



For Immediate Distribution

**GOODFOOD REPORTS RECORD SUBSCRIBER GROWTH
FOR THIRD QUARTER FISCAL 2017**

- Active subscribers grew to 23,000 as at May 31, 2017, a net increase of 10,000, or 77%, compared to the second quarter of 2017
- Gross merchandise sales run-rate reached \$36.1 million at the end of the quarter
- Gross merchandise sales reached \$7.5 million for Q3 and \$14.4 million year-to-date
- Revenues increased more than five-fold to \$6.4 million for the quarter and \$12.3 million year-to-date compared to the previous year
- Gross profit for Q3 improved to \$1.4 million, or 21.2% of revenue, compared to \$0.1 million, or 12.8%, for the corresponding period of 2016
- Adjusted gross margin rose to 32.8% for the quarter and 32.4% year-to-date compared to 23.7% and 20.5% for the corresponding periods of 2016

Montreal, QC, July 13, 2017 – Goodfood Market Corp. (“Goodfood” or “the Company”) (TSX: FOOD), a leader in the Canadian meal-kit industry, today announced strong financial results for the third quarter and nine-month period ended May 31, 2017.

Active subscribers reached 23,000 as at May 31, 2017, up from 2,300 at the end of the third quarter of 2016. During the quarter, Goodfood added 10,000 net new subscribers, which represents an increase of 77% from the end of the second quarter of 2017.

“We are extremely pleased with our third quarter performance as more Canadians are adopting the Goodfood experience of a stress-free, affordable fresh meal solution,” stated Jonathan Ferrari, Chief Executive Officer of Goodfood. “Our momentum is clearly accelerating with both active subscribers and revenue up significantly from a year ago as well as from the previous quarter. Gross margin also improved significantly year-over-year, demonstrating the economies of scale that we are able to achieve as we continue to grow the business.”

“The Canadian meal-kit industry is still in its early stages and we are well-positioned to consolidate our leadership position. With our recent going public transaction and the closing of a \$21 million private placement, we have the financial resources to continue investing in our marketing efforts to increase our active subscriber base, expand our distribution facilities and to establish a national platform within the next twelve months,” added Jonathan Ferrari.

Financial highlights

(Unaudited, all amounts are in Canadian dollars)

<i>For the three-month and the nine-months periods ended May 31, 2017 and 2016</i>						
	Q3 2017	Q3 2016	Change	YTD 2017	YTD 2016	Change
Revenues <i>Growth</i>	6,428,446 592%	928,433	5,500,013	12,307,861 582%	1,805,676	10,502,185
<i>Gross Profit</i> <i>Gross margin %</i>	1,362,874 21.2%	119,093 12.8%	1,243,781 8.4 pts	2,585,471 21.0%	138,597 7.7%	2,446,874 13.3 pts
Gross merchandise Sales ¹	7,536,017	1,060,138	6,475,879	14,372,234	2,095,962	12,276,272
Adjusted gross margin ¹	32.8%	23.7%	9.1 pts	32.4%	20.5%	11.9 pts
Net Loss	(1,216,635)	(344,794)	(871,841)	(6,095,937)	(872,651)	(5,223,286)
Adjusted net loss ¹	(860,830)	(194,350)	(666,480)	(1,490,414)	(568,742)	(921,672)

¹See the non-IFRS financial measures section below

As a result of the substantial growth in active subscribers, revenues for the third quarter of 2017 increased significantly to \$6.4 million, up 592% from \$0.9 million for the corresponding period of 2016 and up 74% from \$3.7 million for the previous quarter. With the increase in active subscribers, Goodfood benefited from economies of scale which had a positive impact on gross margin for the quarter, rising to 21.2% from 12.8% for the corresponding period of 2016. Gross margin declined slightly from 24.3% for the previous quarter to 21.2% as our production facility was near full capacity which limited our ability to achieve operational efficiencies.

Revenue for the nine-month period grew 582% to \$12.3 million from \$1.8 million for the corresponding period of 2016 and gross margin improved to 21.0% from 7.7% for the corresponding period of 2016.

Gross merchandise sales for the quarter, which reflects the total retail value of merchandise sold by Goodfood before taking into account incentives and credits, totaled \$7.5 million compared to \$1.1 million for the corresponding period of 2016 and \$4.3 million for the previous quarter. The gross merchandise sales run-rate reached \$36.1 million on an annualized basis at the end of the third quarter of 2017.

The adjusted gross margin for the quarter was 32.8% up from 23.7% for the corresponding period of 2016 and down from 34.8% for the previous quarter for the reasons explained above.

For the nine-month period, gross merchandise sales increased to \$14.4 million compared to \$2.1 for the corresponding period of 2016, while adjusted gross margin reached 32.4% compared to 20.5% for the corresponding period of 2016.

For the third quarter, net loss was \$1.2 million, or \$0.05 per share (basic and diluted), compared to a net loss of \$0.3 million or \$0.01 per share (basic and diluted) for the corresponding period of 2016. The increase in net loss was mainly due to higher expenses required to support our growth. For the nine-month period, net loss increased to \$6.1 million, or \$0.25 per share (basic and diluted), compared to a net loss of \$0.9 million or \$0.04 per share (basic and diluted) for the corresponding period of 2016 for the same reasons. Adjusted net loss which excludes transaction and reorganization expenses and the loss on remeasurement of convertible notes was \$1.5 million compared to \$0.6 million for the corresponding period of 2016.

