



goodfood

INVESTOR PRESENTATION

GOODFOOD MARKET CORP.

TSX: FOOD

—
April 2019

CAUTION REGARDING FORWARD-LOOKING STATEMENTS



This presentation may include forward-looking statements regarding Goodfood, its business, operations or results. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "innds", "contemplates", "anticipates", "believes", "proposes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from expectations expressed in, or implied by, such forward-looking statements. These statements also involve known and unknown risks, uncertainties and other factors, including factors that are beyond Goodfood's control, that may cause actual results or events to differ materially from those expressed in such forward-looking statements. Forward looking statements reflect Goodfood's then current views with respect to future events based on certain material facts and assumptions. Although Goodfood believes that the assumptions on which such forward-looking information is based are reasonable at the time they are made, there can be no assurance that such facts or assumptions will prove to be correct and undue reliance should, therefore, not be placed on any forward looking information. Forward-looking events and circumstances may not occur at all or by specified or anticipated dates. Events and/or results could differ materially as a result of known and unknown risks and uncertainties affecting Goodfood, including, without limitation, risks regarding the food industry, economic factors, the equity markets generally, changes in regulatory environment or law, failure to obtain required approvals and risks associated with growth and competition in addition to other risks identified in publicly filed documents under Goodfood's profile at www.sedar.com as well as other unknown risks. Forward-looking statements speak only as of the date on which they are made and Goodfood undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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 gross merchandise sales, gross merchandise sales run-rate, adjusted gross profit, adjusted gross margin, and EBITDA. 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.

PRESENTING TODAY



**JONATHAN
FERRARI**
Co-Founder & CEO

- Graduate from McGill University in Commerce, Finance and Entrepreneurship
- Joined RBC's investment banking team in Montréal in 2010
- Co-founded MTL Capital and Goodfood in 2014 with Neil Cuggy
- Named one of the « Top 40 under 40 » business leaders in Canada and EY Young Entrepreneur of the year



NEIL CUGGY
Co-Founder,
President & COO

- Graduate with distinction in Investment Management from McGill University
- Worked for RBC's investment banking team in Montreal
- Co-founded Goodfood and MTL Capital, a privately held entrepreneurial firm backed by top notch investors from across North America
- Named EY Young Entrepreneur of the year in 2018



PHILIPPE ADAM
CPA, CA, CBV
CFO

- 15 years of experience in corporate finance, accounting and operations
- Prior joining Goodfood, he was a principal at Champlain Financial Corporation and the CFO of Garda Background Screening Solutions
- Prior to that, he was an investment banker at National Bank Financial and worked several years at Deloitte LLP

INVESTMENT HIGHLIGHTS

Significant Market Opportunity

- FOOD is the only public company poised to benefit from accelerating adoption of online grocery shopping in Canada
 - National Rollout in 2018: Goodfood is now delivering to Canadians coast to coast (35M consumers, \$130B market)
-

Strong Market Position

- Leading direct to consumer home meal solutions brand in Canada
 - Superior value proposition has led to capturing 40%⁽¹⁾ market share in meal kit category
 - New home meal solutions products to be launched in 2019
 - Successfully introduced breakfast meal solutions in FY19
-

Compelling Financial Performance

- Reached gross merchandise sales run-rate of \$222M
 - Positive cash flow from operations in FY2018 and YTD2019
 - Achieved EBITDA profitability in several core markets
 - Fast-growing with 20% average monthly growth since Q4/2015
-

Dedicated Leadership

- Solid management team (40% ownership) supported by an experienced board of directors

(1) Based on Q1-2019 run-rate gross merchandise sales, research report on the industry and management estimates

COMPANY OVERVIEW

Goodfood sources ingredients from farms and dedicated purveyors, to manufacture and deliver ready to cook meals ordered online through a weekly subscription at www.makegoodfood.ca

Company is headquartered in Montréal, Canada with over 1,500 employees, 159,000⁽¹⁾ active subscribers and \$222 million of gross merchandise sales run-rate as of February 28, 2019

Listed on the Toronto Stock Exchange (TSX:FOOD) since June 2017 with \$60 million of capital raised to date

Goodfood has built out the largest infrastructure in Canada (220,000 square feet)⁽²⁾ to manufacture and deliver meal kits to consumers across the country



Source: Company's filings

(1) February 28th, 2019

(2) Including 72,000 sq. ft. expansion announced in Q1-19 and 20,000 sq. ft. breakfast lease announced in Q3-19

