



goodfood

ANNUAL MEETING OF SHAREHOLDERS

January 13, 2021





Jonathan Ferrari

Co-Founder, Chairman of
the Board & CEO

- Opening of the Meeting
- Voting Procedure
- Scrutineers of the Meeting
- Management Report, Consolidated Financial Statements and Auditor's Report
- Election of Directors
- Appointment of Auditors and Fixing of Remuneration
- Unallocated Options and Option Grant Ratification Ordinary Resolution
- Restricted Share Unit Plan and Restricted Share Unit Grant Ratification Ordinary Resolution
- Management Presentation / Annual Review
- Question Period
- Closing of the Meeting

Presenters

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Jonathan Ferrari

Co-founder & CEO



Neil Cuggy

Co-Founder, President & COO



Philippe Adam

Chief Financial Officer



Caitlin Rose

Partner at Fasken,
Secretary of Goodfood

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Election of Directors

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Neil Cuggy



Jonathan Ferrari



Hamnett Hill



Donald Olds



François Vimard



Terry Yanofsky

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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 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, 2020 available on SEDAR at 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, 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 COVID-19 pandemic 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.

Goodfood today – a leading online grocer with scale and profitability

goodfood



Q1 FY19
126,000 Active Subscribers ⁽¹⁾
\$133M Revenue Run-Rate
22% Gross Margin
-\$2.3M / -7.8% Adj. EBITDA (\$/%) ⁽¹⁾
\$25M Cash on Hand ⁽²⁾
\$159M Market Cap
676,000 Monthly Website Visitors
1,000 Employees

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

Operating in **+\$165 billion** Canadian TAMs, with **low online penetration**

Q1 FY21
306,000 Active Subscribers ⁽¹⁾
\$394M Revenue Run-Rate
32% Gross Margin
\$1.4M / +1.5% Adj. EBITDA (\$/%) ⁽¹⁾
\$104M Cash on Hand
\$886M Market Cap ⁽³⁾
1,600,000 Monthly Website Visitors
3,500 Employees

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

⁽¹⁾ This is a metric or non-IFRS financial measure. Please refer to page 25 of this presentation for more details.

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

⁽³⁾ As of 1/11/2021, using basic shares outstanding.

Key business highlights

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Goodfood continued to achieve strong growth and margin expansion...

Growth underpinning continued strong results...

- Reaching 306,000 active subscribers ⁽¹⁾
 - +33% y-o-y
- Revenues growing at ~2x subscriber growth
 - +62% y-o-y
 - LTM Revenues of \$321M
 - 94% of Revenues from subscribers with 3+ orders
- Gross margin improving to grocery industry-leading levels in Canada at 32%+
 - Gross profit +82% y-o-y
 - Gross Profit growth 2.5x subscriber growth



...and executing at a high level to augment operational efficiency...

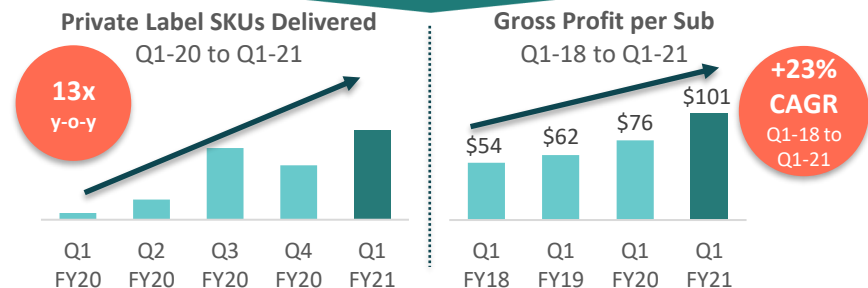
- Increasing penetration of Goodcourier last-mile delivery and other shipping initiatives improving cost structure
- Lower unit costs in packaging as a result of scale
- Investment in automation leading to enhanced operations
- Leading gross margin improving to 32%+ levels, best-in-class in Canadian grocery industry

...while consistently adding to our members' experience...