Subsequent events

Reverse takeover transaction and private placement

On June 1, 2017, Goodfood Market Inc. completed a going-public transaction in Canada and began trading on the Toronto Stock Exchange under the symbol "FOOD" on June 7, 2017.

In connection with the going-public transaction, proceeds from a private placement pursuant to which Goodfood Market Inc. issued 10,542,883 subscription receipts at a price of \$2.00 per subscription receipt for aggregate gross proceeds of \$21.1 million were released from escrow for net proceeds of approximately \$19.6 million. As a result of these transactions, Goodfood has a very healthy balance sheet, a single class share structure and little debt.

For additional information, refer to Note 14 to Goodfood Market Inc.'s condensed interim financial statements for the three-month and nine-month periods ended May 31, 2017

Lease for distribution facility

On June 21, 2017, the Company signed a 5-year lease with a 5-year renewal option for a new primary distribution facility strategically located in the greater Montreal area to meet the Company's constantly growing demand. The new facility, expected to be operational in Q1 of fiscal year 2018, will significantly expand the Company's production capacity from 16,000 to 83,000 square feet with the option to grow to 155,000 square feet.

Outlook

The meal-kit subscription service industry has become one of the fastest growing industries in the world and remains relatively new in Canada. As a result, Goodfood believes that there are significant opportunities to rapidly grow its subscriber base by continuing to invest in highly targeted marketing campaigns, capacity expansion and in establishing a national platform. As the Company grows its subscriber base, it is confident that it can achieve economies of scale which will lead to further improvements in gross margin.

Third Quarter Fiscal 2017 Results Conference Call:

When: July 13, 2017 at 10:00 a.m. E.T
Dial in number: 647-788-4922 or 877-225-9706

Conference call replay (available until August 27, 2017)
416-621-4642 or 1-800-585-8367

To access the webcast and view the slide presentation, click on this link:
<http://www.gowebcasting.com/8558>.

The conference ID is 50704029.

A full version of the company's third quarter of Fiscal 2017 Management's Discussion and Analysis (MD&A) and unaudited Interim Condensed Consolidated Financial Statements will be posted on <http://www.sedar.com> later today.

Non-IFRS financial measures

There are measures included in this news release that do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other publicly traded companies. The Company includes these measures because it believes they provide to certain investors a meaningful way of assessing financial performance.

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

- An active subscriber is defined as an account that will receive a delivery or has elected to skip a delivery in the subsequent weekly delivery cycle.
- Gross merchandise sales measures the total retail value of all goods sold by the Company before taking into account all incentives and credits.
- Gross merchandise sales run-rate is defined as gross merchandise sales for the four-week period ending the fiscal quarter multiplied by thirteen. Management believes that gross merchandise sales run-rate is a useful measure of financial performance because it is indicative of gross merchandise sales on an annual basis for the Company's current level of active subscribers.
- Adjusted gross profit is calculated as gross merchandise sales less cost of goods sold.
- Adjusted gross margin is calculated as adjusted gross profit divided by gross merchandise sales.
- Adjusted net loss is defined as net loss adjusted for items that Management believes do not necessarily arise as part of the Company's normal day-to day operations to better analyze trends in performance and financial results. These adjustments result in a truer economic representation of the underlying business on a comparative basis.

For a more complete description of these measures and a reconciliation of Goodfood's non-IFRS financial measures to financial results, please see Goodfood's Management's Discussion and Analysis for the three-month and nine month periods ended May 31, 2017.

Forward-Looking Information

This release may include forward-looking statements regarding Goodfood, its business, operations or results. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from expectations expressed in, or implied by, such forward-looking statements. These statements also involve known and unknown risks, uncertainties and other factors, including factors that are beyond Goodfood's control, that may cause actual results or events to differ materially from those expressed in such forward-looking statements. Forward looking statements reflect Goodfood's then current views with respect to future events based on certain material facts and assumptions. Although Goodfood believes that the assumptions on which such forward-looking information is based are reasonable at the time they are made, there can be no assurance that such facts or assumptions will prove to be correct and undue reliance should, therefore, not be placed on any forward looking information. Forward-looking events and circumstances may not occur at all or by specified or anticipated dates. Events and/or results could differ materially as a result of known and unknown risks and uncertainties affecting Goodfood, including, without limitation, risks regarding the food industry, economic factors, the equity markets generally, changes in regulatory environment or law, failure to obtain required approvals and risks associated with growth and competition in addition to other risks identified in publicly filed documents under Goodfood's profile at www.sedar.com as well as other unknown risks. Forward-looking statements speak only as of the date on which they are made and Goodfood undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

About Goodfood

Goodfood is a fast-growing meal subscription service company, delivering fresh ingredients that make it easy for subscribers to prepare delicious meals at home every week. Goodfood's objective is to take the hassle out of cooking, leaving subscribers with the fun part - cooking, sharing with family and eating. Subscribers select their favorite recipes from a variety of original dishes online. The Company prepares a personalized box of fresh ingredients and delivers it to the subscriber's doorstep with easy step-by-step instructions. Headquartered in Montréal, Canada, Goodfood had 23,000 active subscribers as of May 31, 2017 and has over 300 employees. www.makegoodfood.ca

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

For further information:

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