Q2 FISCAL 2019

GOODFOOD MARKET CORP.
TSX: FOOD

JONATHAN FERRARI, CHIEF EXECUTIVE OFFICER
NEIL CUGGY, PRESIDENT AND CHIEF OPERATING OFFICER
PHILIPPE ADAM, CHIEF FINANCIAL OFFICER

goodfood

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This presentation 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.

Goodfood reports its financial results in accordance with International Financial Reporting Standards (IFRS). Goodfood also uses non-IFRS measures in this presentation that do not have any standardized meaning prescribed by IFRS, including gross merchandise sales, gross merchandise sales run-rate, adjusted gross profit, adjusted gross margin, EBITDA, adjusted EBITDA and adjusted EBITDA margin. These non-IFRS measures may not be comparable to similar measures presented by other companies. For further details of these non-IFRS measures, including a reconciliation to the most directly comparable IFRS financial measures, refer to Goodfood's Management's Discussion and Analysis.

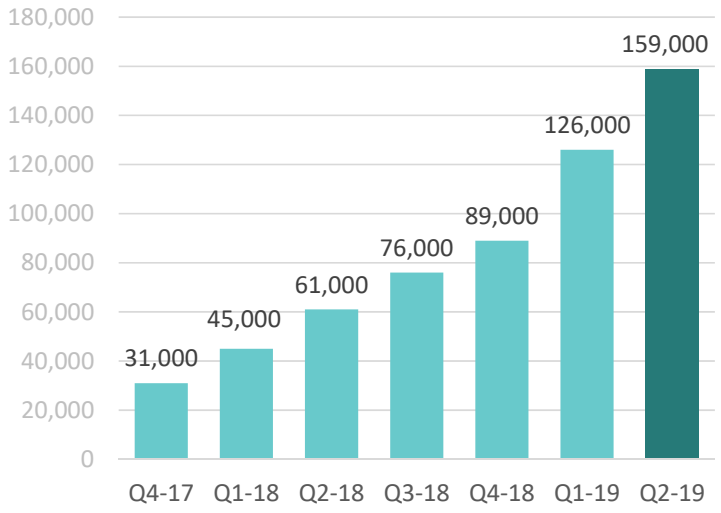
Q2 2019 FINANCIAL HIGHLIGHTS

- Strong year-over-year growth in subscribers (161%) and gross merchandise sales (147%)
- Gross merchandise sales run-rate increased to $222 million and LTM reached $136M as at February 28, 2019
- Adjusted gross margin increased to 37.8% while gross margin reached 20.9%
- After six months, cash flow provided from operations was $1.4 million and CAPEX was $3.4 million
- Completed a public offering resulting in a strong cash position of $46.3 million at quarter end