- Launching Goodfood WOW: Unlimited Same-Day Grocery Delivery
 - Currently in the GMA, soon in the GTA and in major cities across the country within 12 months
- Building bigger offering with now over 500 products available, including highly successful holiday recipes
- Bringing a larger number of RTE meals in-house

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WOW

...leading to offering and margin momentum



...driving outstanding capital markets performance, with Goodfood stock increasing ~4x in Calendar 2020 and market cap surpassing the \$800 million mark

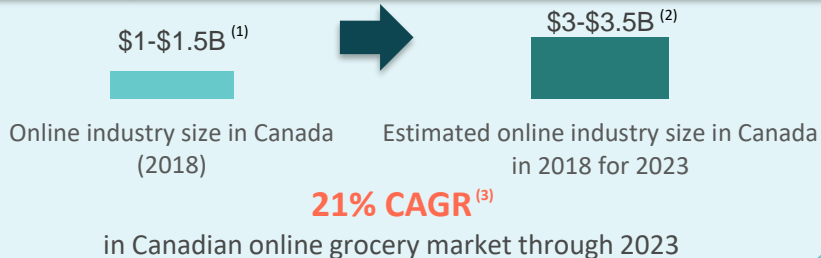
(1) This is a Metric or non-IFRS measure. Please refer to page 25 of this presentation for more details.

Ideally positioned to benefit from accelerating shift to online grocery shopping

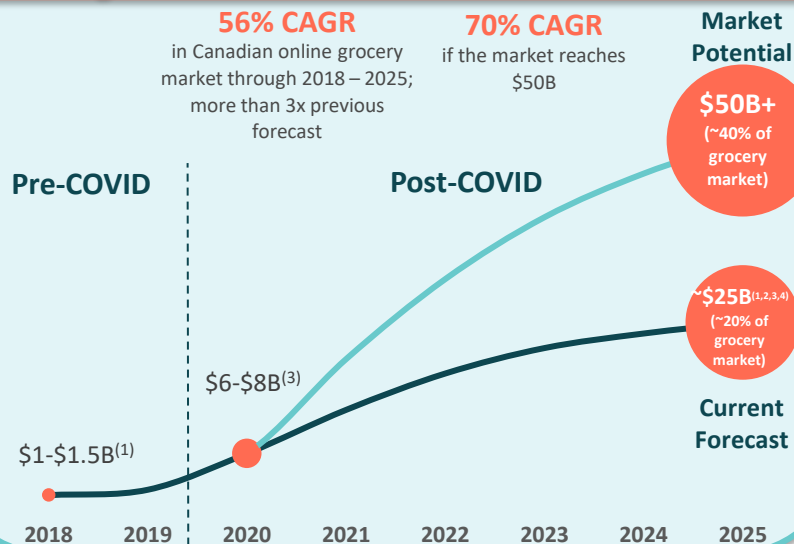
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Goodfood built the capabilities and **differentiated strategy** to benefit from the **accelerating shift to online grocery** and is poised to cement its place as a **leader in online grocery**

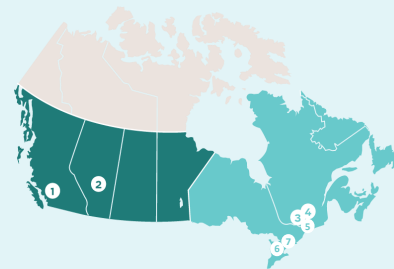
The shift of grocery shopping online was well underway before the pandemic...



...and the pandemic pushed online grocery to an inflection point of growth...

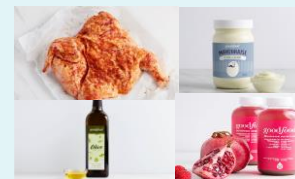


...while Goodfood is setup for strong growth



- Demand level grocery capabilities
- Ready-to-cook manufacturing and ready-to-eat kitchen
- High level of operational automation & technology

7 purpose-built facilities
589K sq. ft from Coast to Coast



500+ Goodfood branded products



6 meal plans with 35 weekly options



30+ unique breakfast products



Delicious ready-to-eat meal solutions

(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 IGD/CanadianGrocer.com.

