



Investor Presentation

January 2022



(Nasdaq: RGF)

Disclaimer



Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements are subject to considerable risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact or relating to present facts or current conditions included in this presentation are forward-looking statements. Forward-looking statements give The Real Good Food Company, Inc.’s (the “Company,” “we,” “us,” or “our”) current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “will continue,” “will likely result,” “will,” and similar expressions, as they relate to our Company, our business and our management, are intended to identify forward looking statements.

In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated in or implied by the forward-looking statements, including as a result of the following factors: our limited operating history and significant operating losses; our ability to (i) increase our net sales from existing customers and acquire new customers; (ii) retain our customers; (iii) compete successfully in our industry; (iv) respond to new trends and changes in consumer preferences; (v) introduce new products or successfully improve existing products; (vi) implement our growth strategy; (vii) effectively expand our manufacturing and production capacity; (viii) retain our co-manufacturers and identify new co-manufacturers; (ix) obtain ingredients in sufficient quantities to meet demand for our products; or (x) obtain financing to achieve our goals to develop and commercialize new products, invest in our manufacturing facilities, and expand our product offerings; the impact of the COVID-19 pandemic on our supply chain and consumer behaviors; the requirements of becoming a public company; failure or interruption of our data systems; and cybersecurity incidents, or real or perceived errors, failures, or bugs in our systems or other technology disruptions or failure to comply with laws and regulations relating to privacy and the protection of data relating to our confidential information or our customers’ personal information.

Forward-looking statements contained within this presentation include statements regarding our projected financial results and future financial performance; our future sales growth; new customer relationships; the price of our products; and our ability to drive future growth and success. Any forward-looking statement made by us in this presentation speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

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This presentation contains statistical data, estimates, and forecasts that are based on various sources, including independent industry publications and other publicly available information, as well as other information based on our internal sources. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these data, estimates, and forecasts. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Our industry and market data are subject to a variety of risks and uncertainties, including those described in the section entitled “Risk Factors,” of our prospectus, which could cause results to differ materially from those expressed in these publications and reports.

Non-GAAP Financial Measures

We present adjusted gross profit, adjusted gross margin, adjusted EBITDA and adjusted EBITDA margin, which are non-GAAP financial measures and should not be considered alternatives to measures calculated and presented in accordance with GAAP. Adjusted gross profit means, for any reporting period, gross profit adjusted to exclude the impacts of costs and adjustments identified by management as affecting the comparability of our gross profit from period to period. Adjusted gross margin means adjusted gross profit as a percentage of net sales. Adjusted EBITDA means, for any reporting period, net income (loss) before depreciation and amortization, income taxes, and interest expense, and adjusted to exclude the impact of transaction expenses, as well as other costs and adjustments identified by management as affecting the comparability of our operating results from period to period. Adjusted EBITDA margin represents adjusted EBITDA divided by net sales. Adjusted gross profit, adjusted gross margin, adjusted EBITDA, and adjusted EBITDA margin should not be considered as alternatives to gross profit, gross profit margin, net loss or any other measure of financial performance calculated and presented in accordance with GAAP. There are a number of limitations related to the use of adjusted gross profit, adjusted gross margin, adjusted EBITDA, and adjusted EBITDA margin rather than gross profit, gross profit margin, and net loss, which are the most directly comparable GAAP measures, respectively. Our presentation of adjusted gross profit, adjusted gross margin, adjusted EBITDA, and adjusted EBITDA margin should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of adjusted gross profit, adjusted gross margin, adjusted EBITDA, and adjusted EBITDA margin in the future, and any such modifications may be material. In addition, adjusted gross profit, adjusted gross margin, adjusted EBITDA, and adjusted EBITDA margin may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

Additional Information

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Today's Presenters



Bryan Freeman
Executive Chairman

- 20+ years in the frozen foods industry
- Scaled and successfully exited three businesses
- Served on the senior leadership team of AdvancePierre Foods (TKR: APFH) that IPO'd at \$2.2B in 2016 and eventually sold to Tyson Foods at \$4.2B in 2017



Gerard G. Law
CEO

- 29+ years as an operator in the frozen foods industry
- Was part of the senior leadership team at J&J Snack Foods (TKR: JJSF) where he managed 16 manufacturing facilities and had a team of approximately 4.2K employees
- Successfully integrated over ten acquisitions
- Strong public company experience
- Part of a three-person equity road show team for JJSF



Akshay Jagdale
CFO

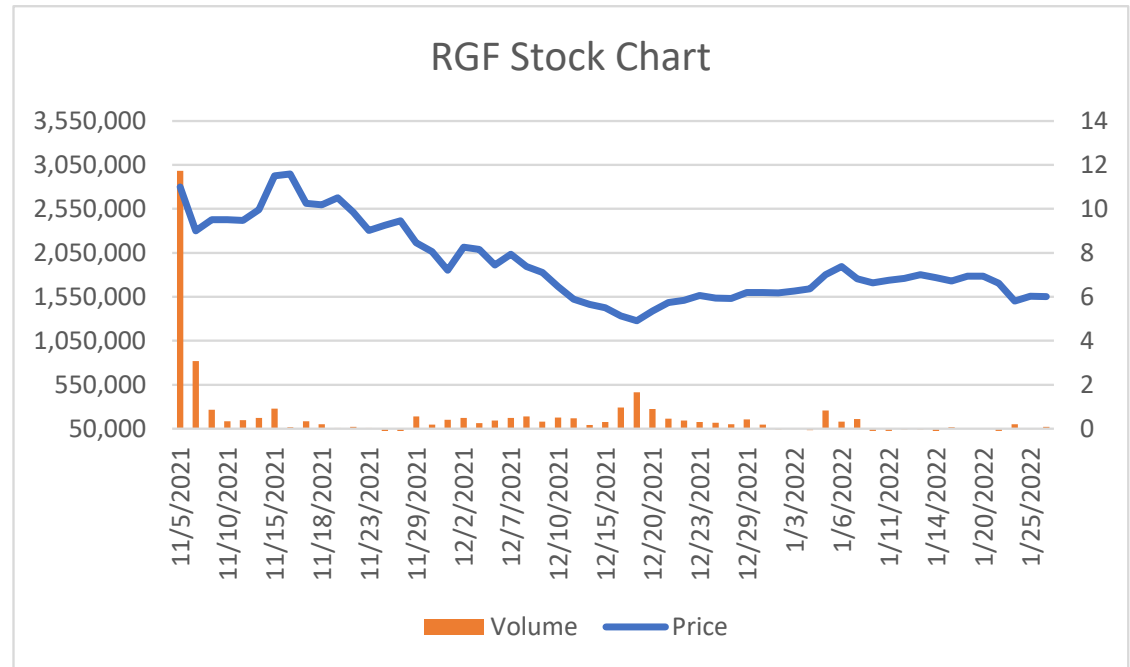
- 15+ years of experience as a securities analyst in the food and beverage sector
- Covered ~100 public food companies with a SMID-cap focus
- Strong relationships with institutional investors



RGF Market Cap and EV Calculation



Fully diluted shares outstanding *	28,253,377
Share price **	6.00
Market Cap	169,520,262
(+) Net Debt ***	-23,000,000
Enterprise Value	146,520,262
<hr/>	
2022 Rev Guidance Mid Point	120,000,000
EV/Revenue	1.22x



* Fully Diluted share count includes 25,747,566 basic shares outstanding + 2,505,811 issued incentive shares

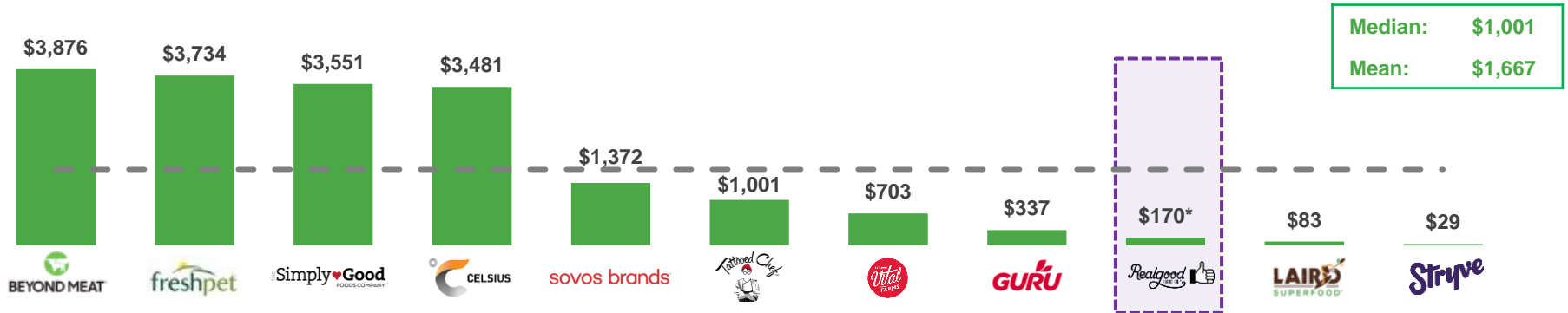
** Share price is as of Jan 26, 2022

*** Net debt is based on proforma cash of \$44M and proforma debt of 21M as disclosed in 3Q21 earnings release

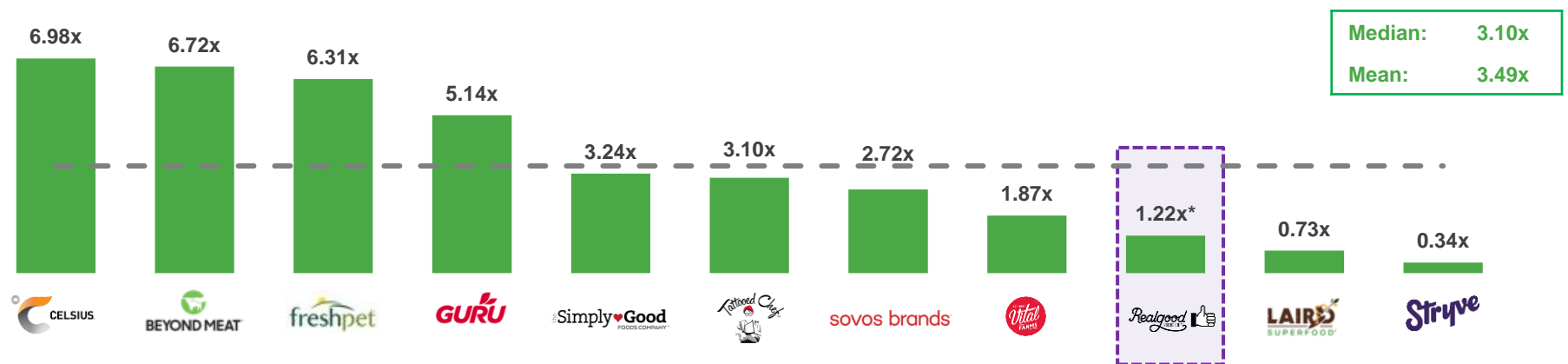
RGF Trading At Low End Of Peer Group



Market Cap (\$m)










