



goodfood

Q3-FY22

Earnings Presentation

July 13, 2022



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, assumptions, estimates and intentions, including, without limitation, statements in the “Financial Outlook” section of the MD&A related to the build-out and launch of on demand fulfillment centres or infrastructure and the impact of on-demand grocery and meal solution offerings supported by an optimized digital platform and the realization and impact of the foregoing, also including, without limitation, statements related to the build-out and launch of on demand fulfillment centres and the realization and impact of the foregoing, which are based on assumptions that we are able to launch facilities in accordance with our strategic plan, that such facilities would be open and operational in accordance with planned timing and that they would have the operational and financial impact expected by management based on current circumstances. 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 trends, current condition 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, 2021 available on SEDAR at www.sedar.com: 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, failure to attract or retain key employees which may impact the Company’s ability to effectively operate and meet its financial goals, factors which may prevent realization of growth targets, inability to effectively react to changing consumer trends, competition, availability and quality of raw materials, environmental and employee health and safety regulations, the inability of the Company’s IT infrastructure to support the requirements of the Company’s business, online security breaches, disruptions and denial of service attacks, 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. This is not an exhaustive list of risks that may affect the Company’s forward-looking statements. Other risks not presently known to the Company or that the Company believes are not significant could also cause actual results to differ materially from those expressed in its forward-looking statements. 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.

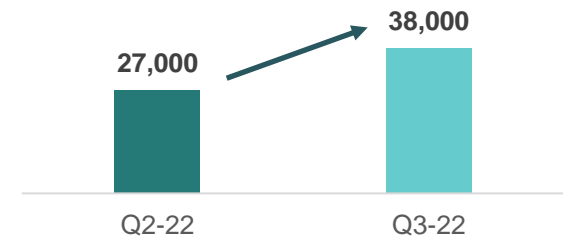
Return to Profitability and Beyond



1 Grow Goodfood On-demand Active Customers ⁽¹⁾

- Grow high-return on-demand Active Customers ⁽¹⁾ as key growth vector
- Support growth with differentiated, increasing selection and faster delivery method

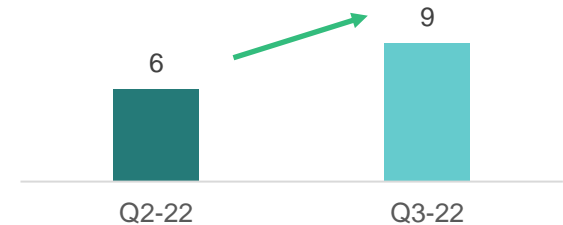
On-Demand Active Customers



2 Grow Micro Fulfilment Center Footprint

- Expand On-Demand footprint to support penetration in high-return households
- Added 3 MFCs in Montreal and Toronto

