



**NASDAQ: RGF**

**Second Quarter 2023 Earnings Presentation**

August 2023

# 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; our expanding production capabilities, including commencing operations at our Bolingbrook, IL facility; 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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# Second Quarter 2023 Company Highlights



## HHP of 8.3% Ranks #2 & Is 50% Higher Than Plant Based Foods Category

- RGF continues to rank as #2 HWI Frozen Brand behind only Amy's
- Only 99 brands make Bain's Insurgent Brand list, RGF one of them and one of only a handful that is over \$100M and growing

## Sales Growth Accelerated in 2Q23 & Trend Expected to Continue in 2H23

- Sales were up 15% YoY and up 89% on a 2-year basis
- TDPs at the end of Q2 totaled 171K, an increase of 23K vs. 2022
  - Due to item resets in the measured channel, distribution is ahead of plan
- Strong momentum has carried into Q3, and expected to continue beyond

## Strong Unmeasured Channel Performance

- Sales up 61% YoY and up 116% on a 2-year basis, driven by velocity
- Velocity growth is highly incremental to category and incrementality is higher than internal expectations
- Distribution points expect to double sequentially in Q3
- Now have 8 items in distribution in over 50% store base, more than doubling YoY
  - Breadth of distribution gives Real Good Foods leading brand status

## Top-line Growth to Accelerate Further in 2H23 Driving Positive Cash Earnings

- Achieved 13.6% gross margin despite plant network being <40% utilized
- Sales expected to approximately double as distribution points come online
- Expect plant utilization rates to double, reducing SG&A costs and enabling positive cash earnings

## Q2 Financial Highlights

	2Q23	2Q22	\$ Chg y/y	% Chg y/y
<b>Net Sales</b>	<b>\$35.4</b>	<b>\$30.8</b>	\$4.6	14.8%
Cost of Goods Sold	\$30.6	\$28.5	\$2.1	7.4%
<b>Gross Profit</b>	<b>\$4.8</b>	<b>\$2.4</b>	\$2.5	104.7%
<i>Gross Margin<sup>(1)</sup></i>	13.6%	7.6%		598 bps
<b>Adjusted Gross Profit</b>	<b>\$10.0</b>	<b>\$6.8</b>	\$3.2	47.0%
<i>Adjusted Gross Margin<sup>(1)</sup></i>	28.2%	22.0%		619 bps
Adjusted Operating Expenses	<b>\$13.5</b>	<b>\$9.4</b>	\$4.1	43.2%
<b>Adjusted EBIT</b>	<b>(\$3.5)</b>	<b>(\$2.6)</b>	(\$0.9)	-34.6%
<b>Adjusted EBITDA</b>	<b>(\$1.9)</b>	<b>(\$3.3)</b>	\$1.4	42.9%

## Our Mission

Our mission is to make craveable, nutritious comfort foods that have very little carbohydrates and sugar and plenty of protein. By providing functional foods that are **accessible to everyone across the United States** and, eventually, throughout the world, we can improve the lives of millions of people and help reduce the negative impact associated with obesity and diabetes.

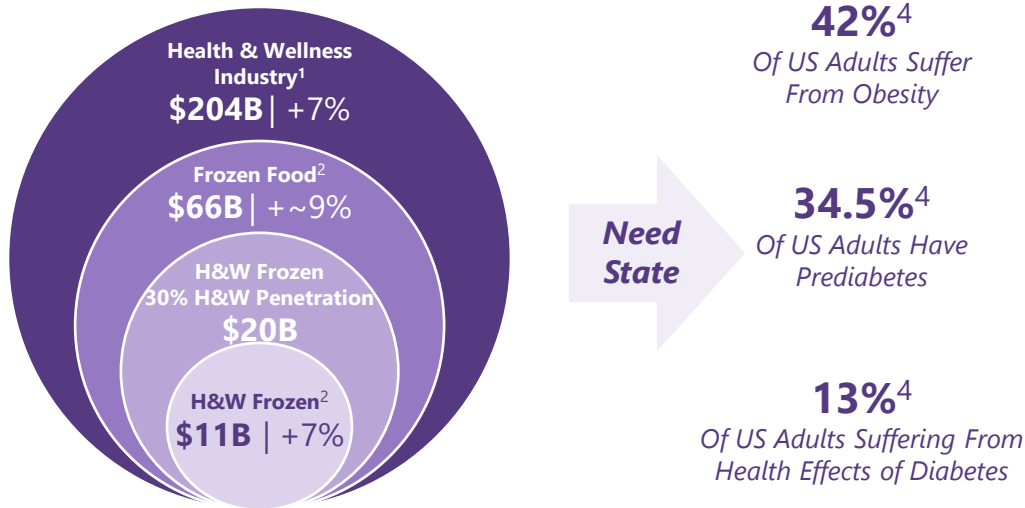
\* Per SPINS data. 1) Change is shown as changes to basis points. 2) Adjusted Gross Profit, Adjusted Gross Margin, and Adjusted EBITDA are non-GAAP financial measures. Adjusted Gross Profit means, for any reporting period, Gross Profit adjusted to exclude the impacts of costs and adjustments identified 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 the appendix 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 the appendix for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure, net loss

