



goodfood



# INVESTOR PRESENTATION

July 2020

## Caution regarding forward-looking statements

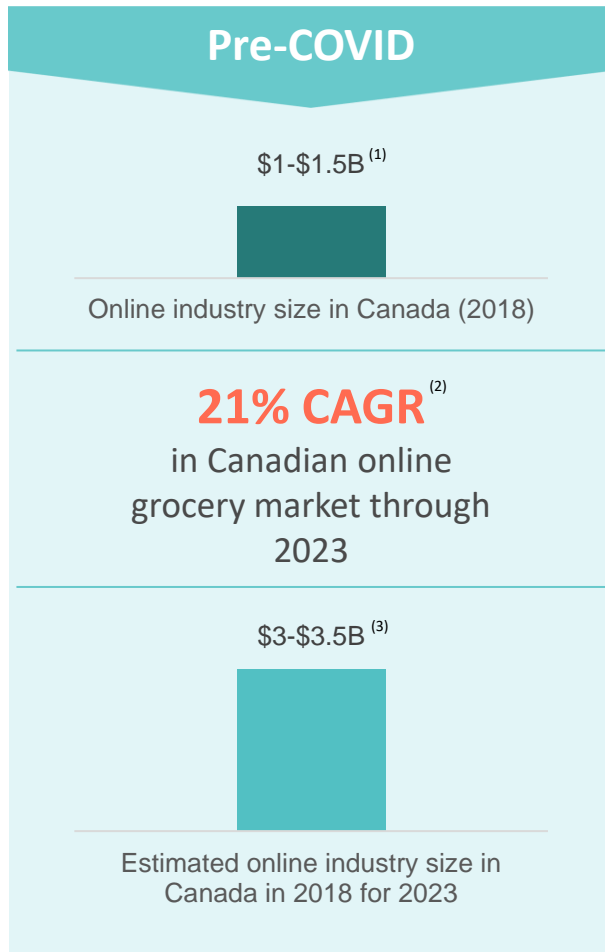


This release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, as well as information with 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”, or “continue”, 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 upon 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, 2019 and in the Management’s Discussion and Analysis for the third quarter ended May 31, 2020, available on SEDAR at [www.sedar.com](http://www.sedar.com): limited operating history, negative operating cash flow, food industry, quality control and health concerns, regulatory compliance, regulation of the industry, public safety issues, product recalls, damage to Goodfood’s reputation, transportation disruptions, product liability, ownership and protection of intellectual property, evolving industry, unionization activities, reliance on management, factors which may prevent realization of growth targets, competition, availability and quality of raw materials, limited number of products, 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, conflicts of interest, litigation, and catastrophic events. 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 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 COVID-19 pandemic and its impact on product demand, labor 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.

# Grocery's shift online is accelerating

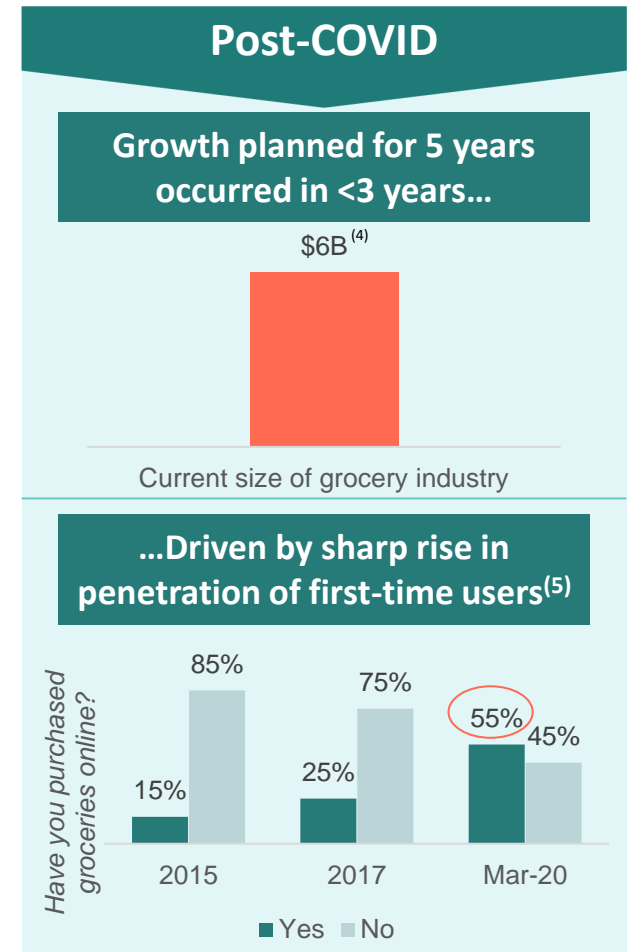
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The shift of grocery shopping online was already underway...



Goodfood has built the capabilities and **differentiated strategy** to benefit from the **accelerating shift to online grocery** and is poised to cement its place as a **leader in online grocery**

...but the pandemic has turned years of growth into months



(1) Based on \$124B industry defined by Statista, Retail sales of food and beverage Canada 2012-2018, March 2019; and online penetration of ~1% based on GD/CanadianGrocer.com.

(2) IGD/CanadianGrocer.com.

(3) Using 5-year CAGR of 21% to estimate size of online grocery.

(4) Dalhousie University, New survey on COVID-19 grocery shopping; May 2020.

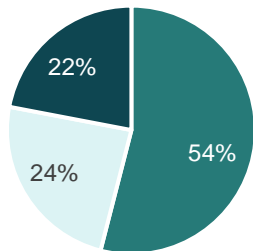
(5) RBC Capital Markets Equity Research.

# Convenience of e-commerce grocery shopping and meal solutions here to stay

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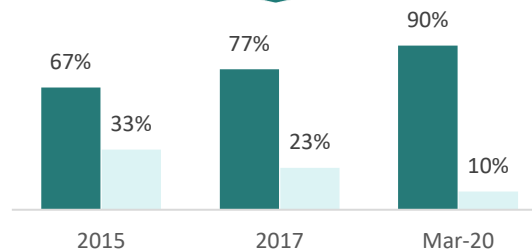
Consumer preference driving staying power of e-commerce grocery as new and existing users increase frequency and spend...

Will COVID-19 lead you to permanently increase your willingness to purchase groceries online vs. in-store?<sup>(1)</sup>



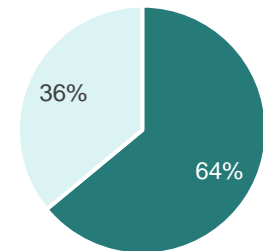
■ Yes ■ No ■ Unsure

If you have purchased groceries online, do you anticipate continuing to do so?<sup>(1)</sup>



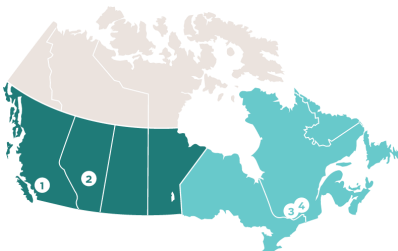
■ Yes ■ No

If you grocery shop online, has COVID-19 had resulted in an increase in their Online grocery spend?<sup>(1)</sup>



■ Yes ■ No

...and Goodfood has the footprint and product offering to be an online grocery leader



6 facilities from Coast to Coast



6 meal plans with 35 weekly meal options



300+ Goodfood branded grocery products



30+ unique branded breakfast products



Delicious ready-to-eat meal solutions

(1) RBC Capital Markets Equity Research.






