



goodfood

Q3-21 Earnings Presentation

July 7, 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 financial highlights – Q3-21














Goodfood delivers record quarterly revenues of \$108M

<i>(in millions of Canadian \$ except for percentage information and active subscribers)</i>	Q3-21	Q3-20	Y-o-Y Δ
Active subscribers ⁽¹⁾	317,000	272,000	+17%
Revenues	\$107.8	\$86.6	+24%
Gross profit	\$37.7	\$24.9	+51%
Gross margin (%)	35.0%	28.8%	+6.2pp
Adjusted EBITDA ⁽¹⁾	\$1.7	\$6.0	-71%
Adjusted EBITDA margin (%) ⁽¹⁾	1.6%	6.9%	-5.3pp
Net (loss) income	(\$2.0)	\$2.8	N/A
Cash flows provided by operating activities	\$1.0	\$8.6	-88%
Cash, cash equivalents and restricted cash	\$157.1	\$80.5	+95%

⁽¹⁾ This is a Metric or non-IFRS measure. Please refer to page 11 of this presentation for more details.

Goodfood's evolution continues...










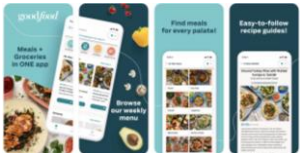
	FY-17	FY-19	Q3-21 LTM
Revenues	● \$20M	● \$161M	● \$384M
Experience	 Meal Kit	  Meal Kit Breakfast	  Grocery Ready to Cook Ready to Eat 
Footprint	 1 155,000 sq. ft	 3 243,000 sq. ft	 9 800,000 sq. ft.
# of Grocery SKUs	0	 ~ 30 SKUs	 ~1,000 SKUs
TAM	● ~\$3B ⁽¹⁾	● ~\$10B ⁽¹⁾	● ~\$130B ⁽²⁾

Goodfood has consistently grown and evolved to capture a larger share of customers grocery spend and expanding its target addressable market

(1) Management estimate.
(2) IGD/CanadianGrocer.com.

... as the next phase of evolution will be driven by 3 key pillars: selection, speed and technology