MFCs



3 Set Goodfood for Profitable Growth

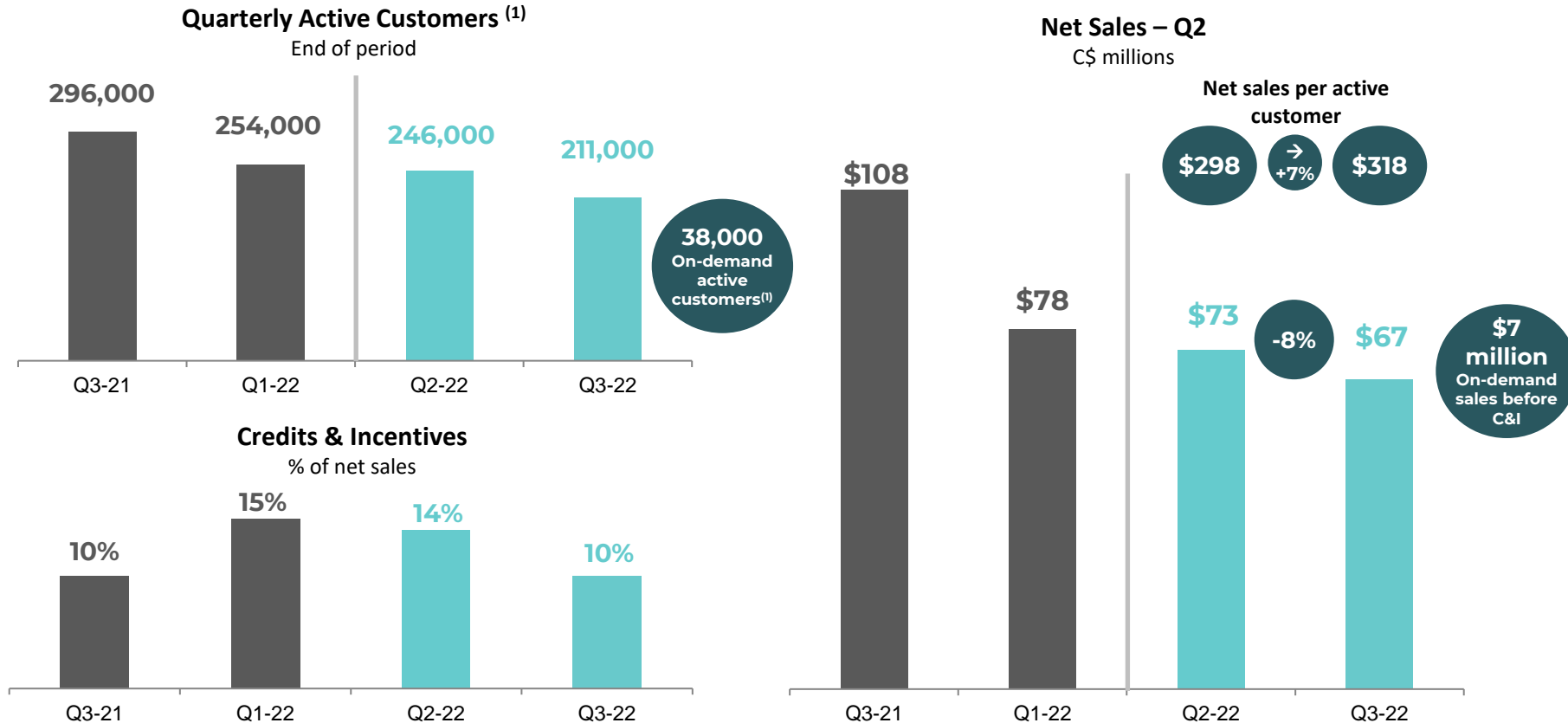
- Improve profitability through Project Blue Ocean
 - Initiatives to streamline costs and set up return to growth
- ✓ Gross Margin: + 3.3% since Q4-21
 - ✓ Adjusted EBITDA loss: annualized reduction by ~\$30m since Q4-21

(1) This is a Metric or non-IFRS measure. Please refer to the Metrics and Non-IFRS Financial Measures page of this presentation.

Active Customers ⁽¹⁾ and Net Sales



Increased focus on high-value, more profitable customers has led to net sales per active customers ⁽¹⁾ increasing by 7% from \$298 to \$318 as Goodfood sets up for profitable growth



Goodfood is currently focused on achieving profitability through the topline by focusing on 1) our most profitable customer segments leading to improved net sales per customer (more orders per customer & lower C&I) and 2) our most profitable product lines

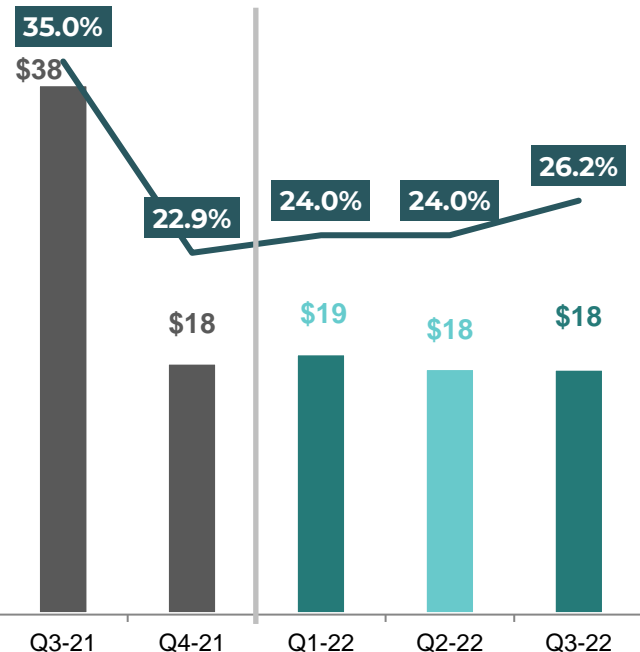
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Gross Profit, Adj. EBITDA ⁽¹⁾ and Net Loss