# Large & Growing Total Addressable Market



Health & Wellness market of \$204B<sup>1</sup>, grew at 7% over last 4 & 52 weeks, implying no slowdown

## Industry Snapshot (Category growth represents 3 YR CAGR for CY 2021 – 2023)



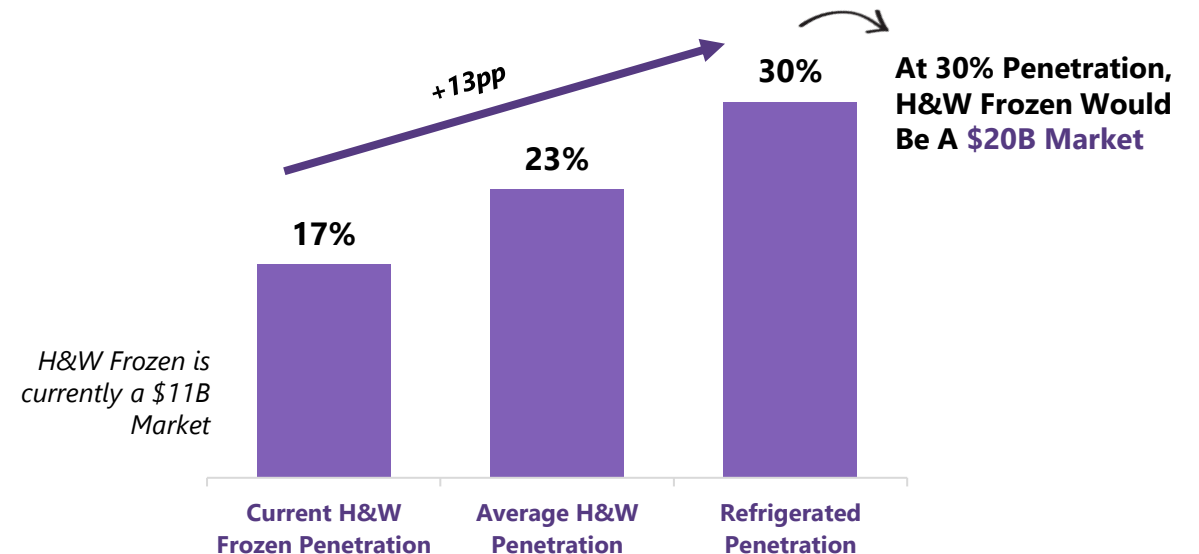
### For Perspective...

**Gluten Free**  
Adhere to Diet (US)<sup>5</sup>  
**1%**  
Population

**Vegan**  
Adhere to Diet (US)<sup>6</sup>  
**3%**  
Population

## Strong Category Growth Dynamics

- Over both the 4 weeks and 52 weeks ending 7/16/23, the broader \$204B HWI category grew at an impressive 7% rate, **implying no slowdown in category growth despite economic downturn**
- On average across all departments of the grocery store, **H&W penetration is 23% compared to only ~17% for Frozen**
- RGF needs a 5% share of HWI Frozen or 1% share of Frozen to meet long-term \$500M annual revenue goal