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

(3) IGD/CanadianGrocer.com.

(4) The Evolution of the Grocery Customer, Mercatus.

COVID-19 impact: acceleration of existing strong trends















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The COVID-19 pandemic has accelerated the change in 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 has impacted our last three quarters and 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
- Operations pressured by increased demand, labor in particular; eased in Q4-20 and Q1-21
- ~\$0.9M COVID-19 expenses incurred in Q1-2021 are deemed non-recurring

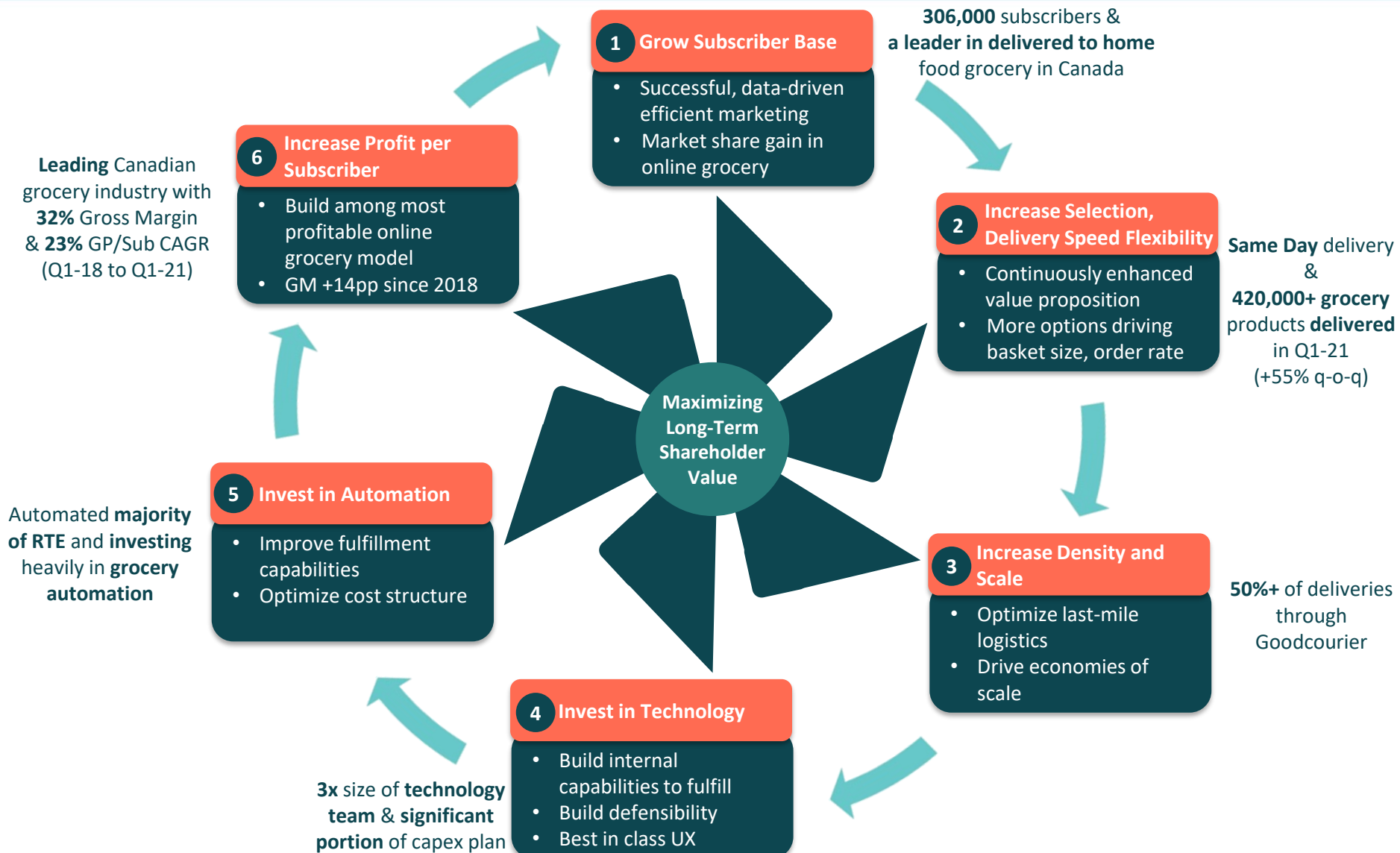
	COVID-19 IMPACT	Goodfood Initiatives
New subscribers ⁽¹⁾	 <ul style="list-style-type: none"> • Increased subscriber count in Q3, to some extent in Q4 	 Heightened already strict hygiene measures to ensure safety of employees and members
Order rate	 <ul style="list-style-type: none"> • Increased orders from existing customers on a weekly basis since March 	 Increased footprint to 7 facilities to provide runway for growth
Average order value	 <ul style="list-style-type: none"> • Larger basket size, now including more Private Label and Ready-to-Eat products 	 Hired 1,000+ new employees to face demand  Expanded grocery products to fulfill demand
Gross Margin	 <ul style="list-style-type: none"> • Increased food costs, labor costs (Essential Pay Program) and additional sanitary measures 	 Increased inventory on more complex SKUs and ramped up co-packing with suppliers to alleviate pressure on operations
Marketing	 <ul style="list-style-type: none"> • Strategic reduction in marketing spend during Q3 to match our supply chain capabilities, less since; CAC lower vs historical levels 	 Matched donations by members and employees to the Breakfast Club of Canada  Donated meal to frontline healthcare workers
Adj. EBITDA ⁽¹⁾	 <ul style="list-style-type: none"> • Cost base amortized over larger revenue base led to positive Adj. EBITDA 	 Helping in distribution of vaccine



