



goodfood

Q4 & FISCAL YEAR 2019

NOVEMBER 14, 2019

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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'S 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
Margins	Higher	Lower	Higher	Lower
Cash flow from operations target	Positive for the period			Negative
Comments	Strong quarter with important back-to-school period	January and February are traditionally strong-demand months after 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

Q4-2019 & FISCAL 2019 KEY HIGHLIGHTS



Continue to deliver strong triple-digit growth on key metrics
for the fourth quarter and the year

(in millions of Canadian \$ except active subscribers and margins)	Q4-19	Q4-18	Y-o-Y Δ	FY19	FY18	Y-o-Y Δ
Active subscribers ⁽¹⁾	200,000	89,000	125%	200,000	89,000	125%
Revenue	\$45.3	\$21.4	112%	\$161.3	\$70.5	129%
Gross merchandise sales ⁽¹⁾	56.0	25.8	117%	200.8	84.1	139%
Gross profit	12.1	4.6	163%	40.3	14.7	175%
Gross margin (%)	26.7%	21.5%	+5.2 pp	25.0%	20.8%	+4.2 pp
Adjusted gross profit ⁽¹⁾	22.8	9.0	152%	79.8	28.3	182%
Adjusted gross margin (%) ⁽¹⁾	40.7%	35.0%	+5.7 pp	39.7%	33.6%	+6.1 pp
Adjusted EBITDA ⁽¹⁾	(4.4)	(2.6)	-	(16.2)	(8.5)	-
Adjusted EBITDA margin (%) ⁽¹⁾	(9.7%)	(12.4%)	+2.7 pp	(10.0%)	(12.1%)	+2.1 pp
Net loss	(5.9)	(3.0)	-	(20.9)	(9.4)	-
Cash flows provided by operations	(2.7)	0.9	-	0.9	0.2	-
Cash, cash equivalents and restricted cash	47.6	24.5	-	47.6	24.5	-

⁽¹⁾ This is a metric or non-IFRS measure. Please refer to page 19 of this presentation for more details.

FISCAL 2019

OPERATIONAL HIGHLIGHTS – NEW LAUNCHES

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Launched new product offerings to enhance member experience and expand market reach

- Launched private label grocery products nationwide
- Launched breakfast meal solutions and recently expanded product offering to 27+ unique products
- Launched ready-to-eat meal solutions in Quebec and Alberta and gradually expanding distribution across Canada
- Launched Clean 15 meal plan
 - Low carb / high protein meals, premium pricing, ready in 15 minutes
- Launched value-positioned meal kit brand Yumm.ca
- Developed and launched mobile App to simplify members' ordering process
- Launched proprietary eco-friendly reusable box to help eliminate several million single-use packaging items

GOODFOOD IN THE FUTURE OF ONLINE GROCERY IN CANADA

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READY-TO-COOK



- Core initial product of Goodfood
- 6 meal plans with 35 weekly meal options (including Yumm.ca)
- Yumm.ca 6 weekly value meal options

PRIVATE LABEL GROCERY ITEMS



- Over 75 Goodfood branded products offered to members
- Many new products under development
- High quality products priced at discount to branded grocery-store equivalents

BREAKFAST



- 18 creative flavors of smoothies
- Chef-inspired savory omelettes
- Artisanal oat bowls
- New products in development

READY-TO-EAT



- Pilot testing in Quebec and Alberta, expanding countrywide
- Meals based on members' highest-rated Goodfood ready-to-cook recipes
- Branded as L'Express Goodfood

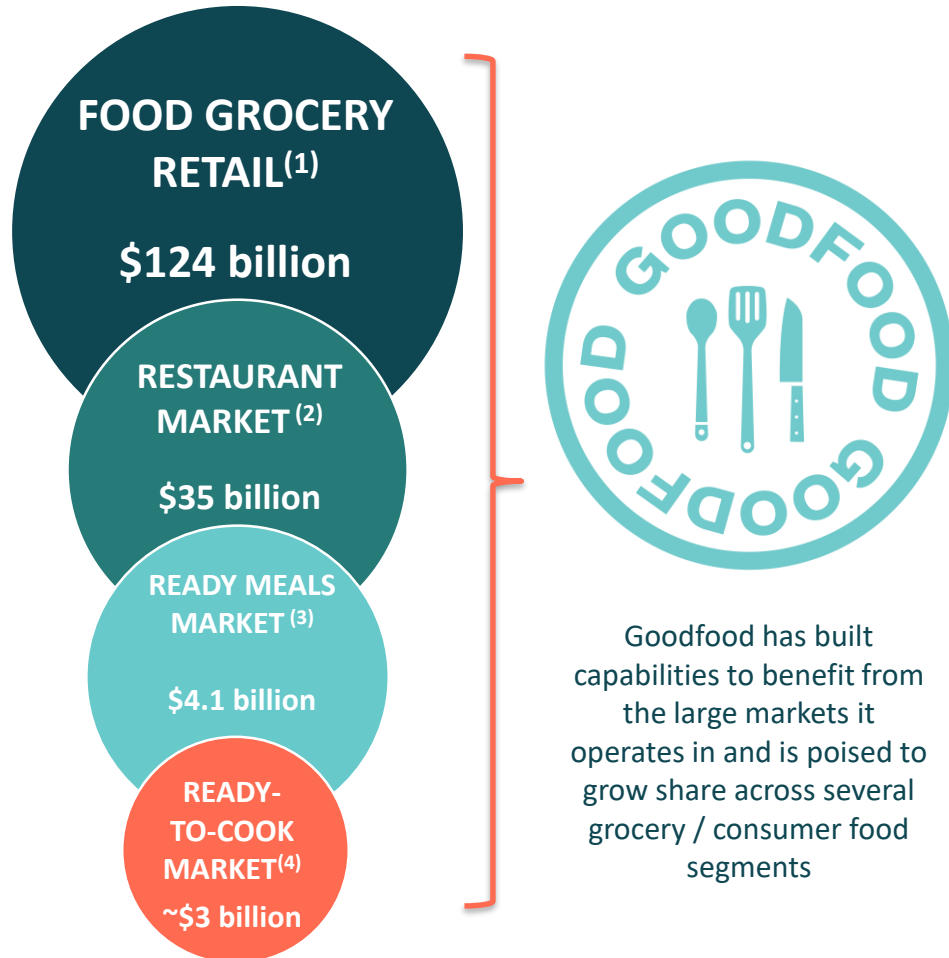
Expanded product offering positions Goodfood for larger addressable market, driving strong growth