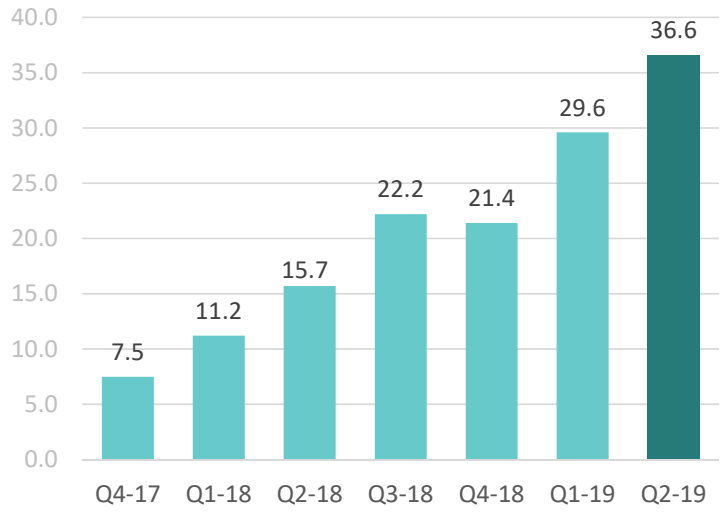
STRONG GROWTH

Active Subscribers
End of period

Customer base represents 1% of Canadian households

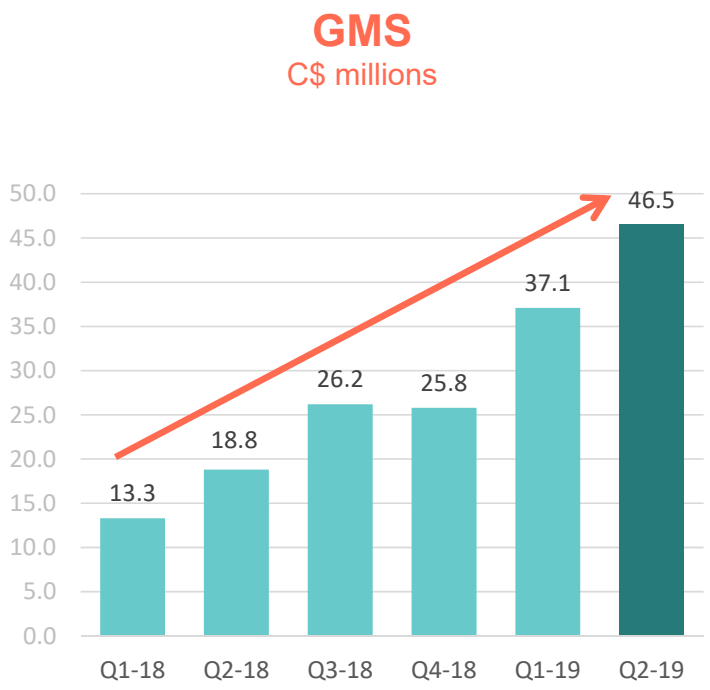


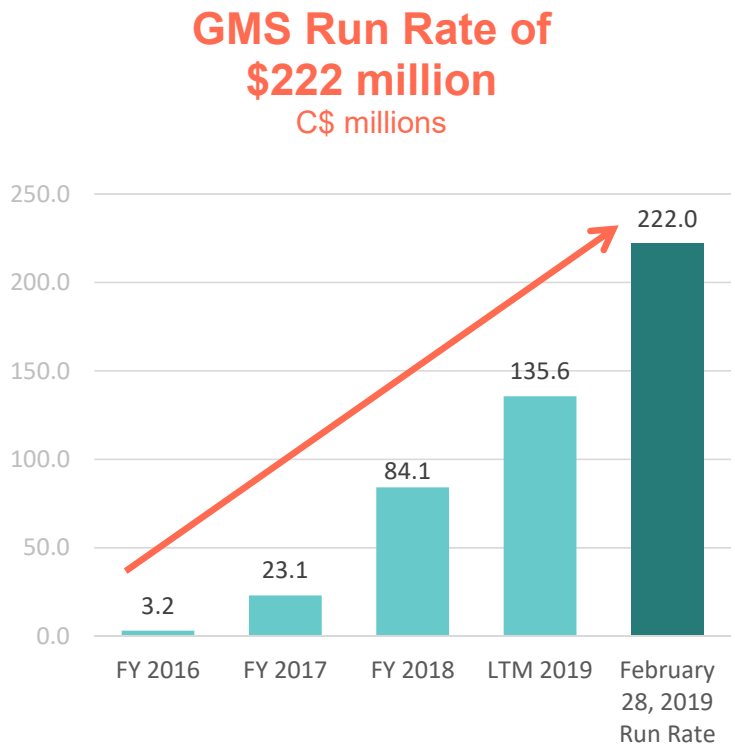
Revenue
C$ millions



An Active subscriber is defined as an account that is scheduled to receive a delivery or has elected to skip delivery in the subsequent weekly delivery cycle. Active subscribers exclude cancelled accounts. 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 our financial statements, we believe that Active subscribers is a useful metric for investors because it is indicative of futures revenues. The Company reports the number of Active subscribers at the beginning and end of the period, rounded to the nearest thousand.

