD ENDED FEBRUARY 29, 2020

- During the second quarter ended February 28, 2021, revenues continued to be favourably impacted by the expansion of our product offering and the same day delivery option which is now available in the two largest metropolitan Canadian cities. In addition, the average basket size and order frequency combined with a larger subscriber base also contributed to increased revenues. The decrease in incentives and credits as a percentage of revenues from 17.3% to 13.7%, due to an efficient marketing strategy also contributed to the increase in revenues.
- Gross profit and gross margin increased slightly during the three-month period ended February 28, 2021 compared to the same period last year due primarily to a decrease in incentives and credits as a percentage of revenues, lower unit costs for shipping and packaging, delivery options at a lower cost and improved agreements with key suppliers. This was partially offset by additional expenses resulting from a marketing promotion on grocery items and by supplemental costs related to the COVID-19 pandemic for additional production employees and other production costs such as personal protection equipment and sanitizers.
- The increase in selling, general and administrative expenses is primarily due to higher wages and salaries as the Company continues to grow and expand its operations and product offerings across Canada. However, selling, general and administrative expenses as a percentage of revenues decreased from 36.1% to 31.4%, primarily resulting from a controlled decrease in marketing spend as a percentage of revenues.

- The increase in depreciation and amortization expense is mainly due to the recognition of right-of-use assets from new facility lease agreements and related additions of leasehold improvements.
- The increase in net finance costs is mainly due to a higher level of indebtedness arising from the issuance of convertible debentures at the end of the second quarter of Fiscal 2020, as well as higher lease obligations from the recognition of new facility lease agreements.
- During the three-month period ended February 28, 2021, the Company recorded a deferred income tax expense related to the conversion of convertible debentures into common shares compared to a deferred income tax recovery recorded during the same period last year at the issuance of the convertible debentures.
- The increase in net loss year-over-year is explained primarily by the deferred tax recovery that was recorded in the second quarter of Fiscal 2020 in connection with the issuance of the convertible debentures.

RESULTS OF OPERATIONS: SIX-MONTH PERIODS ENDED FEBRUARY 28, 2021 AND FEBRUARY 29, 2020

The following table sets forth the components of the Company's interim condensed consolidated statement of loss and comprehensive loss:

(In thousands of Canadian dollars, except per share and percentage information)

For the six-month periods ended	**February 28, 2021**	February 29, 2020	($)	(%)
Revenues	**$ 192,081**	$ 115,081	$ 77,000	67%
Cost of goods sold	**131,872**	81,046	50,826	63%
Gross profit	**$ 60,209**	$ 34,035	$ 26,174	77%
Gross margin	***31.3%***	*29.6%*	*N/A*	*1.7 pp*
Selling, general and administrative expenses	**$ 60,860**	$ 41,503	$ 19,357	47%
Depreciation and amortization	**4,447**	2,059	2,388	116%
Net finance costs	**1,215**	315	900	286%
Net loss before income taxes	**(6,313)**	(9,842)	3,529	36%
Deferred income tax expense (recovery)	**342**	(1,330)	1,672	126%
Net loss, being comprehensive loss	**$ (6,655)**	$ (8,512)	$ 1,857	22%
Basic and diluted loss per share	**$ (0.10)**	$ (0.15)	$ 0.05	33%

VARIANCE ANALYSIS FOR THE SIX-MONTH PERIOD ENDED FEBRUARY 28, 2021 COMPARED TO THE SIX-MONTH PERIOD ENDED FEBRUARY 29, 2020

- The Company's continued focus on its strategy to become Canada's leading online grocer by increasing its product offering and flexibility for members through same day delivery impacted positively the average basket size and order frequency which, combined with a larger subscriber base, resulted in increased revenues. The decrease in incentives and credits as a percentage of revenues from 19% to 12.4%, due to an efficient marketing strategy and low level of quality issues also contributed to the increase in revenues.
- The increase in gross profit and gross margin primarily resulted from a decrease in incentives and credits as a percentage of revenues, lower unit costs for shipping and packaging explained by an increased density among the delivery zones, the expansion of our delivery capabilities and improved purchasing power with key suppliers. This was partially offset by additional expenses associated with a marketing promotion on grocery items as well as supplemental costs incurred directly related to the COVID-19 pandemic for additional production employees and other production costs such as personal protection equipment and sanitizers.
- The increase in selling, general and administrative expenses is primarily due to higher wages and salaries resulting from the expansion of the management team and related administrative functions needed to support the Company's growth and increase its product offering. However, selling, general and administrative expenses as a percentage of revenues decreased from 36.1% to 31.7%, primarily resulting from a controlled decrease in marketing spend as a percentage of revenues.