NEW PRODUCT OFFERING HAS EXPANDED TARGET ADDRESSABLE MARKET

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Large addressable markets...

...driven by positive secular growth trends and low penetration



21% and 1-2%

21% CAGR in Canadian online grocery market through 2023⁽⁵⁾ and only 1-2% penetration of online grocery shopping – **consumer preference driving growth**

\$2B to \$13B+

Canadian online grocery market forecasted to grow from roughly \$2B currently to \$13B+⁽⁶⁾ in the near term – **room for additional penetration**

80%

80% of Canadian households that purchased a meal kit continued to purchase them after first trial⁽⁷⁾ – **strong recurrence of business**

(1) Statista, Retail sales of food and beverage stores Canada 2012-2018; March 2019

(2) IBIS World, Full-Service Restaurants in Canada, April 2019

(3) Statista, Ready Meals, September 2019 (Market size expressed as \$3,096m in USD, converted to CAD as of 10/31/2019)

(4) Management estimate

(5) IGD/CanadianGrocer.com

(6) Canada Post, Dalhousie University, IGD, Equity Research, Management estimate

(7) Nielsen, The Meal Kit Opportunity in Canada, 2018

FISCAL 2019

OPERATIONAL HIGHLIGHTS – CAPACITY EXPANSION

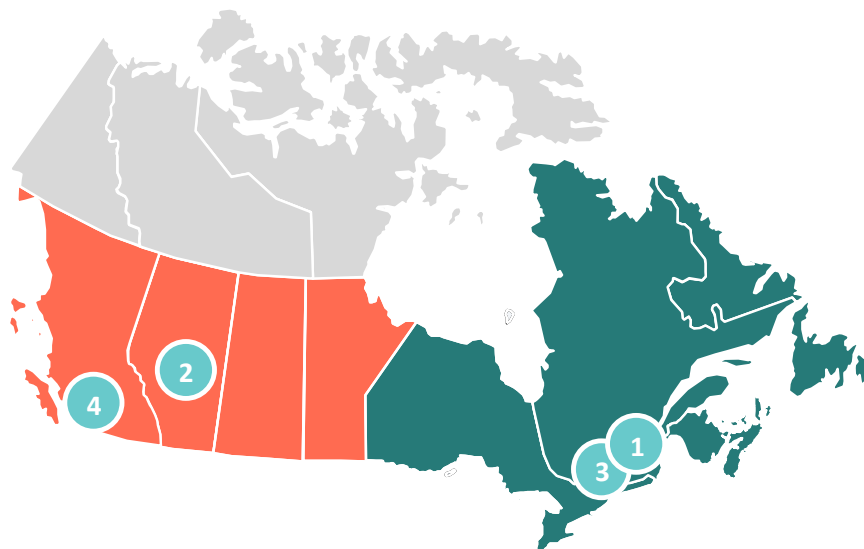
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WESTERN CANADA

Capacity to serve
150-200K subscribers⁽¹⁾

EASTERN CANADA

Capacity to serve
300-400K subscribers⁽¹⁾



1. Montreal, QC

HQ & 155,000 sq. ft production and distribution facility
(\$400M sales capacity)

2. Calgary, AB

43,000 sq. ft production and distribution facility
(\$200M sales capacity)

3. Montreal, QC - Breakfast

20,000 sq. ft production and distribution facility for breakfast meal solutions
(\$100M sales capacity)

4. Vancouver, BC

84,000 sq. ft production and distribution facility
(\$50M sales capacity)
Opening in FY2020

Continued capacity expansion to reach \$750M in sales potential across 4 facilities countrywide