# Superior profitability predicated on Goodfood's differentiated strategy and business model driven by fulfilment process and density

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## Online grocery growing on the back of different drivers than traditional offline grocery

Key Shopper Decision Factors	Traditional Offline Grocery	E-Commerce Online Grocery
<b>Location</b>	<ul style="list-style-type: none"> <li>Shoppers make decision based on location</li> </ul>	<ul style="list-style-type: none"> <li>Safe home delivery eliminates location advantage</li> </ul>
<b>Price</b>	<ul style="list-style-type: none"> <li>Lower prices driven by scale / purchasing power</li> </ul>	<ul style="list-style-type: none"> <li>Lower prices driven by fulfilment and delivery density</li> </ul>
<b>Selection</b>	<ul style="list-style-type: none"> <li>One-stop-shop for all consumer products key in winning shopper</li> </ul>	<ul style="list-style-type: none"> <li>No need to travel for grocery, one-stop-shop less important, unique selection more important</li> </ul>
<b>Brand</b>	<ul style="list-style-type: none"> <li>Brand recognition relatively important</li> </ul>	<ul style="list-style-type: none"> <li>Brand needs to speak to targeted shopper</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>Limited use</li> </ul>	<ul style="list-style-type: none"> <li>Crucial for user experience and building critical infrastructure for fulfilment</li> </ul>

## 3 key business models emerging in online grocery

In-store shopper	Large selection	Targeted selection
		
<ul style="list-style-type: none"> <li>✓ Delivery speed (a few hours)</li> <li>✓ Selection</li> <li>✗ Cost to customer</li> <li>✗ Substitutions / Stock outs</li> <li>✗ Waste</li> </ul>	<ul style="list-style-type: none"> <li>✓ Selection</li> <li>~ Delivery speed (same/next day)</li> <li>✗ Large fixed costs</li> <li>✗ Slower inventory turn / grocery-store like waste</li> </ul>	<ul style="list-style-type: none"> <li>✓ Exclusive selection</li> <li>✓ Targeted, millennial brand</li> <li>✓ Lowest delivery cost (density)</li> <li>✓ Owned technology</li> <li>~ Delivery speed (same/next day)</li> <li>✗ Selection</li> </ul>

# Goodfood today – a leading online grocer with scale

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## Q3 FY18

**76,000**

Active Subscribers<sup>(1)</sup>

**\$110M**

Run-rate GMS<sup>(1)</sup>

**-\$1M / -6%**

Adj. EBITDA (\$/%)<sup>(1)</sup>

**\$24M**

Cash on Hand<sup>(2)</sup>

## Q3 FY20

**272,000**

Active Subscribers<sup>(1)</sup>

**\$418M**

Run-rate GMS<sup>(1)</sup>

**+\$6M / +7%**

Adj. EBITDA (\$/%)<sup>(1)</sup>

**\$80M**

Cash on Hand<sup>(2)</sup>

Goodfood is a Canadian leader in **online grocery and home meal solutions**

Operating in **+\$165 billion** Canadian TAMs, with **online penetration <5%**

Operating across the country, **reaching 95% of Canadian population** with leading, strongly **recognized brand**

<sup>(1)</sup> This is a metric or non-IFRS financial measure. Please refer to page 20 of this presentation for more details.

<sup>(2)</sup> Includes cash, cash equivalents and restricted cash.

# Goodfood investment thesis anchored in growth, execution and market leadership



	Key Investment Highlights
✓ <b>Exceptional growth profile with proven business model</b>	<ul style="list-style-type: none"><li>• Goodfood has delivered 20% average monthly growth since Q4/2015</li><li>• Continued growth has led to achieving profitability, demonstrating strength of business model</li></ul>
✓ <b>Proven ability to execute in one of Canada's largest markets</b>	<ul style="list-style-type: none"><li>• Proven ability to execute growth and operational plan since inception; leveraging existing subscriber base and brand to enter overall grocery market ripe for disruption</li><li>• Executed strategic plan to seize opportunity brought about by COVID</li></ul>
✓ <b>Market leadership</b>	<ul style="list-style-type: none"><li>• Canadian leader in home meal solution category with 40%-45% market share</li><li>• Established, strong, well-recognized brand across Canada, poised to benefit from the fast-growing adoption of online grocery industry</li></ul>
✓ <b>World-class operating footprint supporting growth</b>	<ul style="list-style-type: none"><li>• National network boasts sales capacity of \$1 billion+, reaches 35M+ potential customers</li><li>• Automation provides world-class operating efficiency and enhanced cost structure</li></ul>
✓ <b>Dedicated management team with strong track record</b>	<ul style="list-style-type: none"><li>• Dedicated management team executing at high-efficiency, with 40% ownership</li><li>• Co-founders respectively CEO and COO/President, built and grew the company from inception</li></ul>

# Goodfood is a leading Canadian online grocer and home meal solutions provider

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272,000

Subscribers as at Q3-20<sup>(1)</sup>



544,000 sq. ft

6 production facilities



\$418M

Run-rate GMS<sup>(1)</sup> as at Q3-20



\$337M

Market cap



4

Unique product offerings<sup>(2)</sup>



990,000

Monthly website visitors



3,000+

Employees



15+

Chefs

<sup>(1)</sup> This is a metric or non-IFRS financial measure. Please refer to page 20 of this presentation for more details.

<sup>(2)</sup> Ready-to-cook, ready-to-eat, breakfast and private label grocery.

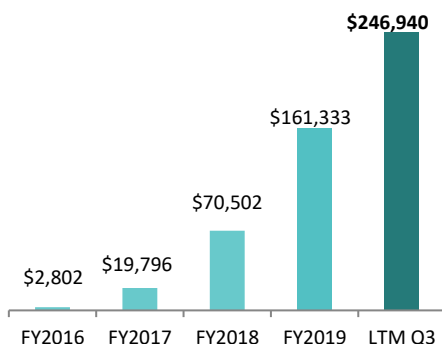


# Latest financial results reinforce Goodfood's exceptional growth and show strong margin momentum



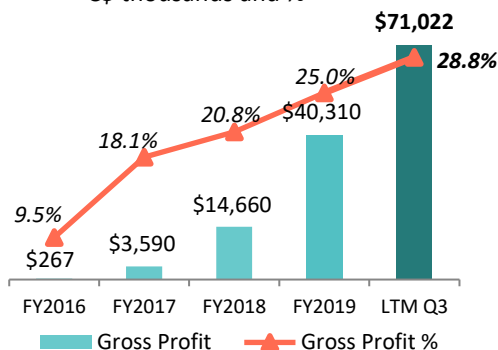
## Revenue

C\$ thousands



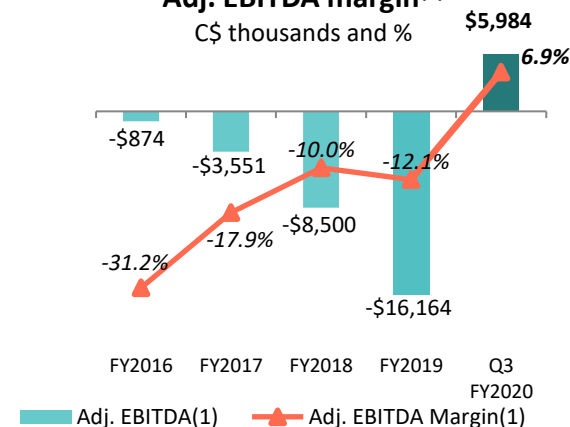
## Gross Profit & Gross Margin %

C\$ thousands and %



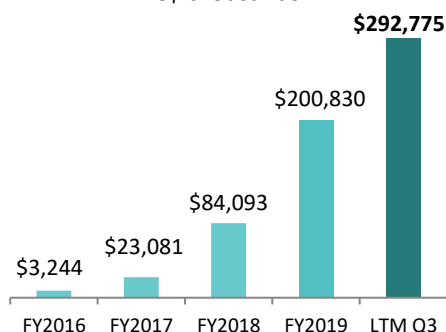
## Adj. EBITDA<sup>(1)</sup> & Adj. EBITDA margin<sup>(1)</sup>

