



FY-21 & Q4-21 Earnings Presentation

November 17, 2021



Caution Regarding Forward-Looking Statements



This presentation 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", and "continue", as well as 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 on 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, 2020 available on SEDAR: limited operating history, negative operating cash flow, food industry, COVID-19 pandemic as well as the impact of the vaccine rollout, quality control and health concerns, regulatory compliance, regulation of the industry, public safety issues, product recalls, damage to Goodfood's reputation, transportation disruptions, storage and delivery of perishable foods, product liability, unionization activities, consolidation trends, ownership and protection of intellectual property, evolving industry, reliance on management, factors which may prevent realization of growth targets, competition, availability and quality of raw materials, 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, limited number of products, conflicts of interest, litigation, catastrophic events, risks associated with payments from customers and third parties, being accused of infringing intellectual property rights of others and, climate change and environmental risks. 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 the 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 duration and severity of the COVID-19 pandemic as well as the impact of the vaccine rollout and its impact on product demand, labour 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.

Key Business Highlights



Delivered record annual net sales and strong year-over-year growth

- Generated record net sales and gross profit of \$379 million and \$116 million, respectively
 - 33% net sales growth and 34% gross profit growth in the context of last year's significantly positively impacted demand conditions



After seasonally slower Q4 impacted by re-opening...

- Net sales decreased by 5% year-over-year to \$79 million and gross margin stood at 23%
- Volume decline led to significant operating deleverage, combined with seasonality in COGS, labour inflation and investments in on-demand fulfilment, impacted gross margin significantly



... continuing to gear up for on-demand growth

- On-demand delivery of grocery and meal solutions launched: micro-fulfilment centre in Toronto in operation offering on-demand, one hour or less delivery; Montreal to follow soon, Ottawa in the coming weeks
- Increasing selection now surpassing the 1,000 SKU ⁽¹⁾ well ahead of schedule
- Revamped platform for faster, seamless online grocery and meal solution shopping