GOODFOOD'S ATTRACTIVE **BUSINESS MODEL**

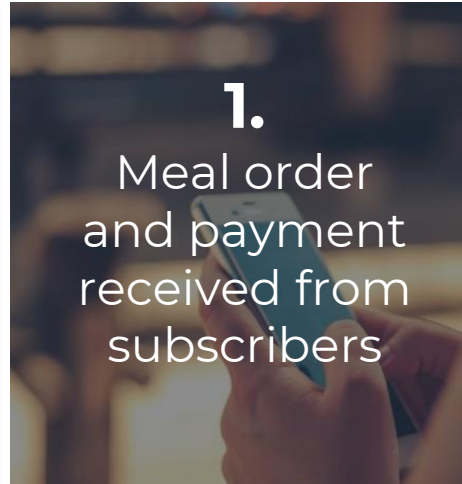
**“JUST-IN-TIME”
INVENTORY**

+

**MINIMAL FOOD
WASTE**

+

**OPERATING
LEVERAGE**



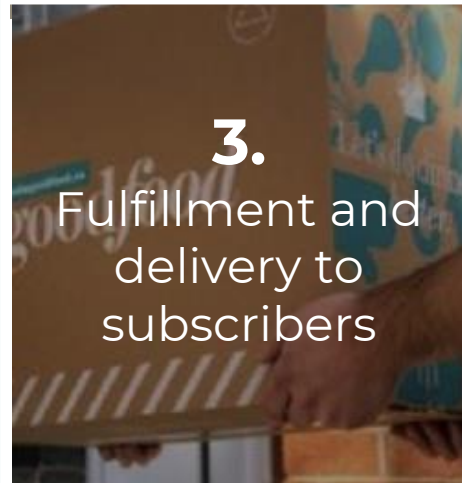
1.

Meal order
and payment
received from
subscribers



2.

Goodfood
orders from its
direct farming
relationships &
suppliers



3.

Fulfillment and
delivery to
subscribers



4.

Payment to
suppliers
10 – 90 days

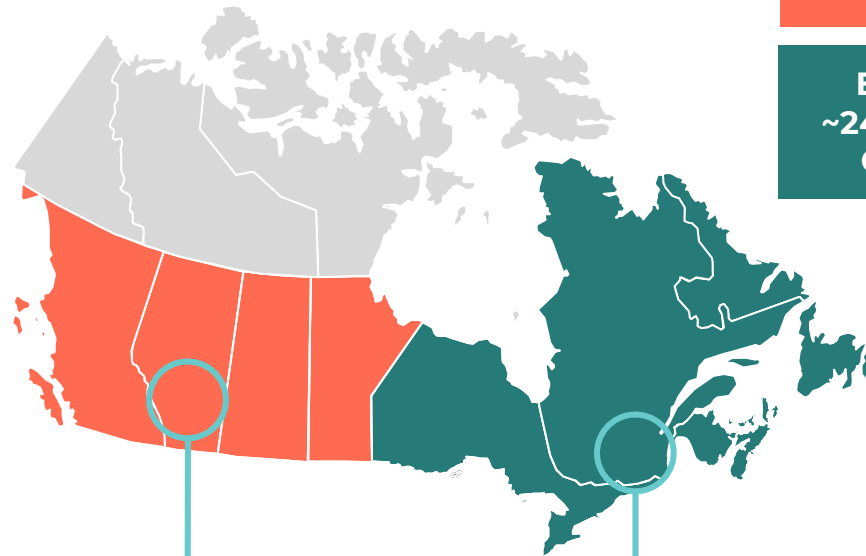


SIGNIFICANT MARKET
OPPORTUNITY

GOODFOOD'S NATIONAL PLATFORM

Leverage strong momentum and market-leading position to offer additional meal solutions to grow our addressable market

- Meal kit Canadian industry expected to reach 1.0 - 1.5 million subscribers and approx. \$3B in revenues within next five years⁽¹⁾
- Canadian online grocery market expected to reach \$3.6B by 2019⁽²⁾
- As the #1 meal kit company in Canada, Goodfood is now leveraging its national platform to thrive in the home meal solution industry
 - Ability to deliver perishable goods across the country
 - Capitalizing on customer taste profiles, preferences and trends