(1) This is a Metric or non-IFRS measure. Please refer to page 25 of this presentation for more details.

Goodfood's strategy anchored in building momentum in its flywheel

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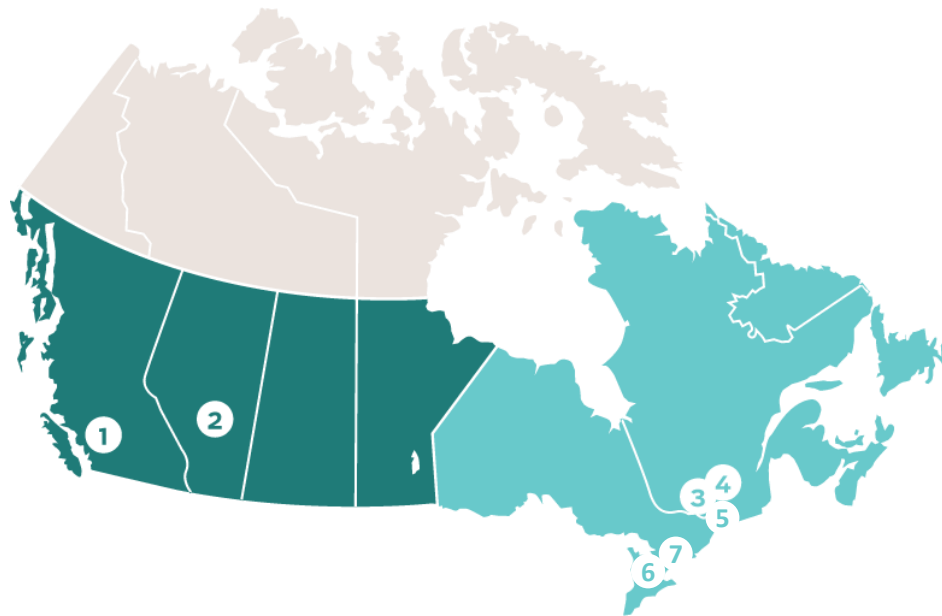
Neil Cuggy