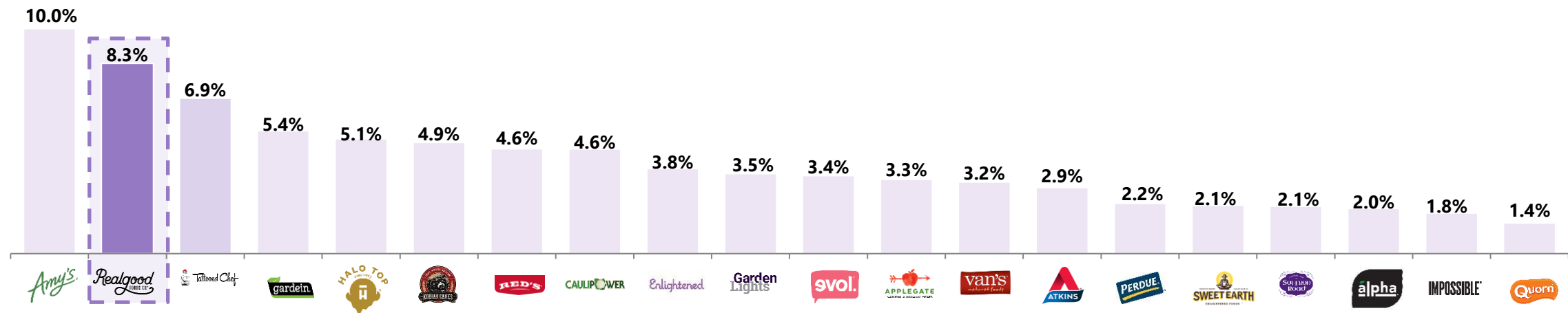


(1) For 52wk period ended 7/16/23 per SPINS. Health & Wellness category consists of specialty and natural products, as defined by SPINS. Total frozen food market excludes frozen and refrigerated meat. (2) For 52wk period ended 7/16/23 per SPINS. Health & Wellness category consists of specialty and natural products, as defined by SPINS. Total frozen food market excludes frozen and refrigerated meats. (3) Includes frozen appetizers & snacks, breakfast entrees, ice cream, meat/poultry/seafood entrees, vegetable entrees, and pizza. (4) CDC. (5) Forbes "The Number of Americans Going Gluten Free has Tripled Since 2009", January 2017. (6) Vegan News, March 2020.

# Brand Health Indicators Remain Strong



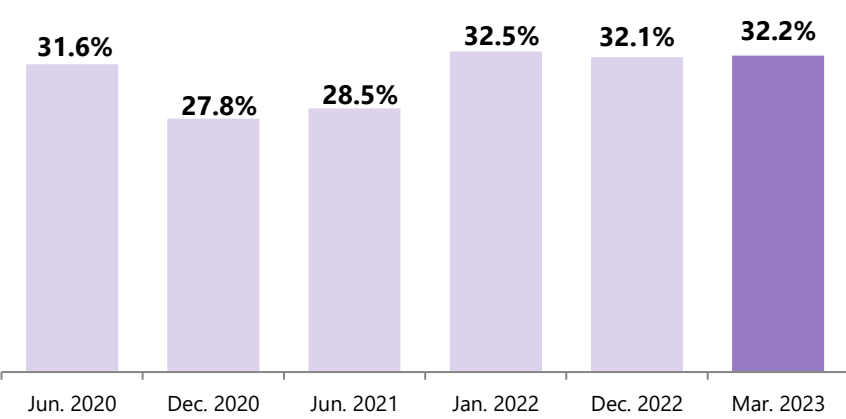
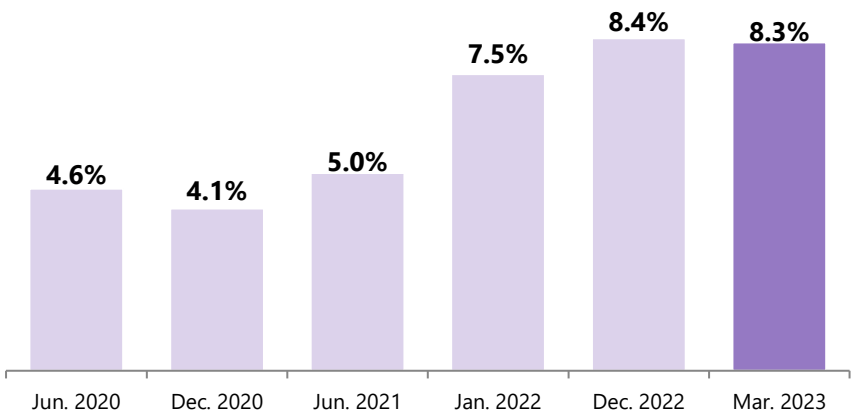
RGF ranks #2 in HHP amongst HWI frozen brands



Household Penetration



Repeat Purchase Rates



# RGF is the #1 Brand on Social in Frozen Food



Scalable & Highly Efficient Digital Capabilities Key to Unlocking Incremental Shareholder Value

## More Followers Than These BIG Brands Combined

475,000+ Followers



250,000 Combined Followers



## RGF Social Size Unlocks Massive Awareness & Value

- RGF generated **150m Organic & Influencer Organic Impressions** through Q2 (cost only spent \$207k)
- For context, 150m video impressions would cost 'Big CPG / Industry average **\$2m- \$3m in Spend** (\$10-\$20 CPM)\*
- Social Community & Influencer has catapulted RGF to **2<sup>nd</sup> Largest HH Penetration** in HWI Frozen, only behind Amy's