EV/2022E Revenue Multiple



Source: Factset as of January 26, 2022 and Management Calculation
 *Please see slide 4 for management's calculations of RGF's market cap and EV

Board with Significant Experience Successfully Scaling Food Companies



Name	Experience	
Bryan Freeman <i>Executive Chairman and Chairperson of the Board</i>	<ul style="list-style-type: none"> 20+ years of experience in the frozen foods industry Served as an executive at AdvancePierre Foods from 2015 to 2017, and part of the senior leadership team when AdvancePierre Foods completed its initial public offering in 2016 	
Mark J. Nelson*	<ul style="list-style-type: none"> 30+ years of public and private company experience Most recently served as CFO and Treasurer of Beyond Meat Previously served as SVP and CFO of Biolase and as Treasurer and CFO of Farmer Bros. 	
Deanna T. Brady*	<ul style="list-style-type: none"> 30+ years of experience in the foodservice industry Currently serves as EVP and a member of the executive committee of Hormel Foods Prior to her current role, held multiple leadership roles within various Hormel divisions 	
Gil B. de Cardenas*	<ul style="list-style-type: none"> Currently serves as CEO of Cacique, Inc., a brand in the Mexican-style cheese, cream and sausage category Also serves as a member of Nielsen-Massey Vanilla's Board of Directors Previously served as CEO of Reynaldo's Foods, a branded meat and dessert company 	
George F. Chappelle, Jr.	<ul style="list-style-type: none"> Currently serves as Board Member and Advisor of Green Fees LLC Previously served as Chairman of the Board of Directors of Flagstone Foods Previously held several senior leadership roles at Tyson Foods and AdvancePierre Foods 	
Gerard G. Law	<ul style="list-style-type: none"> 29+ years as an operator in the frozen foods industry Currently serves as CEO of Real Good Foods Previously served as the SVP at the Snack Foods Division at J&J Snack Foods, where he managed 16 manufacturing plants 	

* Non-Employee Director Nominee.

Mission Statement and Brand Commitment



Real Good Foods Mission

We believe there is a better way to feed our future. Consumers seeking to make healthier food choices include the portion of the U.S. population seeking to **reduce sugar in their diets** and **reduce their carbohydrate intake**. Our mission is to make our craveable, nutritious comfort foods **accessible to everyone across the United States** and, eventually, throughout the world.

Brand Commitment

To always put nutrition first and to always be REAL. Our brand commitment, **“Real Food You Feel Good About Eating,”** represents our strong belief that, by eating our food, consumers can enjoy more of their favorite foods and, by doing so, live better lives as part of a healthier lifestyle.

Our Culture

We will **always be REAL** with our community and with ourselves: We are always available 24/7 to listen, learn and be transparent with our consumers.

Real Food You Feel *Good* About Eating

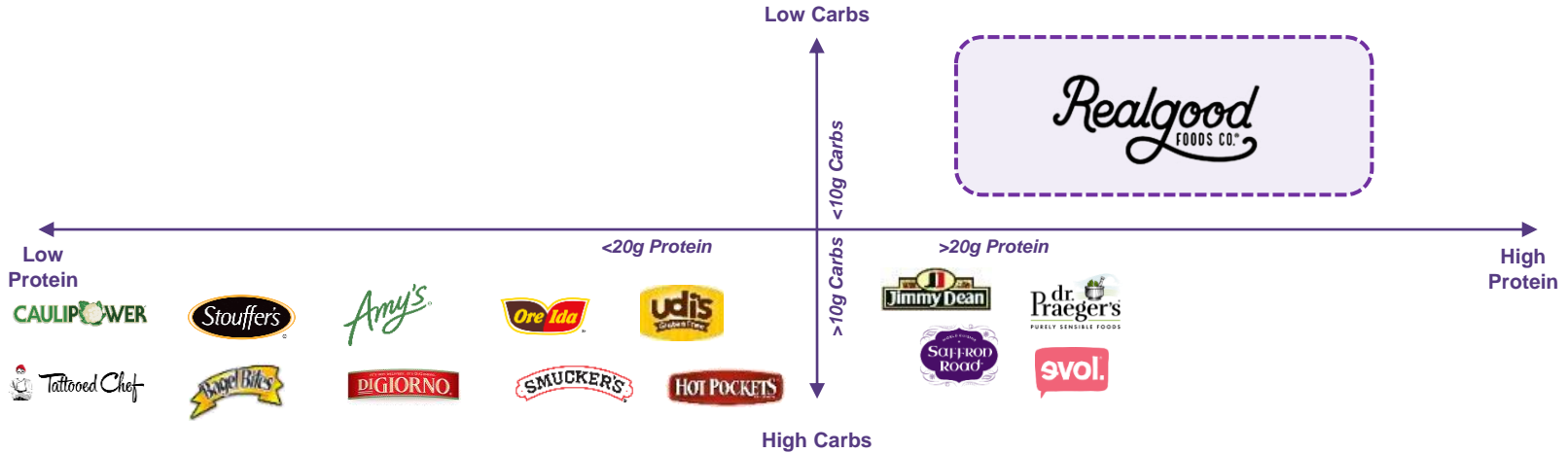


The Real Good Foods Opportunity

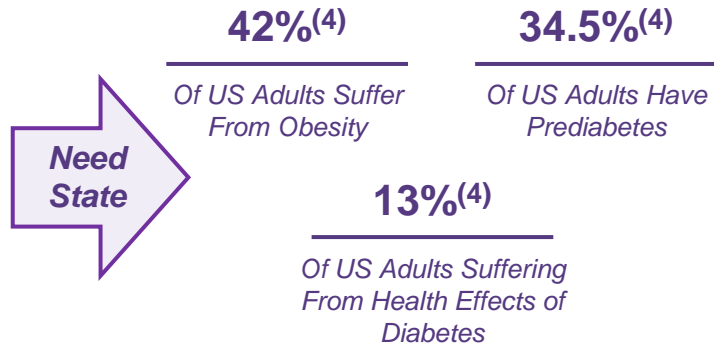
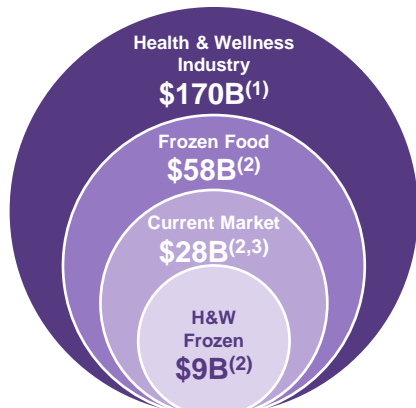


Real Good Foods is one of the only frozen food brands offering nutritious foods high in protein and low in carbs, and plays in a large addressable market with an underserved need state

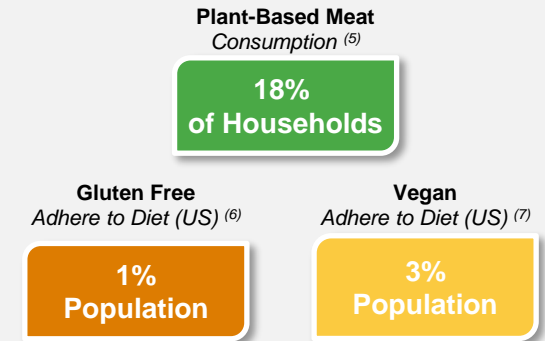
Competitive Landscape



Addressable Market



For Perspective...



Note: Percent statistics per NPD Group Consumer Trends and CDC: National Diabetes Statistics Report (2020).

(1) For 52wk period ended 6/13/21 per SPINS. Health & Wellness category consists of specialty and natural products, as defined by SPINS. Total frozen food market excludes frozen and refrigerated meat.

(2) For 52wk period ended 12/27/20 per SPINS. Health & Wellness category consists of specialty and natural products, as defined by SPINS. Total frozen food market excludes frozen and refrigerated meat.

(3) Consists of Frozen Entrees, Frozen Breakfast, Frozen Snacks and Frozen Pizza. (4) CDC. (5) Plant Based Foods Association, 2020.

(6) Forbes "The Number of Americans Going Gluten Free has Tripled Since 2009", January 2017. (7) Vegan News, March 2020.

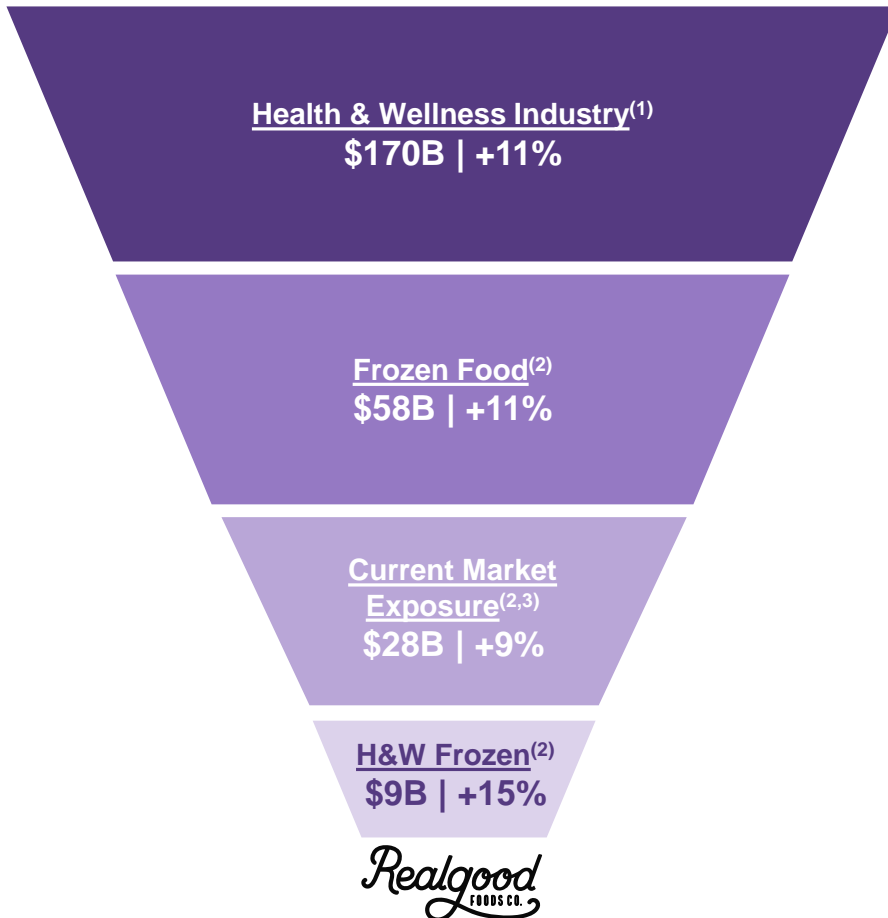
Large and Growing Total Addressable Market