C\$ thousands and %



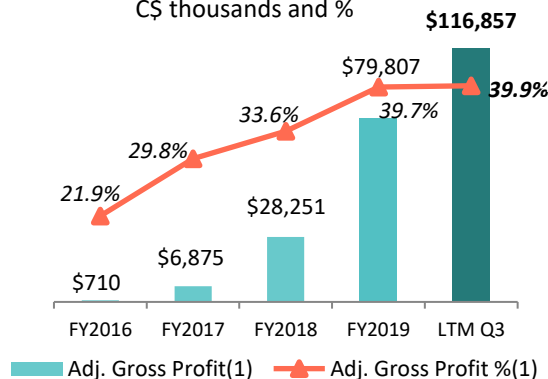
## Gross Merchandise Sales<sup>(1)</sup>

C\$ thousands



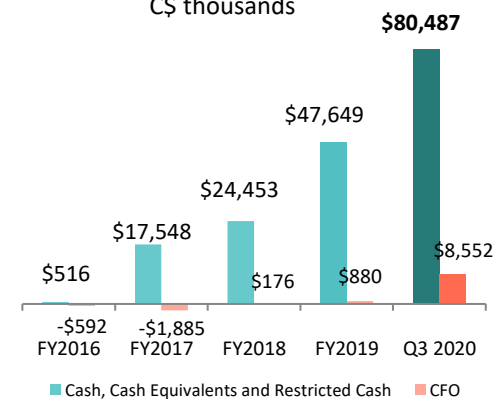
## Adj. Gross Profit<sup>(1)</sup> & Adj. Gross Margin %<sup>(1)</sup>

C\$ thousands and %



## Cash<sup>(2)</sup> and Cash Flow Provided by Operations

C\$ thousands



(1) This is a metric or non-IFRS financial measure. Please refer to page 20 of this presentation for more details.

(2) Includes cash, cash equivalents and restricted cash.

# COVID-19 impact



## The COVID-19 pandemic has changed how Canadians shop for food and grocery

- Faster shift to online e-commerce grocery, accelerating adoption and driving more frequent and larger orders
- Goodfood's e-commerce and fulfilment models have supported increased demand
  - Current shift will have significant permanent impact

## Goodfood has experienced sustained rising demand for all products, leading to an increase in revenue, but also some additional costs

- Goodfood has seen a rise in demand for all products, particularly Private Label grocery
- Operations pressured by increased demand, labor in particular
- Some expenses incurred in Q3 are deemed non-recurring (Labor, Food), ~\$2.4 million
- Matched our marketing spend to our supply chain capabilities during Q3



### COVID-19 IMPACT

New subscribers <sup>(1)</sup>	➔	• Increased subscriber count in Q3
Order rate	➔	• Increased orders from existing customers on a weekly basis
Average order value	➔	• Larger basket size, now including more Private Label and Ready-to-Eat products
Gross Margin	➔	• Increased food and labor costs, driven in part by Goodfood's Essential Canadian Pay Program, pressure on supply chain and additional sanitary measures
Marketing	➔	• Strategic reduction in marketing spend during Q3 to match our supply chain capabilities
Adj. EBITDA <sup>(1)</sup>	➔	• Cost base amortized over larger revenue base led to positive Adj. EBITDA

### Goodfood Initiatives

- ✓ Heightened already strict hygiene measures to ensure safety of employees and members
- ✓ Hired 1,000+ new employees to face demand
- ✓ Expanded grocery products to fulfill demand
- ✓ Increased pay of operations and production staff by at least \$2 per hour
- ✓ Increased inventory on more complex SKUs and ramped up co-packing with suppliers to alleviate pressure on operations
- ✓ Established weekly communication from CEO to members providing update on impact of pandemic on Goodfood
- ✓ Matched donations by members and employees to the Breakfast Club of Canada
- ✓ Announced partnership with CHUM Foundation and MGH to donate meals to frontline workers

(1) This is a Metric or non-IFRS measure. Please refer to page 20 of this presentation for more details.

# Key recent business highlights

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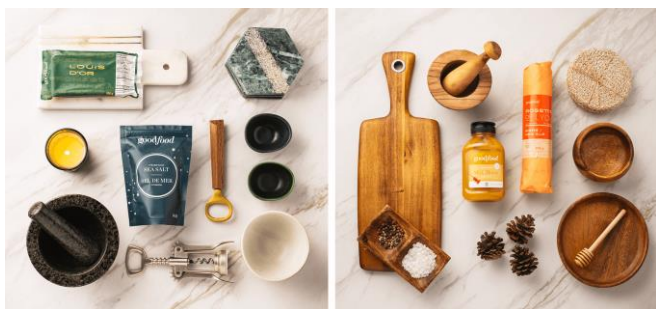


## Delivered record financial results driven by strong and sustained demand

- GMS for the quarter standing at \$99.8M, run-rate GMS<sup>(1)</sup> at \$418M, turning in Net Income and positive Adj. EBITDA<sup>(1)</sup> for the first time

## Expanded operating footprint to serve Canadians better

- Successful leasing/build-out of 2 fulfillment centres in the GTA, one of which is already operational
- Opening and ramp up of Vancouver fulfillment centre
- Finished construction of in-house kitchen for ready-to-eat meals
- Expanded footprint combined with Goodcourier last-mile initiative creating cost efficiencies and enhancing customer experience



## Further built product offering to provide fuller share of Canadian grocery basket

- Continuing to refine and expand product offering to capture a larger size of consumer basket
- Significantly expanded Private Label grocery products to over 300, over 150 new products added since last quarter
- Added new products to Meal Solutions: breakfast sandwich, in-house salads, among others

