

# goodfood

## Q2-20 INVESTOR FACT SHEET

SECOND QUARTER ENDED  
FEBRUARY 29, 2020



### STOCK INFORMATION (TSX: FOOD)

Price as of April 8, 2020: **\$3.97**

High/Low: **\$4.66 – \$1.49**  
(52 weeks ended April 8, 2020)

Number of Shares Outstanding: **58,310,466**  
(April 8, 2020)

**GOODFOOD** is a leading online grocery company in Canada, delivering fresh meal solutions and grocery items that make it easy for members from coast to coast to enjoy delicious meals at home every week. Goodfood's mission is to make the impossible come true, from farm to kitchen, by enabling members to do their weekly meal planning and grocery shopping in less than 1 minute. Goodfood members get access to a unique selection of products online as well as exclusive pricing made possible by its world class direct to consumer fulfilment ecosystem that cuts out food waste and expensive retail overhead. The Company has a production facility and administrative offices in Montreal, Quebec, two production facilities out West, in Calgary, AB and Vancouver, BC, and a breakfast facility in Montreal, Quebec. Goodfood had 246,000 active subscribers<sup>(1)</sup> as at February 29, 2020.

### SECOND QUARTER HIGHLIGHTS

- Revenue reached \$58.8 million in the second quarter of Fiscal 2020, an increase of \$22.2 million, or 61% compared to the same period last year
- Gross profit reached \$17.8 million, an increase of \$10.2 million, or 133%, with gross margin reaching a record 30.3%, an improvement of 9.4 percentage points year-over-year
- Net loss was \$3.4 million, an improvement of \$3.2 million compared to the same period in Fiscal 2019, resulting in net loss per share of \$0.06
- Completed a \$30 million financing through the issuance of convertible debentures in February 2020 and ended the quarter in a solid financial position with cash, cash equivalents and restricted cash of \$69.5 million
- Adjusted EBITDA margin<sup>(1)</sup> reached -5.0%, an improvement of 10.0 percentage points year-over-year
- Continued penetration of the Canadian market, with active subscribers<sup>(1)</sup> reaching the 246,000 mark as at February 29, 2020, an increase of 87,000 or 55% compared to February 28, 2019
- The current COVID-19 pandemic has had no impact on the financial results of the quarter ending February 29, 2020, but will impact our third quarter results; we expect the pandemic to have a positive impact on revenues, with increased subscriber growth, order rates and average order values, but also expect our operations to be impacted by staffing and supply challenges also caused by the pandemic

### A WORD FROM MANAGEMENT

Goodfood's strong growth momentum continued in the second quarter with run-rate gross merchandise sales<sup>(1)</sup> surpassing the \$300 million mark for the first time, driven by increased penetration from coast-to-coast and a broader offering of private label grocery products and meal solutions. Our financial position is also very solid with cash, cash equivalents and restricted cash reaching nearly \$70 million at quarter-end, after the recent closing of our \$30 million financing. Our brand recognition is stronger than ever and gaining momentum, supported by highly successful marketing campaigns. Combined, these pillars position us ideally to deliver on our long-term growth strategy to be the leading online grocer in Canada. In addition, we have experienced greater demand for Goodfood's products during the current COVID-19 crisis. While we continue to fulfill that demand, we have placed the safety of our employees and members as our first priority. As such, we have put in place several key hygiene and quality initiatives and strive to maintain the highest standards to ensure the utmost freshness of our products and the best experience for our members.

**Jonathan Ferrari**  
President and CEO  
April 8, 2020

We are thrilled by our robust second quarter results despite the impact of the typical challenges posed by the winter period on our operations. The consistent progression of our profitability cements the solid foundations we have laid and sets the Company closer to its long-term profitability goals. The 10% improvement in adjusted EBITDA margin<sup>(1)</sup> continues to be driven by operational efficiencies, economies of scale, automation and operating leverage. With the recently opened Vancouver fulfilment center and the upcoming build-out of a Toronto facility, Goodfood's operations will continue to grow and improve our long-term revenue and margin trajectory. We are also proud that our operations are working 24/7 to support the increased demand resulting from the current COVID-19 pandemic. We are ramping-up production, hiring more employees and rewarding them with our Essential Canadian Pay Program, to do our best to meet this demand and to do our part to provide food security for Canadians.

**Neil Cuggy**  
President and COO  
April 8, 2020

### FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars, except margins)

	Quarters ended February 29, (unaudited)		Six-months ended February 29, (unaudited)	
	2020	2019	2020	2019
Gross Merchandise Sales ("GMS") <sup>(1)</sup>	\$ 68,939	\$ 46,535	\$ 136,975	\$ 83,640
Adjusted Gross Profit <sup>(1)</sup>	22,965	17,592	55,929	24,355
Adjusted Gross Profit Margin % <sup>(1)</sup>	40.6%	37.8%	40.8%	37.7%
Revenue	58,790	36,593	115,081	48,871
Gross Profit	17,816	7,650	34,035	19,891
Gross Profit Margin %	30.3%	20.9%	29.6%	21.4%
Net loss	(3,360)	(6,560)	(8,512)	(11,411)
Cash provided by (used in) operating activities	(3,881)	(499)	(2,420)	1,251

<sup>(1)</sup> This is a non-IFRS financial measure which does not have a standardized meaning prescribed by IFRS and may therefore not be comparable to similar measures presented by other issuers. Please refer to the Non-IFRS financial measures section in the Management's Discussion and Analysis.