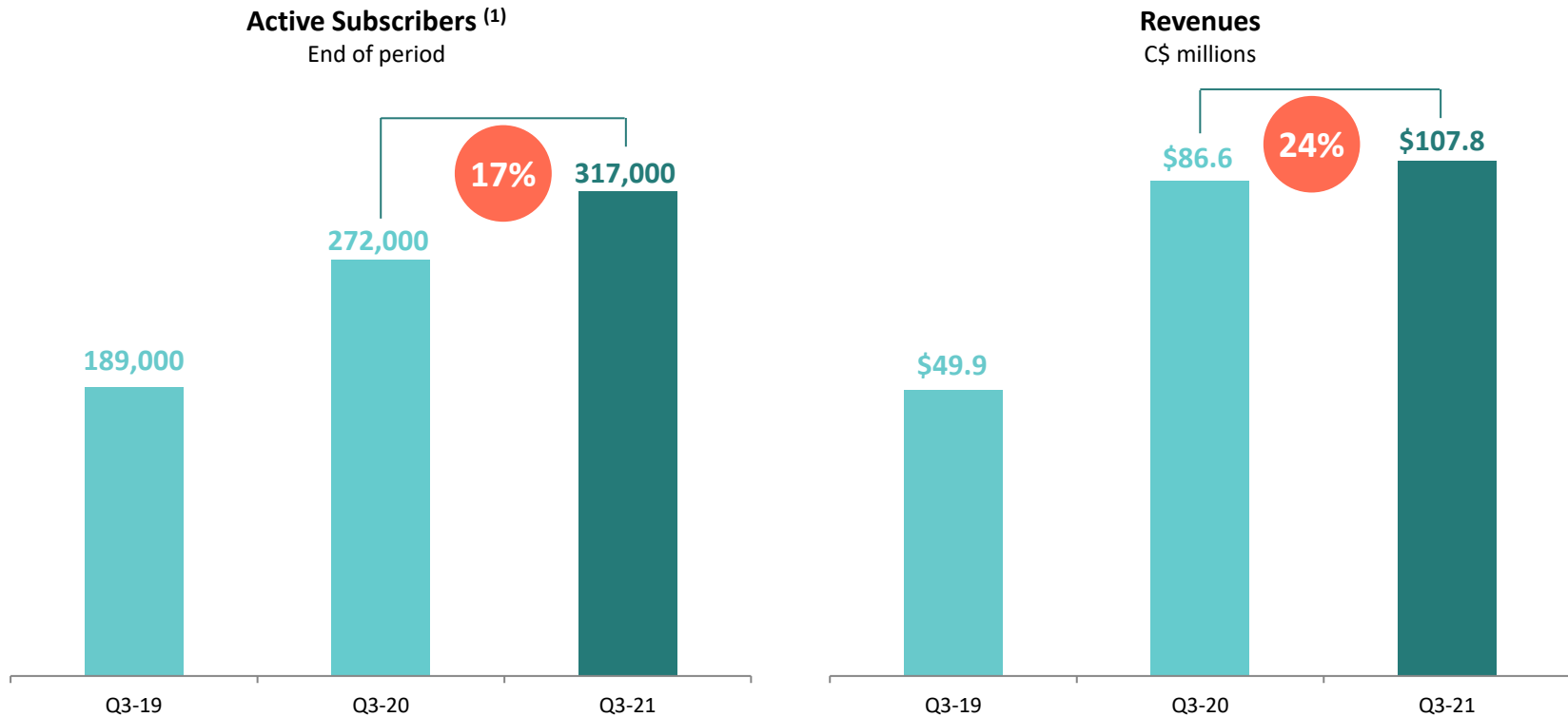


Pillar	Target	Progress													
 <p>1 Selection</p>	<p>4,000 SKUs</p> 	<p>~1,000</p>  <p>4,000</p>	<ul style="list-style-type: none"> - Currently at ~1,000 SKUs ahead of schedule - Next phase to focus on produce and national brands 												
 <p>2 Speed & Footprint</p>	<p>On-demand / Same-Day / Next-Day delivery in key urban markets</p> 	<p>Montreal</p>  <p>Toronto</p> <p>Ottawa Vancouver Quebec City</p> <p>More to Come</p>	<ul style="list-style-type: none"> - Ottawa, Vancouver and Quebec City next in line for same-day - Building out distributed network of local fulfillment centres 												
 <p>3 Technology</p>	<p>Building blocks for an automated order orchestration and seamless customer experience</p> 	<table border="1"> <thead> <tr> <th>Mobile App</th> <th>Intelligent Route Optimization</th> <th>Live Order Tracking</th> <th>Frictionless Shopping Experience</th> <th>End-to-End Connected Store</th> <th>Automated Grocery Picking and Replenishment</th> </tr> </thead> <tbody> <tr> <td>✓</td> <td>✓</td> <td>✓</td> <td>~</td> <td>~</td> <td>~</td> </tr> </tbody> </table>	Mobile App	Intelligent Route Optimization	Live Order Tracking	Frictionless Shopping Experience	End-to-End Connected Store	Automated Grocery Picking and Replenishment	✓	✓	✓	~	~	~	<ul style="list-style-type: none"> - Investing in 3rd-party and proprietary fulfillment tech - App: 10,000+ downloads and 4.7-star rating - Team growing to support development
Mobile App	Intelligent Route Optimization	Live Order Tracking	Frictionless Shopping Experience	End-to-End Connected Store	Automated Grocery Picking and Replenishment										
✓	✓	✓	~	~	~										

Strong execution and progress in building Canada's leading on-demand grocery network

Q3-21 – Subscribers ⁽¹⁾ and Revenues

The expansion of our product offering and faster delivery times have led to continued growth in basket sizes and order frequency, driving strong revenue growth



