



goodfood

FY-22 & Q4-22 Earnings Presentation

December 2, 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. 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 52-weeks ended September 3, 2022 available on SEDAR at www.sedar.com: limited operating history, negative operating cash flow and net losses, food industry including current industry inflation levels, COVID-19 pandemic impacts and the appearance of COVID variants, 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 and the appearance of COVID variants 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 Our Roots to Reach Profitability



1 Back to our Roots with Focus on Meal Kits with a Twist...

- Returning to our roots with ready-to-cook meal kits, our cornerstone product
- Ready-to-eat and grocery add-ons to complement meal kits and provide fuller meal solutions options

2 ...Combined with SG&A and Asset Streamlining...

- SG&A excluding marketing reduced by over \$20 million annual run-rate between Q3 and Q4
- Driven in large part by headcount reductions
- Exiting assets and leases to further reduce cash outflows

3 ...to Set Goodfood for Profitable Growth

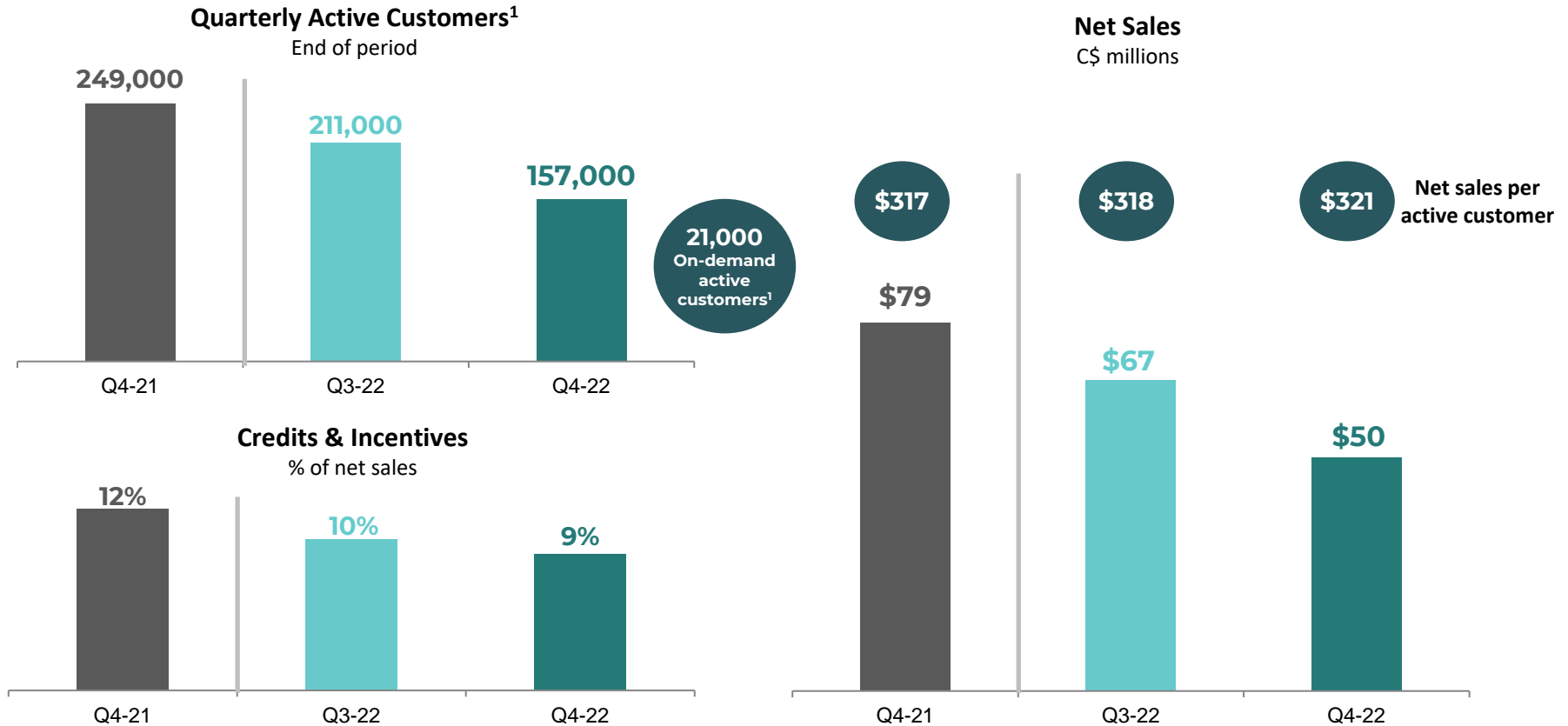
- Project Blue Ocean nearing completion, gross margin improving 5%+ y-o-y; or ~8% when adjusted for one-time charges, surpassing 30%
- Reaffirming expected return to positive Adjusted EBITDA¹ in a quarter of H1 of FY 2023, with gross margin expected in the 32-34% range

