

goodfood

Q3-20 INVESTOR FACT SHEET

THIRD QUARTER ENDED
MAY 31, 2020



STOCK INFORMATION (TSX: FOOD)

Price as of July 8, 2020: **\$6.02**

High/Low: **\$6.02 – \$1.90**
(52 weeks ended July 8, 2020)

Number of Shares Outstanding: **58,351,145**
(July 8, 2020)

THIRD QUARTER HIGHLIGHTS

- For the first time in the Company's history, Goodfood reported net income of \$2.8 million, representing an increase of \$6.4 million year-over-year and resulting in basic earnings per share of \$0.05
- Revenue reached \$86.6 million in the third quarter of Fiscal 2020, an increase of \$36.7 million, or 74% compared to the same period last year
- Gross profit reached \$24.9 million, an increase of \$10.8 million, or 77%, with gross margin reaching 28.8%, an improvement of 0.5 percentage points year-over-year
- Gross merchandise sales⁽¹⁾ for the quarter totalled \$99.8 million, an increase of \$38.6 million, or 63%, with run-rate GMS⁽¹⁾ over \$418 million
- Adjusted EBITDA⁽¹⁾ turned positive for the first time reaching \$6.0 million, or a margin of 6.9%, an 11.7 percentage points improvement year-over-year
- Ended the quarter in a solid financial position with cash, cash equivalents and restricted cash of \$80.5 million
- The COVID-19 pandemic has had an overall positive impact on Goodfood's business, acting as a catalyst in the shift to e-commerce grocery shopping; Goodfood experienced an acceleration of growth in demand-driven metrics, while facing and meeting challenges to operations and supply chains

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, two production facilities in the Greater Toronto Area (one in operation and another under construction), two production facilities out West, in Calgary and Vancouver, and a breakfast facility in Montreal. Goodfood had 272,000 active subscribers⁽¹⁾ as at May 31, 2020.

A WORD FROM MANAGEMENT

The COVID-19 outbreak ignited the growth of online grocery shopping in Canada, where the penetration rate has historically been particularly low compared to many other developed economies. The adoption rate of online grocery shopping has effectively outpaced industry growth projections by several years, with Canadians embracing a new way of shopping that we expect is here to stay. Seizing this truly unique opportunity has allowed Goodfood to grow significantly and reinforce its position as a leading online grocery company in Canada. This quarter has been among the most difficult, but also most rewarding in Goodfood's history, with our employees working tremendously hard to feed Canadians coast to coast while implementing enhanced safety protocols to keep our workforce safe. Run-rate Gross Merchandise Sales⁽¹⁾ surpassed the \$400 million mark for the first time and while new subscribers remain an important growth driver, the contribution from higher order rates and larger basket sizes resulting from our strategy to grow selection were also noteworthy. Goodfood continues to fulfill an even larger part of our subscribers' meal planning needs with a growing number of exclusive private label grocery products and delicious meal solutions.

Jonathan Ferrari
President and CEO
July 8, 2020

While Goodfood's strategy still involves balancing short-term profitability to attain longer term growth and margin targets to maximise shareholder value, we are extremely pleased to report our first quarterly net income and positive Adjusted EBITDA⁽¹⁾. These results reflect significant growth in revenue and higher order rates unlocking further operating leverage, partially offset by the direct and indirect costs associated with COVID-19, and investments required for the launch and growth of new product offerings. Our third quarter demonstrates Goodfood's ability to adapt quickly to an unprecedented situation in order to serve our loyal members nationwide. Moving forward, we are in a unique competitive position to benefit from growing online grocery shopping trends and remain in a very solid financial position to execute our strategy. Our fourth quarter is typically slower given the lower demand resulting from the summer vacation period and nicer weather, however, the pandemic makes it difficult to predict how consumers will react. We are monitoring the situation closely and, with six fulfilment centres across Canada, will be ready to adjust our operations accordingly knowing the importance of our services to our customers.