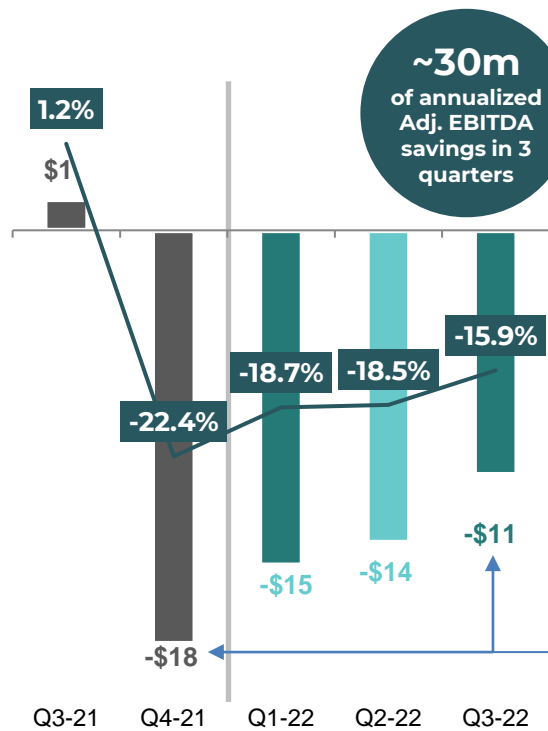


Gross Margin improved 220 basis points as operational improvements and lower credits and incentives offset by extraordinary inflation levels impacting input and shipping costs; Adjusted EBITDA ⁽¹⁾ showing improvement as cost structure initiatives led to the continued progressive profitability improvements

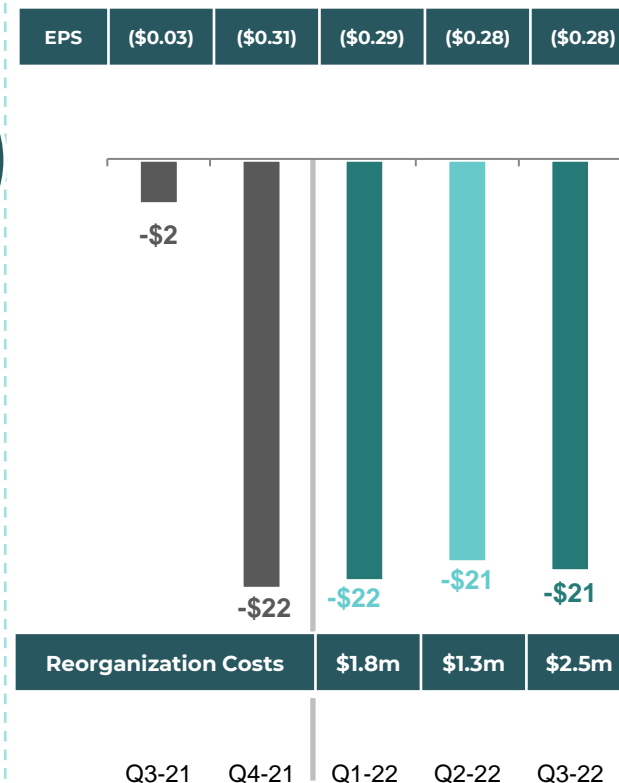
Gross Profit & Gross Margin
C\$ millions and %