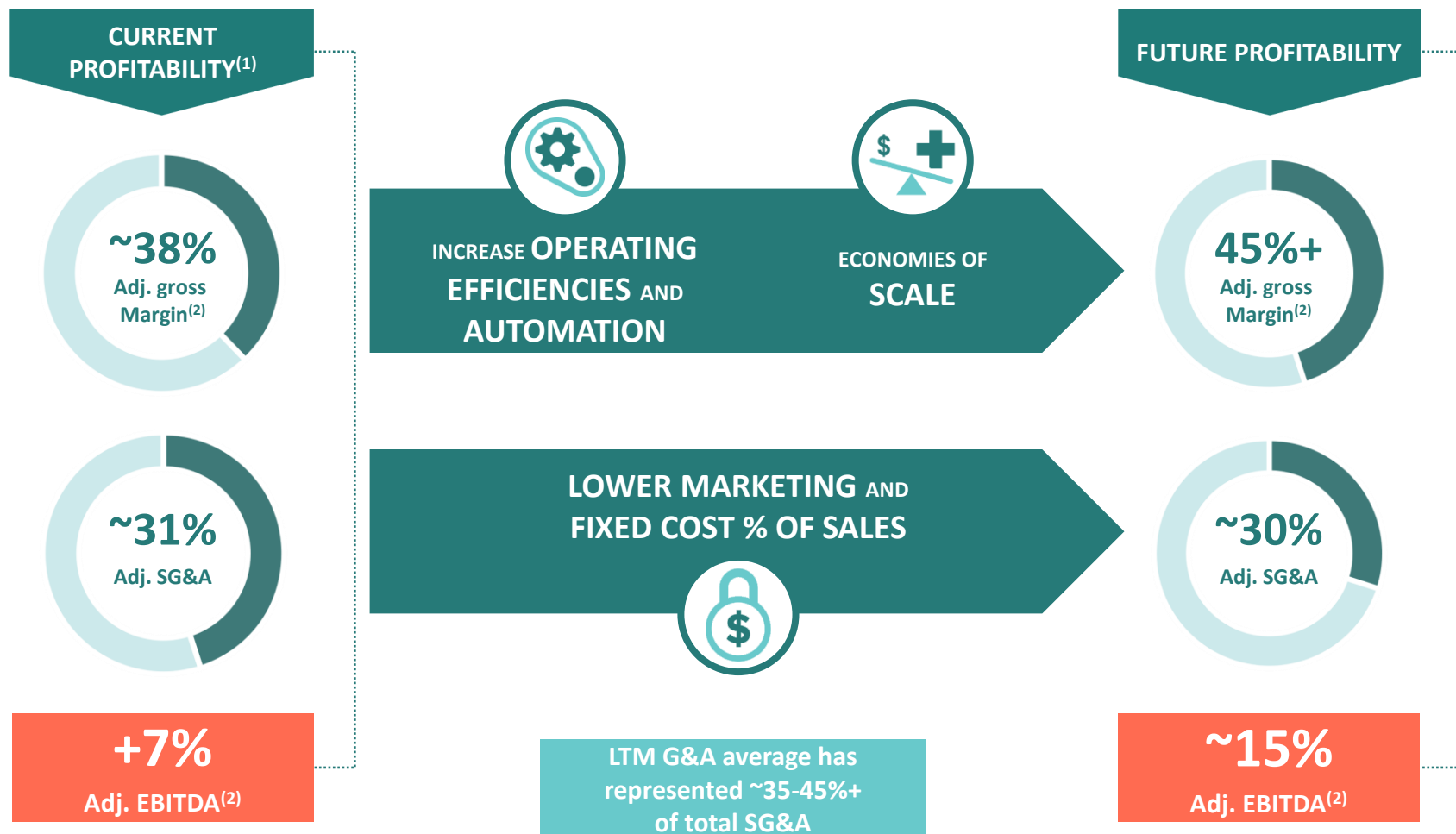


(1) This is a Metric or non-IFRS measure. Please refer to page 20 of this presentation for more details.

# Well on track to achieve long-term operational goals...

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Target EBITDA margin of ~15% at full scale



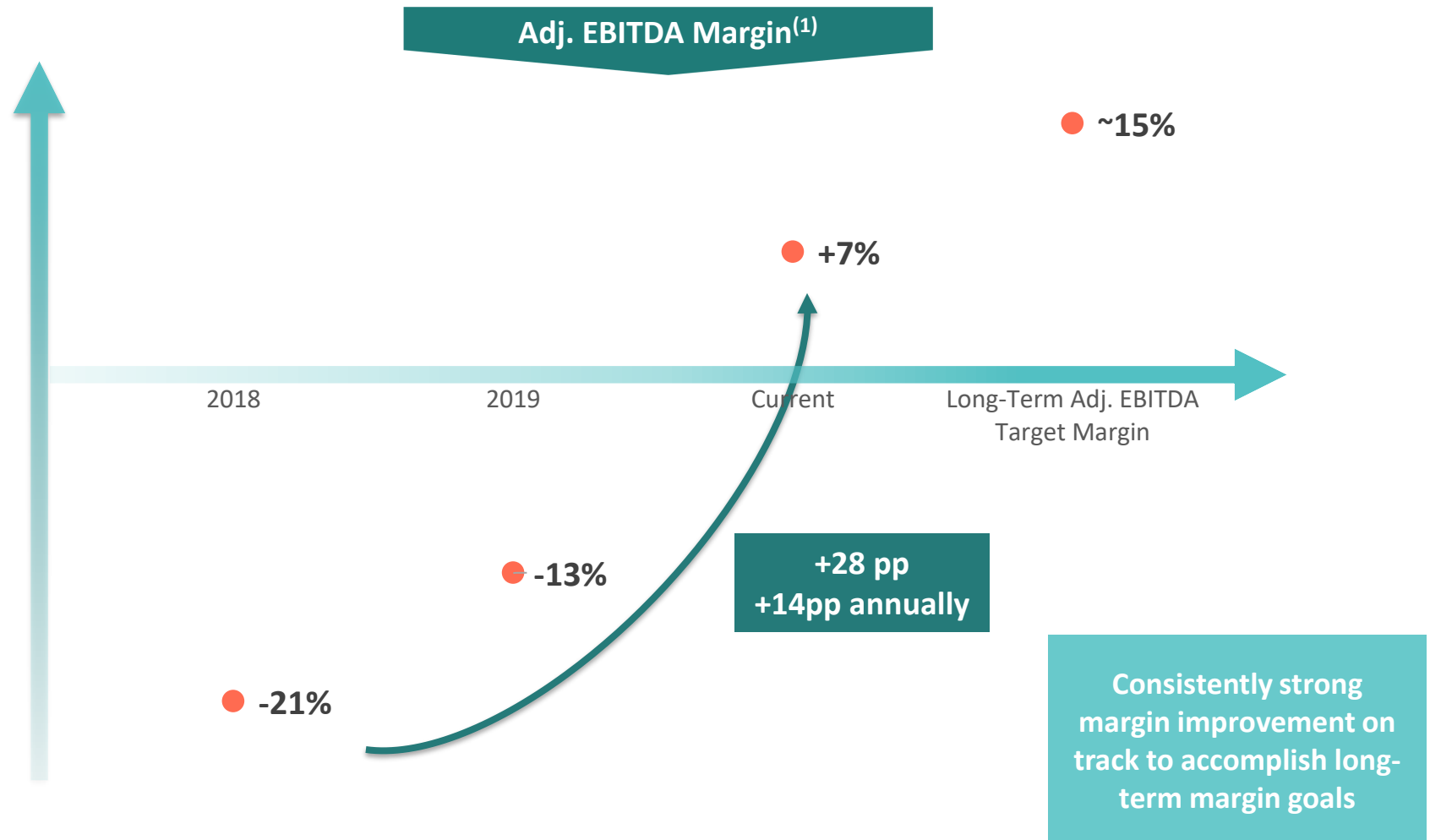
(1) Current profitability represents levels as at Q3-20.

(2) This is a metric or non-IFRS financial measure. Please refer to page 20 of this presentation for more details.



... backed by consistently strong margin improvement and now profitability

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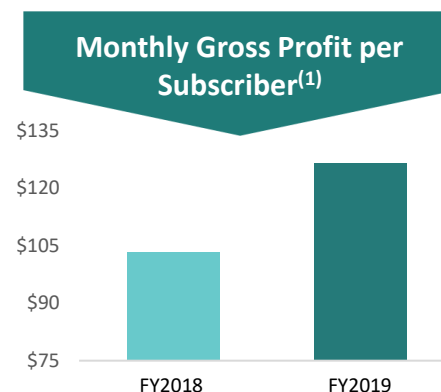
(1) This is a metric or non-IFRS financial measure. Please refer to page 20 of this presentation for more details.

# High growth business strategy supported by strong unit economics

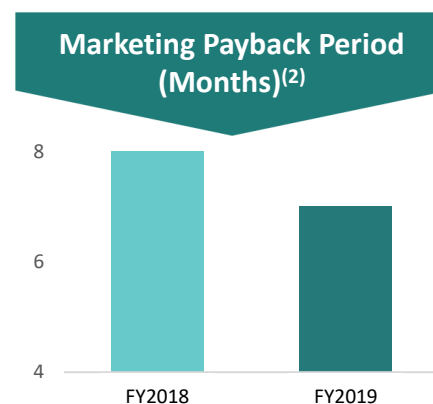
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Executing on our strategy: investing in market share, scale, density, automation and cost-efficiency...