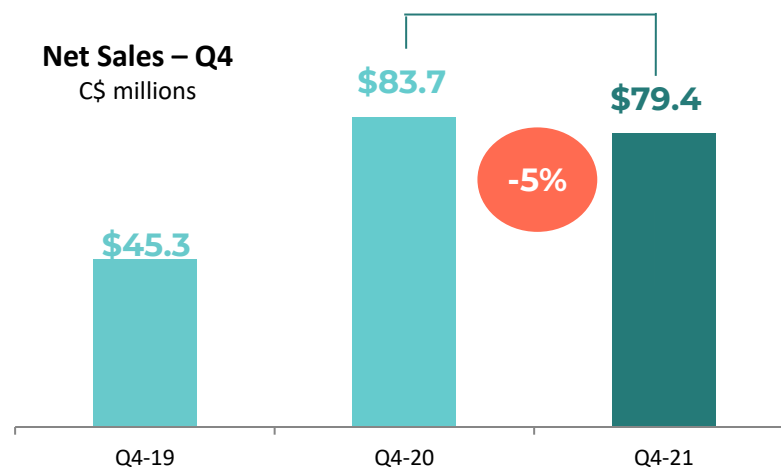
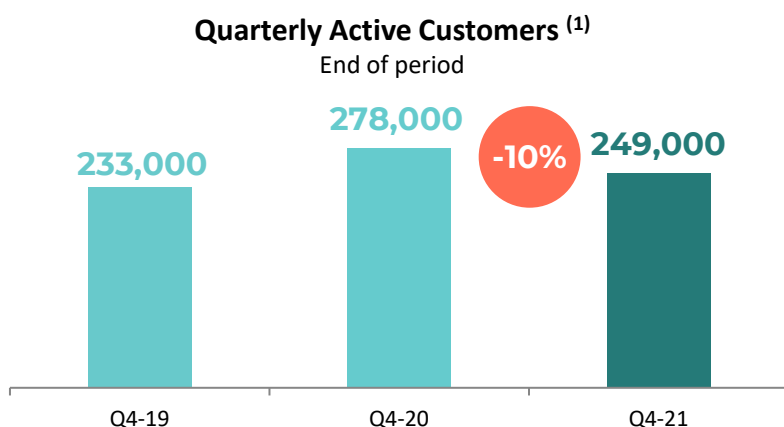
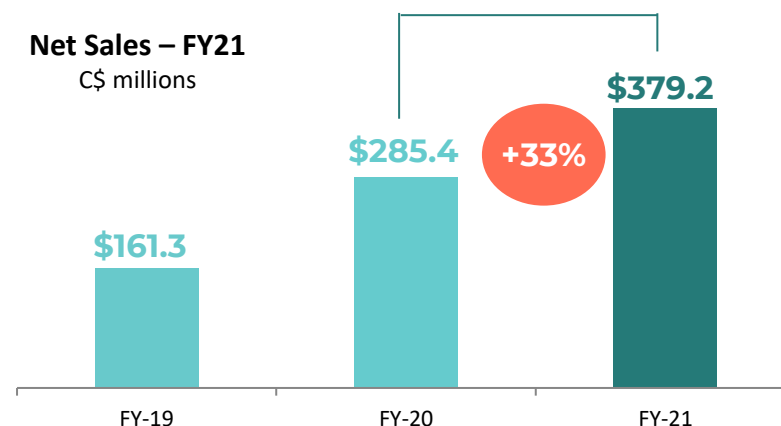
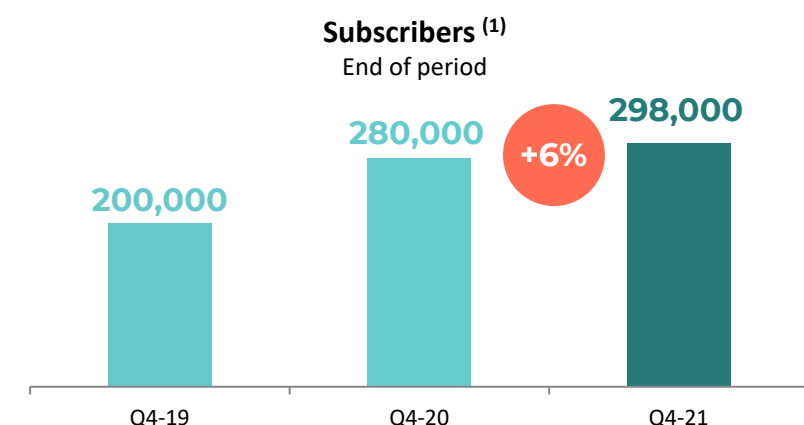
Positioned for continued execution in 2022 as we are building Canada's first integrated on-demand grocery and meal solutions network

(1) Number of products currently available in on-demand services.

Subscribers ⁽¹⁾, Active Customers ⁽¹⁾ and Net Sales



The expansion of our product offering and faster delivery times have led to continued growth in basket sizes and order frequency, driving strong net sales growth for Fiscal 2021, while fourth quarter was seasonally slow and impacted by re-opening