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



Net Income
C\$ millions



— Gross Profit — Gross Profit %

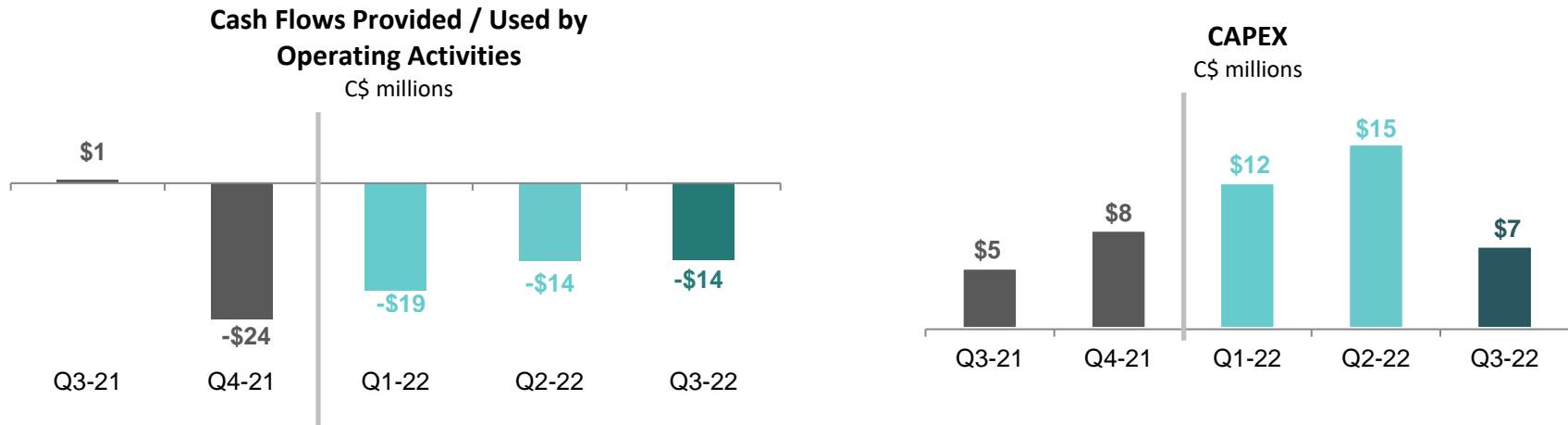
— Adjusted EBITDA ⁽¹⁾ — Adjusted EBITDA % ⁽¹⁾

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CFO and CAPEX

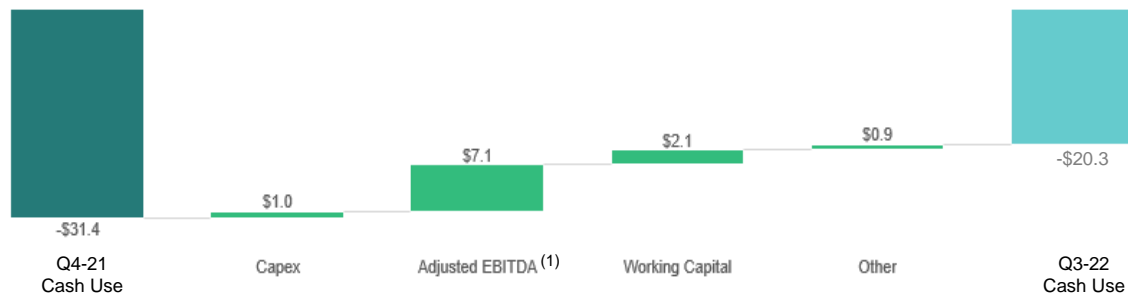


Reduced total cash outflow as CFO remains stable and capital expenditure intensity reduced by over 50% quarter-over-quarter; capital intensive portion of building our network mostly completed



Cash Use Since Q4-21

C\$ millions



Strong cash balance standing at \$99 million

Note: Cash Use defined as CFO + CFI.

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Project Blue Ocean: 3 Pillars to Return to Profitability and Growth



1 Sharpening our brand's **value proposition**

Building on **our roots** of providing **fresh, quality meals** for Canadians, at their convenience, tailoring our **product assortment to destination items**, improving **subscription flexibility**, and focusing on **differentiated consumer need states** that primarily “solve meals”

2 Better **attracting, engaging with, and pleasing** our customers

Focusing on our **highest value customers**, improving reactivations & retention by **removing points of customer friction**, and **optimizing incentives** to delight loyal customers

3 Aligning our **operating structure and network** to our vision

Streamlining **meal kit production and fulfillment to capture cost efficiencies**, while **right-sizing** to improve asset base effectiveness