Neil Cuggy
President and COO
July 8, 2020

FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars, except margins)

	Quarters ended May 31, (unaudited)		Nine-months ended May 31, (unaudited)	
	2020	2019	2020	2019
Gross Merchandise Sales ("GMS") ⁽¹⁾	\$ 99,823	\$ 61,212	\$ 236,798	\$ 144,853
Adjusted Gross Profit ⁽¹⁾	38,133	25,437	94,062	57,012
Adjusted Gross Profit Margin % ⁽¹⁾	38.2%	41.6%	39.7%	39.4%
Revenue	86,600	49,864	201,681	116,074
Gross Profit	24,910	14,089	58,945	28,233
Gross Profit Margin %	28.8%	28.3%	29.2%	24.3%
Net Income (Loss)	2,786	(3,639)	(5,726)	(15,050)
Cash (used in) provided by operating activities	8,552	2,339	6,132	3,590

⁽¹⁾ 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 June 25, 2020, the Company announced it has been selected to join the S&P/TSX Smallcap Index effective June 22, 2020
- On May 28, 2020, the Company announced it has signed a lease for its second fulfillment centre in the Greater Toronto Area
- On April 30, 2020, the Company announced it has signed a lease for its first fulfillment centre in the Greater Toronto Area

5-YEAR FINANCIAL REVIEW

(in thousands of Canadian dollars, except margins)	Trailing 12 months	2019	2018	2017	2016
Gross Merchandise Sales ("GMS") ⁽¹⁾	\$ 292,775	\$ 200,830	\$ 84,092	\$ 23,081	\$ 3,244
Adjusted Gross Profit ⁽¹⁾	116,857	79,807	28,250	6,875	710
Adjusted Gross Profit Margin % ⁽¹⁾	39.9%	39.7%	33.6%	29.8%	21.9%
Revenue	246,940	161,333	70,502	19,796	2,802
Gross Profit	70,952	40,310	14,660	3,590	267
Gross Profit Margin %	28.7%	25.0%	20.8%	18.1%	9.5%
Net loss	(11,613)	(20,937)	(9,434)	(9,866)	(1,239)
Cash provided by (used in) operating activities	3,422	880	176	(1,885)	(592)

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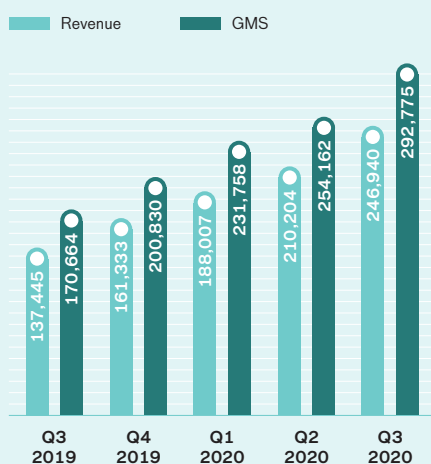
STRATEGY

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 and profitability 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, it is confident that it will achieve economies of scale and additional efficiencies which will lead to improvements in profitability while maintaining an unrivalled experience for subscribers⁽¹⁾.

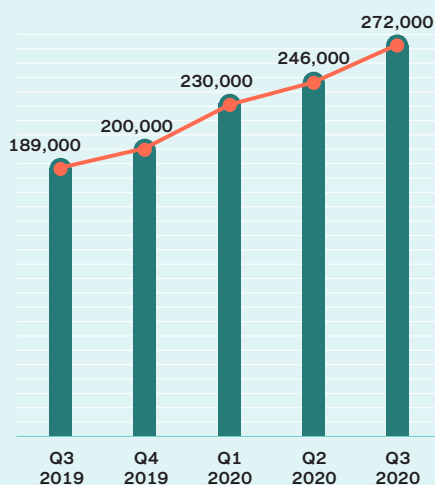
GMS⁽¹⁾ RUN RATE REACHED \$418 MILLION

REVENUE AND GMS⁽¹⁾ TRAILING 12 MONTHS

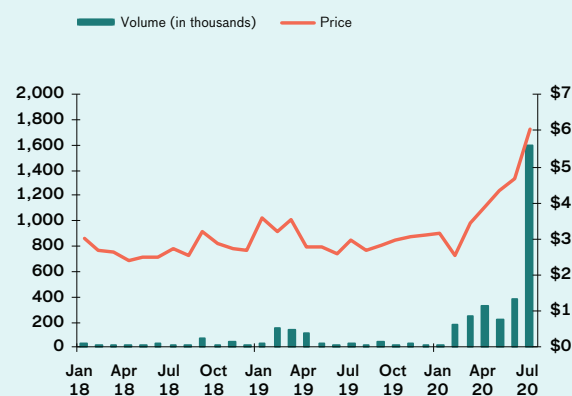
(in thousands of Canadian dollars)



ACTIVE SUBSCRIBERS



STOCK PERFORMANCE



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