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

Active Customers¹ and Net Sales



Seasonality driving lower order rate and Quarterly Active Customers¹ which were also impacted by smaller and reduction of On-Demand footprint in August, offset by continued improvement in credits and incentives



Goodfood is still focused on achieving profitability through the topline by focusing on our meal kit customers orders and add-ons available to them leading to growing net sales per customer (more orders per customer & lower C&I)

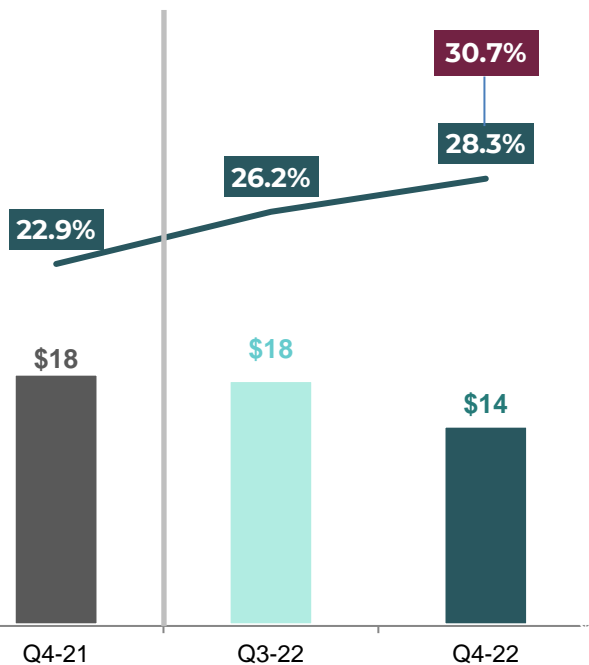
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Gross Profit, Adj. EBITDA² and Net Loss

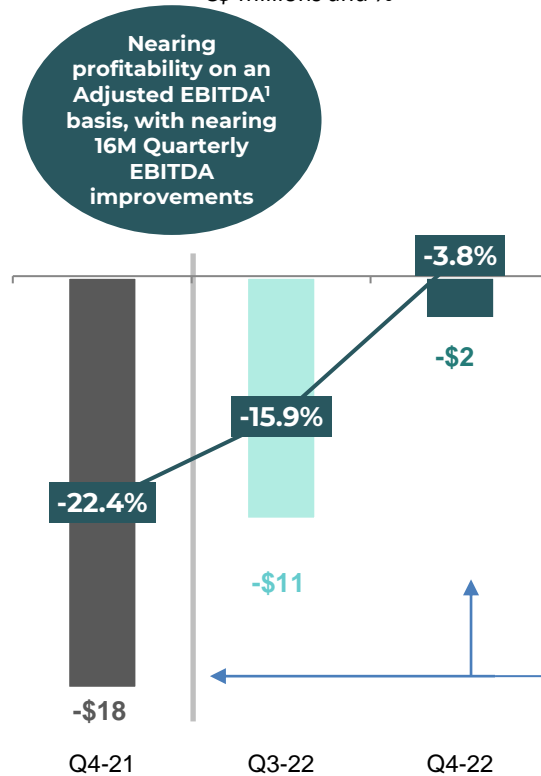


Gross Margin improved 210 and 540 basis points Q-o-Q and Y-o-Y respectively as operational improvements and lower credits and incentives drove Adjusted EBITDA² improvements, further buoyed by cost structure initiatives reducing SG&A