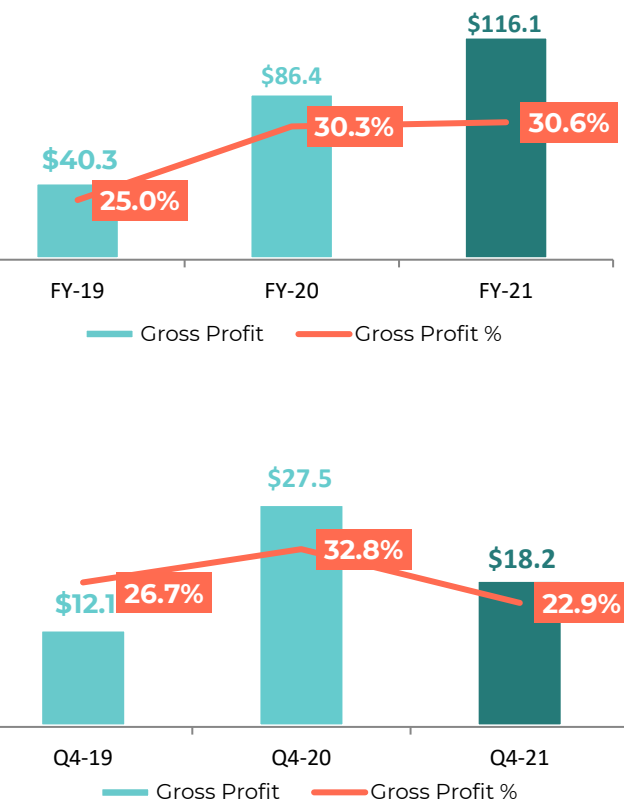
(1) This is a Metric or non-IFRS measure. Please refer to page 10 of this presentation for more details.

Gross Profit, Adj. EBITDA ⁽¹⁾ and Net Loss

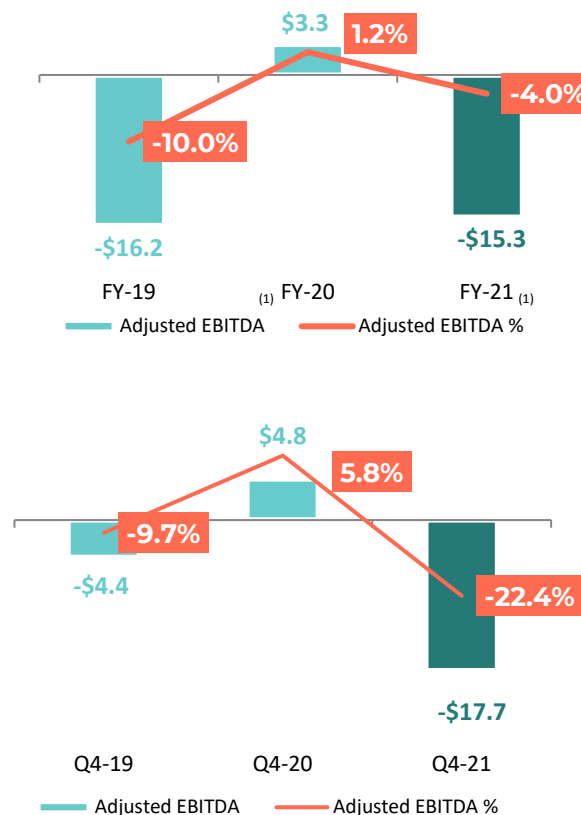


Gross Profit and Gross Margin increased to a record \$116 million and 30.6% for the year driven by operating leverage in the first three quarters of the year, cost-effective delivery and automation investments, while lower volume in Q4 and inflation particularly in labour drove margin down to 22.9% for the quarter

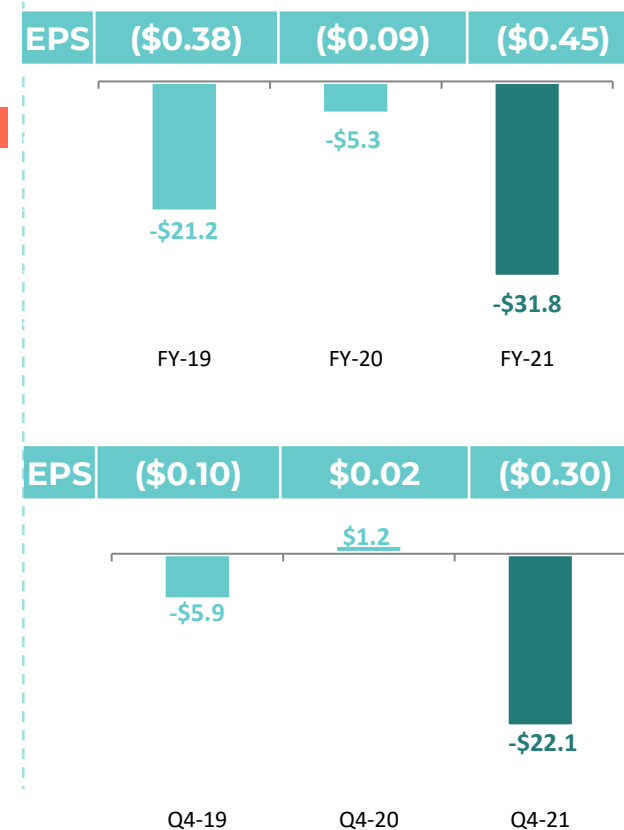
**Gross Profit
& Gross Margin**
C\$ millions and %