Large addressable Health & Wellness market of \$170B⁽¹⁾, growing at 11%⁽¹⁾

Industry Snapshot

(Category growth represents 2 YR CAGR for CY 2018 – 2020)

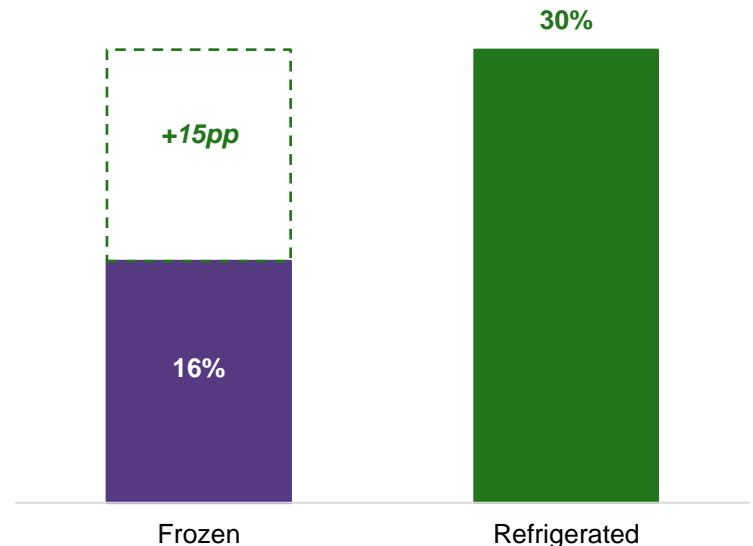


Health and Wellness Penetration⁽²⁾

On average across all departments of the grocery store, **H&W penetration is 23% compared to only ~16% for Frozen**. For further perspective, H&W penetration of adjacent category such as **Refrigerated is 30%**

At 20% penetration, H&W Frozen **would be a \$12B market**

At 30% penetration, H&W Frozen **would be a \$17B market**

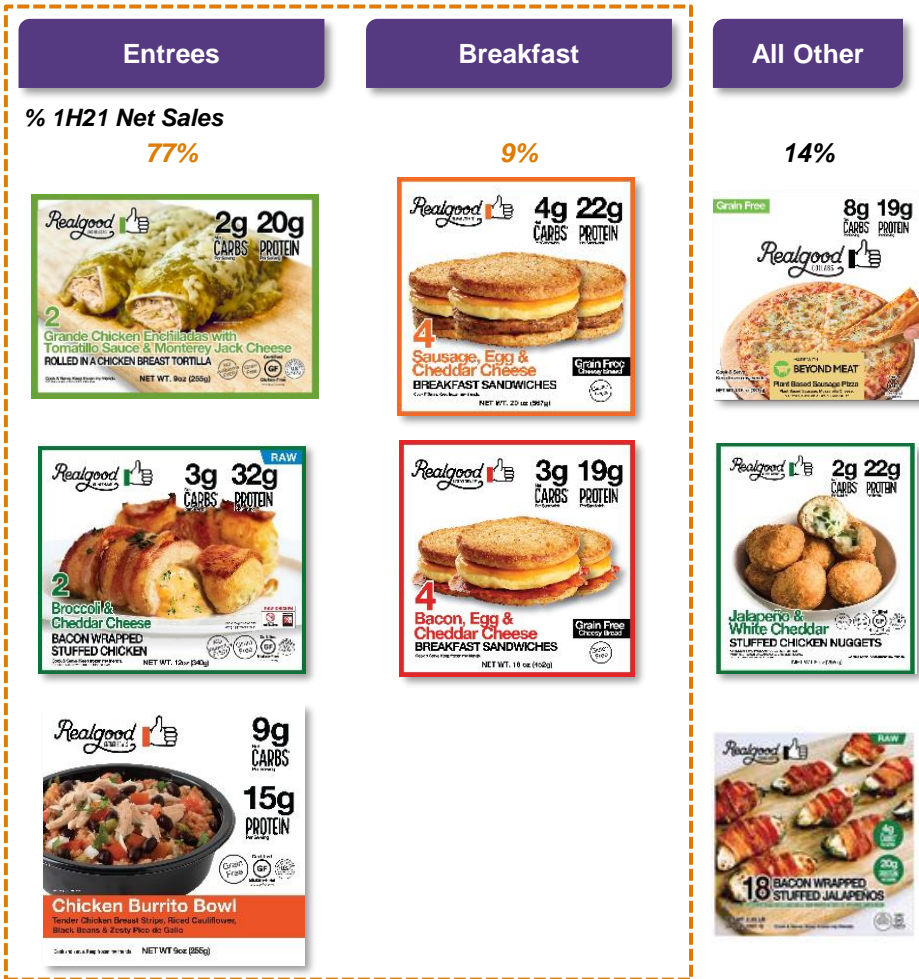


(1) For 52wk period ended 6/13/21 per SPINS. Health & Wellness category consists of specialty and natural products, as defined by SPINS. Total frozen food market excludes frozen and refrigerated meat. (2) For 52wk period ended 12/27/20 per SPINS. Health & Wellness category consists of specialty and natural products, as defined by SPINS. Total frozen food market excludes frozen and refrigerated meat. (3) Includes frozen appetizers & snacks, breakfast entrees, ice cream, meat/poultry/seafood entrees, vegetable entrees, and pizza.

Established Presence in Multiple Categories with Focus On Breakfast & Entrees

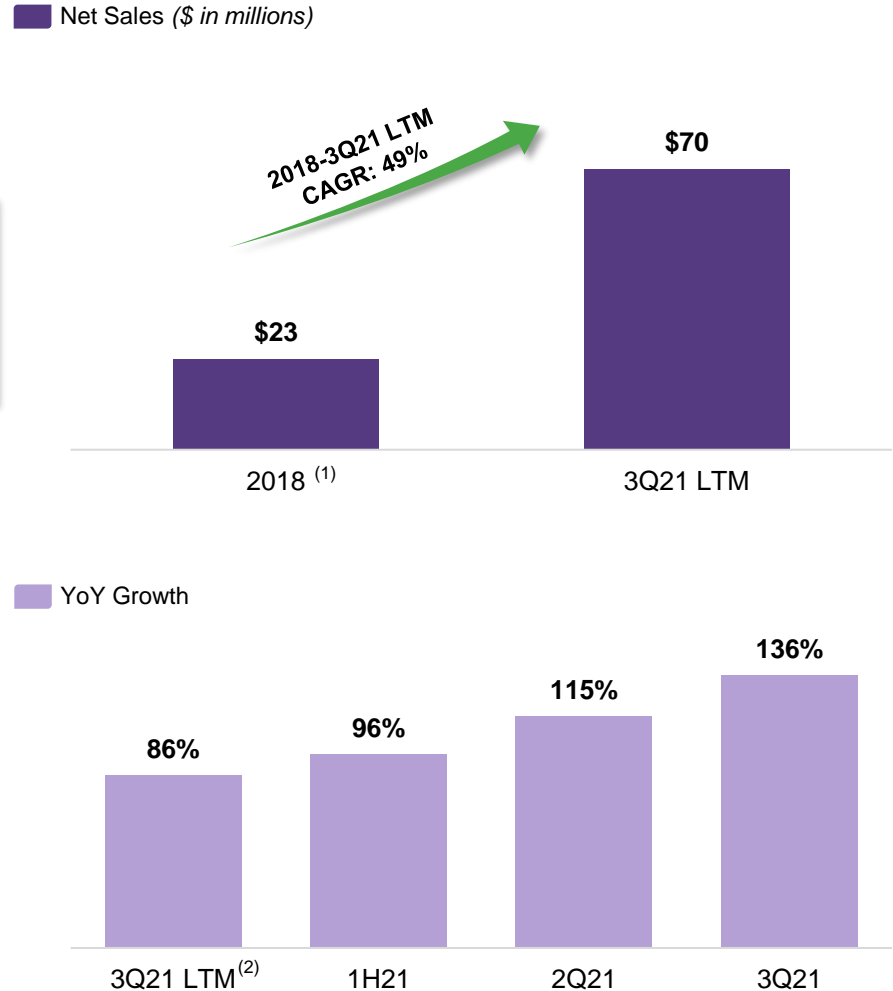


Highly Extendable Brand



Core Category Segments

Accelerated Growth in Recent Quarters



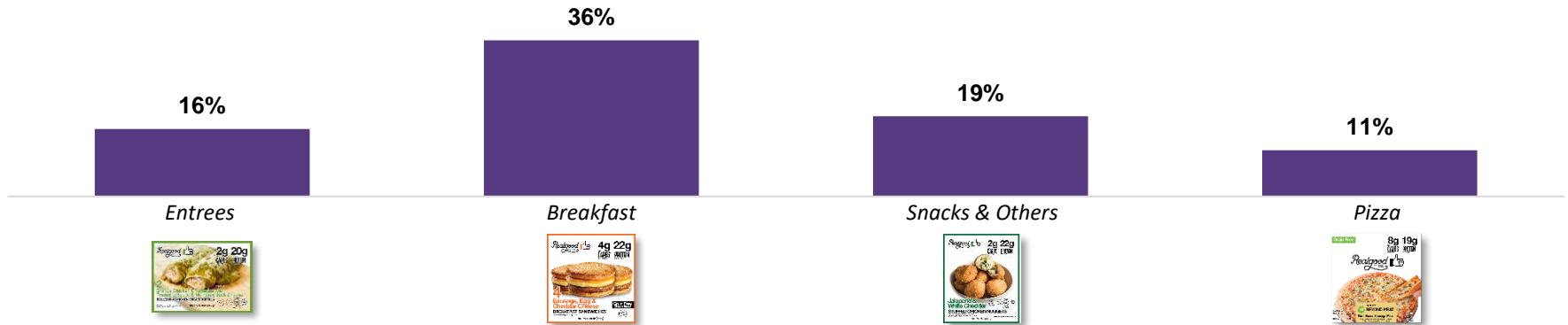
(1) Our net sales information for the year ended December 31, 2018 is unaudited and our independent registered public accounting firm has not audited, reviewed, compiled, or performed any procedures on such 2018 information.