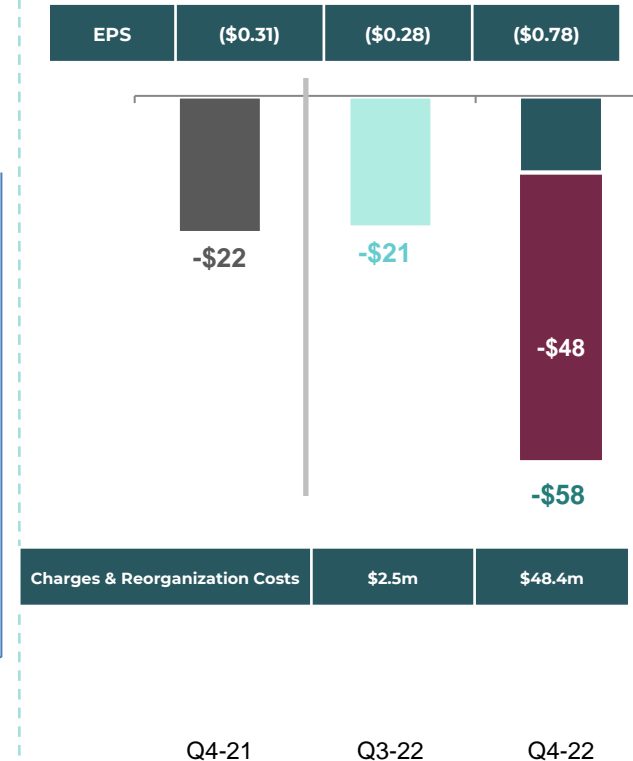
Gross Profit & Gross Margin
C\$ millions and %



Adjusted EBITDA¹ & Adjusted EBITDA Margin¹
C\$ millions and %



Net Income
C\$ millions



■ Gross Profit ■ Gross Profit % ■ Adjusted Gross Profit %¹ ■ Adjusted EBITDA² ■ Adjusted EBITDA %²

■ Net Loss ■ Charges & Reorg Costs

¹ Adjusted Gross Profit excludes \$1.2m of product discontinuance charge related to the shutdown of Goodfood On-Demand.

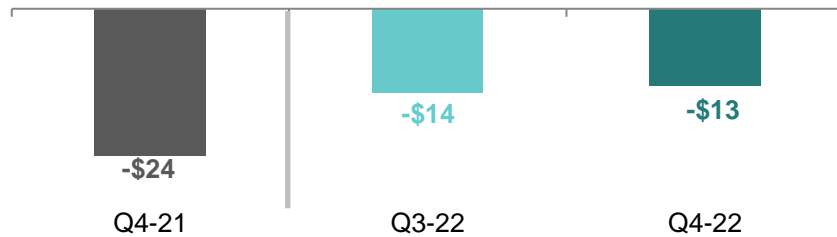
² This is a Metric or non-IFRS measure. Please refer to page 10 of this presentation for more details.

CFO and CAPEX

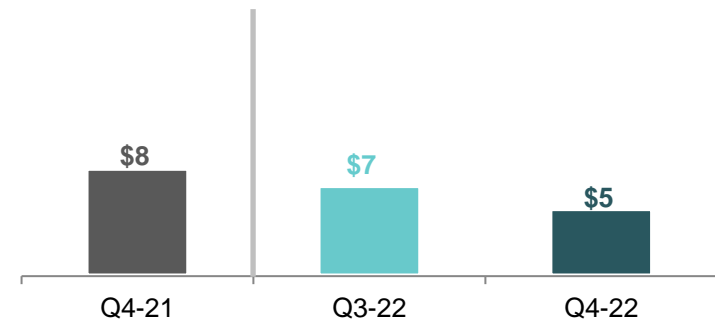


Reduced total cash outflow as CFO continues to improve and capital expenditures continue to be reduced compared to \$15m invested in Q2 of Fiscal 2022, with overall cash use reduced by ~40%