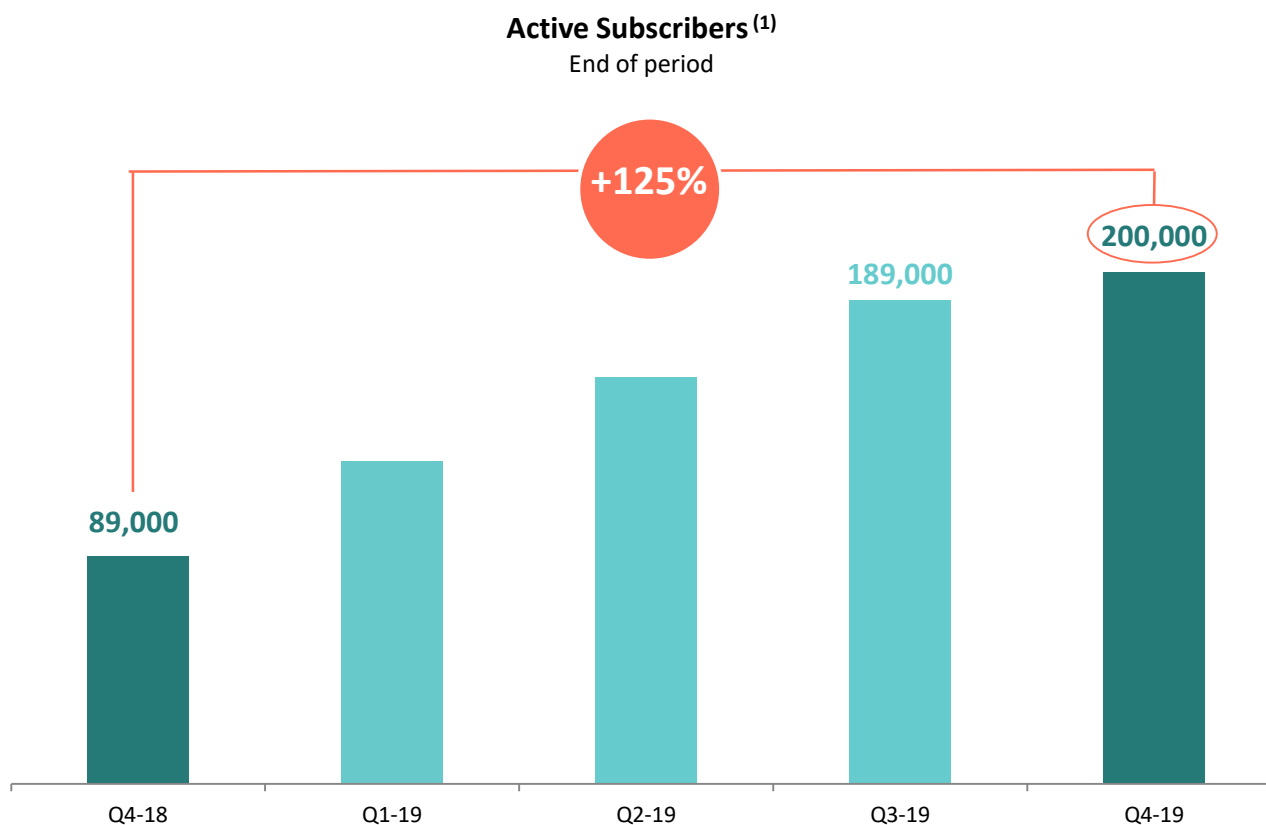
- Expanded main Montreal facility to 155,000 sq. ft
 - Completed in Q4-19, \$400M in sales capacity
- Leased 84,000 sq. ft facility in Vancouver
 - To open in early calendar 2020; \$50M in sales capacity at the beginning
- Leased 20,000 sq. ft facility for breakfast meal solutions in Montreal
 - Operational; \$100M in sales capacity
- Expanded Calgary facility
 - Completed in Q4-19; \$200M in sales capacity
- Continuing to invest in world-class automation system

⁽¹⁾ This is a metric or non-IFRS measure. Please refer to page 19 of this presentation for more details.

Q4-2019 & FISCAL 2019 ACTIVE SUBSCRIBERS ⁽¹⁾



Active subscribers ⁽¹⁾ reached the 200,000 mark, a 125% year-over-year growth, with ~1.5% of Canadians now using Goodfood



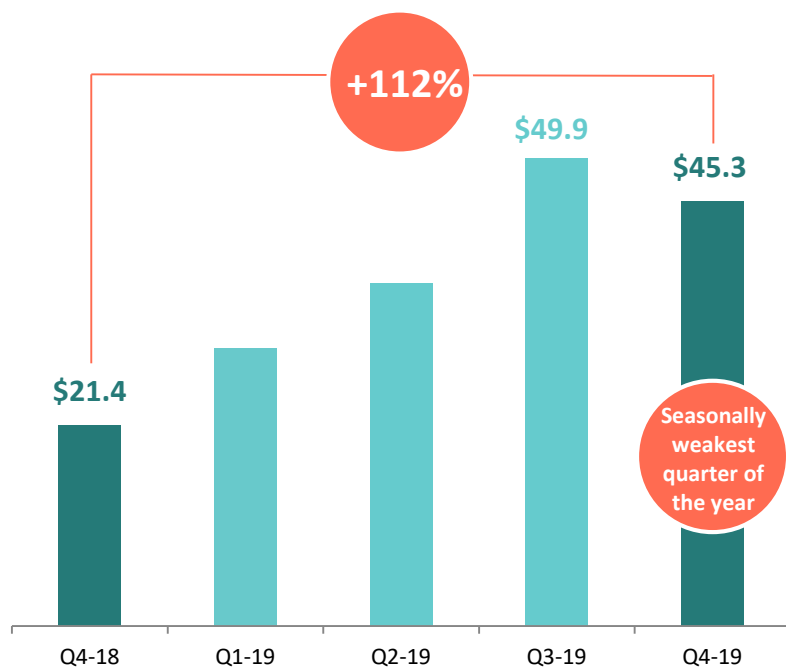
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Q4-2019 & FISCAL 2019 REVENUE