GROSS MERCHANDISE SALES





Gross merchandise sales measures the total retail value of all goods sold by the Company before taking into account all incentives and credits. For a reconciliation of gross merchandise sales to revenue, refer to the Company's management's discussion and analysis for the three-month and six-month periods ended February 28, 2019. Gross merchandise sales run-rate is defined as gross merchandise sales for the four-week period ended as at the date indicated 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.

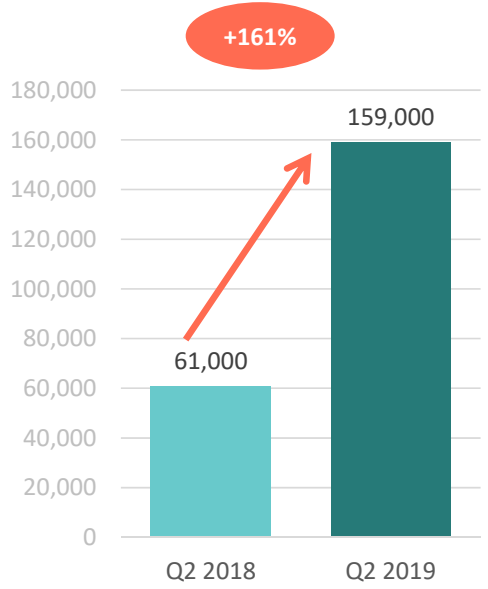
Q2 2019 OPERATIONAL HIGHLIGHTS

- Breakfast meal solutions launched across Canada
  - 1st breakfast solution for smoothies with 10 flavors developed in less than 6 months
  - New 20,000 square foot Montreal facility dedicated entirely to breakfast solutions with a production capacity of $100M
- Other meal solutions
  - Clean15 plan launched in January and is exceeding expectations with an above average order rate
  - Ready-to-eat meals in pilot testing with positive feedback received from our members
- Now offering 29 meal kits recipe options, changing on weekly basis
- Launch App
- Capacity expansion
  - Eastern Canada facility expansion to be completed by end of Q3 2019
  - Western Canada facility production capacity expansion to be completed in time for back to school
  - Meal-kits production capacity will increase from $300M to $600M
- Continuing to invest in world class automation eco-system