WESTERN CA:
~11M POTENTIAL
CUSTOMERS

EASTERN CA:
~24M POTENTIAL
CUSTOMERS

Calgary, AB
Production and
distribution facility

Montreal, QC
HQ & production
and distribution
facility

(1) Management estimates

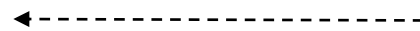
(2) Source: Canada Post

DIRECT TO CONSUMER HOME MEAL SOLUTIONS = \$9B MARKET OPPORTUNITY

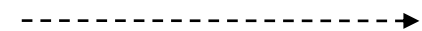
Uniquely positioned to gain market share in several segments

MARKET GROWTH
FORECAST
(CAGR 19-25)⁽¹⁾

100%



40%

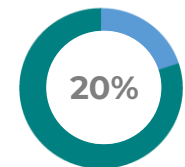
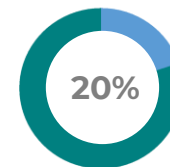
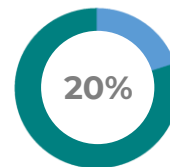
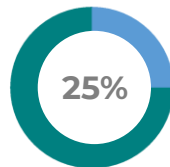
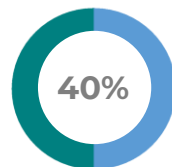


TOTAL
ADDRESSABLE
MARKET⁽¹⁾

(In C\$ millions)



TARGETED
MARKET
SHARE



(1) Source: Statista – Consumer Market Outlook, Nielsen, management estimates

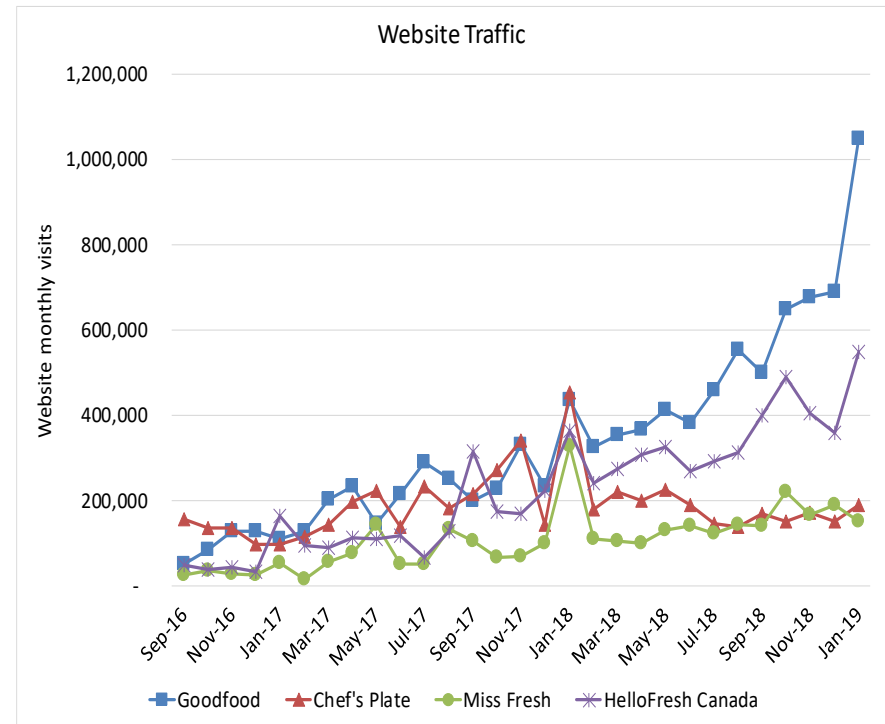
STRONG MARKET POSITION



COMPETITIVE LANDSCAPE

COMPANY	WEBSITE MONTHLY VISITS
<i>goodfood</i>	1,050,000
 Hello FRESH	550,000
 chefs plate	190,000
 missfresh	150,000