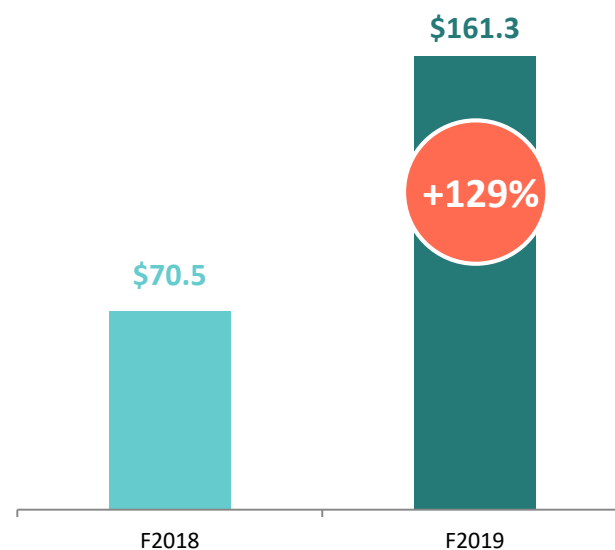
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More than doubled revenue year-over-year

Revenue by Quarter
C\$ millions



FY Revenue
C\$ millions



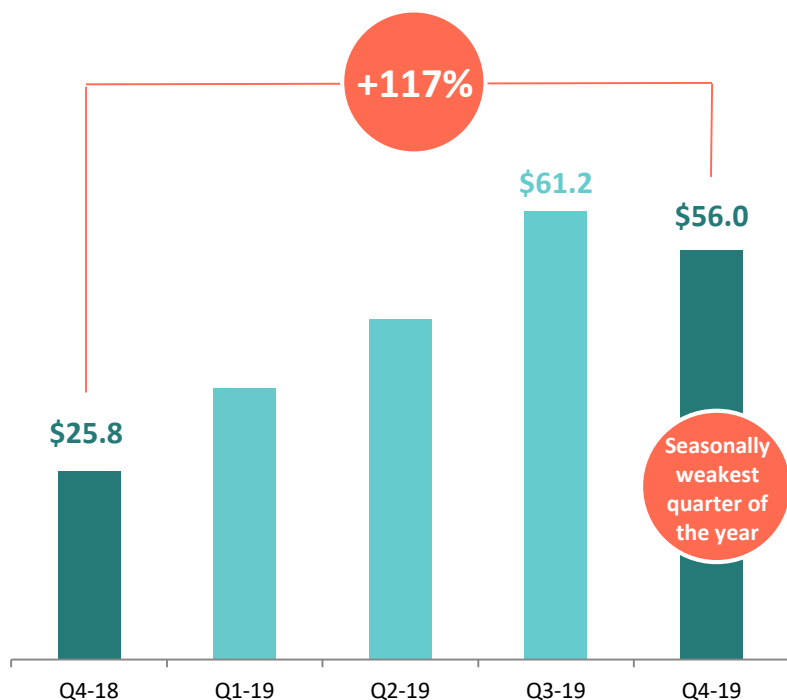
Q4-2019 AND FISCAL 2019

GROSS MERCHANDISE SALES ⁽¹⁾ AND GMS RUN-RATE ⁽¹⁾

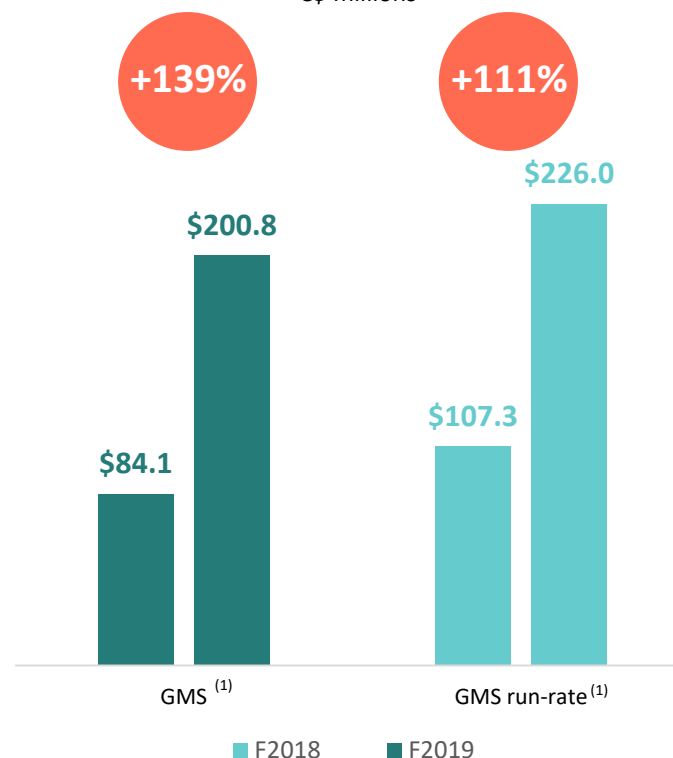
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GMS ⁽¹⁾ also more than doubled, surpassing the \$200M mark for the first time at the end of the year