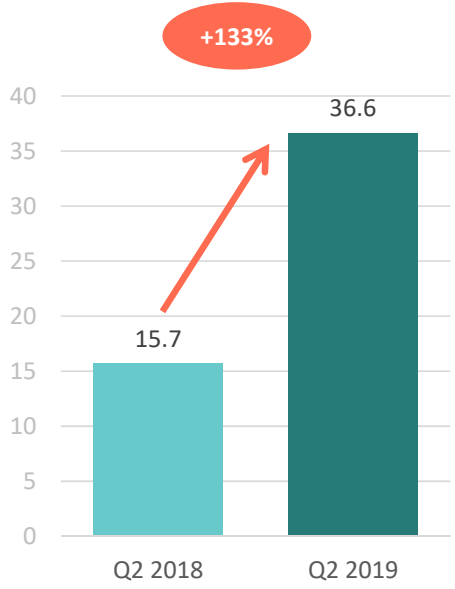
Q2 2019 FINANCIAL HIGHLIGHTS

YEAR-OVER-YEAR

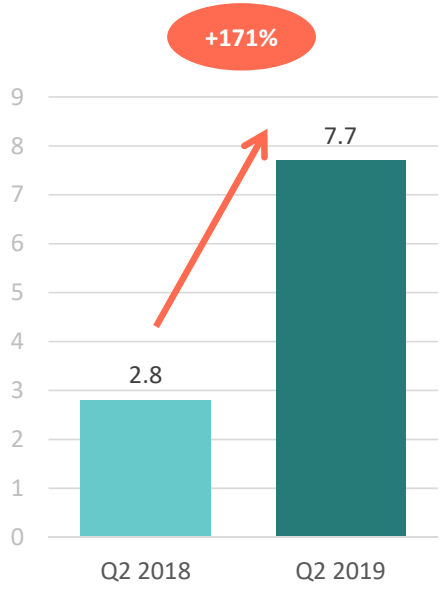
Active Subscribers
End of period



Revenue
C$ millions



Gross Profit
C$ millions



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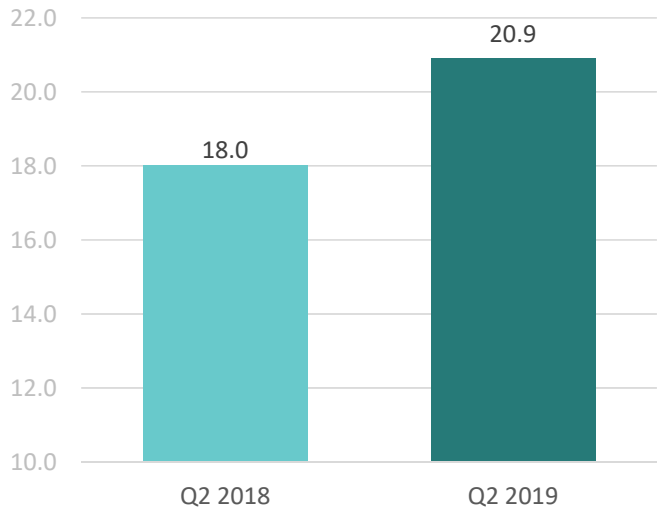
Q2 2019 AMPLYFING PROFITABILITY