**RGF Secret Sauce = Influencer Capabilities**

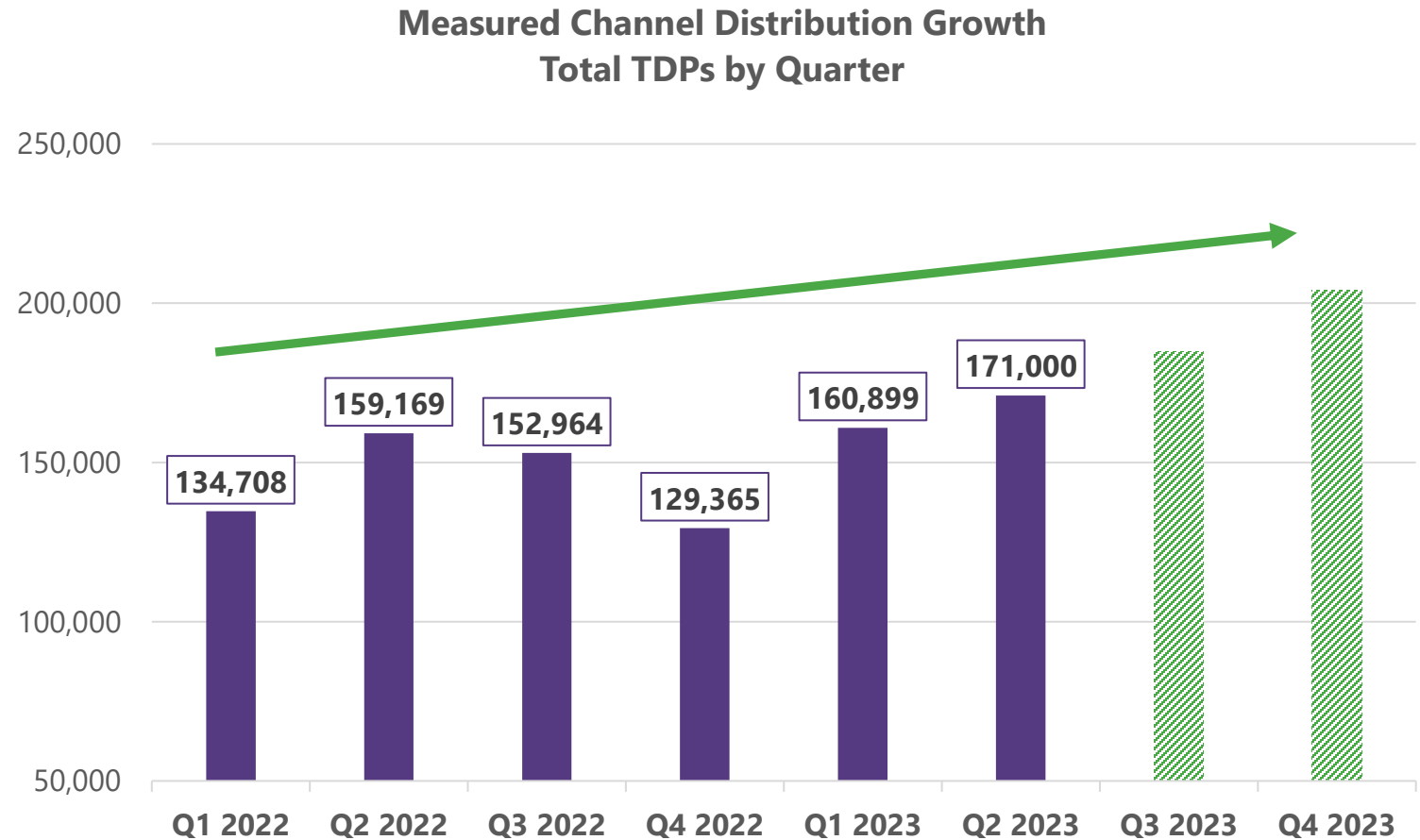
YTD 125m+ Influencer impressions at \$1.7 CPM = 10x STRONGER than Industry average ad CPM\*



# Measured Channel Distribution Continues To Grow *Realgood* FOODS CO.®

**2023 YTD RGF's Distribution Growth Has Averaged 10% - Growth To Accelerate in 2H**

- Distribution growth picked up late in 2Q23 including two large national chains having reset shelves in June
- Expect ~30K new distribution points of growth in the second half of 2023
- In addition, RGF has 55k distribution points pending, where pending = items have been presented or scheduled awaiting decision
- Roughly 75% of 2023 New TDPs from RGFs two Strategic / highest velocity platforms ~ Breaded Chicken (15k TDPs) and MS Global Entrees (14k TDPs)