Gross Merchandise Sales ⁽¹⁾ by Quarter
C\$ millions



FY Gross Merchandise Sales ⁽¹⁾ and GMS Run-Rate ⁽¹⁾
C\$ millions



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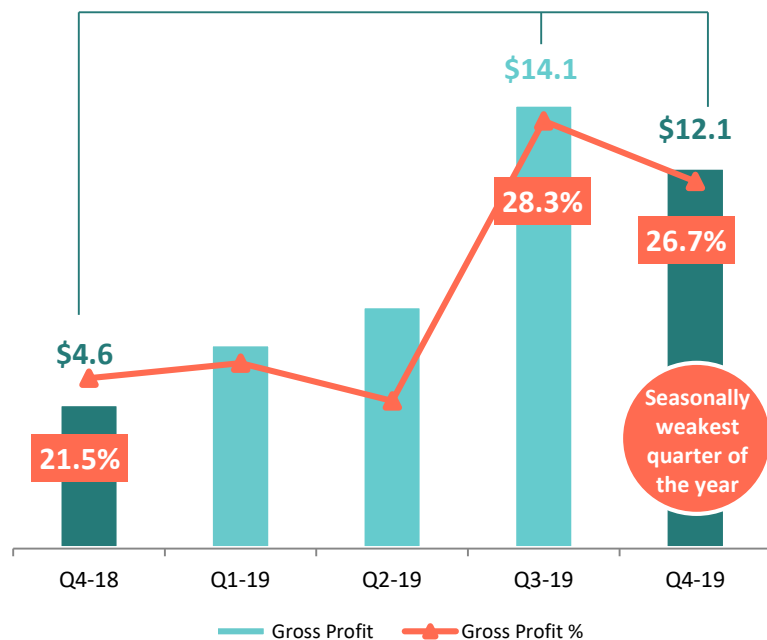
Q4-2019 & FISCAL 2019 GROSS PROFIT

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Margins increased significantly due to investments in automation, operational efficiencies, increased density among delivery zones and purchasing power