YEAR-OVER-YEAR

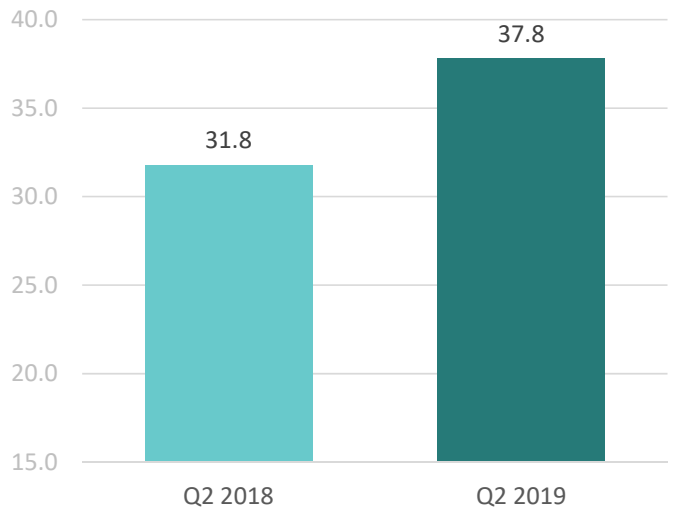
Gross Margin
% of revenue

+290 bps



Adjusted Gross Margin
% of GMS

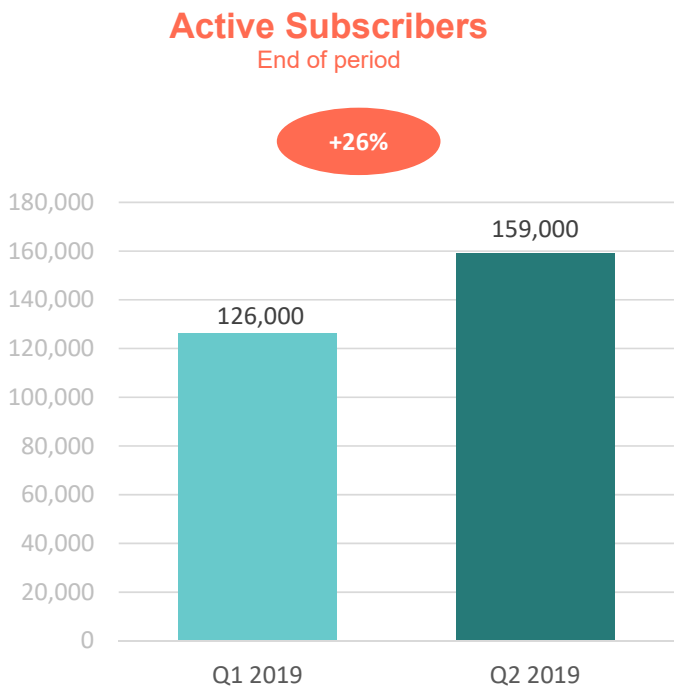
+600 bps

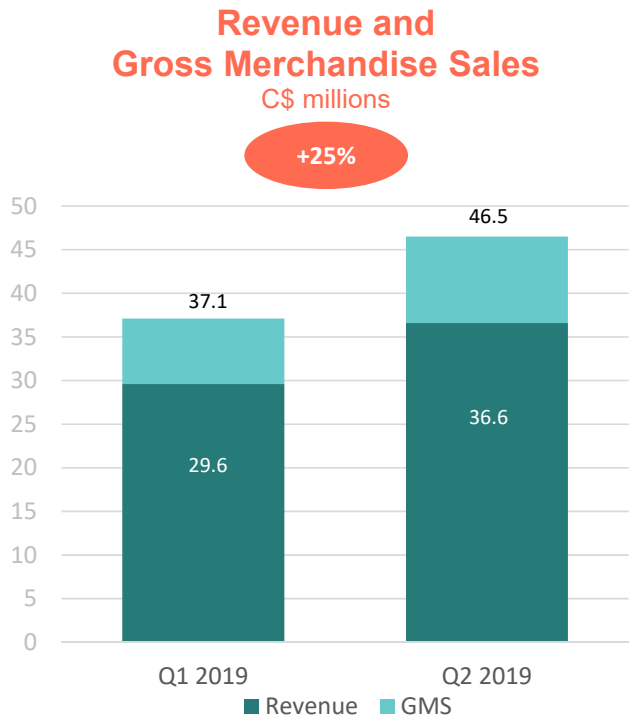


Gross merchandise sales measures the total retail value of all goods sold by the Company before taking into account all incentives and credits. Adjusted gross profit is calculated as gross merchandise sales less cost of goods sold. Adjusted gross margin is calculated as adjusted gross profit divided by gross merchandise sales. For a reconciliation of gross merchandise sales to revenue and a reconciliation of adjusted gross profit, refer to the Company's management's discussion and analysis for the three-month and six-month periods ended February 28, 2019.

Q2 2019 FINANCIAL HIGHLIGHTS

QUARTER-OVER-QUARTER





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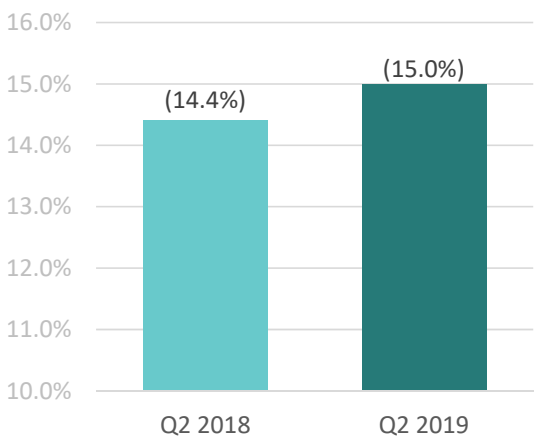
Q2 2019 FINANCIAL HIGHLIGHTS

