



Q2 - 2023
**EARNINGS
PRESENTATION**

April 12, 2023

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.

PROGRESS ON 3 DRIVERS OF TURNAROUND

1

BALANCE SHEET

- ✓ **Refinanced** credit facilities
- ✓ **Exited 13 facilities** to further reduce liabilities, related cash flows and SG&A expenses
→ 2 more facilities to exit to reach target of 2 main operating facilities
- ✓ **Strengthened balance sheet** through convertible debenture financing transaction

2

PROFITABILITY & CASH FLOWS

- ✓ **Reduced SG&A** excluding marketing by over \$45 million annual run-rate y-o-y
- ✓ Achieved return to **positive Adjusted EBITDA¹** with **margin at 7%**, gross margin improved 15%+ y-o-y, **surpassing 40%**
- ✓ Reduced capex, leases to enable **high cash flow conversion** of Adj. EBITDA¹

3

GROWTH

- ✓ Re-engaged **partnerships** to promote brand and new Keto and Paleo meals
- ✓ VIP customer program, restaurant collabs, new marketing campaigns
→ **Tech enhancements** to improve conversions and platform use

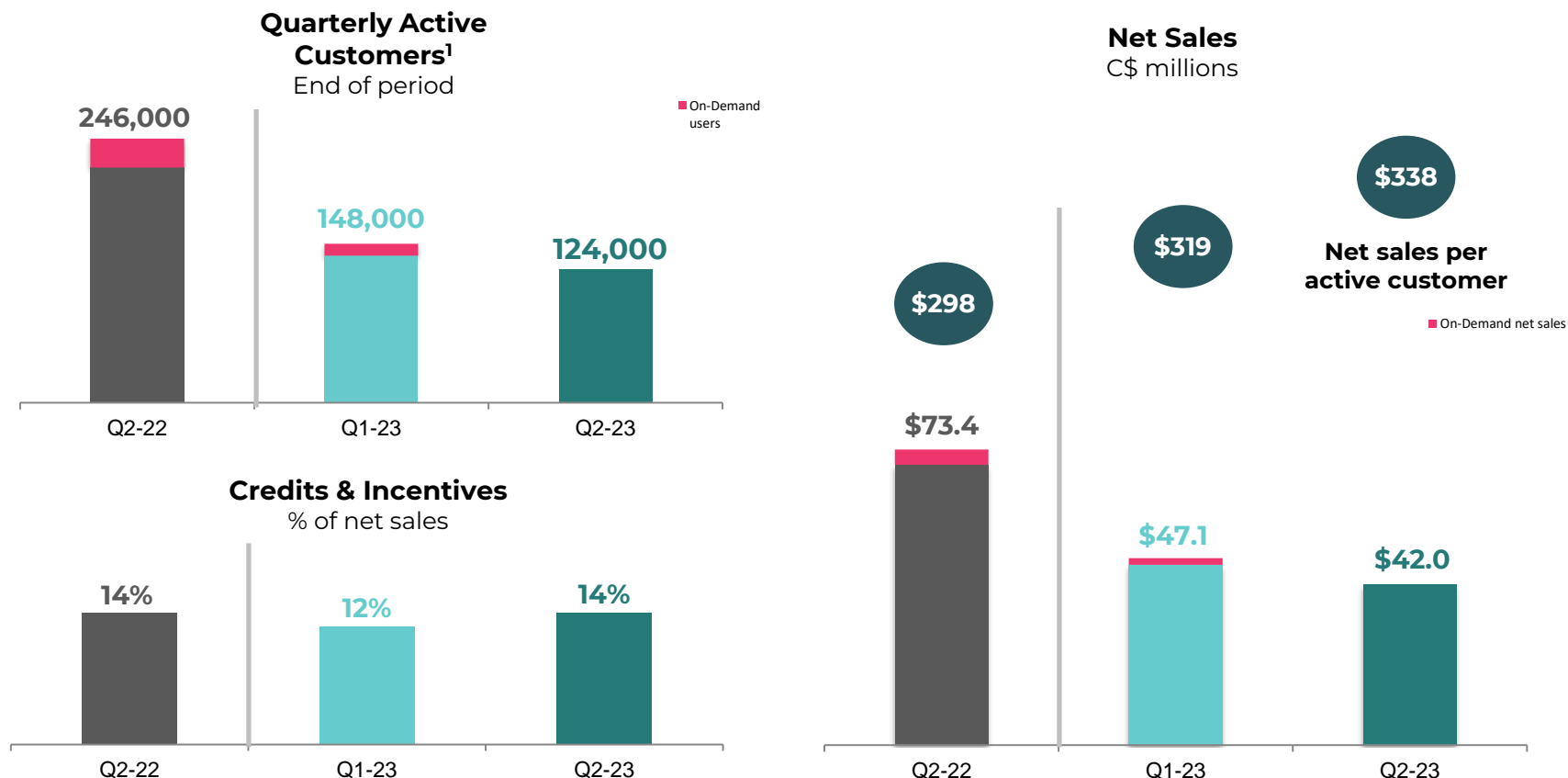


Goodfood is on the verge of completing a successful turnaround, simplifying its business and balance sheet, reaching profitability and improving cash flows; our focus is now on generating sustainable positive cash flows and growth

ACTIVE CUSTOMERS¹ AND NET SALES



Significant increase in net sales per customer driven by strategy to acquire and retain profitable customers, also driving reduction of Quarterly Active Customers¹ which were also impacted by exit from On-Demand



Goodfood is focused on **growing profitability** by increasing our penetration into **high value meal kit households** and **growing net sales per customer** through add-ons & additional orders per customer

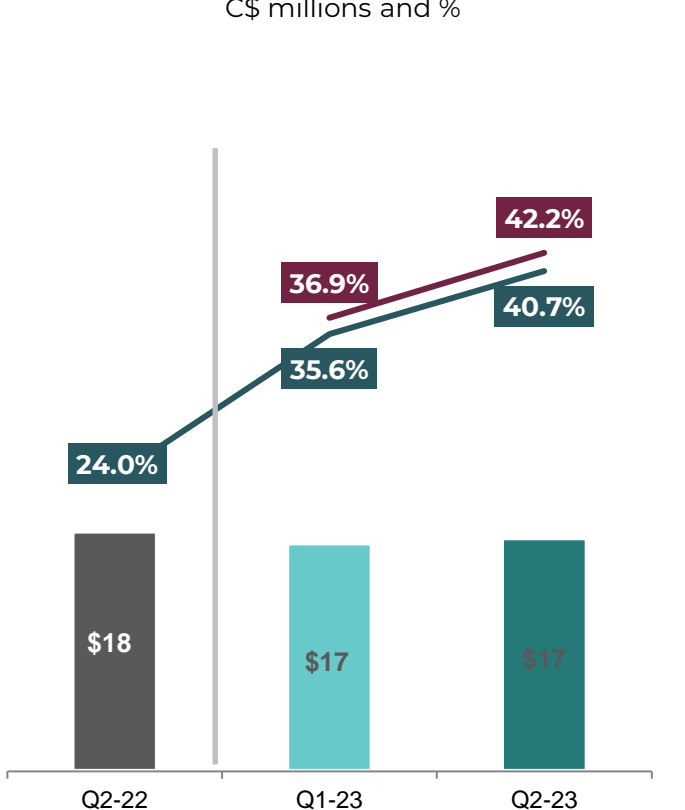
¹ This is a Metric or non-IFRS measure. Please refer to page 10 of this presentation for more details.