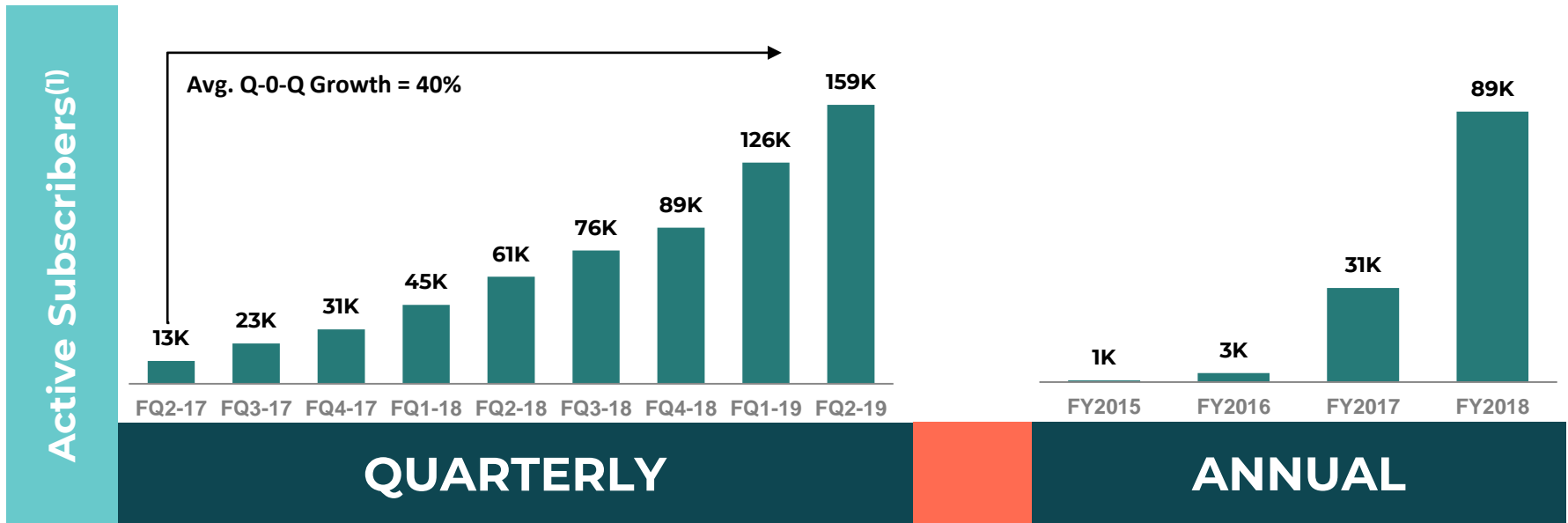
Source: Similar Web, January 2019





COMPELLING FINANCIAL
PERFORMANCE

STRONG CONSISTENT SUBSCRIBER GROWTH



DRIVERS

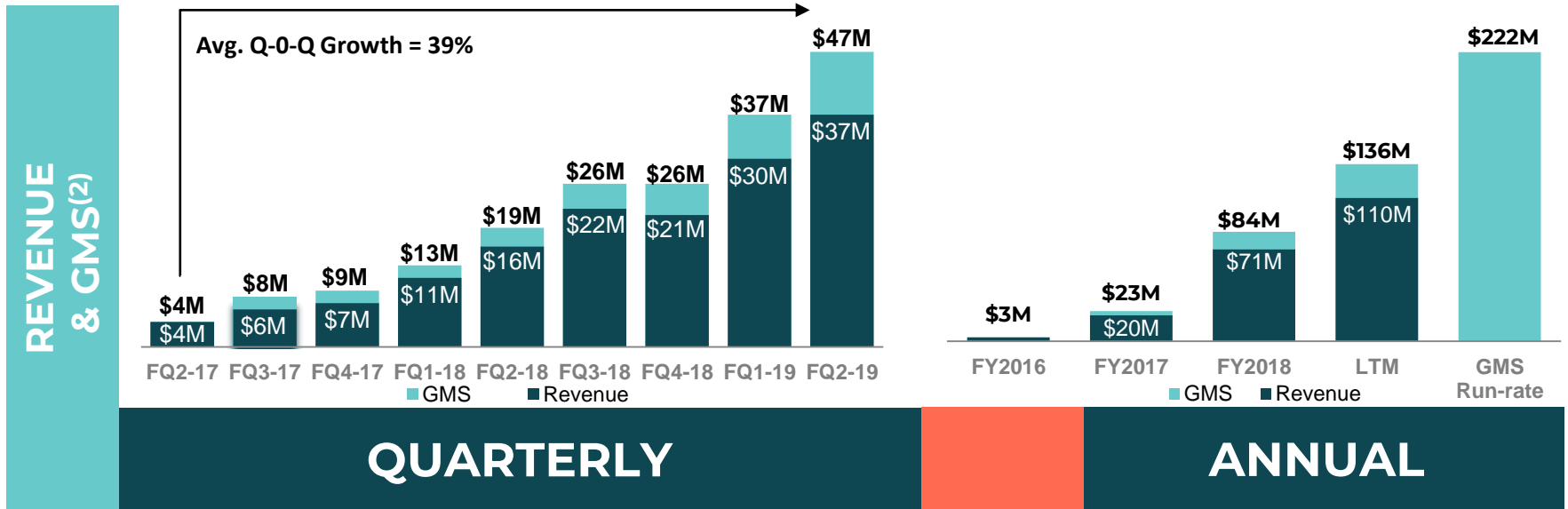
- Focusing on subscriber growth and market share gains
- Customer centric team with a long-term focus
- Diligently investing in highly targeted marketing campaigns
- Increasing loyal customer base