# Measured Channel Sales Growth has Inflected

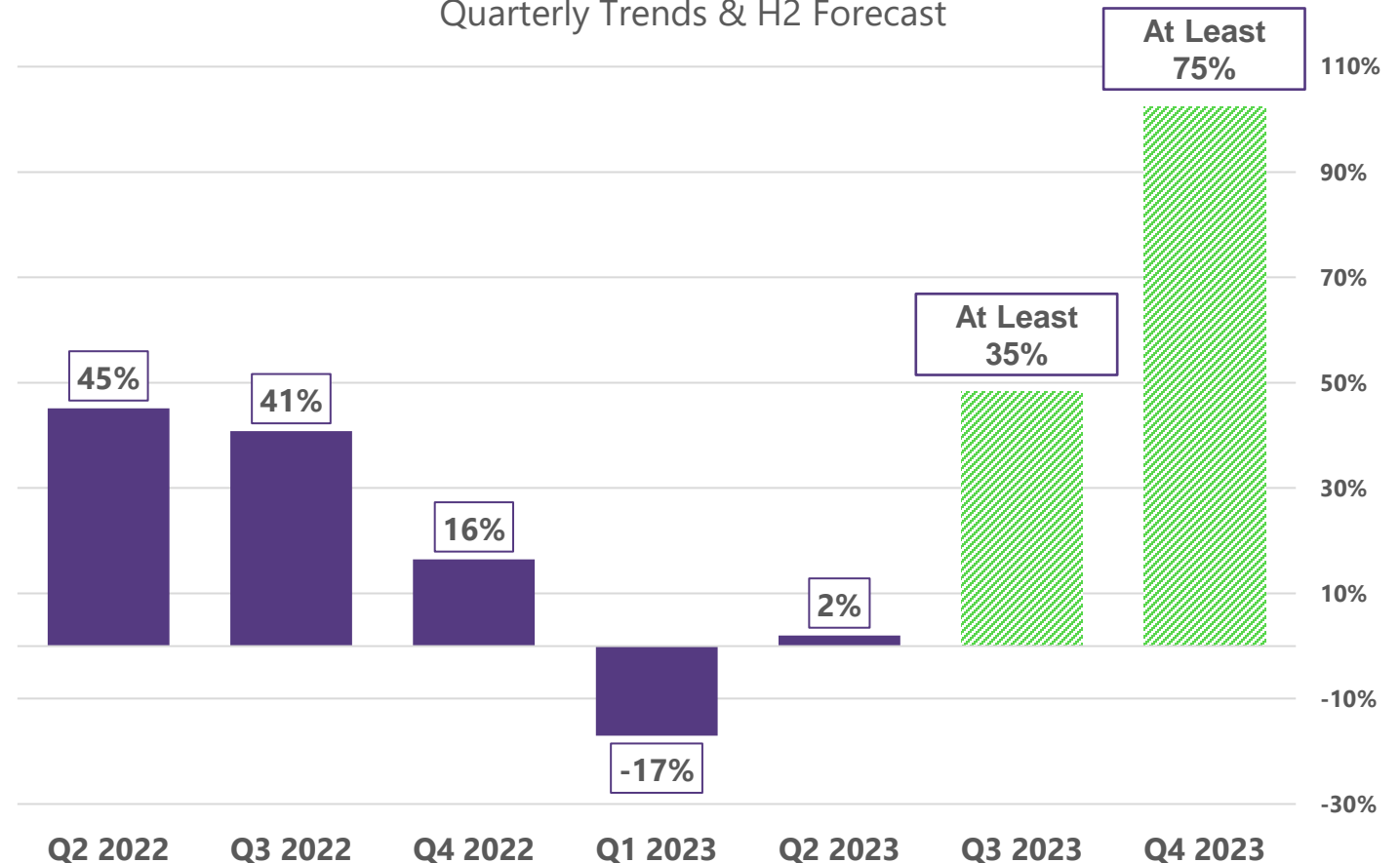


Measured Channel \$ GROWING from New Distribution on Strategic, Higher Velocity Platforms

- For the 12 weeks ending 7/16/23, consumption increased 2% vs. YAG, which was lower than expectations owing primarily to timing of resets, which also impacted velocities
- Mass National Retailers Breaded Poultry rollout is the biggest driver of growth and highlights the impact of Breaded Chicken velocities (**5x – 6x higher than all other platforms**)
- Kroger and Publix MS Global Entrée new item expansion in Q3 and Q4 + Tier 2 customer Breaded Poultry wins driving additional growth

## Measured Channel - \$ Growth vs. YAG

Quarterly Trends & H2 Forecast



# Unmatched Distribution in Unmeasured Channel



Diversified & broad category presence equates to durable, predictable and profitable growth

- RGF's distribution spans seven categories, two temperature states and three eating occasions
- Currently have eight items authorized, which is 2x previous high and broader than national leading brands
- RGF has Become **the LEADING Brand in Frozen & Refrigerated** in # of Active SKUs with **8 Active SKUs**