**Adjusted EBITDA ⁽¹⁾
& Adjusted EBITDA Margin ⁽¹⁾**
C\$ millions and %



Net Income
C\$ millions



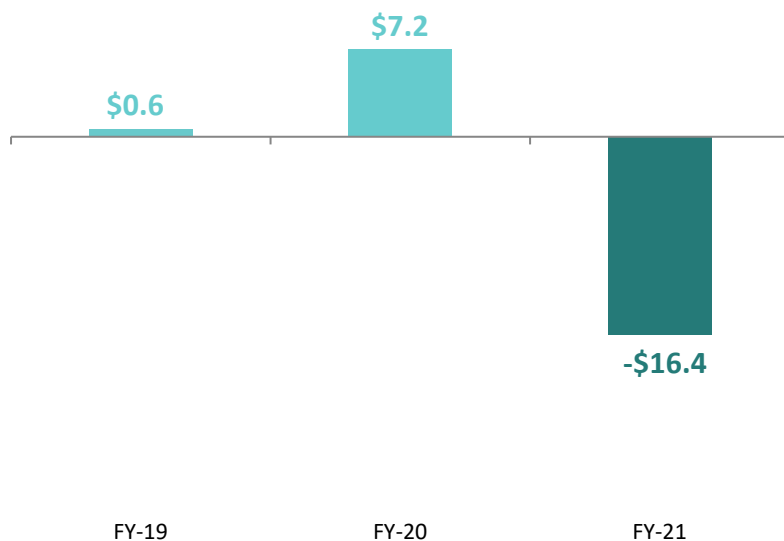
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CFO and CAPEX

Cash flow from operations turned negative as investments in on-demand grocery led to a net loss; capital expenditure spend increased to support on-demand penetration

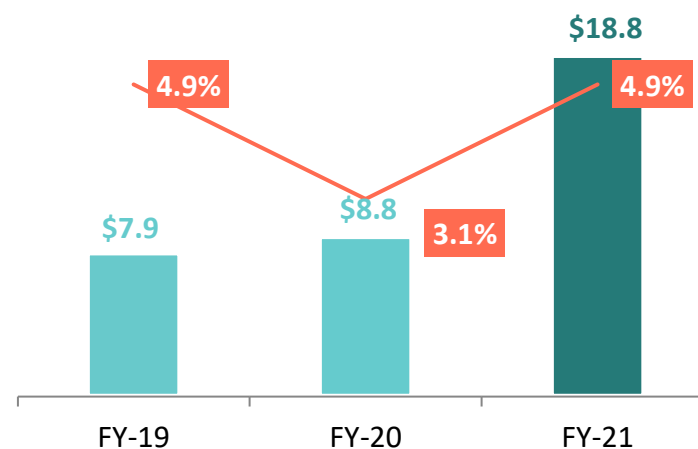
Cash Flows Provided by Operating Activities