... supported by consistently strong unit economics backing continued pursuit of growth



**91%**  
of Gross Merchandise Sales from subs with recurring orders<sup>(3)</sup>



**~2.5 months**  
average payback time on a new ordering subscriber<sup>(4)</sup>

(1) Calculated based on weekly average order value converted to a monthly basis, multiplied by average adjusted gross margin for FY2019.

(2) Represents number of months for new subscribers added to yield adjusted gross profit equivalent to customer acquisition cost (per customer) for all customers added, including cancellations.

(3) Represents gross merchandise dollar value of customers with multiple orders compared to total gross merchandise value of all customers in FY2019.

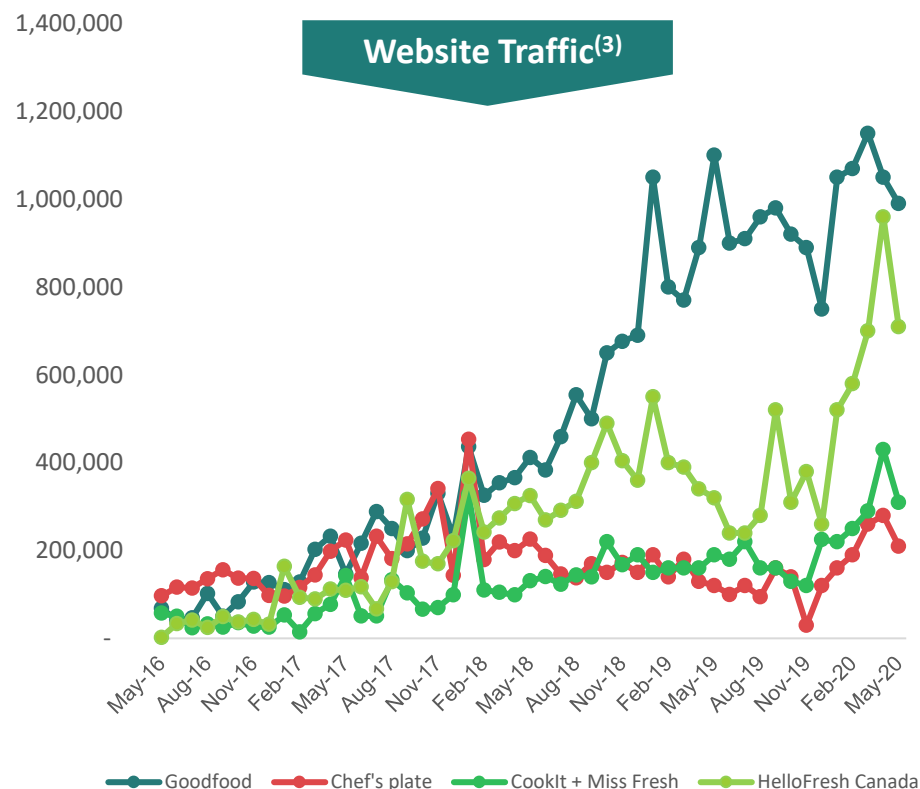
(4) Represents months for average annualized gross profit for an ordering new subscriber compared to customer acquisition cost for the new subscriber for FY2019.

# Traffic data supports Goodfood's leadership case in home meal solutions, place in online grocery



Goodfood has a 40%+ market share of the home meal solution industry in Canada<sup>(1)</sup> and is now present in the online grocery market

Company <sup>(2)</sup>	Website Monthly Visits <sup>(3)</sup>
<b>metro</b>	2,950,000
<b>IGA</b>	2,320,000
<b>NOFRILLS</b>	1,600,000
<b>instacart</b>	1,200,000
<b>sobeys</b>	1,150,000
<b>Loblaws</b>	1,150,000
<b>goodfood</b>	990,000
<b>maxi</b>	870,000
<b>Hello FRESH</b>	710,000
<b>Super C</b>	510,000
<b>SAFeway</b>	470,000
<b>chefs plate</b>	210,000
<b>GROCERY GATEWAY</b>	210,000
<b>COOK IT</b>	130,000







(1) Management estimates for ready-to-cook home meal solutions.

(2) Excludes subsidiary websites.

(3) Similar Web, available data as of June 2020; CookIt + MissFresh combined since December 2019.

# The grocery store of the future is a grocerant, and Goodfood is ideally positioned to benefit from that trend



READY-TO-COOK	PRIVATE LABEL GROCERY	BREAKFAST	READY-TO-EAT
			
<ul style="list-style-type: none"> <li>• Core initial product of Goodfood</li> <li>• 6 meal plans with 35 weekly meal options (including Yumm.ca)</li> <li>• Yumm.ca 6 weekly value meal options</li> </ul>	<ul style="list-style-type: none"> <li>• Over 300+ Goodfood branded products offered to members</li> <li>• Many new products under development</li> <li>• High quality products priced at discount to branded grocery-store equivalents</li> </ul>	<ul style="list-style-type: none"> <li>• 30+ unique products</li> <li>• Creative flavors of smoothies</li> <li>• Artisanal oat bowls</li> <li>• Breakfast sandwiches, pastries and bagels</li> <li>• New products in development</li> </ul>	<ul style="list-style-type: none"> <li>• Launched in Quebec and Alberta, expanding across the country with kitchen</li> <li>• Meals based on members' highest-rated Goodfood ready-to-cook recipes</li> <li>• Branded as L'Express Goodfood</li> </ul>

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



**Dedicated and proven management owns 40%+ of Company,  
supported by experienced Board of Directors**

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MANAGEMENT



**Jonathan Ferrari**  
Co-Founder & CEO



**Neil Cuggy**  
Co-Founder,  
President & COO



**Philippe Adam**  
Chief Financial Officer

BOARD



**Hamnett Hill**  
Director



**Donald Olds**  
Director



**Terry Yanofsky**  
Director



**François Vimard**  
Director

# Goodfood is committed to its Green Vision



**Goodfood's packaging is fully recyclable and just in time business model allows to reduce waste to only ~1%**

## SELECTED GOODFOOD GREEN INITIATIVES

- New reusable box aiming to save millions of single-use packaging across Canada
- Carboard box pick-up in Canada's major cities for recycling
- Cutting down food waste by just-in-time inventory, delivery of pre-portioned ingredients and giving away leftovers to employees
- Minimizing transportation by sourcing fresh and in-season ingredients locally from trusted long term partners and vendors
- Contributing to a nutritious meal for a child in need at school for every Goodfood box purchased
- Committed to reducing plastic inside the box by 50% by the end of Fiscal Year 2020

## DID YOU KNOW?

- On average, grocery meal greenhouse gas emissions are 33% higher than meal-kits<sup>(1)</sup>
- Meal-kits' streamlined and direct-to-consumer supply chain reduced food waste and lower last-mile transportation emissions appear to be sufficient to offset observed increases in packaging<sup>(1)</sup>
- Meal-kit refrigeration packs present an average emissions decrease compared with retail refrigeration<sup>(1)</sup>

(1) Source: University of Michigan, Heard BR, Bandekar M, Vassar B, Miller SA, Comparison of Life Cycle Environmental Impacts from Meal-Kits and Grocery Store Meals, April 3, 2019.