GROSS PROFIT, ADJ. EBITDA¹ AND NET LOSS

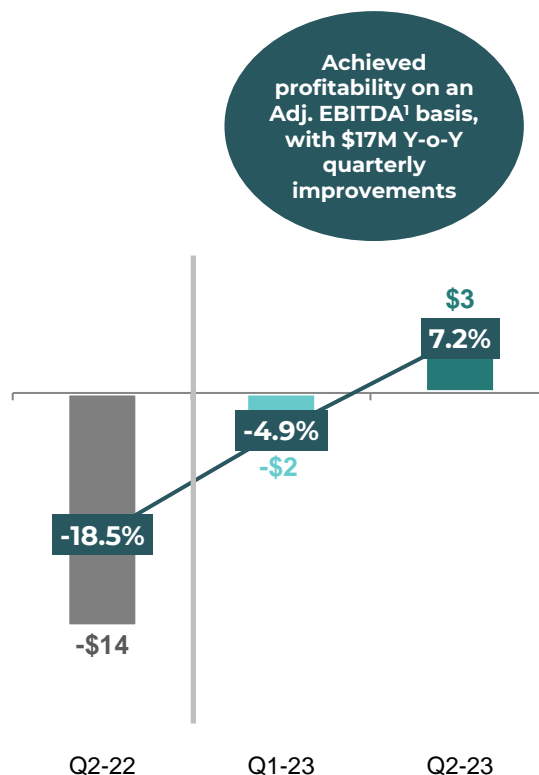


Gross Margin improved 530 and 1,670 basis points Q-o-Q and Y-o-Y respectively driven by operational improvements, leading to positive Adj. EBITDA¹, further buoyed by cost structure initiatives reducing SG&A