Co-Founder, President & COO

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

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589,000 sq. ft in 7 purpose-built production facilities



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. MONTREAL, QC

45,000 sq. ft distribution facility

6. TORONTO, ON

42,000 sq. ft production and distribution facility

7. TORONTO, ON

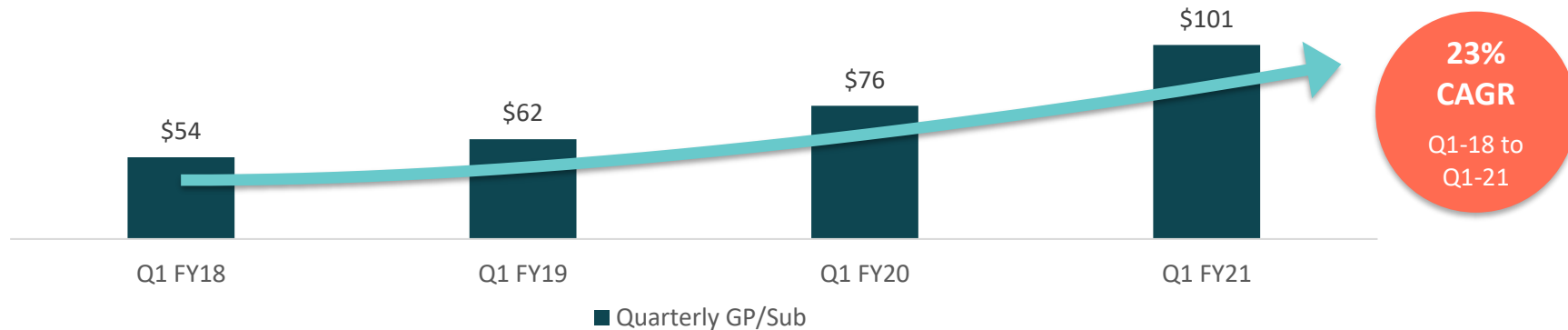
200,000 sq. ft production and distribution facility (under construction)

Strong execution on strategy translating into significant margin expansion

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Gross Profit per Subscriber ⁽¹⁾

Q1-18 to Q1-21



Continuously delivering value to customer while improving margins



(1) This is a Metric or non-IFRS measure. Please refer to page 25 of this presentation for more details.

Goodfood's value proposition answering Canadians changing needs

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64% ⁽¹⁾ of Canadians
now go to grocery
stores less often...

...and 13% ⁽¹⁾ are now
mostly or totally buying
grocery online...

... waste being a big
concern: food waste cost
per household now over
\$1,100 ⁽²⁾ annually

The answer is... **WOW**

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WOW

Launch of Goodfood WOW solidifies value proposition and leading position by delivering quickly, on-demand diversified grocery options to Canadians' doorsteps

Goodfood WOW in a nutshell:



Unlimited same-day & next-day delivery



No weekly meal kit subscription



Only \$35 minimum orders



Environmentally friendly packaging



New products added every week



Discount to other branded delivered options

(1) COVID Grocery experience Mini-Report, Agri-Food Analytics Lab, Dalhousie University, May 2020.

(2) Food Waste in Canadian Homes in 2020; Love Food Hate Waste Canada, June 2020.

Goodcourier an example of world-class execution

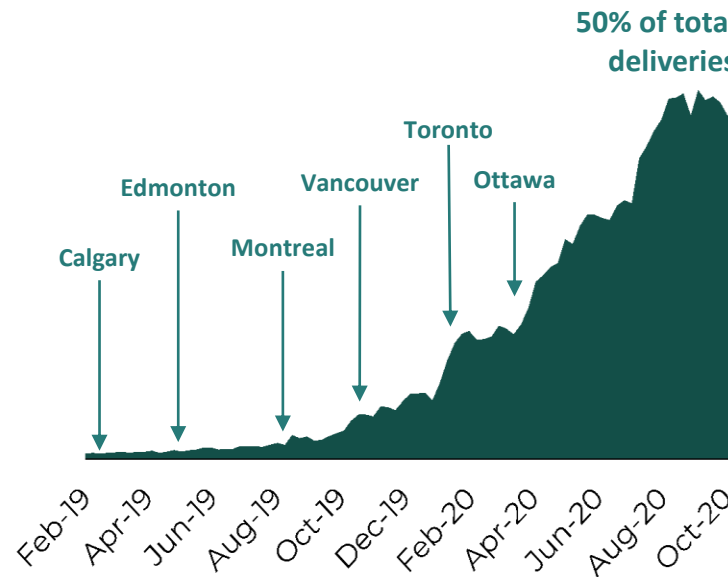
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Goodcourier: Competitive advantage to Goodfood