# Outlook

## The current pandemic has changed consumer habits across multiple markets

- Shift to e-commerce across multiple consumer markets, with grocery a particularly strong area of growth
- Translating into less trips to physical grocery stores
- Goodfood's e-commerce and fulfilment models have supported increased demand
  - Current shift will have significant permanent impact

## Some consequences of the pandemic will almost certainly reverse

- Goodfood incurred ~\$2.4 million of non-recurring expenses in Q3, some of which are no longer in effect in Q4
- Strategic reduction in marketing spend during Q3 to match our supply chain capabilities

## However, as each and everyone of us across the globe continues to adapt to the new reality brought about by the pandemic, it is too early to provide an indication of medium-to-long-term forecasted performance

- Acceleration of online grocery growth certain – penetration forecasted for years ahead occurred in months
- Goodfood anticipates that:
  - A significant percentage of traditional grocery shopping has permanently shifted online
  - A large portion of food consumption has moved from restaurants to grocery and home meal solutions
- Goodfood is in an ideal position to capitalize on these growth opportunities
  - Well-developed footprint, best-in-class last mile logistics and well-established brand

## Seasonality of the fourth quarter unpredictable

- Q4 typically slow with lower demand levels: lower order rates, lower marketing expense, fewer new subscribers, lower margins
- Pandemic has accelerated penetration but may not significantly change the seasonal dynamics affecting our next quarter
- Difficult to predict consumers behavior; we will monitor the situation closely and be ready to adjust our operations accordingly

# 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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## APPENDIX

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# 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 slowdown 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

## Q3-20 – Key Highlights



**Goodfood delivers Net Income and positive Adj. EBITDA for the first time on the back of consistently strong growth and margin improvement**

(in millions of Canadian \$ except active subscribers and margins)	Q3-20	Q3-19	Y-o-Y Δ
Active subscribers <sup>(1)</sup>	<b>272,000</b>	189,000	44%
Revenue	<b>\$86.6</b>	\$49.9	74%
Gross merchandise sales <sup>(1)</sup>	<b>99.8</b>	61.2	63%
Gross profit	<b>24.9</b>	14.1	77%
Gross margin (%)	<b>28.8%</b>	28.3%	+0.5pp
Adjusted gross profit <sup>(1)</sup>	<b>38.1</b>	25.4	50%
Adjusted gross margin (%) <sup>(1)</sup>	<b>38.2%</b>	41.6%	-3.4pp
Adjusted EBITDA <sup>(1)</sup>	<b>6.0</b>	(2.4)	+\$8.4
Adjusted EBITDA margin (%) <sup>(1)</sup>	<b>6.9%</b>	(4.8%)	+11.7pp
Net Income (Loss)	<b>2.8</b>	(3.6)	+\$6.4
Cash flows provided by operations	<b>8.6</b>	2.3	266%
Cash, cash equivalents and restricted cash	<b>80.5</b>	49.7	62%

(1) This is a Metric or non-IFRS measure. Please refer to page 20 of this presentation for more details.

## Proven, attractive business model

goodfood

Built-in negative working capital allows the company to fund an important part of its growth

“JUST-IN-TIME”  
INVENTORY

+

MINIMAL FOOD  
WASTE

+

OPERATING  
LEVERAGE



1

Meal and grocery order  
and payment received  
from subscribers



2

Goodfood orders from its  
100+ direct farming  
relationships & suppliers



3

Fulfillment  
and delivery  
to subscribers



4

Payment  
to suppliers  
up to 90 days

Goodfood sources ingredients from farms and dedicated purveyors, to manufacture and deliver **ready-to-cook** meals, **ready-to-eat** meals, **breakfast** meals and **grocery** items ordered online through a weekly subscription at [www.makegoodfood.ca](http://www.makegoodfood.ca)



# Goodfood has built a countrywide footprint to efficiently reach 95% of the Canadian population

goodfood

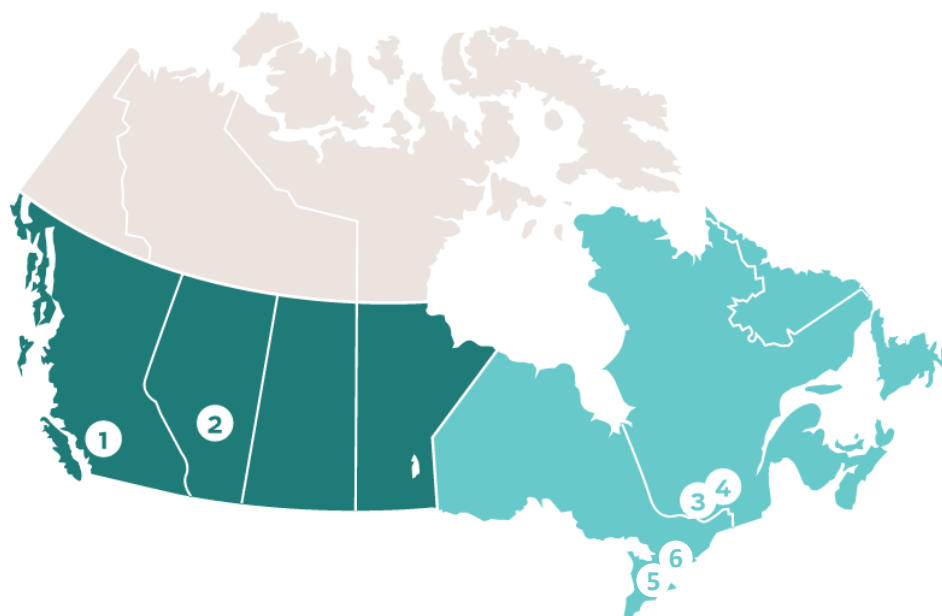
Over \$1bn of sales capacity and 544,000 sq. ft in 6 production facilities

## WESTERN CANADA

Capacity to serve  
**150-200K subscribers<sup>(1)</sup>**

## EASTERN CANADA

Capacity to serve  
**500K+ subscribers<sup>(1)</sup>**



### 1. VANCOUVER, BC

84,000 sq. ft production and distribution facility

### 2. CALGARY, AB

43,000 sq. ft production and distribution facility

### 3. MONTREAL, QC - BREAKFAST

20,000 sq. ft production and distribution facility for breakfast solutions

### 4. MONTREAL, QC

HQ & 155,000 sq. ft production and distribution facility

### 5. TORONTO, ON

42,000 sq. ft production and distribution facility

### 6. TORONTO, ON

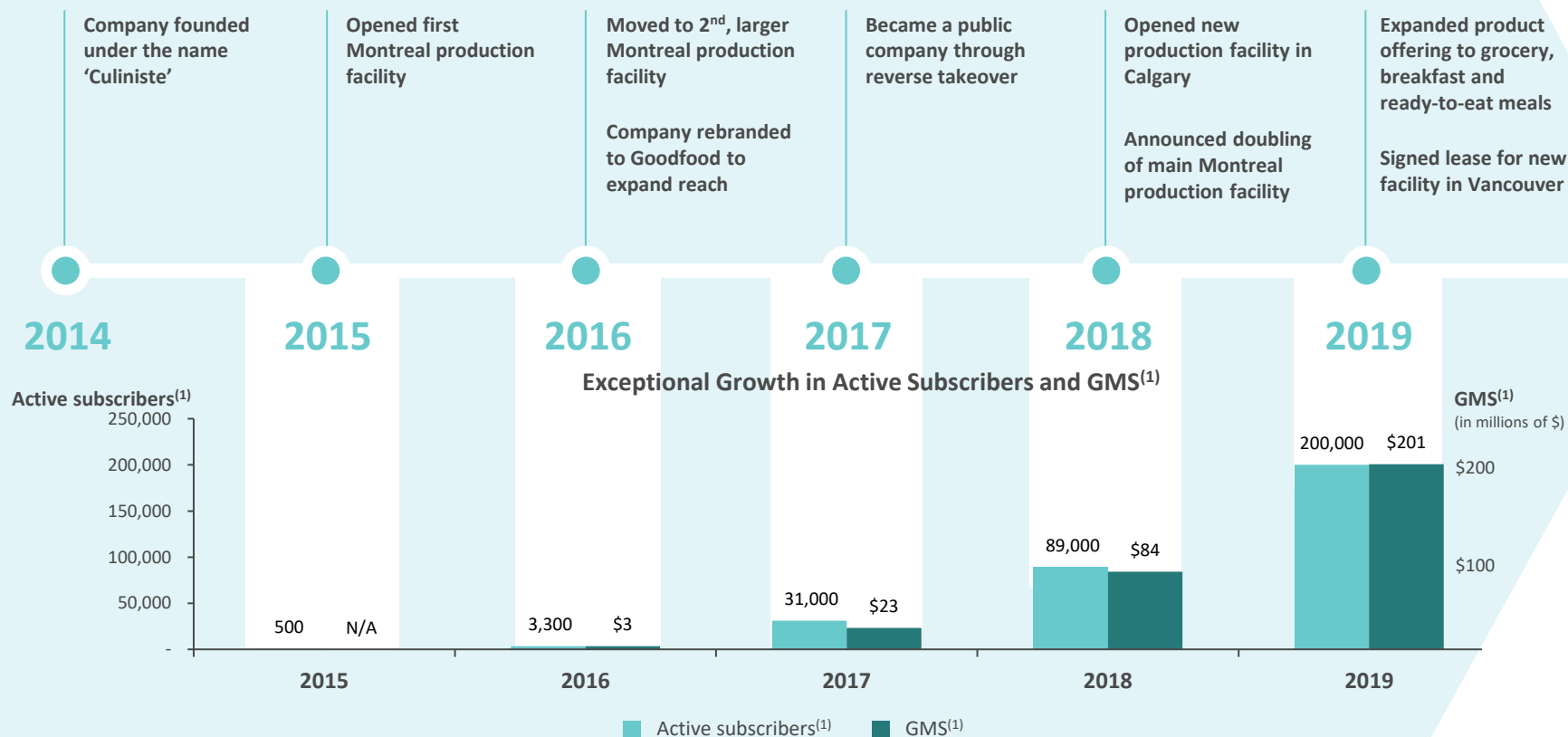
200,000 sq. ft production and distribution facility