Significant White-Space Opportunity



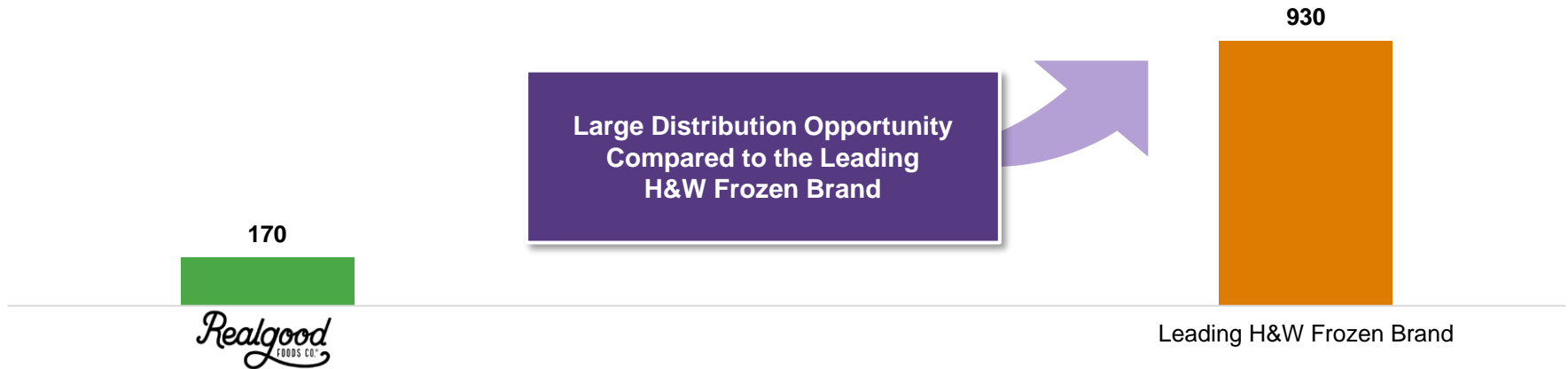
Low ACV and distribution white space provide an attractive opportunity for growth

Weighted Average % ACV⁽¹⁾



Total Distribution Points⁽²⁾

(in thousands)

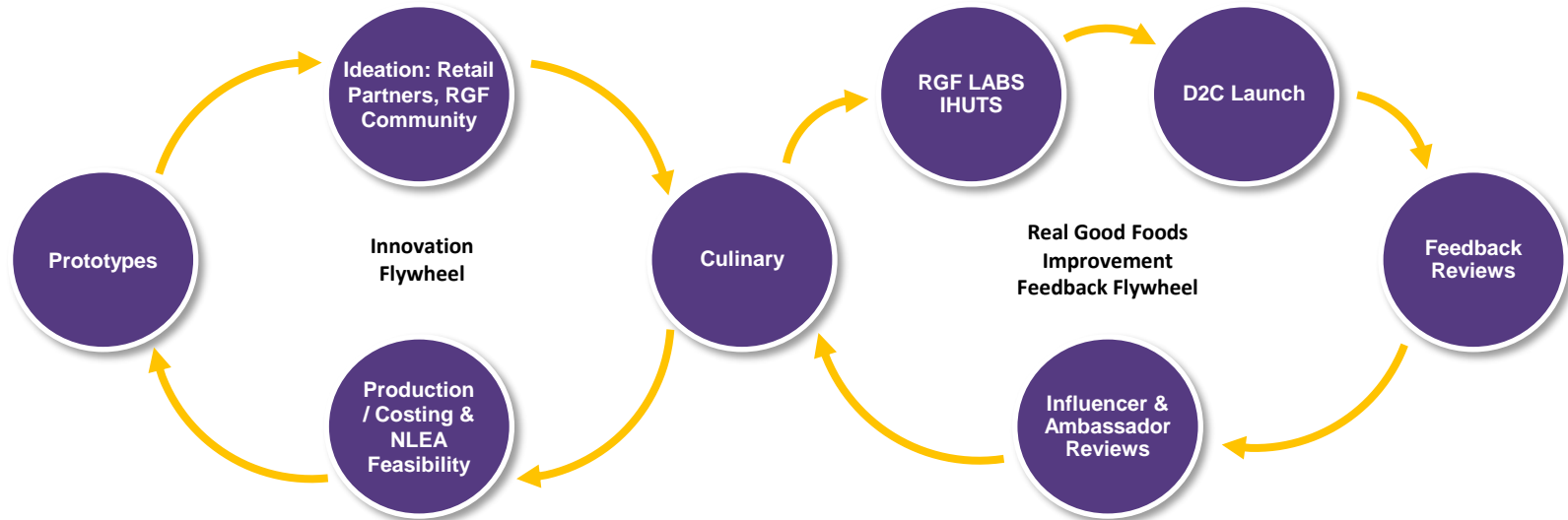


(1) SKU weighted average for 4wk period ended 6/13/21 per SPINS.
 (2) For 4wk period ended 6/13/21 per SPINS.

Innovation Strategy – Fewer, Bigger, Better



Product Development Lifecycle



Real Good Foods vs. Conventional CPG

Faster Speed to Market

Direct-to-consumer testing allows for **immediate feedback**

Higher Rate of Success

Rapid prototyping with access to a **large community** of real users

Constant Feedback Loop

- ✓ RGF Labs is an invite-only group of 100+ people from our consumer community
- ✓ **Real consumers** vs. focus groups that conventional CPG use; we validate enthusiasm/demand before we launch

Innovative Food Design Capabilities



Real Good Foods currently uses multiple innovative base platforms that offer grain-free, gluten-free, high-protein foods with low carbohydrates

Antibiotic-Free Chicken Breast and Parmesan Cheese System

Vegetable, Cheese and Egg System

Used to Make:



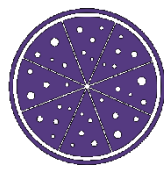
Tortillas



Stuffed Proteins



Lasagna Bowls



Crusts

Consists of:



Broccoli



Cauliflower



Cheese



Eggs



Lupin Bean

Used to Make



Crusts



Bread



Appetizers



Handhelds



Outer Pasta Shells

Real Good Foods is Constantly Developing Additional Base Platforms to Meet Consumer Needs

Innovation Pipeline — Fewer, Bigger, Better



The Real Good Foods brand has proven success in extending to new categories and has an exciting pipeline of products

Frozen Asian Chicken: Est \$100M+ Platform⁽¹⁾
Zero Sugar Asian Entree Platform
Expected to Launch Q2 2022



Frozen Breaded Poultry: Est \$1.5-\$2.0B Platform⁽¹⁾
Low Carb, High Protein, Grain Free Chicken Nuggets
Expected to Launch Q2 2022



Frozen Breakfast: \$2.5B Category ⁽²⁾
Breakfast Protein Bites & Breakfast Bowls
Expected to Launch Q1 2022



Frozen Potatoes: \$2.4B Category ⁽²⁾
Protein Fries & Protein Tots
Expected to Launch Q3 2022



Strong Innovation Pipeline Over the Next 12 Months

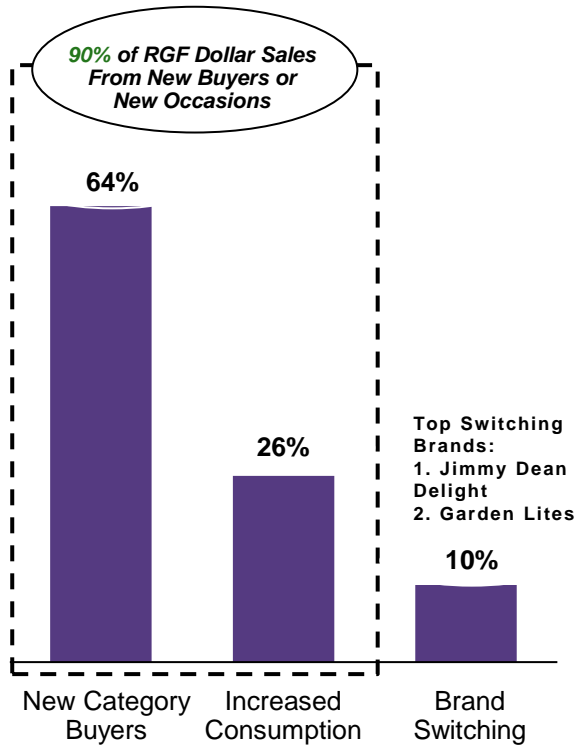
(1) Based on internal analysis of SPINS data 52 week ending 10/03/21. SKU level analysis of FZ PREPARED MEAT & POULTRY & SEAFOOD subcategory
(2) For 52wk period ending 12/27/20 per SPINS.

Our Growth is Highly Incremental to the Categories We Compete In



Real Good Foods Retail Sales Growth Breakdown

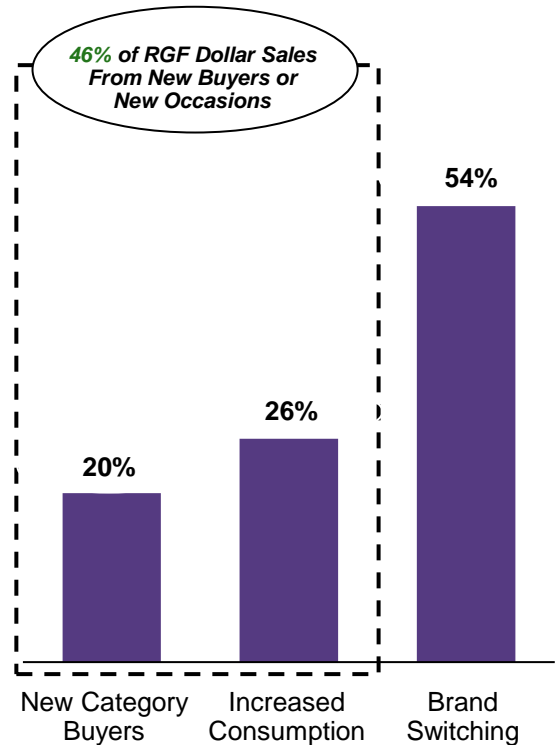
Frozen Breakfast Entree



Retail Sales

\$2.2M	\$0.8M	\$0.4M
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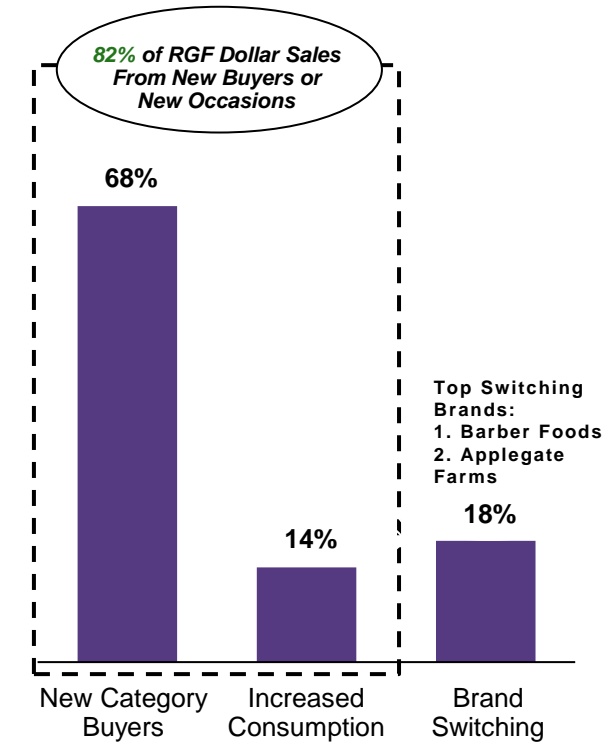
Frozen Entree Bowl