- ✓ Control the delivery, revolutionizing the customer experience
- ✓ Achieve same-day deliveries
- ✓ Support high growth
- ✓ Refrigerate deliveries, therefore improving quality, freshness and use and sustainability of packaging
- ✓ Reduction in delivery-related quality issues
- ✓ Use vans as a marketing tool

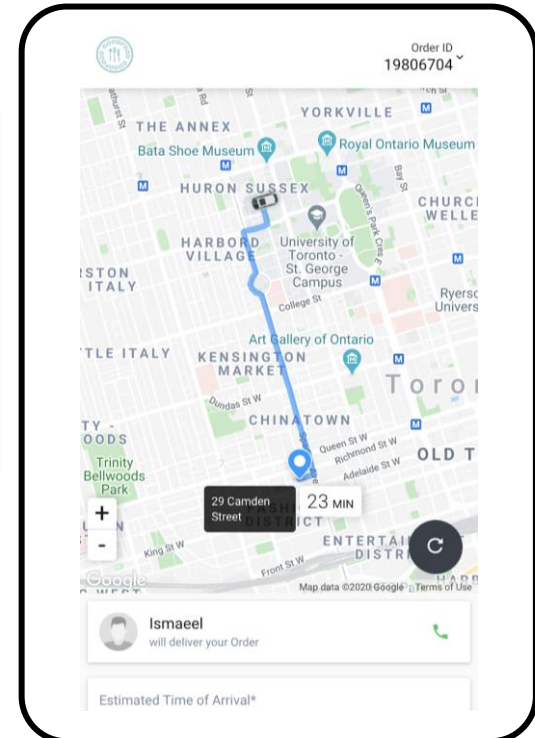


Goodcourier expanded to 50%+ of Goodfood deliveries



Goodcourier has expanded from Calgary to Edmonton, Montreal, Vancouver, Toronto, and Ottawa

Overall delivery cost per order down
~33% since Goodcourier introduction



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
- Launched paper packaging for same-day/local grocery orders, eliminating millions of boxes, liners and icepacks
- Launched plant-based packaging for select RTE products
- 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, local, in-season ingredients
- 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%
- Reduced packaging by using refrigerated vans

Did you know?

- On average, grocery meal greenhouse gas emissions are 33% higher than meal-kits⁽¹⁾
- 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⁽¹⁾
- Meal-kit refrigeration packs present an average emissions decrease compared with retail refrigeration⁽¹⁾

(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.



Philippe Adam
Chief Financial Officer

Fiscal 2020 - Key financial highlights



Goodfood delivers positive Adj. EBITDA for the full year for the first time on the back of consistently strong growth and margin improvement

(in millions of Canadian \$ except active subscribers and margins)	FY-20	FY-19	Y-o-Y Δ
Active subscribers ⁽¹⁾	280,000	200,000	+40%
Revenue	\$285.4	\$161.3	+77%
Gross profit	86.4	40.3	+114%
Gross margin (%)	30.3%	25.0%	+5.3pp
Adjusted EBITDA ⁽¹⁾	4.7	(16.2)	+129%
Adjusted EBITDA margin (%) ⁽¹⁾	1.6%	(10.0%)	+11.7pp
Net Income (Loss)	(4.1)	(20.9)	+80%
Cash flows provided by operations	8.6	0.9	+872%
Cash, cash equivalents and restricted cash	106.9	47.6	+124%

⁽¹⁾ This is a Metric or non-IFRS measure. Please refer to page 25 of this presentation for more details.