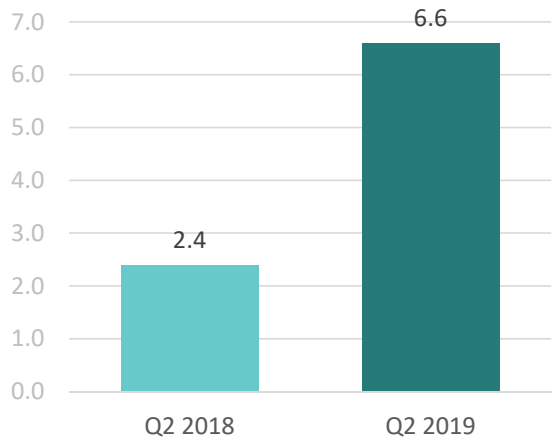
YEAR-OVER-YEAR

Adjusted EBITDA Margin
(negative)



Executing on our strategy and investing in market share, scale and density

Net Loss
C$ millions

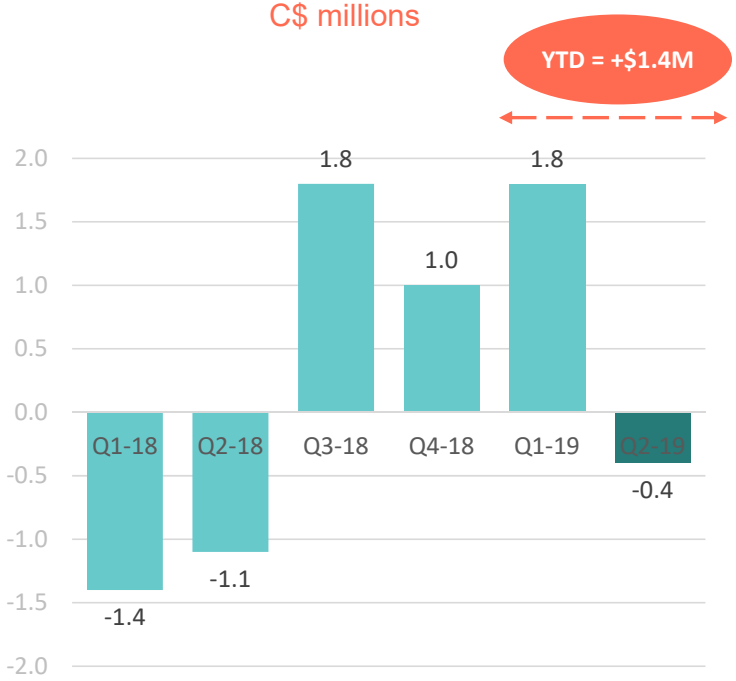


Adjusted EBITDA margin is calculated as adjusted EBITDA, divided by revenue. For the definition and calculation of adjusted EBITDA, as well as a reconciliation of net loss to adjusted EBITDA, refer to the Company's management's discussion and analysis for the three-month and six-month periods ended February 28, 2019.