## RGF's 8 Items In Distribution Compare Favorably to Competitors



4-5











2



4



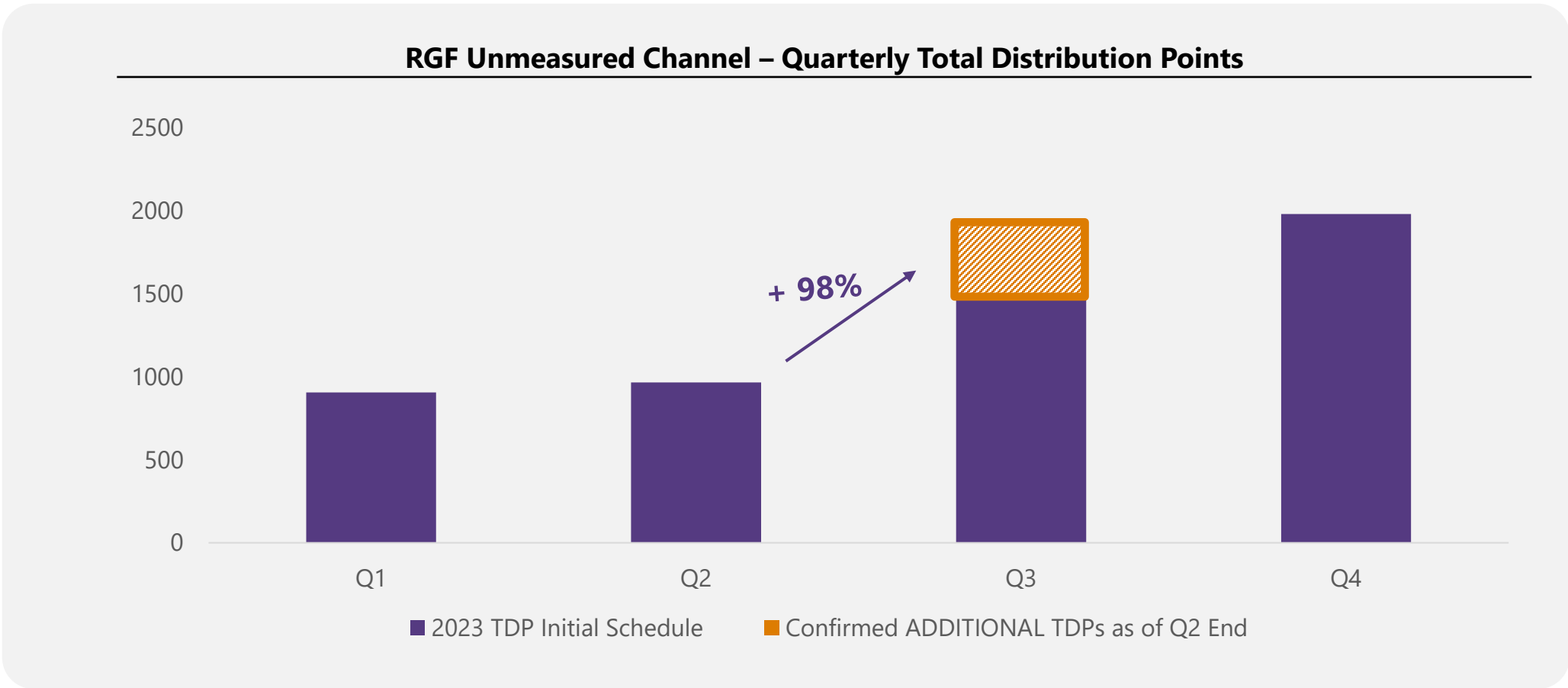
2

#	Launch Date	Active Unmeasured Channel SKU
1	Jan 2020	Stuffed Chicken Breast 
2	Feb 2021	Bacon Wrapped Jalapenos 
3	March 2021	Enchiladas 
4	Jan 2023	Flautas 
5	September 2022	Breaded Chicken Strips 
6	June 2023	Breakfast Flautas 
7	August 2023	General Tso's 
8	May 2023	Refrigerated Burritos 

# Distribution Growth Expected To Double in 3Q



Sequential Doubling of Distribution Points Underpins Confidence In 3Q Sales Guidance