- The increase in depreciation and amortization expense is mainly due to the recognition of right-of-use assets from new facility lease agreements and related additions of leasehold improvements.
- The increase in net finance costs primarily related to interest expense resulting from a higher level of indebtedness in Fiscal 2021 due to the issuance of convertible debentures in February 2020, as well as higher lease obligations from the recognition of new facility lease agreements.
- The deferred income tax expense relates to the reversal of recognized deferred tax assets relating to tax losses recorded in the second quarter of Fiscal 2020 resulting from the conversion of convertible debentures into common shares in the second quarter of Fiscal 2021. At the issuance of the convertible debentures, an income tax recovery of $1.3 million was recorded. During the six-month period ended February 28, 2021, $0.3 million was reversed upon conversion of certain convertible debentures.
- The decrease in net loss is explained principally by higher revenues and gross profit, slightly offset by higher wages and salaries to support the growth of the business.

SELECTED QUARTERLY FINANCIAL INFORMATION

The table below presents selected quarterly financial information for the last eight fiscal quarters:

(In thousands of Canadian dollars, except active subscribers and per share and percentage information)

		Fiscal 2021				Fiscal 2020		Fiscal 2019
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Active subscribers (1)	**319,000**	306,000	280,000	272,000	246,000	230,000	200,000	189,000
Revenues	**$ 100,654**	$ 91,427	$ 83,691	$ 86,600	$ 58,790	$ 56,291	$ 45,259	$ 49,864
Gross margin	**30.4%**	32.3%	32.8%	28.8%	30.3%	28.8%	26.7%	28.3%
Net (loss) income	**$ (4,030)**	$ (2,625)	$ 1,590	$ 2,786	$ (3,360)	$ (5,152)	$ (5,887)	$ (3,639)
Net finance costs	**540**	675	911	1,154	218	97	81	89
Depreciation and amortization	**2,353**	2,094	1,818	1,484	1,066	993	874	701
Deferred income tax expense (recovery)	**129**	213	526	–	(1,330)	–	–	–
Share-based payments	**1,404**	997	418	560	485	411	541	465
Restructuring costs	**139**	–	–	–	–	–	–	–
Adjusted EBITDA (1)	**$ 535**	$ 1,354	$ 5,263	$ 5,984	$ (2,921)	$ (3,651)	$ (4,391)	$ (2,384)
Adjusted EBITDA margin (1)	**0.5%**	1.5%	6.3%	6.9%	(5.0)%	(6.5)%	(9.7)%	(4.8)%
Basic and diluted (loss) earnings per share (2)	**$ (0.06)**	$ (0.04)	$ 0.03	$ 0.05	$ (0.06)	$ (0.09)	$ (0.10)	$ (0.06)

(1) Please refer to the "Metrics and Non-IFRS Financial Measures" section of this MD&A for corresponding definitions.

(2) The sum of basic and diluted (loss) earnings per share on a quarterly basis may not equal basic and diluted loss per share on a year-to-date basis due to rounding.

Quarterly revenues have increased since the first quarter of Fiscal 2020 principally due to the Company's continued focus on its strategy to become Canada's leading online grocer by increasing its product offering and flexibility to members which positively impacted the average basket size and order frequency.

Adjusted EBITDA and adjusted EBITDA margin improved quarterly in Fiscal 2020 due to higher revenues and gross profit primarily from a larger subscriber base. For the third and fourth quarters of Fiscal 2020, adjusted EBITDA and adjusted EBITDA margin were further positively impacted by lower selling, general and administrative expenses as a percentage of revenues. For the first two quarters of Fiscal 2021, adjusted EBITDA and adjusted EBITDA margin decreased due to higher wages and salaries and marketing spend as the Company continues to grow and expand its operations and product offerings across Canada.

Net loss improved quarter over quarter, starting in the first quarter of Fiscal 2020 due to higher revenues and gross profit. For the third and fourth quarters of Fiscal 2020, lower selling, general and administrative expenses as a percentage of revenues also contributed to the improvement in net (loss) income. Net loss for the first two quarters of Fiscal 2021 was negatively impacted by higher depreciation and amortization expense associated with the recognition of right-of-use assets from new facility lease agreements and related additions of leasehold improvements as well as increased share-based payments expense.