Source: Company's filings

(1) Active subscribers level reached at the end of the period

STRONG CONSISTENT REVENUE GROWTH

Focusing on subscriber growth and market share gains = one of the fastest growing companies on the TSX⁽¹⁾



DRIVERS

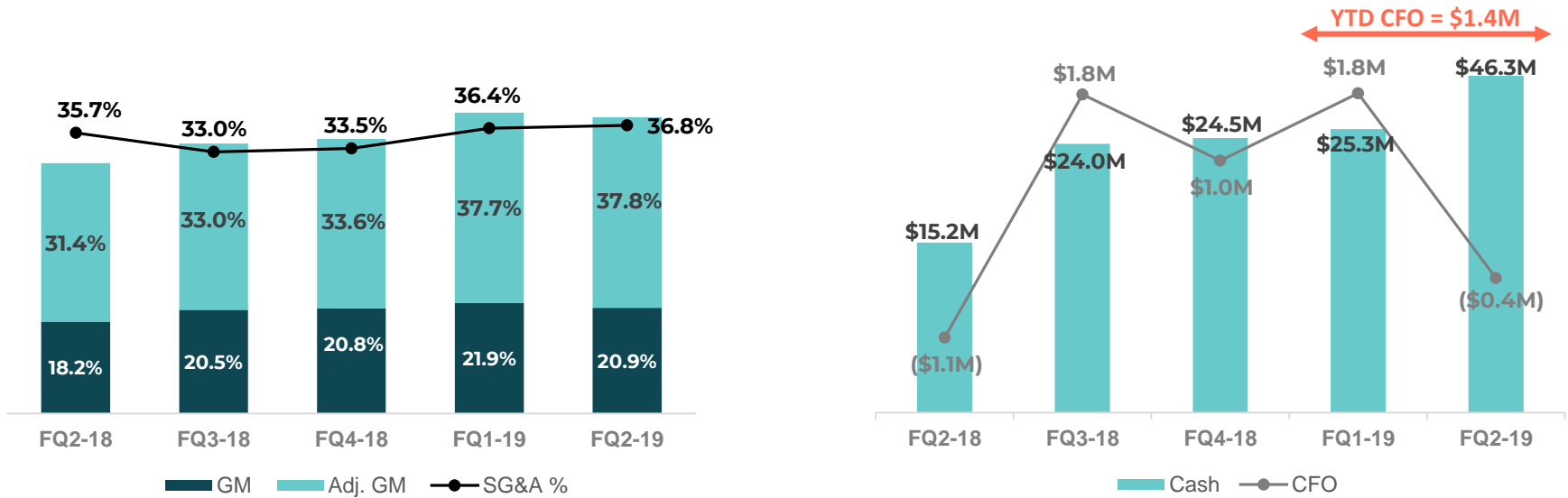
- Revenue stream built on a large recurring subscription base
- Leveraging our national platform
- Introduction and adoption of new product offerings
- Enormous opportunity – evolve from a meal-kit company to a direct to consumer home meal solutions platform

Source: Company's filings

(1) TSX-listed companies generating revenue from operations, based on 1-year LTM total revenue growth, as at July 13th, 2018

(2) Gross Merchandise Sales, refer to Non-IFRS measures

AMPLIFYING PROFITABILITY PATH THROUGH SCALE & OPERATING LEVERAGE



GROSS MARGINS & SGA AS A % OF REVENUE

CASH POSITION & CASH FLOW FROM OPERATIONS

DRIVERS

- Economies of scale
- Continuous improvements in operational processes efficiency
- Significant investments and focus on automation
- Highly profitable when established in a market
- Track record of cash management and investing for the long term