Retail Sales

\$0.5M	\$0.7M	\$1.3M
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Frozen Prepared Poultry



Retail Sales

\$5.9M	\$1.2M	\$1.6M
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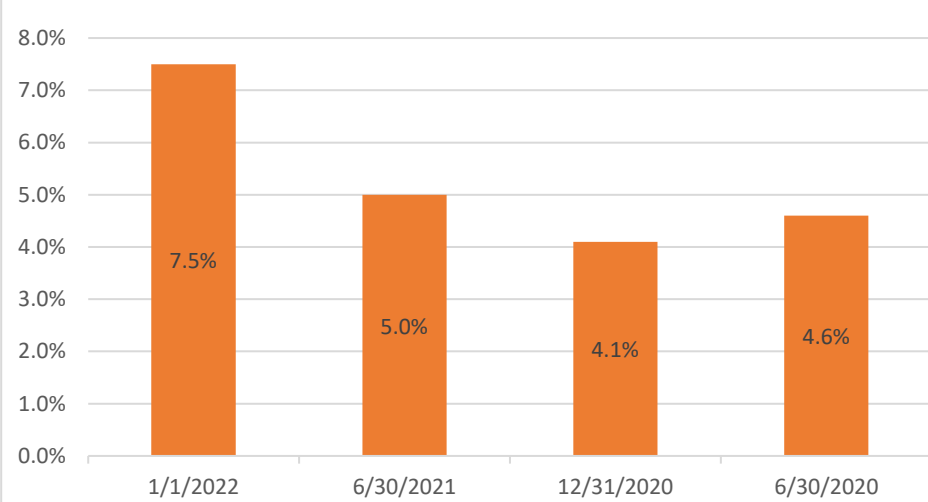
Source: For 52wk period ended 2/7/21 vs. year ago period per SPINS National Consumer Panel.

Strong Brand Health Indicators

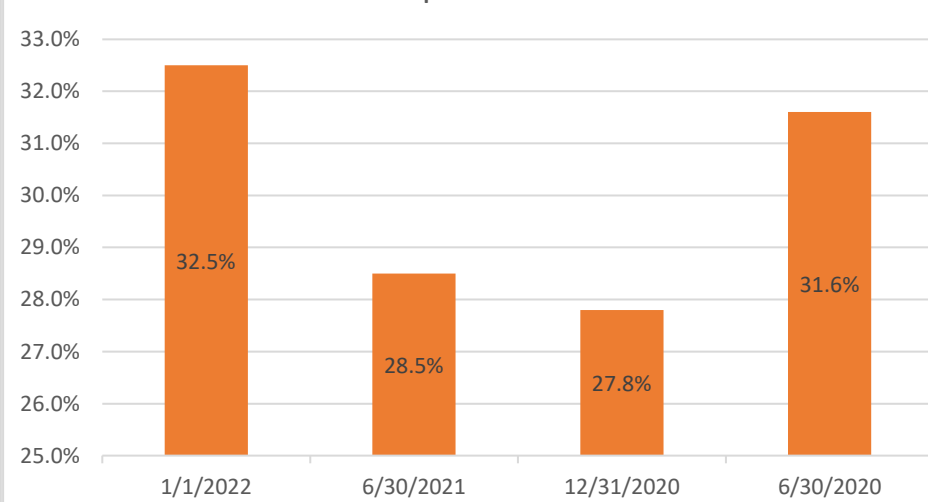


Real Good Foods Brand Health Indicators

Household Penetration



Repeat Rates



Source: Numerator panel data for 52wk period. Total brand level data for Real Good Foods.

Large and Highly-Engaged Digital Community



Category-leading social presence that creates demand and drives trips to stores

Real Good Foods Activation Model: Digital Properties Fuel Growth

Real Good Foods Digital KPIs⁽¹⁾

- **Social Media:** 650K+ Followers
- **Instagram:** 395K+ Followers
- **Website Traffic:** 1.3m+ / Year
- **Emails:** 300K Emails
- **SMS:** 210K Subscribers
- **Influencers:** 1,500 (90M reach)
- **Monthly Digital Impressions L6 Months:** 32m / Month

Case Study: Community Provides Permission to Extend into Adjacent Categories

Breakfast Sandwich Launch

- 20K comments in 24 hours
- Thousands of requests at store level
- RGF Labs: Key communities that provide instant feedback loop to optimize product pre-retail launch

Real Good Foods Has More Instagram Followers Than Some of the Largest Brands in Frozen Combined...



Case Study: Leveraging Digital Community for Successful Launch at Costco

Launch of Raw Stuffed Chicken at Costco

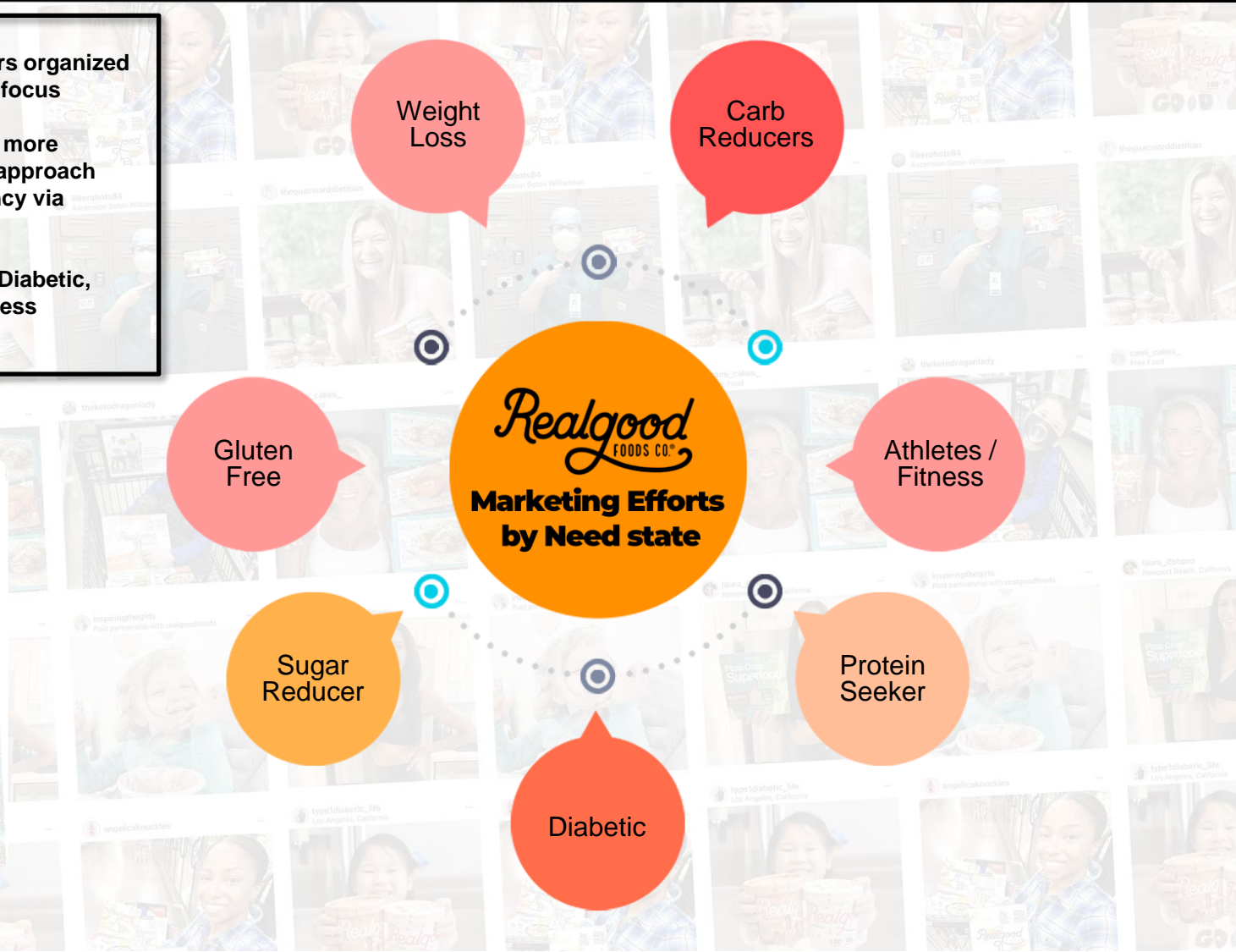
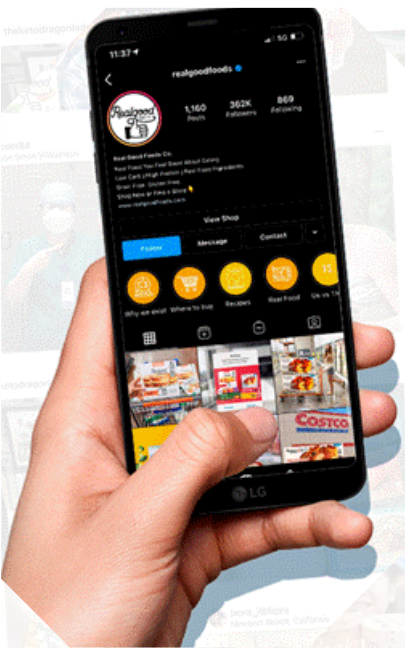
- Activated SMS, Email, Paid Social and Influencers to announce “now available at Costco”
- Social posts on Instagram had over 12k organic comments
- Increased velocities by 22% to \$2,500 per club in Costco Northwest (launch region)
- Incremental paid social activation achieved 3.3x ROAS across 5 regional campaigns

(1) As of December 15, 2021.