TRENDS AND SEASONALITY

Revenues and expenses are impacted by seasonality. During the holiday and summer seasons, the Company anticipates revenues to be lower as a higher proportion of active subscribers elect to skip their delivery. The Company anticipates the growth rate of active subscribers to be lower during these periods. While this is typically the case, the COVID-19 pandemic has had, and may continue to have, an impact on this trend. During periods with warmer weather, the Company anticipates packaging costs to be higher due to the additional packaging required to maintain food freshness and quality. The Company also anticipates food costs to be positively affected due to improved availability during periods with warmer weather.

FINANCIAL POSITION

The following table provides the main variances in the Company's interim condensed consolidated statements of financial position:

(In thousands of Canadian dollars)

As at	February 28, 2021	August 31, 2020	Variance	Main components
Cash, cash equivalents and restricted cash	**$ 163,018**	$ 106,902	$ 56,116	Public offering completed in Q2 of Fiscal 2021
Inventories	**14,444**	6,962	7,482	Due to the Company's continuous expansion of its product offering of grocery products and the ramp-up of new facilities across Canada
Right-of-use assets	**21,802**	21,130	672	Recognition and amendment for facility lease agreements
Fixed assets	**20,520**	19,191	1,329	Investments in technology and automation and redesign of facilities layouts to support order growth
Intangible assets	**3,758**	2,203	1,555	Investment in software development
Accounts payable and accrued liabilities	**50,241**	40,878	9,363	The Company's growth resulted in higher purchases and payroll related accruals related to increased headcount, and more favourable payment terms as a result of increased purchasing power
Deferred revenues	**9,308**	5,390	3,918	Due to the increase in revenues as well as the timing of cash receipts with respect to the Company's weekly delivery cycle
Convertible debentures, including equity portion	**9,620**	16,425	(6,805)	Conversion of convertible debentures
Long-term debt, including line of credit and current portion	**21,365**	21,678	(313)	Capitalization of debt issuance costs related to the debt refinancing
Lease obligations, including current portion	**24,146**	23,348	798	Recognition and amendment for facility lease agreements
Common shares	**164,447**	97,801	66,646	Due to the public offering, the conversion of convertible debentures and exercise of stock options

LIQUIDITY AND CAPITAL RESOURCES

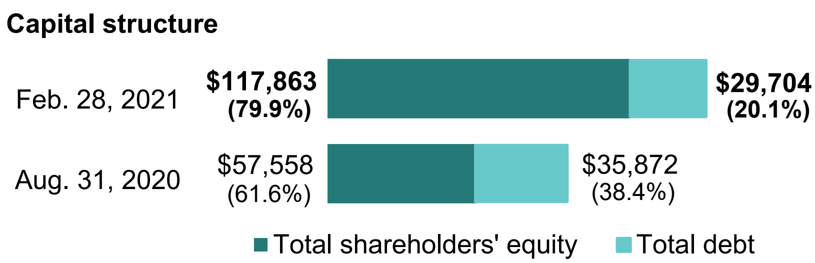
This section examines the Company's capital structure, sources of liquidity and various financial instruments, including its debt instruments.

CAPITAL STRUCTURE

(In thousands of Canadian dollars, except percentage information)

As at	February 28, 2021	August 31, 2020
Cash, cash equivalents and restricted cash [1]	**$ 163,018**	$ 106,902
Long-term debt, including line of credit and current portion	**21,365**	21,678
Convertible debentures, liability component	**8,339**	14,194
Total debt	**$ 29,704**	$ 35,872
Total shareholders' equity	**117,863**	57,558
Total capitalization	**$ 147,567**	$ 93,430
Total cash [1], net of debt	**$ 133,314**	$ 71,030
Total cash [1], net of debt to total capitalization	**90.3%**	76.0%

[1] Cash balance as at February 28, 2021 includes cash and cash equivalents. Cash balance as at August 31, 2020 includes cash, cash equivalents and restricted cash.



CAPITAL MANAGEMENT

The Company's objective in managing its capital structure is to ensure sufficient liquidity to finance its operations and growth and to deliver competitive returns on invested capital. To fund its activities, the Company has relied on public and private placements of equity securities, convertible debentures, cash flows provided by operating activities and short-term or long-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.