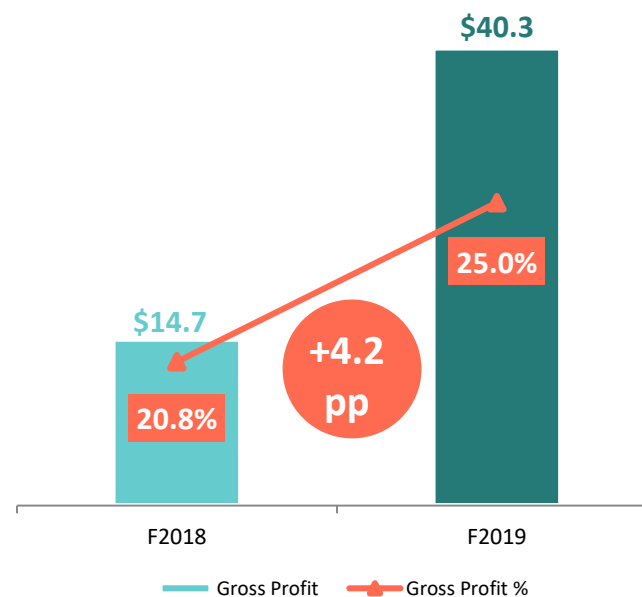
Gross Profit by Quarter

C\$ millions and %



FY Gross Profit

C\$ millions and %



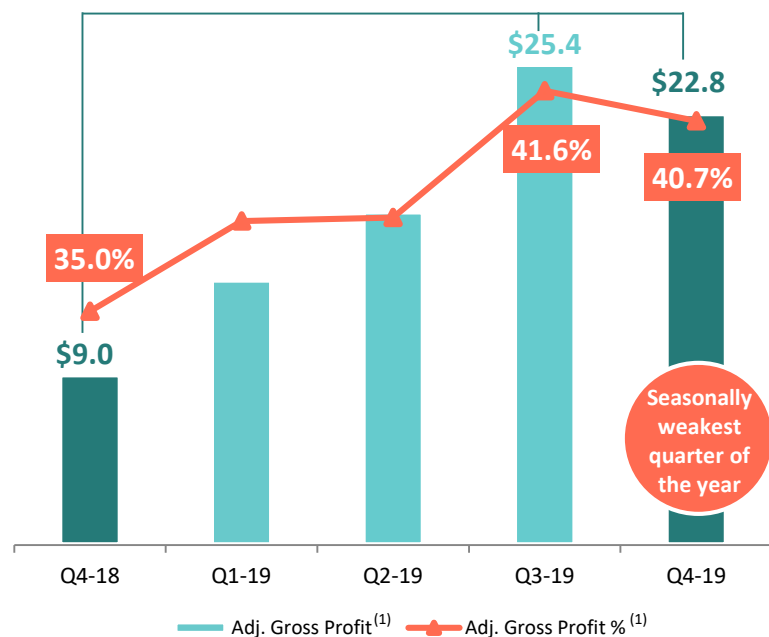
Q4-2019 & FISCAL 2019

ADJUSTED GROSS PROFIT ⁽¹⁾

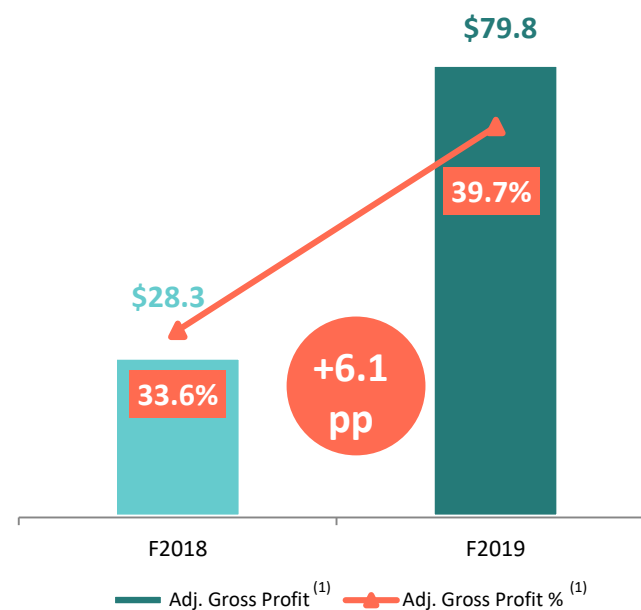
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Margins broke through the 40% barrier in the second half of the year

Adjusted Gross Profit ⁽¹⁾ by Quarter
C\$ millions and %



FY Adjusted Gross Profit ⁽¹⁾
C\$ millions and %



⁽¹⁾ This is a metric or non-IFRS measure. Please refer to page 19 of this presentation for more details.

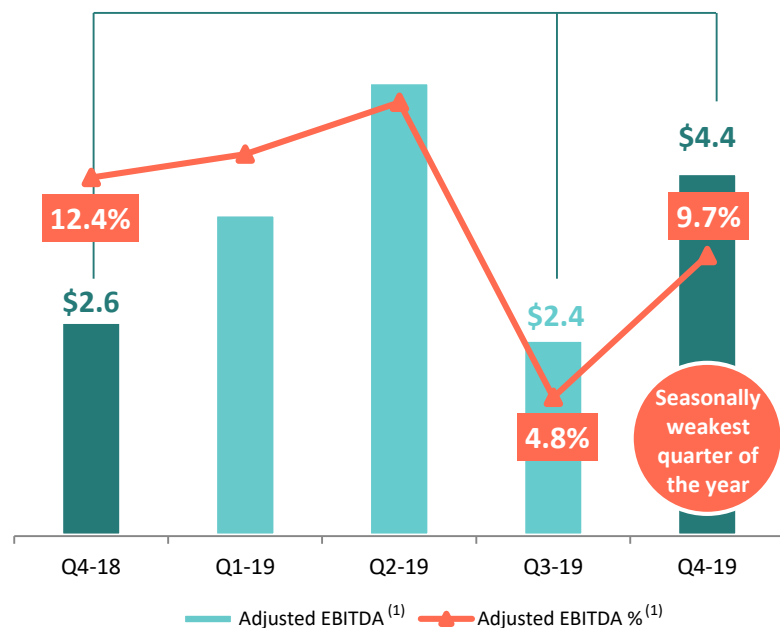
Q4-2019 & FISCAL 2019

ADJUSTED EBITDA ⁽¹⁾ AND MARGIN ⁽¹⁾

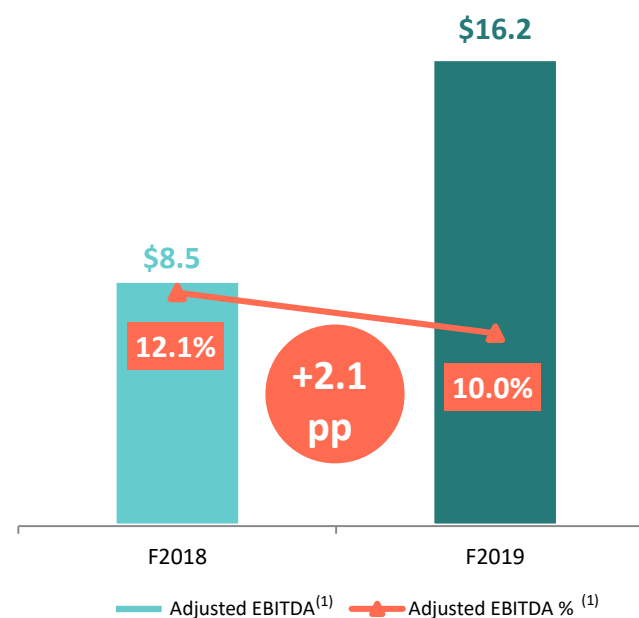
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Substantial Adjusted EBITDA margin⁽¹⁾ improvement while still investing in market share leadership and scale