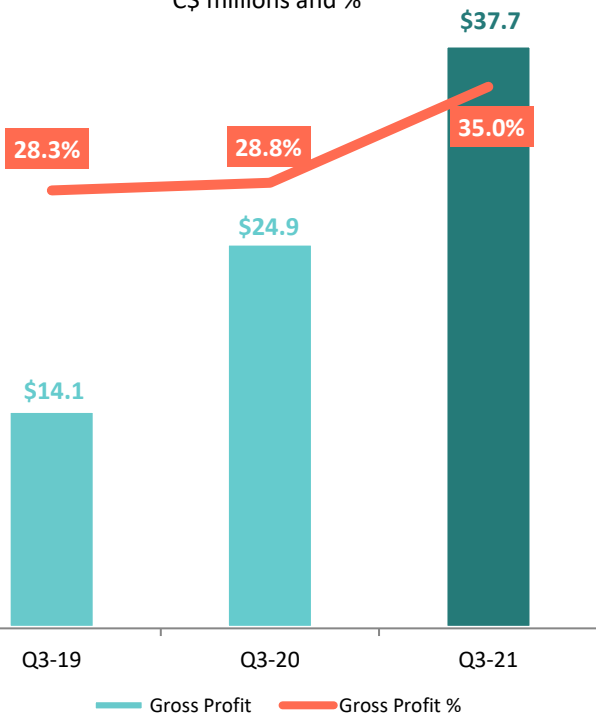
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Q3-21 – Gross Profit, Adj. EBITDA ⁽¹⁾ and Net Loss

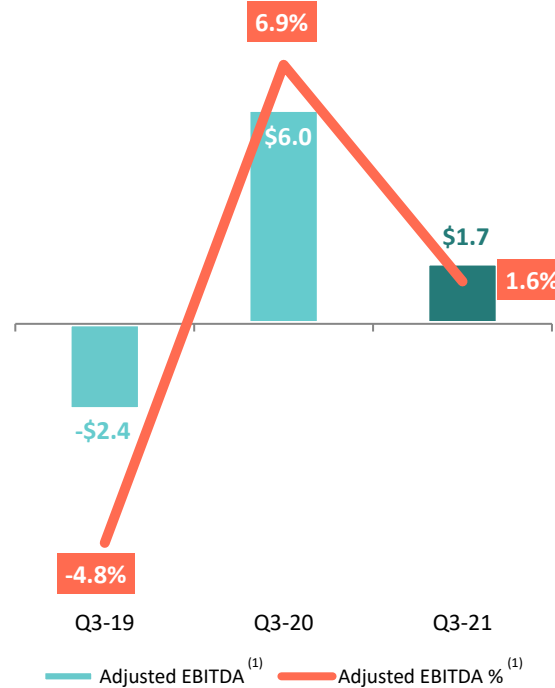


Gross Profit increased to a record \$37.7 million driven by operating leverage, cost-effective delivery and automation investments leading in large part to positive Adjusted EBITDA ⁽¹⁾ which continues to be impacted by our ongoing investments in people, processes and technology

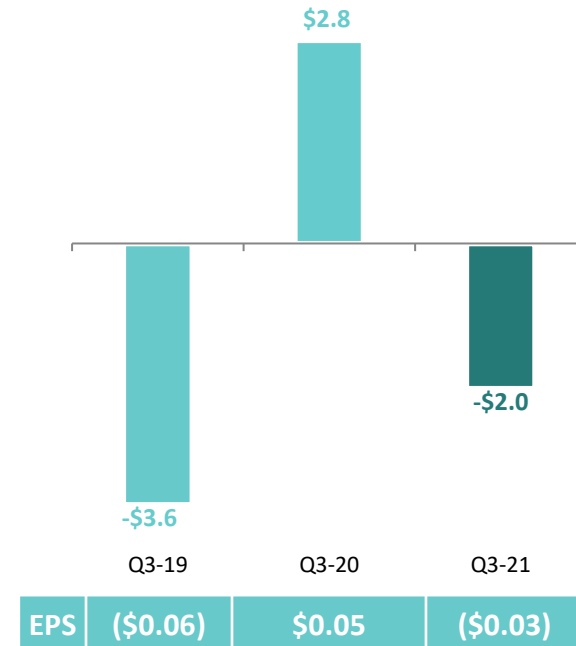
Gross Profit & Gross Margin
C\$ millions and %