CASH FLOWS

A summary of net cash flows by activity for the three-month periods ended February 28, 2021 and February 29, 2020 is presented below:

(In thousands of Canadian dollars)

For the three-month periods ended	February 28, 2021	February 29, 2020	Variance
Cash flows from operations, excluding change in non-operating working capital	**$ (6)**	$ (2,818)	$ 2,812
Change in non-operating working capital	**5,412**	(1,063)	6,475
Net cash flows provided by (used in) operating activities	**5,406**	(3,881)	9,287
Net cash flows provided by financing activities	**57,014**	29,015	27,999
Net cash flows used in investing activities	**(3,479)**	(2,643)	(836)
Net change in cash and cash equivalents	**$ 58,941**	$ 22,491	$ 36,450
Cash and cash equivalents, beginning of period	**104,077**	44,549	59,528
Cash and cash equivalents, end of period	**$ 163,018**	$ 67,040	$ 95,978

Net cash flows provided by operating activities increased by $9.3 million to $5.4 million for the second quarter ended February 28, 2021 compared to the same period last year, primarily due to a favourable variance in change in non-cash operating working capital mainly explained by an increase in accounts payable and accrued liabilities and deferred revenues resulting from the timing of cash payments or receipts and partly offset by the increase in inventory resulting from the growth of the business, the opening of new facilities and the expansion of product offerings.

Net cash flows provided by financing activities for the quarter ended February 28, 2021 amounted to $57.0 million and is primarily comprised of net proceeds resulting from the public issuance of common shares. Net cash flows provided by financing activities for the three-month period ended February 29, 2020 amounted to $29.0 million and is mainly due to proceeds from issuance of convertible debentures.

Net cash flows used in investing activities of $3.5 million for the second quarter ended February 28, 2021 is primarily comprised of $2.4 million in fixed assets additions mainly attributable to technology and automation implementation and redesign of facilities layouts. Net cash flows used in investing activities for the three-month period ended February 29, 2020 of $2.6 million is mainly due to fixed assets additions driven by investments in automation equipment.

A summary of net cash flows by activity for the six-month periods ended February 28, 2021 and February 29, 2020 is presented below:

(In thousands of Canadian dollars)

For the six-month periods ended	February 28, 2021	February 29, 2020	Variance
Cash flows from operations, excluding change in non-operating working capital	**$ 1,222**	$ (6,470)	$ 7,692
Change in non-operating working capital	**6,326**	4,050	2,276
Net cash flows provided by (used in) operating activities	**7,548**	(2,420)	9,968
Net cash flows provided by financing activities	**54,700**	28,611	26,089
Net cash flows used in investing activities	**(3,632)**	(4,300)	668
Net change in cash and cash equivalents	**$ 58,616**	$ 21,891	$ 36,725
Cash and cash equivalents, beginning of period	**104,402**	45,149	59,253
Cash and cash equivalents, end of period	**$ 163,018**	$ 67,040	$ 95,978

Net cash flows provided by operating activities increased by $10.0 million to $7.5 million for the six-month period ended February 28, 2021 compared to the same period last year, primarily due to the improvement of net loss for the six-month period ended February 28, 2021 and by a favourable variance in change in non-cash operating working capital. The latter is mainly explained by an increase in accounts payable and accrued liabilities and deferred revenues resulting from the timing of cash payments or receipts and partly offset by an increase in inventory resulting from the growth of the business, the opening of new facilities and the expansion of product offerings.

Net cash flows provided by financing activities for the six-month period ended February 28, 2021 amounted to $54.7 million and is primarily comprised of net proceeds resulting from the public issuance of common shares, partly offset by the payment of lease obligations and the interest paid. Net cash flows provided by financing activities for the six-month period ended February 29, 2020 amounted to $28.6 million and is mainly due to proceeds from issuance of convertible debentures.

Net cash flows used in investing activities of $3.6 million for the six-month period ended February 28, 2021 is primarily comprised of $4.6 million in fixed assets additions mainly attributable to technology implementation and redesign of facilities layouts. Net cash flows used in investing activities for the six-month period ended February 29, 2020 of $4.3 million is mainly due to fixed assets additions driven by investments in automation equipment.