Source: Company's filings

BUILDING A HIGHLY PROFITABLE BUSINESS MODEL

CURRENT COST STRUCTURE

~50% automation

Adj. Gross Margin
38%

Mostly marketing

Adj. SG&A
~45%

EBITDA
~(10%)

Positive cash flow from operations at 200%+ growth



PROFITABILITY AT SCALE

Adj. Gross Margin
45%+

Adj. SG&A
~30%

EBITDA
~15%

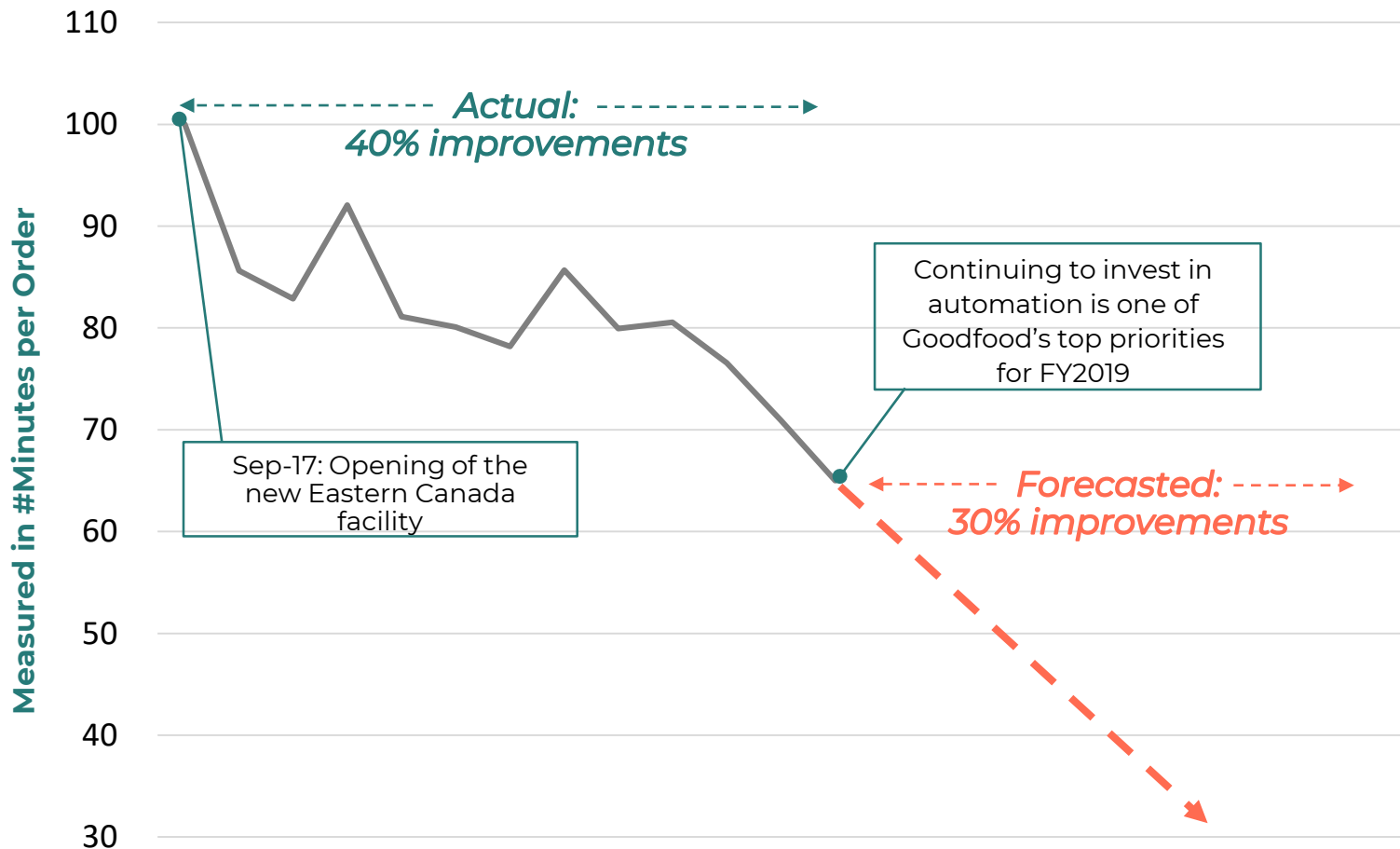
While growing at a very fast pace

75%+ automation
(positive payback from capital investment in production)
+
Economies of scale
(shipping, food cost, overhead)