Q1-21 – Key financial highlights



Goodfood continues to deliver consistently strong growth in revenues and margin expansion leading to improved profitability metrics and cementing industry leadership

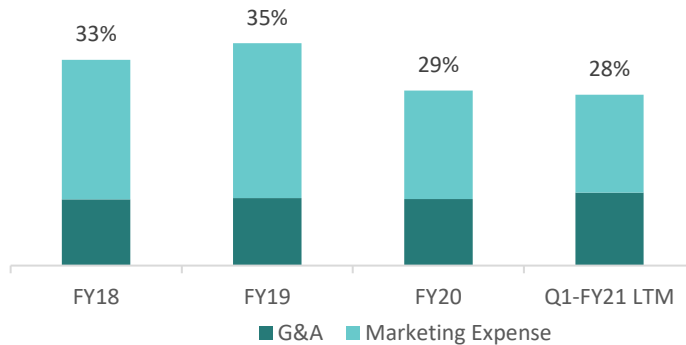
<i>(in millions of Canadian \$ except for percentage information and active subscribers)</i>	Q1-21	Q1-20	Y-o-Y Δ
Active subscribers ⁽¹⁾	306,000	230,000	+33%
Revenues	\$91.4	\$56.3	+62%
Gross profit	29.6	16.2	+82%
Gross margin (%)	32.3%	28.8%	+3.5pp
Adjusted EBITDA ⁽¹⁾	1.4	(3.7)	+137%
Adjusted EBITDA margin (%) ⁽¹⁾	1.5%	(6.5%)	+8.0pp
Net loss	(2.6)	(5.2)	+49%
Cash flows provided by operations	2.1	1.5	+47%
Cash, cash equivalents and restricted cash	104.1	47.0	+121%

⁽¹⁾ This is a Metric or non-IFRS measure. Please refer to page 25 of this presentation for more details.

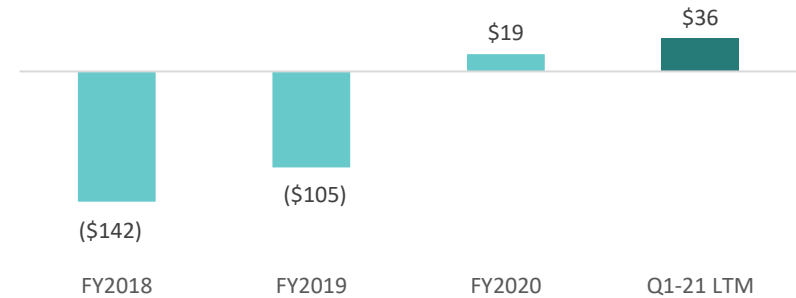
Operational leverage also continuously improving to compound margin improvement

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SG&A as % of Revenue
FY-18 to Q1-21 LTM