Adjusted EBITDA ⁽¹⁾ Loss by Quarter
C\$ millions and %



FY Adjusted EBITDA ⁽¹⁾ Loss
C\$ millions and %



⁽¹⁾ This is a metric or non-IFRS measure. Please refer to page 19 of this presentation for more details.

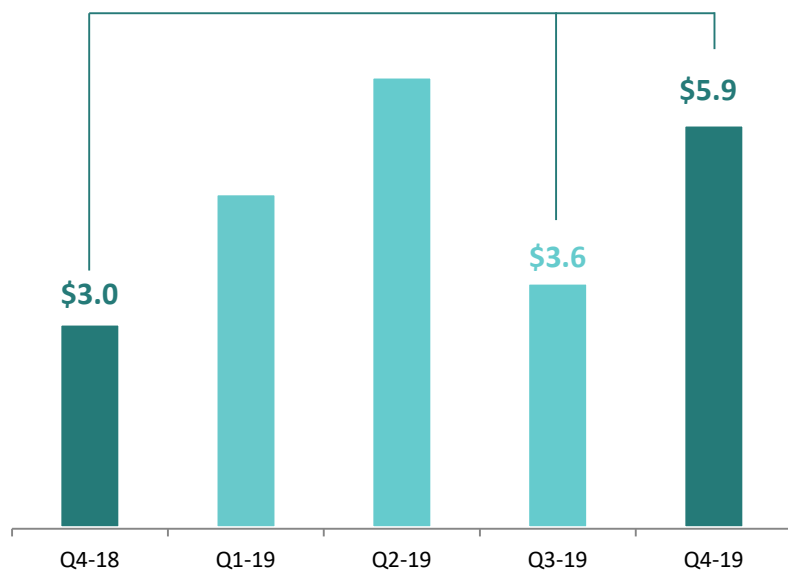
Q4-2019 & FISCAL 2019

NET LOSS

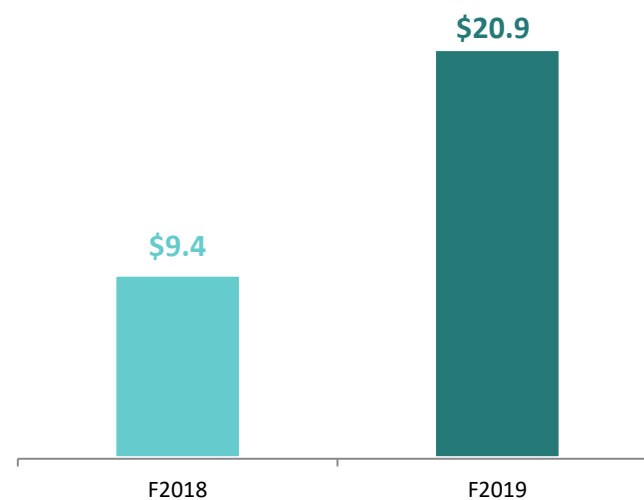


In FY2019, Goodfood continued to invest in market share leadership, scale and density which delays short-term earnings but maximizes longer term shareholder value

Net Loss by Quarter
C\$ millions



FY Net Loss
C\$ millions



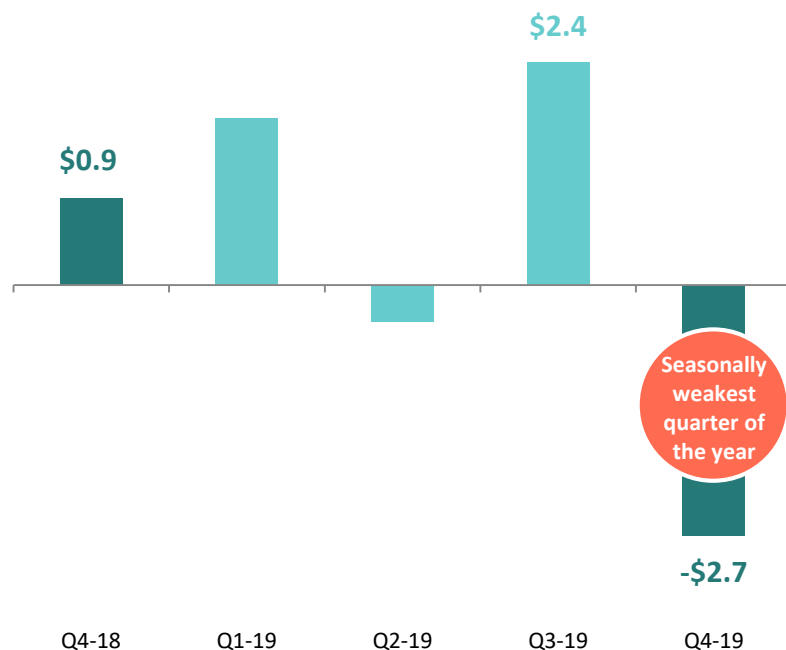
Q4-2019 & FISCAL 2019

CASH FLOW PROVIDED BY OPERATIONS



The execution of Goodfood's strategy culminated in a second consecutive year in of row of positive cash flow from operations