DEBT

Credit Facility 2019

During the year ended August 31, 2019, the Company obtained from a Canadian financial institution two secured three-year term loans totalling $12.5 million, a $10 million revolving line of credit and $5 million in other short-term financing ("Credit Facility 2019"). The Credit Facility 2019 was secured by a first-ranking hypothec on all of the Company's movable and immovable assets. The proceeds were used to fund expansion, capital expenditures, invest in automation, and to refinance the Company's long-term debt.

As at August 31, 2020, $12.5 million of the term loans were disbursed, bearing variable interest at the Canadian Dollar Offered Rate ("CDOR") plus 2.50%. The term loans were repayable in quarterly installments of $31 thousand and $125 thousand, beginning on August 31, 2020 and November 30, 2020, respectively, with a bullet repayment of the balance at the end of the term in November 2021.

As at August 31, 2020, $9.1 million of the revolving line of credit was drawn. The revolving line of credit was repayable on demand and was presented as a current liability.

The Credit Facility 2019 included a collateral requirement of $2.5 million placed in a restricted cash account. As at August 31, 2020 the Company was in compliance with all covenants under the Credit Facility 2019.

The Credit Facility 2019 was repaid in full as at November 30, 2020.

Credit Facility 2021

During the first quarter ended November 30, 2020, the Company entered into a syndicated credit agreement totaling $46 million, including a term loan of $12.5 million, a revolving facility of $27.5 million and $6 million in other short-term financing ("Credit Facility 2021"). During the second quarter ended February 28, 2021, the Company increased the revolving facility by $15 million for a total of $42.5 million, and the other short-term financing by an amount not to exceed $15 million, and an additional lender was added to the syndicate. The Credit Facility 2021 is secured by a first-ranking hypothec on all of the Company's movable and immovable assets. The facilities bear variable interest rates of Bankers' Acceptance ("BA") plus 2.50% and mature in November 2023. The term loan is repayable in four quarterly installments of $156 thousand beginning on November 30, 2021 and increasing to four quarterly installments of $313 thousand on November 30, 2022 with a bullet repayment of the balance of $10.6 million at the end of the term in November 2023. The revolving facility matures in November 2023.

The proceeds will be used to fund the continued growth of the Company through capital expenditures focusing on automation as well as the expansion of the business, repayment of existing term loans and revolving line of credit under the Credit Facility 2019 and general corporate purposes.

As at February 28, 2021, Goodfood had outstanding letters of credit totalling $0.4 million (August 31, 2020 – $0.9 million) which reduced the availability on the revolving facility.

As at February 28, 2021, $9.1 million of the revolving facility was drawn. It matures in November 2023 and is presented as a non-current liability. A balance of $33.4 million was undrawn and $33.0 million was available as at February 28, 2021.

The Credit Facility 2021 does not include a collateral requirement and as at November 30, 2020, the restricted cash required under the Credit Facility 2019 was released and reclassified to cash and cash equivalents. As at February 28, 2021, the Company was in compliance with all covenants under the credit agreement governing the Credit Facility 2021.

As at February 28, 2021, the Company allocated $8.5 million (August 31, 2020 – $7.3 million) to corporate credit cards to be used for business purposes of the other short-term financing amount for an aggregate amount of $15 million. Amounts owing with respect to credit cards are included in accounts payable and accrued liabilities.

INTEREST RATE SWAP

As at February 28, 2021, Goodfood has one swap agreement in place whereby the Company fixed the interest rate on a notional amount of $11.1 million until November 2021.

CONVERTIBLE DEBENTURES

On February 26, 2020, the Company issued 30,000 convertible unsecured subordinated debentures (the "Debentures") at a price of $1,000 per Debenture for gross proceeds of $30 million. The Debentures mature on March 31, 2025 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. Factoring in the Debentures issuance costs, the effective interest rate on the Debentures is 11.76%. The Debentures are convertible into common shares of the Company at any time at the option of the holder at a conversion price of $4.70. Starting on March 31, 2023, under certain conditions, the debentures may be redeemed in whole or in part at the option of the Company at a price equal to the principal amount thereof plus accrued and unpaid interest.

During the three and six-month periods ended February 28, 2021, 2,918 and 7,725 Debentures were converted into common shares of the Company, resulting in the issuance of 620,839 and 1,643,598 common shares, respectively. As at February 28, 2021, 10,411 Debentures ($10.4 million principal amount) were outstanding.

CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

Goodfood has commitments under purchase and service contract obligations for both operating and capital expenditures with various expiration dates, primarily lease agreements for facilities and financial obligations under its credit and Debentures agreements. With the exception of the debt refinancing described in the "Debt" subsection of the "Liquidity and Capital Resources" section above, there have been no material changes to these obligations since August 31, 2020.

COMMON SHARES

Significant equity transactions that took place during the three and six-month periods ended February 28, 2021 were as follows:

- In connection with the public offering completed February 24, 2021, the Company issued 4,800,000 common shares. Refer to the "Use of Proceeds from Public Offerings" section of this MD&A for information on use of proceeds by the Company;
- 486,548 and 539,683 stock options were exercised, respectively, for the same number of common shares; and
- 2,918 and 7,725 Debentures were converted into 620,839 and 1,643,598 common shares, respectively. Refer to the "Use of Proceeds from Public Offerings" section of this MD&A for information on use of proceeds by the Company.

FINANCIAL RISK MANAGEMENT

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 and amounts receivable. The Company's maximum credit exposure corresponds to the carrying amount of these financial assets. Management believes the credit risk is limited given that 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 changes in market interest rates. The Company's long-term debt and revolving facility 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 a variable-to-fixed interest rate swap as described in the "Liquidity and Capital Resources" section of this MD&A. As interest rates on the Debentures are fixed, the Company is not exposed to interest rate risk on those instruments.

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

For the fiscal year ending August 31, 2021, additional capital expenditures as the Company continues to expand its footprint across Canada, as well as growing its active subscriber base and product offering, are expected to reduce the Company's cash balance and liquidity position compared to February 28, 2021, absent additional financing. We believe that the Company's cash and cash equivalents on hand and financing capacity will provide adequate sources of funds to meet short-term requirements, finance planned capital expenditures and fund any operating losses.

BUSINESS RISK

For a detailed discussion of business risk factors, please refer to the Company's Annual Information Form for the year ended August 31, 2020 available on SEDAR at www.sedar.com.

ADDITIONAL FINANCING REQUIREMENTS

As a result of realized and anticipated growth in the number of active subscribers, planned investment in operations, logistics, automation and technology, new product development, as well as the potential for continued operating losses, the Company may require additional financing in the future to realize the goals outlined in the "Financial Outlook" section of this MD&A.

OFF-BALANCE SHEET ARRANGEMENTS

During the year ended August 31, 2020, the Company signed a ten-year lease for a 200,000 square-feet fulfillment center located in the Greater Toronto Area, Ontario, Canada with two renewal options of five years. As at February 28, 2021, the Company did not have access to the asset and therefore, the facility was not reflected as a right-of-use asset and no corresponding lease liability was recorded. Fixed rent payments represent a total commitment of $34 million over the term of the lease.

As at February 28, 2021, the Company does not have any off-balance sheet arrangements other than the transaction described above that have, or are reasonably likely to have, a current or future effect on the Company's financial condition, changes in revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material.

FINANCIAL INSTRUMENTS

The Company's financial instruments primarily consist of cash and cash equivalents, amounts receivable, restricted cash, line of credit, accounts payable and accrued liabilities, long-term debt and Debentures.

INVESTMENT POLICY

The Company invests its excess cash with varying terms to maturity selected with regard to the expected timing of investments or expenditures for continuing operations.

DERIVATIVES

As at February 28, 2021, the Company had one interest rate swap agreement, as described in the "Liquidity and Capital Resources" section of the MD&A.

OUTSTANDING SHARE DATA

As at	April 6, 2021	February 28, 2021	August 31, 2020
Common shares outstanding [(1)]	**73,497,812**	**73,317,814**	66,311,121
Debentures outstanding [(2)]	**2,052,979**	**2,215,106**	3,858,723
Stock options outstanding	**4,059,056**	**4,080,606**	4,751,695
Stock options exercisable	**1,086,818**	**1,023,168**	896,335

(1) As at April 6, 2021 and February 28, 2021, 45,365 and 39,890 common shares, respectively, were held in trust through the employee share purchase plan. Included in the common shares outstanding balance of 66,311,121 as at August 31, 2020, 23,412 common shares were held in trust through the employee share purchase plan.