<sup>(1)</sup> This is a non-IFRS measure. Please refer to page 20 of this presentation for more details.

# 5-year milestone: changing how 272,000 Canadian households eat and shop for groceries

goodfood

Goodfood demonstrated exceptional capacity to grow its subscriber base, expand its operations and broaden its offering to change how 230,000+ Canadians eat and shop for groceries



(1) This is a metric or non-IFRS financial measure. Please refer to page 20 of this presentation for more details.

# High growth business strategy: strong execution has led to remarkable accomplishments



Key components of strategy based on slide 14

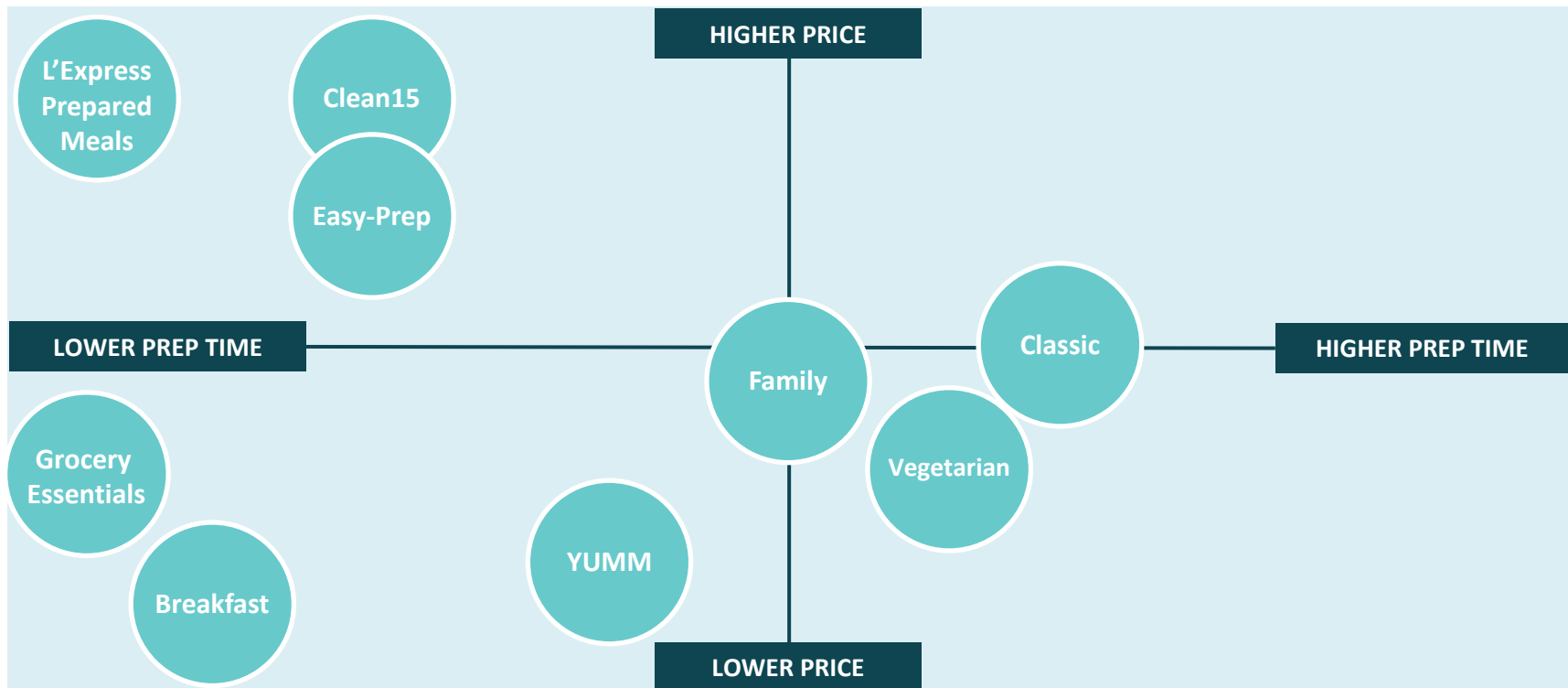
	STRATEGY	2017 RESULTS (FY as at August)	2018 RESULTS (FY as at August)	2020 RESULTS (Q3 FY-20 as at May)
		The portion and quality of the ingredients is increasing over time while the price point remained the same		
1	Increase value proposition to members	<ul style="list-style-type: none"> <li>Launched vegetarian meal plan</li> <li>11 meal-kit recipe options</li> </ul>	<ul style="list-style-type: none"> <li>Launched Easy-Prep meal plan</li> <li>Launched l'Artisan</li> <li>23 meal-kit recipe options</li> </ul>	<ul style="list-style-type: none"> <li>Launched ready-to-blend superfood smoothies</li> <li>Launched Clean15 meal plan</li> <li>Launched ready-to-eat meals</li> <li>Launched breakfast omelets</li> <li>Launched private label grocery essentials</li> <li>Launched Yumm, Goodfood's value brand</li> <li>35 meal-kit recipe options</li> <li>Launched mobile device App</li> </ul>
2	Grow subscriber base and revenue	<ul style="list-style-type: none"> <li>Subscribers<sup>(1)</sup>: 31,000</li> <li>Revenue: \$20M</li> <li>GMS<sup>(1)</sup> run-rate: \$36M</li> </ul>	<ul style="list-style-type: none"> <li>Subscribers<sup>(1)</sup>: 89,000</li> <li>Revenue: \$71M</li> <li>GMS<sup>(1)</sup> run-rate: \$107M</li> </ul>	<ul style="list-style-type: none"> <li>Subscribers<sup>(1)</sup>: 272,000</li> <li>LTM Revenue: \$247M</li> <li>GMS run-rate<sup>(1)</sup>: \$418M</li> </ul>
3	Increase density and economies of scale	<ul style="list-style-type: none"> <li>Year-Over-Year revenue and subscriber growth of 840% and 607%, respectively</li> </ul>	<ul style="list-style-type: none"> <li>Opened Montreal facility in Sept. 2017 83,000 sq. ft</li> <li>Opened Calgary facility in May 2018 43,000 sq. ft</li> </ul>	<ul style="list-style-type: none"> <li>Expanded Montreal facility to 155,000 sq. ft</li> <li>Expanded refrigerated section of Calgary facility</li> <li>Leased 20,000 sq. ft facility for breakfast solutions in Montreal (production capacity of \$100M)</li> <li>Leased 84,000 sq. ft facility in Vancouver</li> <li>Leased 42,000 sq. ft facility in GTA</li> <li>Leased for buildout 200,000 sq. ft flagship facility in GTA</li> </ul>
4	Lower cost structure	<ul style="list-style-type: none"> <li>SG&amp;A as a % revenue: 37.2%</li> </ul>	<ul style="list-style-type: none"> <li>SG&amp;A as a % revenue: 33.5%</li> <li>Generated cash flow provided by operations of \$278k</li> </ul>	<ul style="list-style-type: none"> <li>SG&amp;A as a % revenue: 29.4%</li> <li>Cash flow provided to operations of 8.6M</li> <li>Progress on labor, shipping and packaging costs from economies of scale and increased buying power</li> </ul>
5	Invest in automation	<ul style="list-style-type: none"> <li>Capex: \$1.9M</li> <li>10% automation in Montreal facility</li> </ul>	<ul style="list-style-type: none"> <li>Capex: \$4.4M</li> <li>50% automation in Montreal facility</li> </ul>	<ul style="list-style-type: none"> <li>Capex: around \$10M for FY20</li> <li>50%+ automation nationwide (MTL &amp; Calgary)</li> </ul>
6	Adjusted Gross margin expansion <sup>(1)</sup>	<ul style="list-style-type: none"> <li>29.8%</li> </ul>	<ul style="list-style-type: none"> <li>33.6%</li> </ul>	<ul style="list-style-type: none"> <li>38.2%</li> </ul>