CFO by Quarter
C\$ millions



FY CFO
C\$ millions

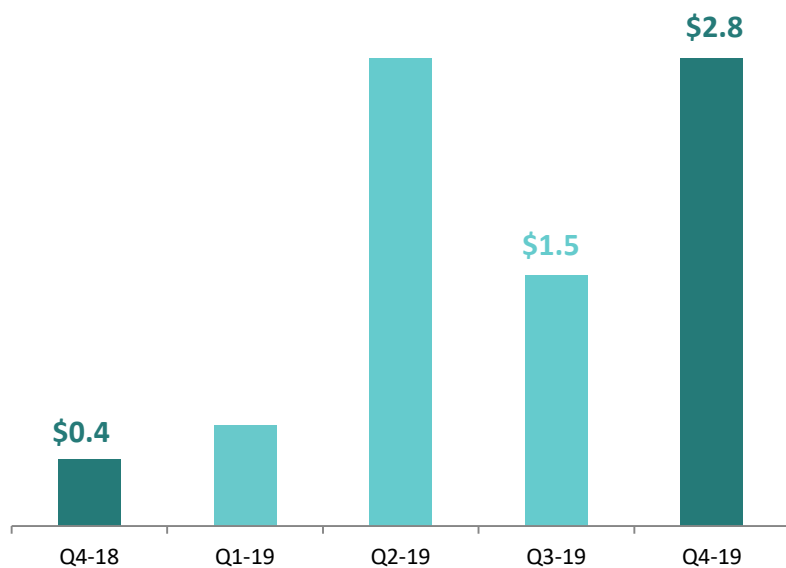


Q4-2019 & FISCAL 2019 CAPITAL EXPENDITURES

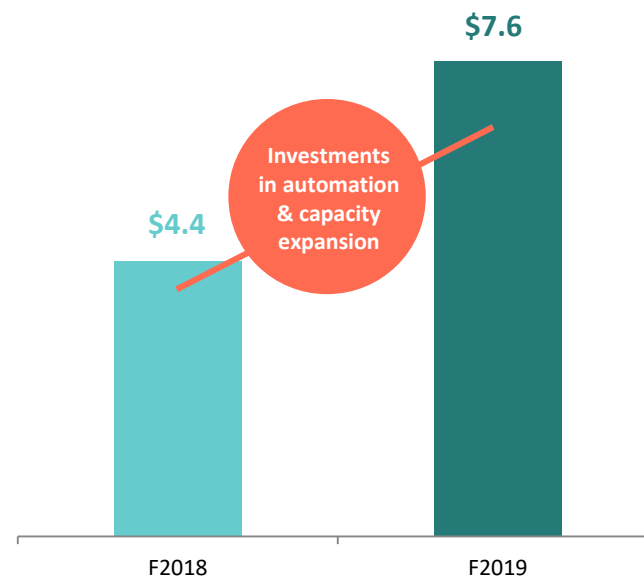


The Company continued to invest in its growth
and the launch of new and innovative meal solutions

CAPEX by Quarter
C\$ millions



FY CAPEX
C\$ millions



Q & A



METRICS AND NON-IFRS FINANCIAL MEASURES



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, and EBITDA. 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.

Metrics	Definition
Active Subscribers	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. 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 our consolidated financial statements, we believe that Active subscribers is a useful metric for investors because it is indicative of future revenues. The Company reports the number of Active subscribers at the beginning and end of the period, rounded to the nearest thousand.

Non-IFRS Financial Measures	Definition
Gross Merchandise Sales	Gross merchandise sales ("GMS") measures the total retail value of goods sold by the Company and is calculated before taking into account all incentives and credits included in revenue. Incentives and credits, presented at retail value, are principally comprised of sign-up inducements, which typically provide new Active subscribers with a discount on their first delivery.
Gross Merchandise Sales Run-rate	Calculated as gross merchandise sales for the four-week period ended as at the date indicated multiplied by thirteen.
Adjusted Gross Profit & Adjusted Gross Margin	Adjusted gross profit and Adjusted gross margin measure gross profit and gross margin on a retail value basis. Adjusted gross profit is calculated by subtracting the cost of goods sold from GMS. Adjusted gross margin is expressed in percentage terms and calculated as Adjusted gross profit divided by GMS.
EBITDA	EBITDA is defined as net income or loss before net finance expenses (income), depreciation and amortization expense and income tax expense.
Adjusted EBITDA	Adjusted EBITDA is defined as EBITDA excluding share-based compensation expenses as they are an equity compensation item and other items that we believe do not necessarily arise as part of the Company's normal day-to-day operations and could distort the analysis of trends in business performance.



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