Real Good Consumer: Segmented by Need State



- ✓ RGF Marketing Managers organized by Need States to drive focus
- ✓ Today, the consumer is more defined – a segmented approach drives ad spend efficiency via customized messaging
- ✓ Core Focus Segments: Diabetic, Carb Reducers and Fitness



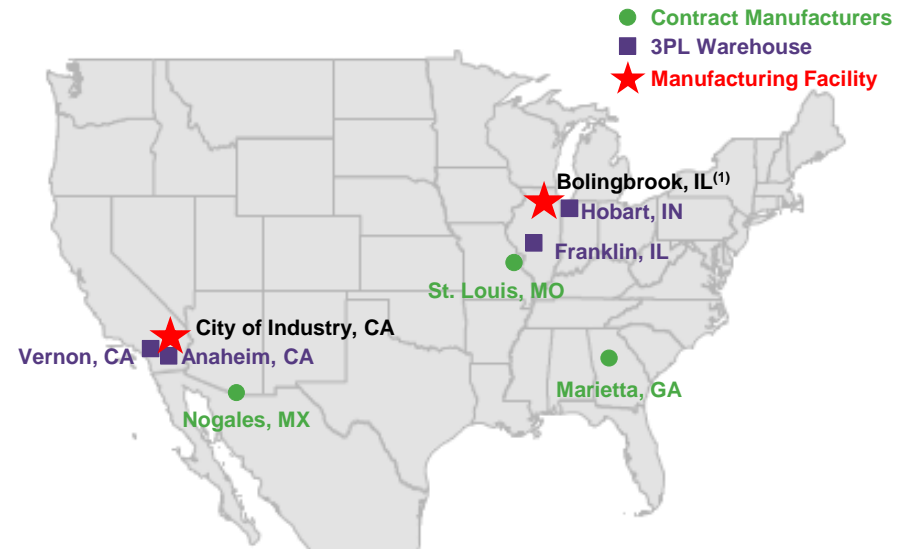
Operations Footprint and Self-Manufacture Capabilities



Overview

- The Real Good Foods operational footprint spans across the US and Mexico
- 8 locations comprised of one owned facility, 3 contract manufacturers and 4 third-party warehouses
- New manufacturing facility is located in City of Industry, CA
- Recently entered a lease on a new manufacturing facility in Bolingbrook, IL, which is expected to commence in Q1 2022
- All facilities participate in the processing and packaging of various Real Good Foods products
- Diverse supply chain allows for adequate supply and timely customer deliver
- Real Good Foods self-manufactured more than 70% of the Company's products at its City of Industry facility during June 2021

Operational Footprint



(1) Manufacturing facility operations expected to commence in Q1 2022.

Scalable Manufacturing Facility Ripe for Automation



Facility enhances Real Good Foods' processing and packaging capabilities

Capabilities Overview

- Manufacturing capacity remains underutilized, potential upside to double production
- USDA-certified facility
- Products manufactured at this facility are certified by GFCO to be labeled for sale as “gluten free” (to 10ppm gluten or less), in accordance with the standards set by the GFCO, when bearing the GFCO-certification mark
- Production
 - 4 flexible lines that manufacture:
 - Raw bacon wrapped stuffed chicken
 - Entrée bowls
 - Enchiladas
 - Italian entrees
 - Precooked stuffed chicken
- 260 personnel working 2 shifts 5 days a week
- Minimal automation at present with opportunities to significantly increase capacity and efficiency with automation



Investing in Growth – Bolingbrook Plant



Capabilities Overview

- State of the art USDA, Gluten Free certified processing facility
- 2x footprint of existing City of Industry, CA facility
- Capabilities - 3 high-throughput, flexible, production lines
 - Chicken tortillas
 - Breeding and frying
 - Assembly + bacon wrap





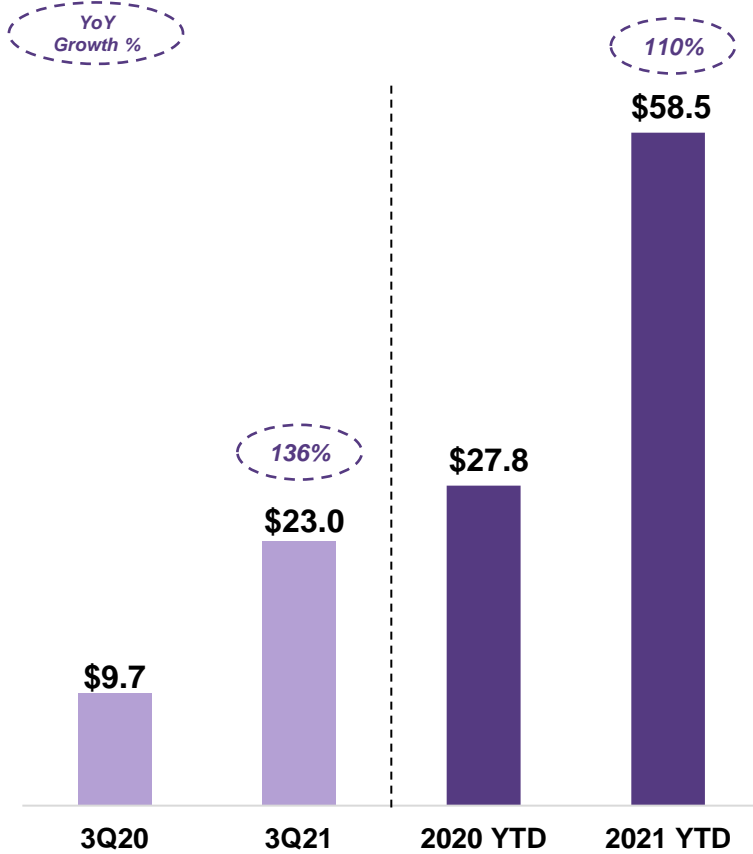
FINANCIALS

Financial Highlights



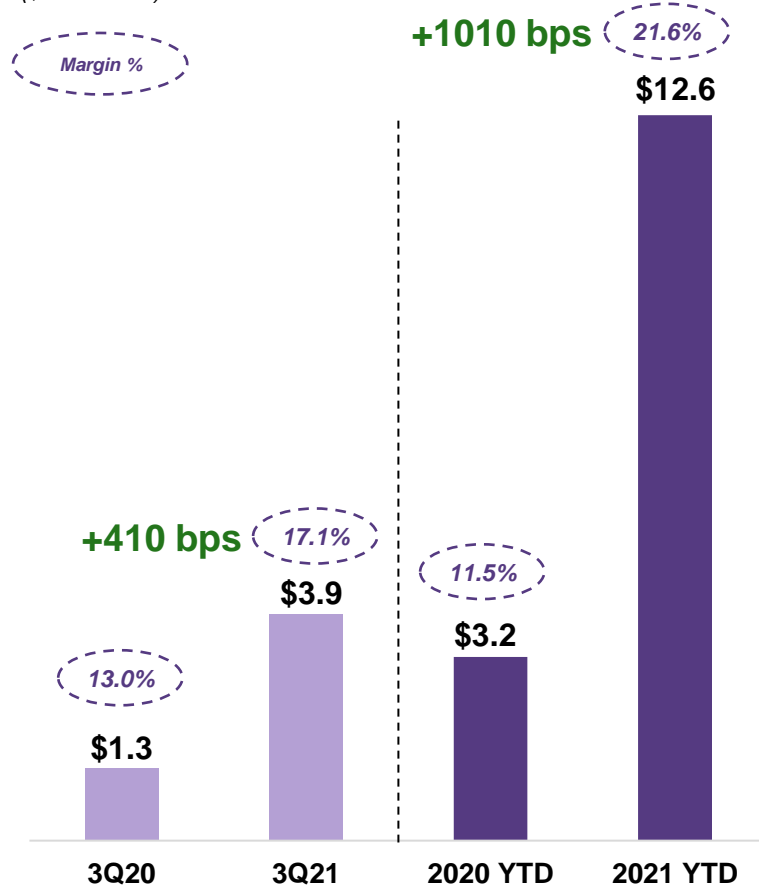
Net Sales

(\$ in millions)



Adjusted Gross Profit and Margin⁽¹⁾

(\$ in millions)



(1) Adjusted Gross Profit means, for any reporting period, gross profit adjusted to exclude the impacts of costs and adjustments identified by management as affecting the comparability of our gross profit from period to period, and Adjusted Gross Margin means Adjusted Gross Profit as a percentage of net sales.

3Q21 Financial Summary



(\$ in thousands)	3Q21	3Q20	\$ Chg y/y	% Chg y/y
Net Sales	\$23,014	\$9,745	\$13,269	136%
Cost of Goods Sold	\$20,659	\$9,907	\$10,752	109%
Gross Profit	\$2,355	(\$162)	\$2,517	n/m
<i>Gross Margin⁽¹⁾</i>	10.2%	-1.7%		1,190 bps
Adjusted Gross Profit⁽²⁾	\$3,941	\$1,270	\$2,671	210%
<i>Adjusted Gross Margin⁽¹⁾⁽²⁾</i>	17.1%	13.0%		410 bps
Adjusted Operating Expenses	\$7,278	\$2,693	\$4,585	170%
Adjusted EBIT	(\$3,337)	(\$1,423)	(\$1,914)	n/m
Adjusted EBITDA⁽³⁾	(\$2,993)	(\$1,270)	(\$1,723)	n/m

- Net sales increased 136% to \$23.0 million primarily due to strong growth in sales volumes of core products (Entrees and Breakfast), driven by continued strong momentum in the club channel, and an inflection in retail channel growth
- Adjusted gross margin increased 410 basis points to 17.1% primarily due to an increase in the amount of products sold that were self-manufactured, partially offset by increases in labor and raw material costs
 - Margins compressed significantly sequentially (17% in 3Q21 vs. 24% in 1H21) owing to a spike in direct material cost inflation and our decision to not increase prices
 - We believe a significant portion of the cost inflation is structural in nature, and, as such, we are taking broad based pricing actions beginning in Q4 to offset these costs. We are also doubling down on our productivity initiatives.
- Adjusted EBITDA loss increased to \$2.9 million compared to a loss of \$1.3 million in the third quarter of 2020, primarily driven by higher operating expenses to support growth (marketing and selling expenses were up significantly) and higher distribution costs. Sales growth and gross margin expansion partially offset the increases in operating expenses.

1) Change is shown as changes to basis points.

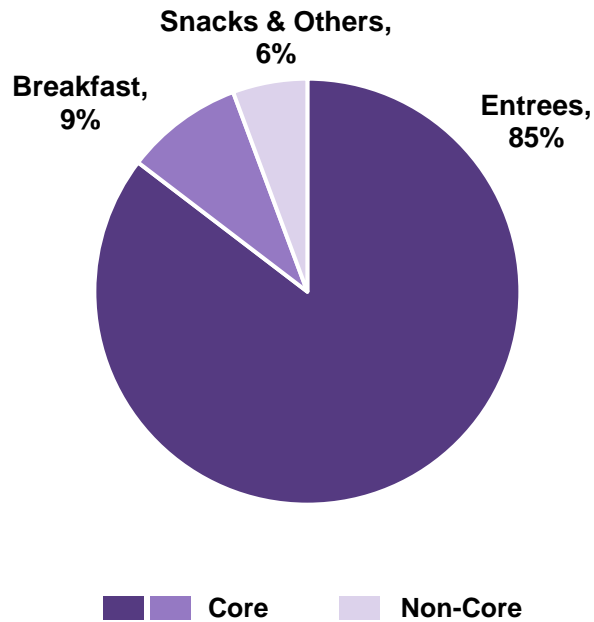
2) Adjusted gross profit, adjusted gross margin, and adjusted EBITDA are non-GAAP financial measures. Adjusted gross profit means, for any reporting period, gross profit adjusted to exclude the impacts of costs and adjustments identified by management as affecting the comparability of our gross profit from period to period. Adjusted gross margin means adjusted gross profit as a percentage of net sales. Please see page 11 for a reconciliation of adjusted gross profit and adjusted gross margin to the most directly comparable GAAP measures, gross profit and gross margin, respectively.