## RECENT EVENTS

- On March 27, 2020, the Company created an essential Canadian pay program rewarding employees with a minimum \$2 hourly raise for all operations and production staff
- On March 23, 2020, the Company announced its intention to hire 500 new employees to respond to increasing demand from Canadians from coast-to-coast
- On March 11, 2020, the Company announced the launch of its Vancouver fulfillment center
- On February 26, 2020, the Company completed a \$30 million convertible debenture financing

## 5-YEAR FINANCIAL REVIEW

(in thousands of Canadian dollars, except margins)	Trailing 12 months	2019	2018	2017	2016
Gross Merchandise Sales ("GMS") <sup>(1)</sup>	\$ 254,162	\$ 200,830	\$ 84,092	\$ 23,081	\$ 3,244
Adjusted Gross Profit <sup>(1)</sup>	104,159	79,807	28,250	6,875	710
Adjusted Gross Profit Margin % <sup>(1)</sup>	41.0%	39.7%	33.6%	29.8%	21.9%
Revenue	210,204	161,333	70,502	19,796	2,802
Gross Profit	60,201	40,310	14,660	3,590	267
Gross Profit Margin %	28.6%	25.0%	20.8%	18.1%	9.5%
Net loss	(18,038)	(20,937)	(9,434)	(9,866)	(1,239)
Cash provided by (used in) operating activities	(2,791)	880	176	(1,885)	(592)

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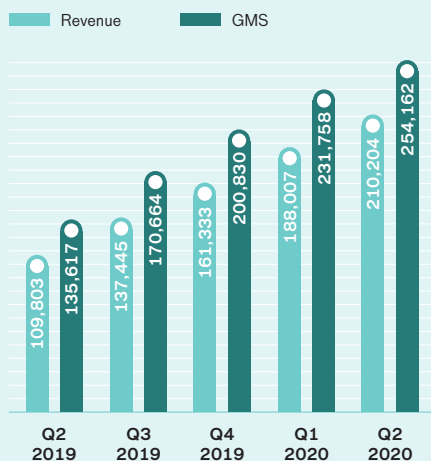
## STRATEGY

Goodfood's strategy involves in part delaying 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 goals. Growing Goodfood's subscriber base, 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, we are confident that Goodfood will achieve economies of scale and additional efficiencies which will lead to improvements in profitability while maintaining an unrivalled experience for subscribers<sup>(1)</sup>.

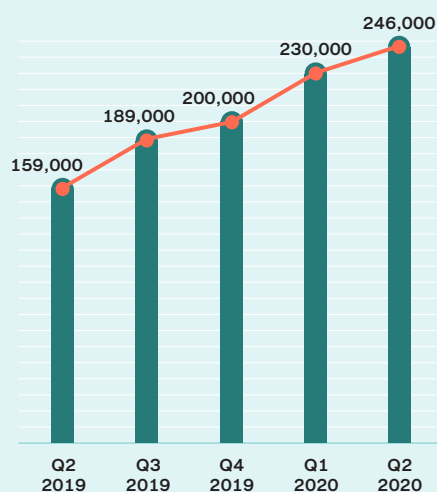
### GMS<sup>(1)</sup> RUN RATE REACHED \$302 MILLION IN Q2-2020

#### REVENUE AND GMS<sup>(1)</sup> TRAILING 12 MONTHS

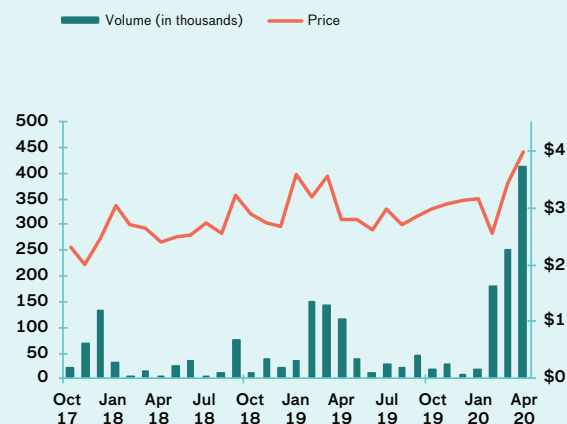
(in thousands of Canadian dollars)



#### ACTIVE SUBSCRIBERS



#### STOCK PERFORMANCE



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**goodfood**

#### INVESTOR RELATIONS

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#### ANALYST COVERAGE

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Michael Glen ..... Raymond James  
Martin Landry ..... Stifel GMP