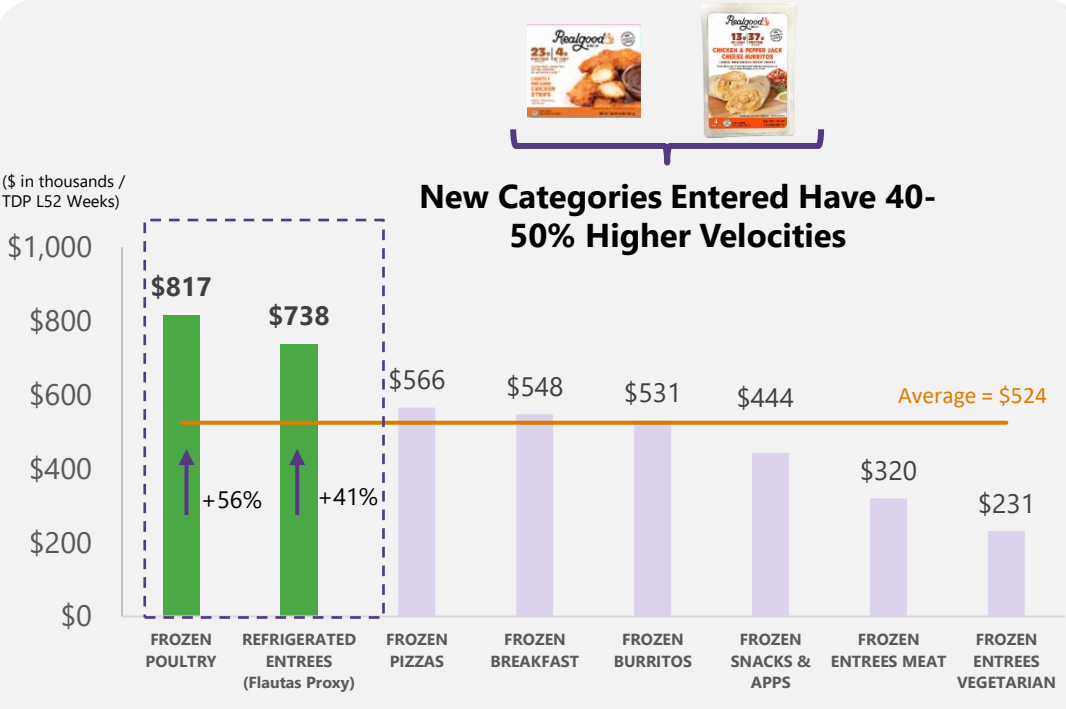
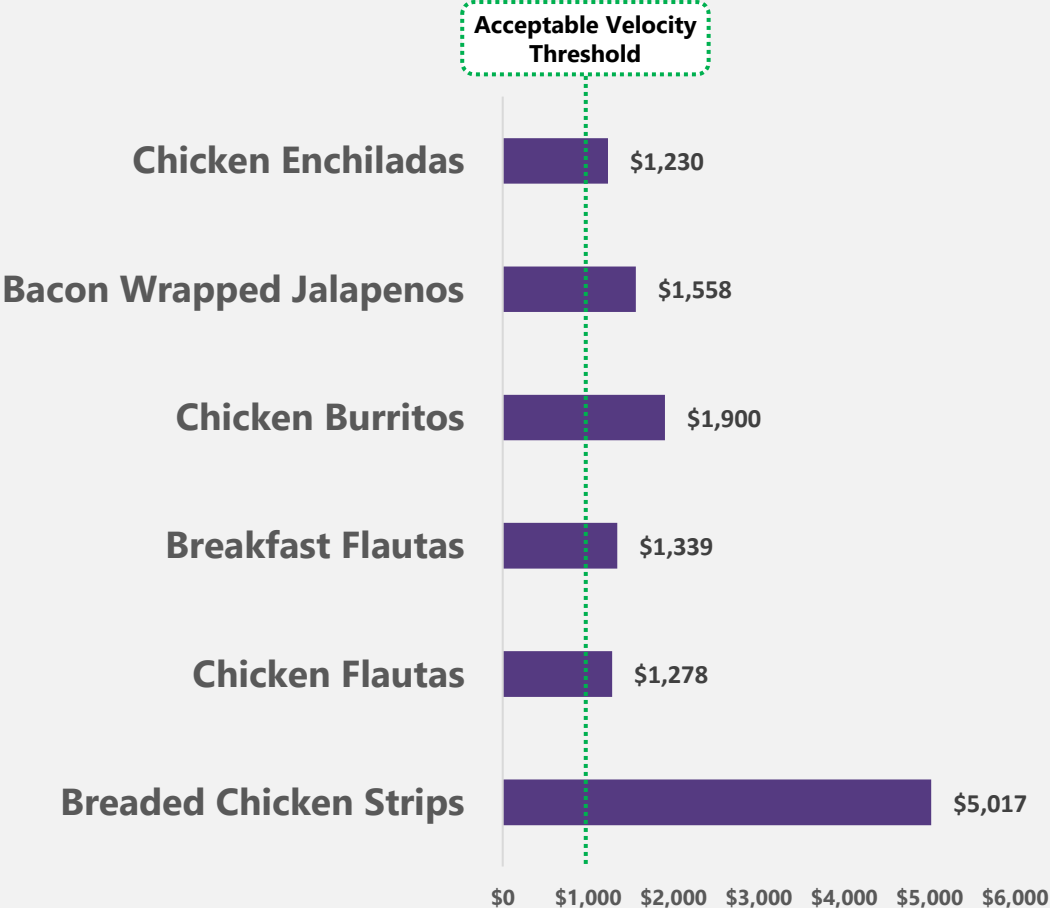