(1) This is a metric or non-IFRS financial measure. Please refer to page 20 of this presentation for more details.

## Offering includes diversified meal options and grocery items capturing most of the Canadian grocery basket

*goodfood*

Offers 5 meal plans, 1 value brand, a growing breakfast offering, prepared meals and grocery items



by eliminating expensive overhead, waste and the need for brick-and-mortar stores

# Goodfood remains significantly undervalued compared to trading peers



In millions except per share amounts											
Company Name	Price	Market	Enterprise	EV / Revenue		EV / EBITDA		Revenue Growth		EV / Revenue to Growth	
	3-Jul-20	Cap.	Value	2020E	2021E	2020E	2021E	2019E-2020E	2020E-2021E	2020E	2021E
<b>Meal Kits</b>											
HelloFresh	€50.40	€9,014	€8,829	3.2x	2.6x	37.0x	28.8x	52.8%	20.6%	0.06x	0.13x
Blue Apron	US\$11.70	US\$157	US\$217	0.5x	0.5x	neg	18.7x	-0.9%	5.5%	neg	0.08x
Marley Spoon <sup>(1)</sup>	A\$1.78	€203	€237	1.1x	0.9x	nmf	19.4x	60.1%	25.9%	0.02x	0.03x
<b>Average - Meal Kits</b>				<b>1.6x</b>	<b>1.3x</b>	<b>37.0x</b>	<b>22.3x</b>	<b>37.4%</b>	<b>17.4%</b>	<b>0.04x</b>	<b>0.08x</b>
<b>Median - Meal Kits</b>				<b>1.1x</b>	<b>0.9x</b>	<b>37.0x</b>	<b>19.4x</b>	<b>52.8%</b>	<b>20.6%</b>	<b>0.04x</b>	<b>0.08x</b>
<b>Canadian Grocers &amp; Food Retail</b>											
Loblaw <sup>(2)</sup>	C\$66.71	C\$23,876	C\$39,059	0.8x	0.8x	7.8x	7.5x	8.2%	-2.3%	0.09x	neg
Metro	C\$56.07	C\$14,156	C\$18,754	1.1x	1.1x	11.2x	11.0x	4.8%	0.1%	0.22x	16.64x
Empire	C\$33.30	C\$8,995	C\$15,018	0.6x	0.6x	8.0x	7.8x	2.9%	1.1%	0.19x	0.52x
<b>Average - Canadian Grocers &amp; Food Retail</b>				<b>0.8x</b>	<b>0.8x</b>	<b>9.0x</b>	<b>8.8x</b>	<b>5.3%</b>	<b>-0.4%</b>	<b>0.17x</b>	<b>8.58x</b>
<b>Median - Canadian Grocers &amp; Food Retail</b>				<b>0.8x</b>	<b>0.8x</b>	<b>8.0x</b>	<b>7.8x</b>	<b>4.8%</b>	<b>0.1%</b>	<b>0.19x</b>	<b>8.58x</b>
<b>Food E-commerce &amp; Restaurant Delivery</b>											
Domino's	US\$374.09	US\$15,066	US\$19,206	4.9x	4.6x	25.6x	23.5x	9.2%	5.2%	0.53x	0.88x
Grubhub	US\$69.87	US\$6,512	US\$6,708	4.4x	3.8x	nmf	nmf	17.1%	14.1%	0.26x	0.27x
Ocado Group <sup>(3)</sup>	£20.00	£14,109	£13,973	6.5x	5.7x	nmf	nmf	20.4%	13.4%	0.32x	0.43x
Delivery Hero <sup>(4)</sup>	€102.65	€24,355	€25,701	10.1x	6.7x	neg	neg	37.2%	51.2%	0.27x	0.13x
Just Eat Takeaway.com <sup>(5)</sup>	€95.26	€14,175	€14,077	6.9x	5.8x	nmf	37.0x	40.1%	20.5%	0.17x	0.28x
<b>Average - Food E-commerce &amp; Restaurant Delivery</b>				<b>6.5x</b>	<b>5.3x</b>	<b>25.6x</b>	<b>30.3x</b>	<b>24.8%</b>	<b>20.9%</b>	<b>0.31x</b>	<b>0.40x</b>
<b>Median - Food E-commerce &amp; Restaurant Delivery</b>				<b>6.5x</b>	<b>5.7x</b>	<b>25.6x</b>	<b>30.3x</b>	<b>20.4%</b>	<b>14.1%</b>	<b>0.27x</b>	<b>0.28x</b>
<b>Overall Average</b>				<b>3.6x</b>	<b>3.0x</b>	<b>17.9x</b>	<b>19.2x</b>	<b>22.9%</b>	<b>14.1%</b>	<b>0.21x</b>	<b>1.94x</b>
<b>Overall Average (excl. High &amp; Low)</b>				<b>3.3x</b>	<b>2.9x</b>	<b>14.9x</b>	<b>18.2x</b>	<b>21.4%</b>	<b>11.8%</b>	<b>0.20x</b>	<b>0.34x</b>
<b>Goodfood</b>	<b>C\$5.57</b>	<b>C\$337</b>	<b>C\$340</b>	<b>1.2x</b>	<b>1.0x</b>	<b>neg</b>	<b>neg</b>	<b>46.6%</b>	<b>23.1%</b>	<b>0.03x</b>	<b>0.04x</b>

## Notes:

Source: FactSet and Company filings. Street consensus calendarized to a December year end. Market Capitalization based on the t-stock method.

(1) Pro forma A\$16.6M placement.

(2) Pro forma C\$350M private placement of senior unsecured notes.

(3) Pro forma £600M convertible bond offering.

(4) Pro forma acquisition of Woova. 2020E-2021E revenue and EBITDA based on 2019 run rate.

(5) Pro forma acquisition of Just Eat and €700M share and convertible bond offering.