Clean sheet our corporate headcount, including **dedicated product teams, agile pods** accountable for growth & profitability, and **increased technology investments across all functions**

We are **evolving while focusing on our strengths**, offering the **fresh, high-quality meals** that the business was built upon while leveraging OD to improve convenience for those same customers and **use-cases beyond weekly dinners**

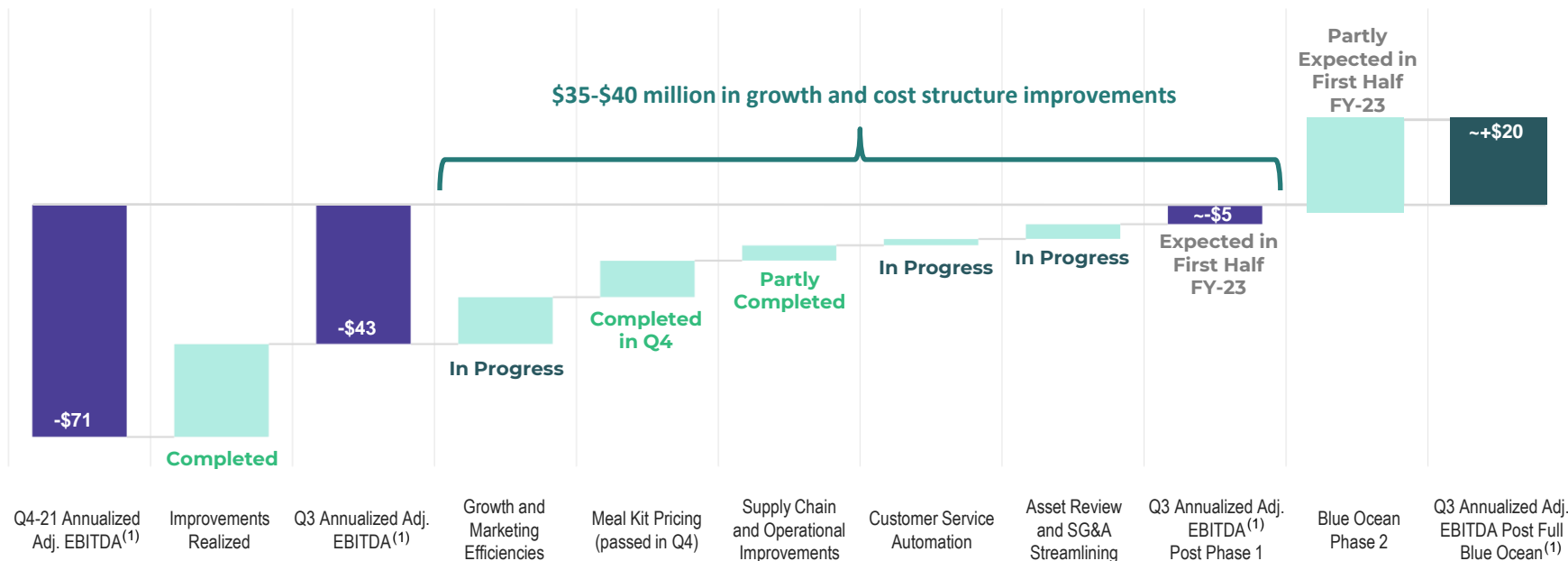
Project Blue Ocean, Setting Up Goodfood for Profitable Growth: Clear Path to Profitability Already Showing Results



Since Q4-21, we have improved Adj. EBITDA ⁽¹⁾ ~\$30 million on an annualized basis in part as a result of Project Blue Ocean; the next phase of the Project will drive \$35-40 million in clearly identified Adj. EBITDA ⁽¹⁾ impact, while the following phase is expected to drive an additional ~\$25 million in Adj. EBITDA ⁽¹⁾

Blue Ocean Initiatives: Adjusted EBITDA ⁽¹⁾ Progression

C\$ millions



Project Blue Ocean is well underway and yielding results with clear path to profitable growth in the first half of Fiscal 2023

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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 Customer	An active customer is a customer that has placed an order within the last three months. Active customers include customers who have placed an order (1) received as part of our weekly meal subscription plan, a subscription active customer; and (2) received on a next-day, same-day or less basis, an on-demand active customer. 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 customers 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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