Reduced marketing and fixed costs % of sales

AUTOMATION INVESTMENT TRACK RECORD

Past investments have decreased labour costs by 40%
Additional automation will continue to decrease labour cost by 30%



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EXPERIENCED

BOARD OF DIRECTORS

BOARD OF DIRECTORS



HAMNETT HILL
Director

- Serial entrepreneur with over 20 years of high tech leadership
- Co-founder and chairman of Radialpoints
- Helped launch Edo Capital, a foodtech-focused fund in 2015
- Named one of the “Top 40 under 40” business leaders in Canada



DONALD OLDS
Director

- President and CEO of the NEOMED Institute since January 2017
- Previously COO of TSX-listed Telesta Therapeutics Inc.
- Acted as President and CEO of Presegia Corp and worked for 9 years as CFO and COO of Aegea Therapeutics
- Currently Chairman of Oxfam Quebec and Director of Presegia Corp



GUY LEBLANC
Director

- Chartered Professional Accountant
- Worked at PwC Canada for over 35 years, managed the Montreal Office 2006-2015
- Member of the Board of Atis Group and Meloche Group
- Accredited from the Institute of Corporate Governance

APPENDICES



CAPITAL MARKETS INFORMATION

TICKER	TSX: FOOD
52-week-High -----	\$3.98
52-week-Low -----	\$2.10
Share Price (Mar 27, 2019) -----	\$3.45
Share Outstanding -----	57.8M
Diluted Shares Outstanding -----	58.9M
MARKET CAPITALIZATION -----	\$203.3
Total Debt -----	\$7.5
Less: Cash -----	\$(46.3)
NET DEBT (February 28, 2019) -----	\$(38.8)
ENTERPRISE VALUE⁽¹⁾ -----	\$164.5
Management Ownership	40%

ANALYST COVERAGE
<p>GMP Securities Martin Landry 514-288-4016 mlandry@gmpsecurities.com Target: \$6.00</p>
<p>National Bank Financial Leon Aghazarian 514-879-2574 leon.aghazarian@nbc.ca Target: \$4.50</p>
<p>Desjardins Securities Frederic Tremblay 514-841-0283 frederic.a.tremblay@desjardins.com Target: \$4.50</p>
<p>Acumen Capital Jim Byrne 403-571-0530 jbyrne@acumentcapital.com Target: \$4.80</p>

(1) Not adjusted for the Feb-22-2019 bought deal financing.

COMPARABLE COMPANIES

<i>In millions except share price</i>											
Company Name	Price	Market	Enterprise	EV / Revenue		EV / EBITDA		Revenue Growth		EV / Revenue to Growth	
	11-Mar-19	Cap.	Value	2019E	2020E	2019E	2020E	2018A/E-2019E	2019E-2020E	2019E	2020E
Meal Kits											
HelloFresh	€9.28	€1,590	€1,391	0.9x	0.7x	neg	25.7x	27.5%	18.5%	0.03x	0.04x
Blue Apron	US\$1.01	US\$196	US\$256	0.4x	0.4x	32.9x	11.6x	-13.9%	5.3%	neg	0.08x
Marley Spoon	A\$0.43	€40	€40	0.3x	0.2x	neg	neg	52.6%	40.0%	0.01x	0.01x
Average - Meal Kits				0.5x	0.5x	32.9x	18.6x	22.0%	21.2%	0.02x	0.04x
Median - Meal Kits				0.4x	0.4x	32.9x	18.6x	27.5%	18.5%	0.02x	0.04x
Canadian Grocers & Food Retail											
Loblaw	C\$64.96	C\$24,014	C\$32,132	0.7x	0.7x	8.4x	8.1x	2.7%	3.0%	0.25x	0.22x
Metro	C\$48.94	C\$12,569	C\$15,262	0.9x	0.9x	11.1x	10.6x	12.5%	2.4%	0.07x	0.37x
Empire	C\$29.48	C\$8,033	C\$9,109	0.4x	0.3x	7.3x	6.8x	3.2%	3.1%	0.11x	0.11x
Greenspace Brands	C\$0.22	C\$16	C\$39	0.5x	0.4x	nmf	15.1x	18.5%	13.9%	0.03x	0.03x
Average - Canadian Grocers & Food Retail				0.6x	0.6x	8.9x	10.1x	9.2%	5.6%	0.11x	0.18x
Median - Canadian Grocers & Food Retail				0.6x	0.5x	8.4x	9.3x	7.8%	3.0%	0.09x	0.16x
Food E-commerce & Restaurant Delivery											
Domino's	US\$246.99	US\$10,469	US\$13,975	3.7x	3.4x	19.8x	17.8x	9.7%	9.7%	0.38x	0.35x
Grubhub	US\$76.35	US\$7,062	US\$7,179	5.3x	4.1x	28.4x	19.6x	35.7%	26.5%	0.15x	0.16x
Ocado Group	£10.63	£7,448	£7,397	4.1x	3.6x	nmf	nmf	11.8%	12.5%	0.35x	0.29x
Delivery Hero	€35.62	€6,738	€6,074	5.5x	3.8x	neg	neg	45.8%	42.6%	0.12x	0.09x
Just Eat	£7.60	£5,177	£5,105	4.9x	3.9x	26.4x	21.3x	34.8%	23.5%	0.14x	0.17x
Takeaway.com	€67.90	€3,516	€3,576	9.6x	7.3x	nmf	nmf	57.6%	31.7%	0.17x	0.23x
Average - Food E-commerce & Restaurant Delivery				5.5x	4.4x	24.9x	19.6x	32.6%	24.4%	0.22x	0.21x
Median - Food E-commerce & Restaurant Delivery				5.1x	3.9x	26.4x	19.6x	35.3%	25.0%	0.16x	0.20x
Overall Average				2.8x	2.3x	19.2x	15.2x	23.0%	17.9%	0.15x	0.16x
Overall Average (excl. High & Low)				2.5x	2.0x	18.8x	14.9x	23.2%	17.1%	0.14x	0.16x
Goodfood (CY Estimates)⁽¹⁾	C\$3.37	C\$199	C\$156	0.8x	n/a	neg	n/a	88.7%	n/a	0.01x	n/a