C\$ millions



CAPEX

C\$ millions



Capex As % of Net Sales

Key Financial Highlights



Goodfood delivers record annual net sales of \$379M

<i>(in millions of Canadian \$ except for percentage information and active subscribers)</i>	Q4-21	Q4-20	Y-o-Y Δ	FY-21	FY-20	Y-o-Y Δ
Net Sales	\$79.4	\$83.7	-5%	\$379.2	\$285.4	33%
Gross profit	18.2	27.5	-34%	116.1	86.4	34%
Gross margin (%)	22.9%	32.8%	-9.9pp	30.6%	30.3%	+0.3pp
Adjusted EBITDA ⁽¹⁾	(17.7)	4.8	N/A	(15.3)	3.3	N/A
Adjusted EBITDA margin (%) ⁽¹⁾	-22.4%	5.8%	-28.2pp	-4.0%	1.2%	-5.2pp
Net (loss) income	(22.1)	1.2	N/A	(31.8)	(5.3)	N/A
Cash flows provided by operating activities	(23.7)	2.0	N/A	(16.4)	7.2	N/A
Cash, cash equivalents and restricted cash	125.5	106.9	17%	125.5	106.9	17%

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Why On-Demand?

On-demand offers all the key characteristics to bring a superior value proposition to customers...

	Traditional Grocery	Online Grocery	On-Demand Grocery
Experience	Physical Trip	Order & Wait	✓ Order & Receive
Time	60 minutes +	2h – 48h	✓ 60 min. or less goodfood Avg.: 36 min.
Inventory / Stockouts	✓ Own inventory / limited stockouts	Third party inventory / significant stockouts and substitutions	✓ Own inventory / limited stockouts
Price	✓ Market	Marked up	✓ Market

...translated in highest Net Promoter Score in the Grocery industry...

NPS	Low	Average	✓ Very high (60+) goodfood NPS of 88
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...and customers indicating a clear preference for fast fulfillment



is uniquely positioned to capture the on-demand market in Canada

- 1-hour or less delivery in Toronto, soon Montreal
- On-demand delivery soon in Ottawa and other markets
- Network in place with line of sight for significantly more growth
- Unique merchandising including 1,000 meal kits, ready-to-eat and grocery
- Leveraging existing brand, procurement and shipping of planned orders
- AOV (\$65+), strong unit economics, low capex (<\$1m) = <6 months payback

Q&A

Metrics and non-IFRS financial measures



The table below defines metrics and non-IFRS financial measures used by the Company throughout this presentation. Non-IFRS financial measures do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. They are provided as additional information to complement IFRS measures and to provide a further understanding of the Company's results of operations from our perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS and should be read in conjunction with the financial statements for the periods indicated. For a reconciliation of these non-IFRS financial measures to the most comparable IFRS financial measures, as applicable, see the "Metrics and Non-IFRS Financial Measures – Reconciliation" of the Company's latest Management Discussion & Analysis.

Metrics	Definition
Active Subscribers	An account that is scheduled to receive a delivery, has elected to skip delivery in the subsequent weekly delivery cycle or that is registered to Goodfood WOW. 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 the active subscribers metric 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 the Company's consolidated financial statements, we believe that the active subscribers metric is a useful metric for investors because it is indicative of potential future net sales. The Company reports the number of active subscribers at the beginning and end of the period, rounded to the nearest thousand.
Active Customer	A customer that has placed an order within the last three months. For greater certainty, an active customer is only accounted for once, although different products and multiple orders might have been purchased within a quarter. While the active customer metric 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 the Company's consolidated financial statements, we believe that the active customers metric is a useful metric for investors because it is indicative of potential future net sales. The Company reports the number of active customers at the beginning and end of the period, rounded to the nearest thousand.

Non-IFRS Financial Measures	Definition
EBITDA	EBITDA is defined as net income (loss) before net finance costs, depreciation and amortization and income taxes.
Adjusted EBITDA and Adjusted EBITDA margin	Adjusted EBITDA is defined as EBITDA excluding share-based payments and restructuring costs. Adjusted EBITDA margin is defined as the percentage of adjusted EBITDA to net sales. EBITDA, adjusted EBITDA, and adjusted EBITDA margin are non-IFRS financial measures.



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