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



Net Income
C\$ millions

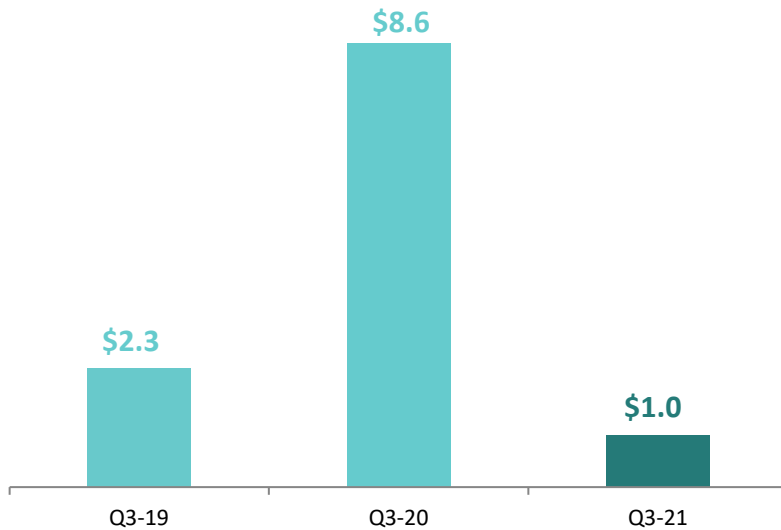


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Goodfood continues to generate strong growth while remaining cash flow from operations positive

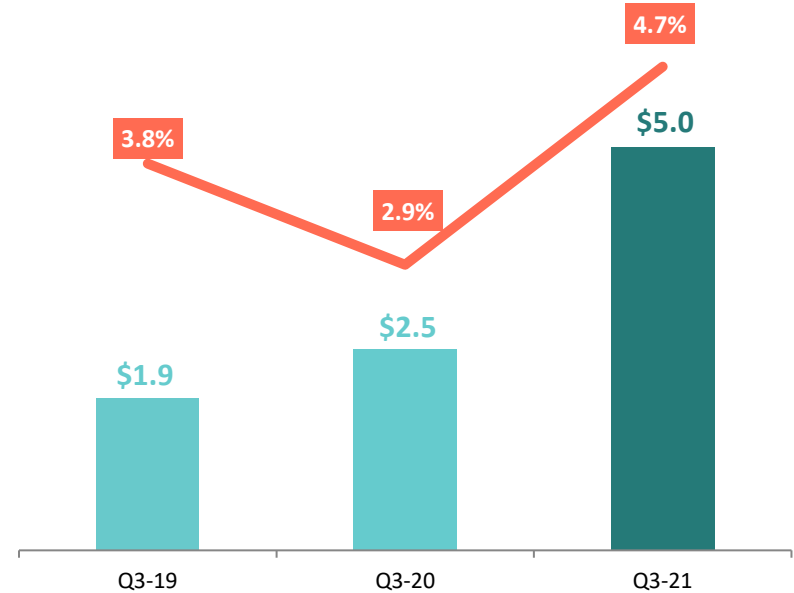
Cash Flows Provided by Operating Activities

C\$ millions



CAPEX

C\$ millions



Capex As % of Revenue



Delivered record revenues and strong year-over-year growth

- Generated record revenues and gross profit
 - 24% revenue growth and 51% gross profit growth in the context of last year's significantly positively impacted quarter



Key developments and milestones achieved this quarter

- Reached nearly 1,000 SKU ⁽¹⁾ well ahead of schedule
- Launched Goodfood mobile application rated at 4.7 stars out of 5
- Leased first Local Fulfillment Centre in Ottawa and Distribution Centre in Montreal as part of distributed network footprint strategy



After seasonally slower Q4, gearing up for Fiscal 22 growth

- Expect fourth quarter seasonality pattern to return as prior year's seasonality effect was partly muted by COVID-related commerce restraints
- Expanded selection combined with footprint and technology to help achieve faster deliveries and drive basket sizes and order frequency in Fiscal 2022

Positioned for continued execution in 2022 as we are building Canada's leading on-demand grocery network

(1) Number of products currently available in Quebec.

Q&A

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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 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 (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 revenues. EBITDA, adjusted EBITDA, and adjusted EBITDA margin are non-IFRS financial measures.

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