(2) As at April 6, 2021 and February 28, 2021, 9,649 and 10,411 Debentures were outstanding which are convertible into 2,052,979 and 2,215,106 common shares of the Company, respectively, at a conversion price of $4.70. As at August 31, 2020, 18,136 Debentures were outstanding which were convertible into 3,858,723 common shares of the Company. Please refer to the "Debt" subsection of the "Liquidity and Capital Resources" section of this MD&A.

USE OF PROCEEDS FROM PUBLIC OFFERINGS

FEBRUARY 2021 PUBLIC OFFERING

On February 24, 2021, the Company completed a public offering and issued 4,800,000 common shares for net proceeds of $57.2 million.

The following table compares the estimated use of proceeds presented in the Company's final short-form prospectus dated February 17, 2021 with the actual use of proceeds as at February 28, 2021:

(In thousands of Canadian dollars)

	Actual use of proceeds	Estimated use of proceeds	Variance
Capital expenditures to build out same-day delivery capabilities (including fulfilment technology and automation equipment)	$ –	$ 40,000	$ (40,000)
General corporate purposes	–	17,305	(17,305)
Remaining as at February 28, 2021	57,199	N/A	57,199
Total net proceeds	57,199	57,305	(106)
Share issuance costs	2,801	2,695	106
Gross proceeds	$ 60,000	$ 60,000	$ –

AUGUST 2020 PUBLIC OFFERING

On August 5, 2020, the Company completed a public offering and issued 4,755,250 common shares for net proceeds of $27.1 million (including proceeds from over-allotment option).

The following table compares the estimated use of proceeds presented in the Company's final short-form prospectus dated July 24, 2020 with the actual use of proceeds as at February 28, 2021:

(In thousands of Canadian dollars)

	Actual use of proceeds	Estimated use of proceeds [(1)]	Variance
Capital expenditures to build out same-day delivery capabilities (including fulfilment technology and automation equipment)	$ 1,395	$ 15,000	$ (13,605)
General corporate purposes	3,828	12,093	(8,265)
Remaining as at February 28, 2021	21,870	N/A	21,870
Total net proceeds	27,093	27,093	–
Share issuance costs	1,676	1,676	–
Gross proceeds	$ 28,769	$ 28,769	$ –

(1) Included in the estimated use of proceeds for general corporate purposes are the additional net proceeds from the exercise of the treasury over-allotment option.

FEBRUARY 2020 CONVERTIBLE DEBENTURES PUBLIC OFFERING

On February 26, 2020, the Company completed a public offering and issued $30 million of Debentures for net proceeds of $28.0 million.

The following table compares the estimated use of proceeds presented in the Company's final short-form prospectus dated February 19, 2020 with the actual use of proceeds as at February 28, 2021:

(In thousands of Canadian dollars)

	Actual use of proceeds	Estimated use of proceeds	Variance
Buildout of a new Toronto production and distribution facility	$ 1,954	$ 10,000	$ (8,046)
Capital projects (including process automation)	9,140	10,000	(860)
General corporate purposes	8,063	8,063	–
Remaining as at February 28, 2021	8,805	N/A	8,805
Total net proceeds	27,962	28,063	(101)
Debentures issuance costs	2,038	1,937	101
Gross proceeds	$ 30,000	$ 30,000	$ –

SEGMENT REPORTING

The Company has one reportable segment as our principal business activity is focused on developing and servicing the online Canadian grocery market.

DIVIDEND POLICY

Since its incorporation, the Company has not paid any dividend on its common shares. The Company's current policy is to retain future earnings to finance its growth. Any future determination to pay dividends is at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and other such factors as the Board of Directors of the Company may deem relevant.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The Company's significant accounting estimates and assumptions for the three and six-month periods ended February 28, 2021 are the same as those that were applied to the Company's consolidated financial statements for the years ended August 31, 2020 and 2019.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

Please refer to Note 28 of the Company's consolidated financial statements for the years ended August 31, 2020 and 2019. The Company is currently assessing the impact of adopting these amended standards and interpretations on the Company's interim condensed consolidated financial statements.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109 C*ertification of Disclosure in Issuers' Annual and Interim Filings*, the Company has filed certificates signed by the Chief Executive Officer and the Chief Financial Officer ("Certifying Officers") that, among other things, report on the design and effectiveness of disclosure controls and procedures ("DC&P") and the design and effectiveness of internal control over financial reporting.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the three-month period ended February 28, 2021, no changes were made to the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.