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



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



Net Income
C\$ millions



— Gross Profit — Gross Profit % — Adj. Gross Profit %¹

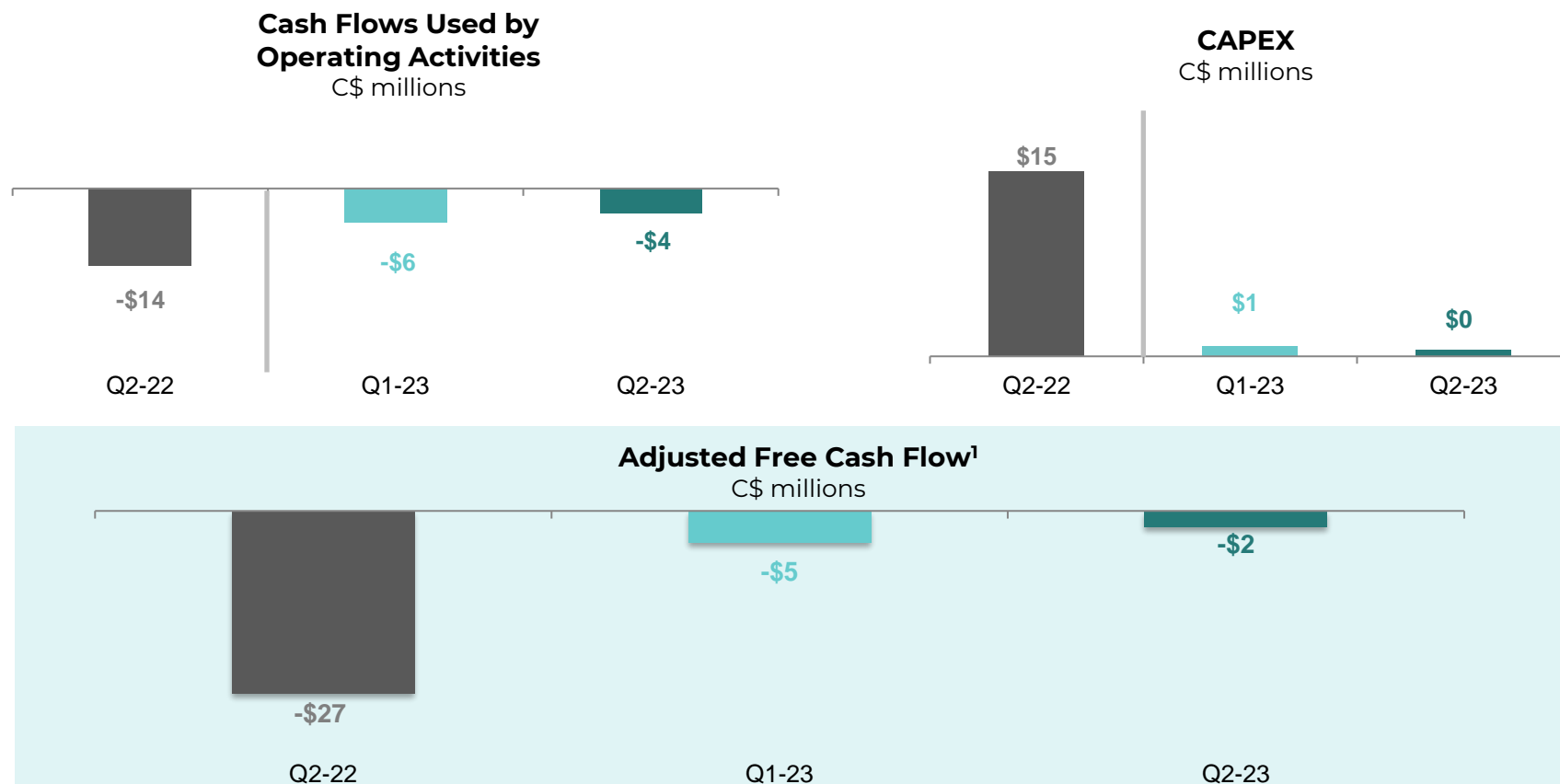
— Adj. EBITDA¹ — Adj. EBITDA %¹

¹ 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 outflows as CFO continues to improve and capex continues to be reduced compared to \$15m invested in Q2 of FY2022, with overall cash use reduced by ~85% on path to positive cash flows



Capital expenditures reductions along with continued CFO improvements driven by better Adjusted EBITDA¹ driving \$25M in adjusted free cash flows¹ improvement

¹ Adjusted Free Cash Flow defined as CFO less capex excluding restructuring-related cash outflows. 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 and has now delivered on its commitment to profitability

(in millions of Canadian \$ except for percentage information)	Q2-23	Q2-22	Y-o-Y Δ
Net Sales	\$42.0	\$73.4	-43%
Gross Profit	17.1	17.6	-3%
Gross Margin (%)	40.7%	24.0%	+16.7pp
Adjusted EBITDA ¹	3.0	(13.6)	N/A
Adjusted EBITDA Margin (%) ¹	7.2%	-18.5%	+25.7pp
Net Income (Loss)	0.1	(20.6)	N/A
CFO	(4.4)	(13.7)	N/A
Cash and cash equivalents	28.1	105.7	N/A

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

OUTLOOK: Delivered on Profitability, Now Time to Do Good-er



1 Turnaround Nearly Complete

- Simpler balance sheet, refinanced credit facilities
- Profitability achieved with structurally sound cost structure

2 Time to Step It Up - Financially

- Finalize cash outflows reduction to reach positive free cash flow
- Exit final leases to reach target operating footprint

3 Time to Step It Up – Growth & Sustainability

- Marketing and tech efficiencies to drive top line growth
- Executing key initiatives, exploring all avenues to drive growth
- Good is not good enough – stepping up sustainability commitments with offset of carbon footprint

Current Meal Solutions Market in Canada: ~\$1B

With 20% household penetration: ~\$3B

To capture an outsized share of the market, Goodfood is launching multiple key initiatives



Investment in Digital Platform



Restaurant Collabs



Paleo: Seared Chicken Breasts

Diet Specific Plans



Broadening Offering and Channels

And much more...

After delivering on our financial promises in the first half of the year, our focus shifts to cash flow improvements in the second half and setup the platform for growth in early FY2024



goodfood

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. 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 & Adjusted EBITDA margin	Adjusted EBITDA is defined as EBITDA excluding share-based payments expense, the impact of the inventories write-downs 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.
Adjusted gross profit & Adjusted gross margin	Adjusted gross profit is defined as gross profit excluding the impact of the discontinuance of products related to Goodfood On-Demand offering pursuant to the Company's Blue Ocean initiative. Adjusted gross margin is defined as the percentage of adjusted gross profit to net sales. The Company uses adjusted gross profit and adjusted gross margin to measure its performance from one period to the next excluding the variation caused by the items described above.
Free cash flow & Adjusted free cash flow	Free cash flow is defined as net cash used in or provided by operating activities less additions to fixed assets and additions to intangible assets. This measure allows us to assess financial strength and liquidity as well as to assess how much cash is generated and available to invest in growth opportunities, to finance its ongoing operations and to service its debt. It also allows comparisons between companies with different capital structures. Adjusted free cash flow is defined as free cash flow excluding cash payments made to costs related to reorganization activities. We believe that adjusted free cash flow is a useful measure when comparing between companies with different capital structures by removing variations caused by the impacts of the items described above.



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