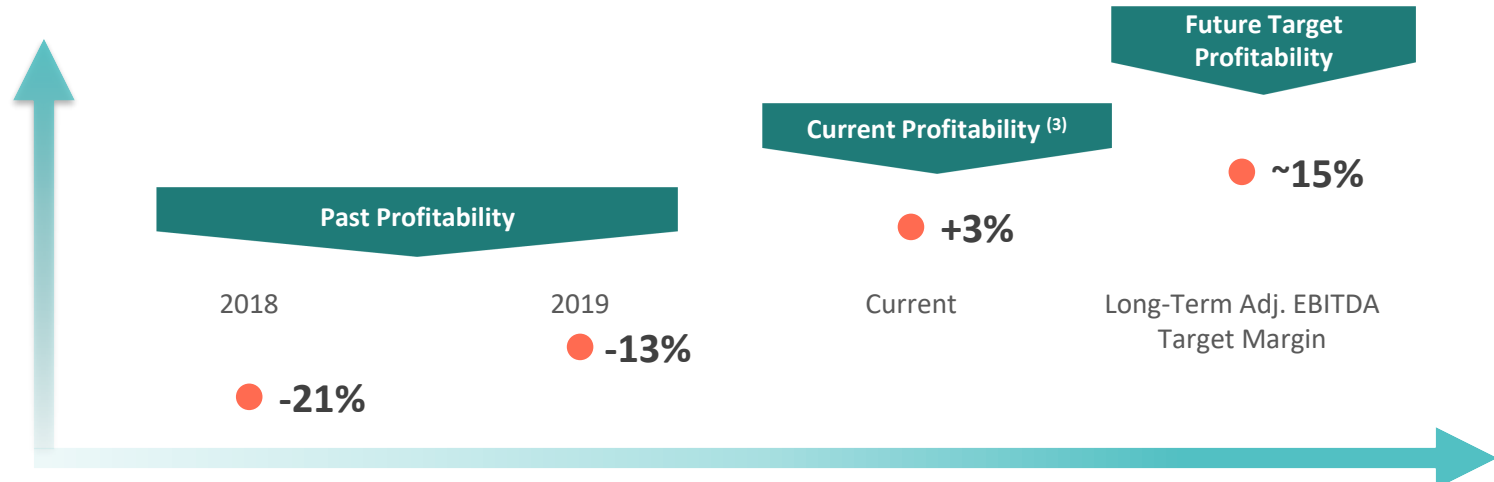


Adj. EBITDA per Subscriber ^(1, 2)
FY-18 to Q1-21 LTM



Well on track to achieve long-term operational goals

Target Adj. EBITDA Margin ⁽¹⁾ of ~15% at full scale



(1) This is a Metric or non-IFRS measure. Please refer to page 25 of this presentation for more details.

(2) Adj. EBITDA per subscriber is the total Adj. EBITDA for the specified period divided by the average number of subscriber for the corresponding period.

(3) LTM Q1-2021.

Adapt to changing times...

The pandemic brought habit changes across multiple markets

- Shift to e-commerce across multiple consumer markets – grocery being a particularly strong area of growth
- Less trips to physical grocery stores
- Increasing number of customers across ages and demographics, with now as many customers in their 60s as their 20s



- Goodfood's e-commerce and fulfilment models supported increased demand
- Strong investments in technology, hiring and product development to fill members' basket
- Non-recurring costs related to impact of pandemic still present though subsiding: Goodfood incurred ~\$0.9 million non-recurring expenses in Q1 of FY2021

...and to permanent trends...

Strong secular trends are crystallizing and Goodfood anticipates:

- 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
- Trends leading to record results in FY2020 are crystallizing even more in Q1-FY2021
- Goodfood is in an ideal position to capitalize on these growth opportunities
 - Well-developed footprint, best-in-class product offering and last mile logistics, well-established brand, e-commerce expertise and access to data on customer preferences

...while keeping focus on our strategy

Building Canada's #1 grocery delivery platform remains #1 objective

- Goodfood's vision to be in every kitchen, every day becoming clearer and tangible
- Achieving our vision goes through focused pursuit of strategic flywheel and strong growth
- EBITDA ⁽¹⁾ Profitability achieved in recent quarters and an important priority for the Company
- Investments in key items of strategic flywheel remain top priority: growth and market share, technology and building strong teams across the Company, including hires in technology, grocery and marketing, which we believe will continue to maximize shareholders' returns

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 revenue run-rate, EBITDA and Adjusted EBITDA, and their respective margins. 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, 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 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 the Company's Consolidated Financial Statements, we believe that active subscribers is a useful metric for investors because it is indicative of potential 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
EBITDA	EBITDA is defined as net income or loss before net finance expenses (income), depreciation and amortization expense and income tax expense.
Adjusted EBITDA and Adjusted EBITDA margin	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. Adjusted EBITDA margin is defined as the percentage of adjusted EBITDA to revenues.



Jonathan Ferrari
Co-Founder & CEO

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