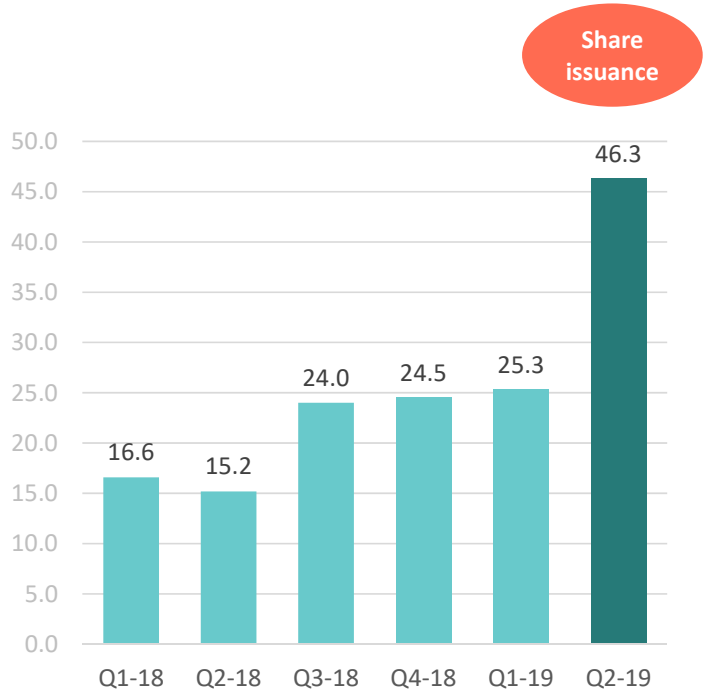
Q2 2019 FINANCIAL HIGHLIGHTS

QUARTER-OVER-QUARTER

Cash Flow Generated by Operations
C$ millions



Ending Cash Balance
C$ millions



TYPICAL SEASONALITY PATTERNS

	Q1 Sept-Oct-Nov	Q2 Dec-Jan-Feb	Q3 Mar-Apr-May	Q4 June-July-Aug
Marketing campaigns	Higher	Higher	Medium	Low
Order rates	Higher	High	Medium/High	Low
New subscribers	Higher	High	Medium/High	Low
Cash flow from operations target	Positive for the period			Negative
Comments	Strong quarter with critical back-to-school period	January and February are traditionally strong-demand months with a slow down in December due to the Holiday Season	March is typically impacted by Spring break, April is strong and May depends heavily on weather	Summer months are slow given vacation time and nicer weather

QUESTION PERIOD

APPENDIX

AN EXPERIENCED TEAM

MANAGEMENT TEAM

JONATHAN FERRARI

Co-Founder & CEO

- Graduate from McGill University in Commerce, Finance and Entrepreneurship
- Joined RBC's investment banking team in Montréal in 2010
- Co-founded MTL Capital and Goodfood in 2014 with Neil Cuggy
- Named one of the « Top 40 under 40 » business leaders in Canada and EY Young Entrepreneur of the year

NEIL CUGGY

Co-Founder, President & COO

- Graduate with distinction in Investment Management from McGill University
- Worked for RBC's investment banking team in Montreal
- Co-founded Goodfood and MTL Capital, a privately held entrepreneurial firm backed by top notch investors from across North America
- Named EY Young Entrepreneur of the year in 2018

PHILIPPE ADAM, CPA, CA, CBV

CFO

- 15 years of experience in corporate finance, accounting and operations
- Prior to joining Goodfood, he was a Principal at Champlain Financial Corporation and the CFO of Garda Background Screening Solutions
- Prior to that, he was an investment banker at National Bank Financial and worked several years at Deloitte LLP

AN EXPERIENCED TEAM

BOARD OF DIRECTORS

JONATHAN FERRARI

Co-Founder & CEO

NEIL CUGGY

Co-Founder, President & COO

HAMNETT HILL

Director

- Serial entrepreneur with over 20 years of high tech leadership
- Co-founder and chairman of Radialpoint
- Helped launch Edo Capital, a foodtech-focused fund in 2015
- Named one of the “Top 40 under 40” business leaders in Canada

DONALD OLDS

Director

- President and CEO of the NEOMED Institute since January 2017
- Previously COO of TSX-listed Telesta Therapeutics Inc.
- Acted as President and CEO of Presegia Corp and worked for 9 years as CFO and COO of Aegera Therapeutics
- Currently Chairman of Oxfam Quebec and Director of Presegia Corp

GUY LEBLANC

Director

- Chartered Professional Accountant
- Worked at PwC Canada for over 35 years, managed the Montreal Office 2006-2015
- Member of the Board of Atis Group and Meloche Group
- Accredited from the Institute of Corporate Governance

COMPANY CONTACT

INVESTOR RELATIONS

Philippe Adam, Chief Financial Officer

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IR@makegoodfood.ca