Notes:

Estimates calendarized to a December year end. Includes estimates from GMP, Desjardins and Acumen.

(1) Pro forma Feb-22-2019 bought deal financing.

MEAL KIT SUPERIOR VALUE PROPOSITION

Offers consumers a quick and easy alternative to grocery shopping / meal preparation

HOW IT WORKS



We create original recipes.

Our in-house culinary team uses premium ingredients to create unique menus.



You choose your preferences.

Choose from a variety of healthy, delicious meals each week that accommodate your dietary preferences.



We deliver weekly - for free.

Your ingredients are packaged in our refrigerated boxes, so food stays fresh - even when you aren't at home.



You cook incredible meals at home.

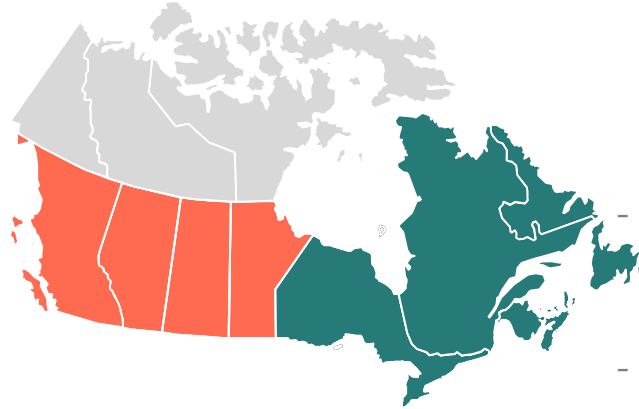
Our easy-to-follow recipes are created to cater to all cooking levels and styles. Each meal can be prepared in about 30 minutes.

CAPACITY UPDATE

DISTRIBUTION

WESTERN CANADA

- Launched in Q3-2018 ahead of schedule and on budget
- 7-year lease for a 43,000 sq. ft. distribution facility
- \$100M of sales (expanding to \$200M)
- Add capacity to serve 75-100K subscribers
- Expanding the addressable market by 11 million Canadians
- Reaching 95% of the Canadian population



EASTERN CANADA

- Successfully transferred operations into a new 83,000 sq. ft. distribution facility
- 72,000 sq. ft. expansion announced in September 2018 (155,000 sq. ft. in total)
- Opening of a 20,000 sq. ft. breakfast facility announced in Q3 2019
- \$500M of sales
- Represent a capacity expansion of 10x initial capacity of 15,568 sq. ft.
- Add capacity to support a 300K – 400K subscriber base (20-30% capacity utilization)