3) Adjusted EBITDA means, for any reporting period, net income (loss) before depreciation and amortization, income taxes, and interest expense, adjusted to exclude the impact of transaction expenses, as well as other costs and adjustments identified by management as affecting the comparability of our operating results from period to period. Please see page 12 for a reconciliation of adjusted EBITDA to the most directly comparable GAAP measure, net loss.

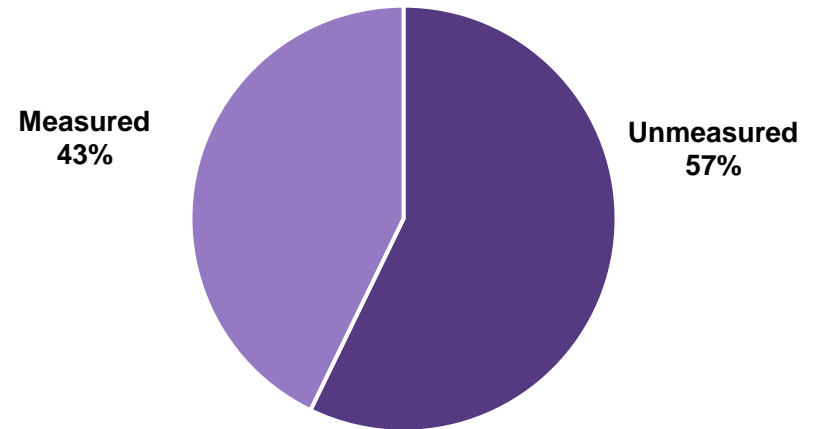
Financial Highlights



3Q21 Net Sales Breakdown By Product



3Q21 Gross Sales Breakdown



	1Q21	2Q21	3Q21
Core¹ Net Sales YoY	+152%	+248%	+308%
Non-Core Net Sales YoY	-13%	-32%	-71%

Unmeasured² channel Growth YoY	1,133%
Measured² channel Growth YoY	9%

(1) Core defined as Entrees and Breakfast Products

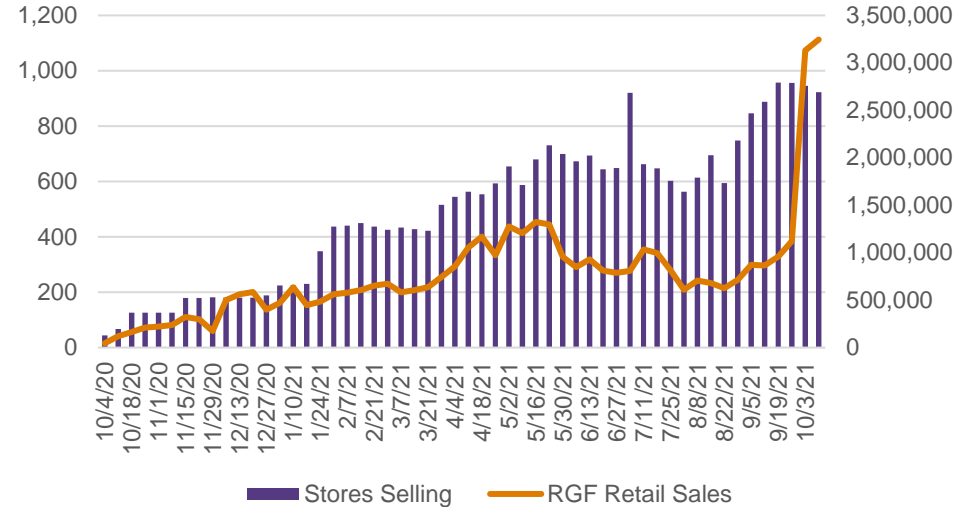
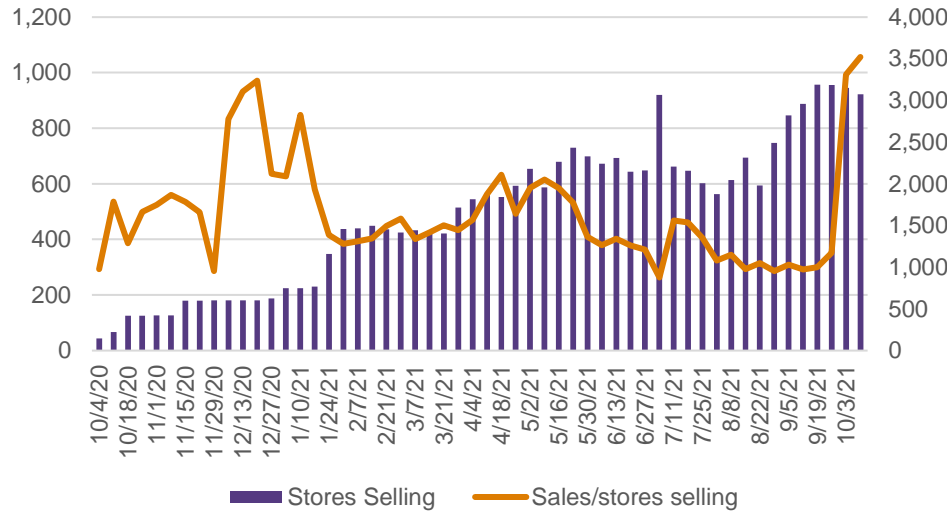
(2) Measured channels represent customers that are tracked by SPINS. Unmeasured channels represent customers that are excluded from SPINS data.

Strong Momentum in Club Business



RGF Club Consumption – Stores Selling & Velocity

RGF Club Consumption – Stores Selling & \$ Sales

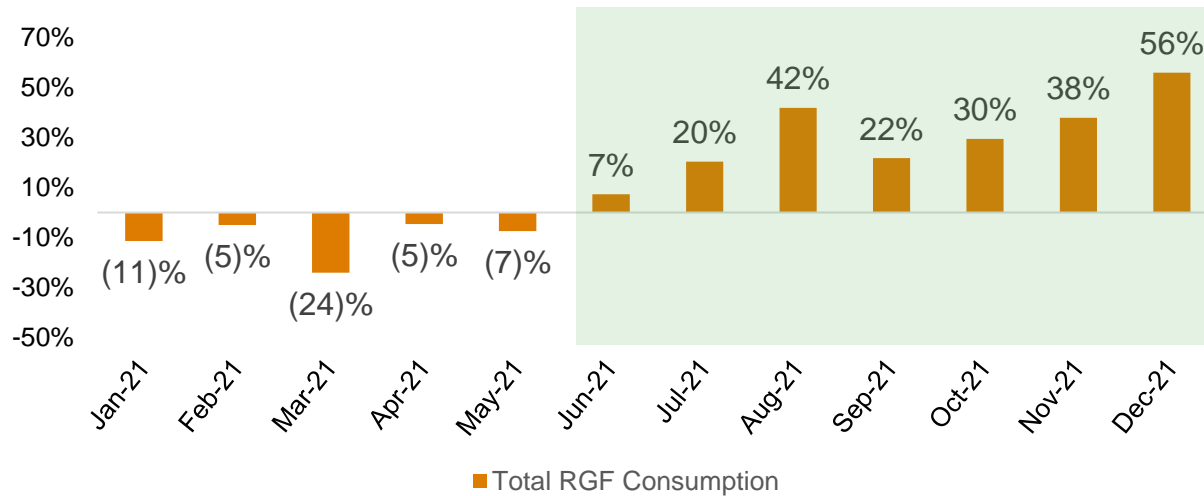


- Two products in annual rotation – Bacon Wrapped (BW) Stuffed Chicken & Enchiladas
- Averaging >\$1M/week in baseline consumption (retail equivalent)
- Velocities continued to significantly outpace competitors (RGF \$1,500-\$1,600/store/week vs. \$800-\$900/store/week for competitors)
 - BW Stuffed Chicken averaging ~\$1,660/week per store on average over last year
 - Enchiladas averaging ~\$1,500/week per store on average since launch in February of 2021
- Started shipping to large new Club customer in 4Q21

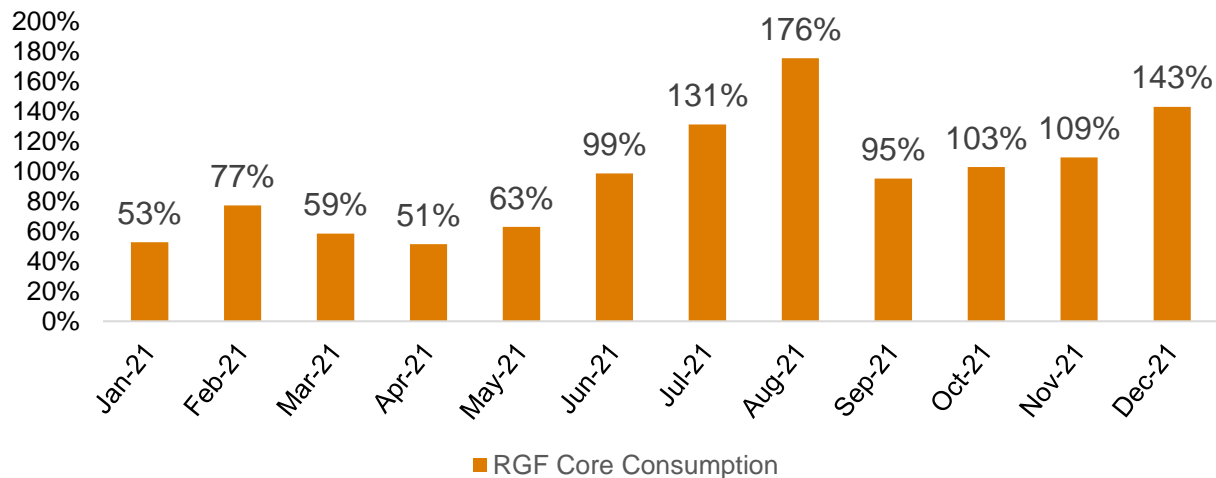
Retail ex-Club Sales Growth Inflected & Expected To Accelerate



Total RGF Retail ex-Club – Consumption Trends



RGF Core Retail ex-Club – Consumption Trends



Q4 and FY 2021 Outlook



	4Q21	FY 2021
Net Sales	\$24.5 - \$26.5 million 119% - 137% growth	\$83 - \$85 million 113% - 118% growth
Adjusted Gross Margin ⁽¹⁾	15.3% - 19.7%	19.6% - 21.0%
Adjusted EBITDA ⁽²⁾	\$(5.2) - \$(3.7) million	\$(9.5) - \$(8.0) million

1) Adjusted gross margin is a non-GAAP financial measure. Adjusted gross profit means, for any reporting period, gross profit adjusted to exclude the impacts of costs and adjustments identified by management as affecting the comparability of our gross profit from period to period. Adjusted gross margin means adjusted gross profit as a percentage of net sales. Please see page 11 for a reconciliation of adjusted gross profit and adjusted gross margin to the most directly comparable GAAP measures, gross profit and gross margin, respectively.

2) Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA means, for any reporting period, net income (loss) before depreciation and amortization, income taxes, and interest expense, adjusted to exclude the impact of transaction expenses, as well as other costs and adjustments identified by management as affecting the comparability of our operating results from period to period. Please see page 12 for a reconciliation of adjusted EBITDA to the most directly comparable GAAP measure, net loss.

FY 2022 & Long-Term Outlook



FY 2022

Long-Term

Net Sales

\$115 - \$125 million
37% - 49% growth

30%+ growth Y/Y

**Adjusted Gross
Margin ⁽¹⁾**

Increase Y/Y

30%+

**Adjusted
EBITDA ⁽²⁾**

\$(8) - \$(15) million

**Low-teens
Adjusted EBITDA Margin**

1) Adjusted gross margin is a non-GAAP financial measure. Adjusted gross profit means, for any reporting period, gross profit adjusted to exclude the impacts of costs and adjustments identified by management as affecting the comparability of our gross profit from period to period. Adjusted gross margin means adjusted gross profit as a percentage of net sales. Please see page 11 for a reconciliation of adjusted gross profit and adjusted gross margin to the most directly comparable GAAP measures, gross profit and gross margin, respectively.

2) Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA means, for any reporting period, net income (loss) before depreciation and amortization, income taxes, and interest expense, adjusted to exclude the impact of transaction expenses, as well as other costs and adjustments identified by management as affecting the comparability of our operating results from period to period. Please see page 12 for a reconciliation of adjusted EBITDA to the most directly comparable GAAP measure, net loss.

Drivers to Increase Our Adjusted Gross Margin



Improvements to Adjusted Gross Margin⁽¹⁾



Note: These metrics are management goals only, are subject to a number of risks and uncertainties, including risks described in the "Risk Factors" section of the registration statement (including the prospectus) and are not indicative of any future growth / financial results.

(1) Adjusted Gross Profit means, for any reporting period, gross profit adjusted to exclude the impacts of costs and adjustments identified by management as affecting the comparability of our gross profit from period to period, and Adjusted Gross Margin means Adjusted Gross Profit as a percentage of net sales. Please see page 39 for a reconciliation of Adjusted Gross Profit to Gross Profit as calculated under GAAP.



Appendix

Adjusted Gross Profit and Adjusted Gross Margin Reconciliation



	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30,		SEPTEMBER 30,	
	2021	2020	2021	2020
Gross Profit	\$2,355	\$(162)	\$9,030	\$1,453
Cost related to financial hardship of co-manufacturer ⁽¹⁾	0	967	0	967
Inventory write-downs ⁽²⁾	0	465	0	465
Start-up and idle capacity costs ⁽³⁾	904	0	2,398	0
Costs related to the COVID-19 pandemic ⁽⁴⁾	682	0	1,175	308
Adjusted Gross Profit	\$3,941	\$1,270	\$12,603	\$3,193
Adjusted Gross Margin	17.1%	13.0%	21.6%	11.5%

Note: \$ in thousands.

(1) Represents costs recognized as a result of a co-manufacturer's financial hardship. These costs include the non-recurring write down of unrecoverable raw materials inventory.

(2) Represents a non-recurring write-down of obsolete inventory related to a change in strategy for certain products and customers. The amount of the write-down reflects only that portion of obsolete inventory that management estimates to be above normalized levels.

(3) Represents start-up costs associated with commencing operations at our City of Industry Facility and other costs associated with temporary manufacturing capacity at our City of Industry Facility, including indirect labor costs, utility costs, and rent.

(4) Represents direct costs incurred in connection with the COVID-19 pandemic, including freight rush charges, labor costs, tolling upcharges, and storage.

Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation



	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30,		SEPTEMBER 30,	
	2021	2020	2021	2020
Net Loss	\$(11,835)	\$(4,216)	\$(22,170)	\$(11,698)
Depreciation and amortization	344	153	791	449
Provision for income tax	0	0	0	13
Interest expense	839	1,262	4,322	3,744
Other Income	(309)	0	(309)	0
Change in fair value of convertible debt ⁽¹⁾	5,730	0	6,100	0
Cost related to financial hardship of co-manufacturer ⁽²⁾	0	967	0	967
Inventory write-down ⁽³⁾	0	465	0	465
Start-up and idle capacity costs ⁽⁴⁾	904	0	2,398	0
Costs related to the COVID-19 pandemic ⁽⁵⁾	682	0	1,175	308
Share-based compensation ⁽⁶⁾	0	0	0	0
Transaction expenses ⁽⁷⁾	652	99	3,353	277
Adjusted EBITDA	\$(2,993)	\$(1,270)	\$(4,340)	\$(5,475)

Note: \$ in thousands.

(1) For the periods prior to the three months ending September 30, 2021, amounts related to the changes in fair value of convertible debt were excluded due to those amounts being de minimis for those periods.

(2) Represents costs recognized as a result of a co-manufacturer's financial hardship. These costs include the non-recurring write down of unrecoverable raw materials inventory.

(3) Represents a non-recurring write-down of obsolete inventory related to a change in strategy for certain products and customers. The amount of the write-down reflects only that portion of obsolete inventory that management estimates to be above normalized levels.

(4) Represents start-up costs associated with commencing operations at our City of Industry Facility and other costs associated with temporary manufacturing capacity at our City of Industry Facility, including indirect labor costs, utility costs, and rent.

(5) Represents direct costs incurred in connection with the COVID-19 pandemic, including freight rush charges, labor costs, tolling upcharges, and storage.

(6) Represents equity-based compensation expense

(7) Represents costs incurred in connection with pursuing certain strategic and financing transactions, including legal, consulting, and accounting costs.

Summary of Adjustments – Nine Months Ended



NINE MONTHS ENDED SEPTEMBER 30, 2021

	Net Sales	Gross Profit	Gross Margin	Administrative Expenses	Income from Operations	Operating Margin
Reported	\$58,477	\$9,030	15.4%	\$7,677	\$(12,057)	(20.6)%
Items Affecting Comparability:						
Cost related to financial hardship of co-manufacturer (1)	-	-		-	-	
Inventory write-downs (2)	-	-		-	-	
Start-up and idle capacity costs (3)	-	2,398		-	2,398	
Costs related to the COVID-19 pandemic (4)	-	1,175		-	1,175	
Share-based compensation (5)	-	-		-	-	
Transaction expenses (6)	-	-		(3,353)	3,353	
Adjusted	<u>\$58,477</u>	<u>\$12,603</u>	21.6%	<u>\$4,324</u>	<u>\$(5,131)</u>	(8.8)%

NINE MONTHS ENDED SEPTEMBER 30, 2020

	Net Sales	Gross Profit	Gross Margin	Administrative Expenses	Income from Operations	Operating Margin
Reported	\$27,799	\$1,453	5.2%	\$1,755	\$(7,941)	(28.6)%
Items Affecting Comparability:						
Cost related to financial hardship of co-manufacturer (1)	-	967		-	967	
Inventory write-downs (2)	-	465		-	465	
Start-up and idle capacity costs (3)	-	-		-	-	
Costs related to the COVID-19 pandemic (4)	-	308		-	308	
Share-based compensation (5)	-	-		-	-	
Transaction expenses (6)	-	-		(277)	277	
Adjusted	<u>\$27,799</u>	<u>\$3,193</u>	11.5%	<u>\$1,478</u>	<u>\$(5,924)</u>	(21.3)%

Note: \$ in thousands.

(1) Represents costs recognized as a result of a co-manufacturer's financial hardship. These costs include the non-recurring write down of unrecoverable raw materials inventory.

(2) Represents a non-recurring write-down of obsolete inventory related to a change in strategy for certain products and customers. The amount of the write-down reflects only that portion of obsolete inventory that management estimates to be above normalized levels.

(3) Represents start-up costs associated with commencing operations at our City of Industry Facility and other costs associated with temporary manufacturing capacity at our City of Industry Facility, including indirect labor costs, utility costs, and rent.

(4) Represents direct costs incurred in connection with the COVID-19 pandemic, including freight rush charges, labor costs, tolling upcharges, and storage.

(5) Represents equity-based compensation expense related to a commercial agreement with an investor.

(6) Represents costs incurred in connection with pursuing certain strategic and financing transactions, including legal, consulting, and accounting costs.

Summary of Adjustments – Three Months Ended



THREE MONTHS ENDED SEPTEMBER 30, 2021

	Net Sales	Gross Profit	Gross Margin	Administrative Expenses	Income from Operations	Operating Margin
Reported	\$23,014	\$2,355	10.2%	\$1,875	\$(5,575)	(24.2)%
Items Affecting Comparability:						
Cost related to financial hardship of co-manufacturer (1)	-	-		-	-	
Inventory write-downs (2)	-	-		-	-	
Start-up and idle capacity costs (3)	-	904		-	904	
Costs related to the COVID-19 pandemic (4)	-	682		-	682	
Share-based compensation (5)	-	-		-	-	
Transaction expenses (6)	-	-		(652)	652	
Adjusted	<u>\$23,014</u>	<u>\$3,941</u>	17.1%	<u>\$1,223</u>	<u>\$(3,337)</u>	(14.5)%

THREE MONTHS ENDED SEPTEMBER 30, 2020

	Net Sales	Gross Profit	Gross Margin	Administrative Expenses	Income from Operations	Operating Margin
Reported	\$9,745	\$(162)	(1.7)%	\$682	\$(2,954)	(30.3)%
Items Affecting Comparability:						
Cost related to financial hardship of co-manufacturer (1)	-	967		-	967	
Inventory write-downs (2)	-	465		-	465	
Start-up and idle capacity costs (3)	-	-		-	-	
Costs related to the COVID-19 pandemic (4)	-	-		-	-	
Share-based compensation (5)	-	-		-	-	
Transaction expenses (6)	-	-		(99)	99	
Adjusted	<u>\$9,745</u>	<u>\$1,270</u>	13.0%	<u>\$583</u>	<u>\$(1,423)</u>	(14.6)%

Note: \$ in thousands.

(1) Represents costs recognized as a result of a co-manufacturer's financial hardship. These costs include the non-recurring write down of unrecoverable raw materials inventory.

(2) Represents a non-recurring write-down of obsolete inventory related to a change in strategy for certain products and customers. The amount of the write-down reflects only that portion of obsolete inventory that management estimates to be above normalized levels.

(3) Represents start-up costs associated with commencing operations at our City of Industry Facility and other costs associated with temporary manufacturing capacity at our City of Industry Facility, including indirect labor costs, utility costs, and rent.

(4) Represents direct costs incurred in connection with the COVID-19 pandemic, including freight rush charges, labor costs, tolling upcharges, and storage.

(5) Represents equity-based compensation expense related to a commercial agreement with an investor.

(6) Represents costs incurred in connection with pursuing certain strategic and financing transactions, including legal, consulting, and accounting costs.



Real Food You Feel *Good* About Eating