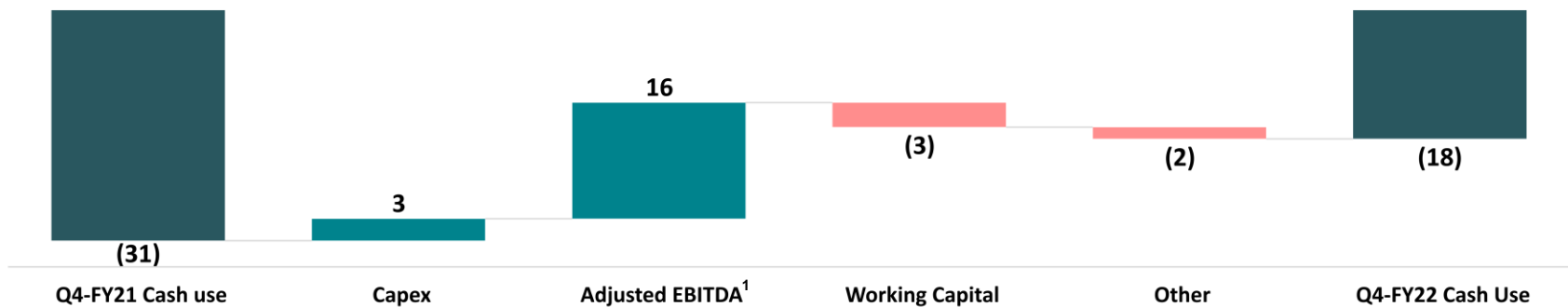
Cash Flows Used by Operating Activities
C\$ millions



CAPEX
C\$ millions



Cash use Q4 FY21/FY22
(in millions \$)



Capital expenditures reductions along with continued CFO improvement driven by better Adjusted EBITDA¹ driving lower capital intensity

Note: Cash Use defined as CFO + CFI.

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

Key Financial Highlights



Goodfood continues to drive meaningful gross margin and Adjusted EBITDA¹ improvements despite lower net sales on its path to return to profitability

<i>(in millions of Canadian \$ except for percentage information)</i>	Q4-22	Q4-21	Y-o-Y Δ	FY-22	FY-21	Y-o-Y Δ
Net Sales	\$50.4	\$79.4	-37%	\$268.6	\$379.2	-29%
Gross profit	14.3	18.2	-21%	68.1	116.1	-41%
Gross margin (%)	28.3%	22.9%	+5.4pp	25.3%	30.6%	-5.3pp
Adjusted EBITDA ¹	(1.9)	(17.7)	N/A	(40.7)	(15.3)	N/A
Adjusted EBITDA margin (%) ¹	-3.8%	-22.4%	+18.6pp	-15.2%	-4.0%	-11.2pp
Net loss	(58.4)	(22.1)	N/A	(121.8)	(31.8)	N/A
Cash flows used in operating activities	(13.1)	(23.7)	N/A	(59.0)	(16.4)	N/A
Cash and cash equivalents	36.9	125.5	N/A	36.9	125.5	N/A

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

Outlook: Confirming Our Core Purpose to Drive Profitable Growth



1 Goodfood's Core Purpose

- Create experiences that spark joy and help our community to live longer on a healthier planet
- Focus on meal kits as our cornerstone product delivered weekly with add-ons to help complete our solution to meal planning

2 Initiatives Driving Return to Profitability and Positive Cash Flows

- We have improved profitability significantly through Project Blue Ocean
- Gross margin returns to over 30% (adjusted for one-time inventory charge) and Adjusted EBITDA¹ Loss in the low single-digits
- Next set of initiatives in place: discontinuing On-Demand and further headcount reductions
- Further cash flow improvements to be driven by continued capex reductions, contract re-negotiations and lease exits

3 Balance Sheet Update

- In negotiations with lenders for updated credit facility
- Looking to exit leases and re-negotiate commitments

4 Further Improvement in Q1 and Q2

- Reiterating expectation of positive Adjusted EBITDA¹ in a quarter of H1 FY 2023
- Expected net sales of \$46-48 million in Q1 and gross margin in the range of 32-34%

Confirming our core purpose has helped Goodfood focus on its cornerstone weekly meal-kit delivery to spark joy with customers and have a clear path to expected positive Adjusted EBITDA¹

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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 or 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 expense, the impact of the write-down due to the discontinuance of products related to Goodfood On-Demand offering, impairment of non-financial assets and reorganization and other related costs pursuant to the Company's Blue Ocean initiative. 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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