# Unmeasured Channel Velocities Outperforming Category Thresholds, Led by Breaded Chicken & Burritos



## Unmeasured Channel – SKU \$ per Store per Week

Latest Period - July



**56%**  
Frozen Poultry is significantly stronger in velocity than other frozen categories

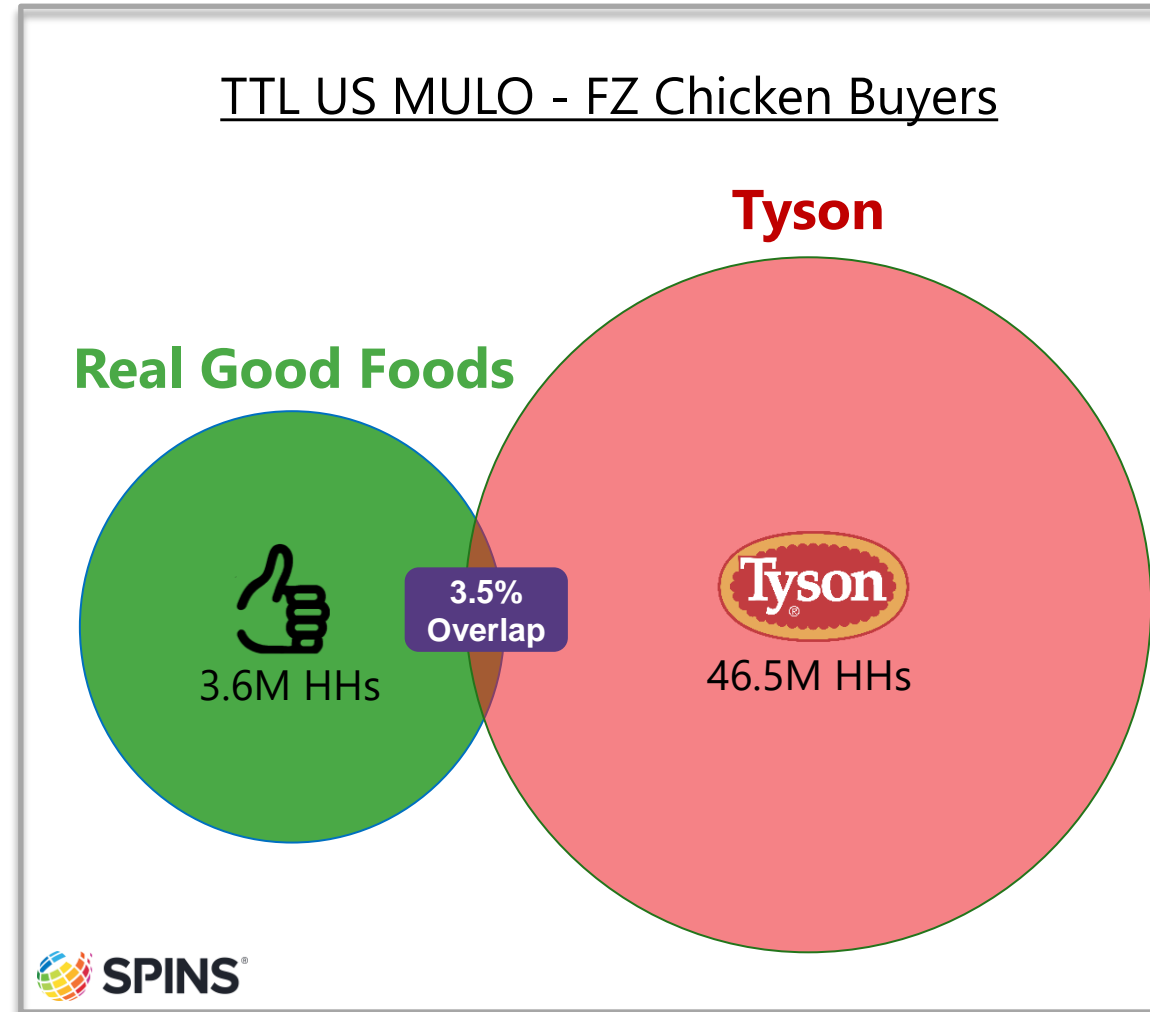
**41%**  
Refrigerated Entrees are also stronger in velocity than most frozen categories

# RGF Chicken Expansion Highly Incremental

Real Good Foods Frozen Chicken is 97% Incremental to Tyson Brand



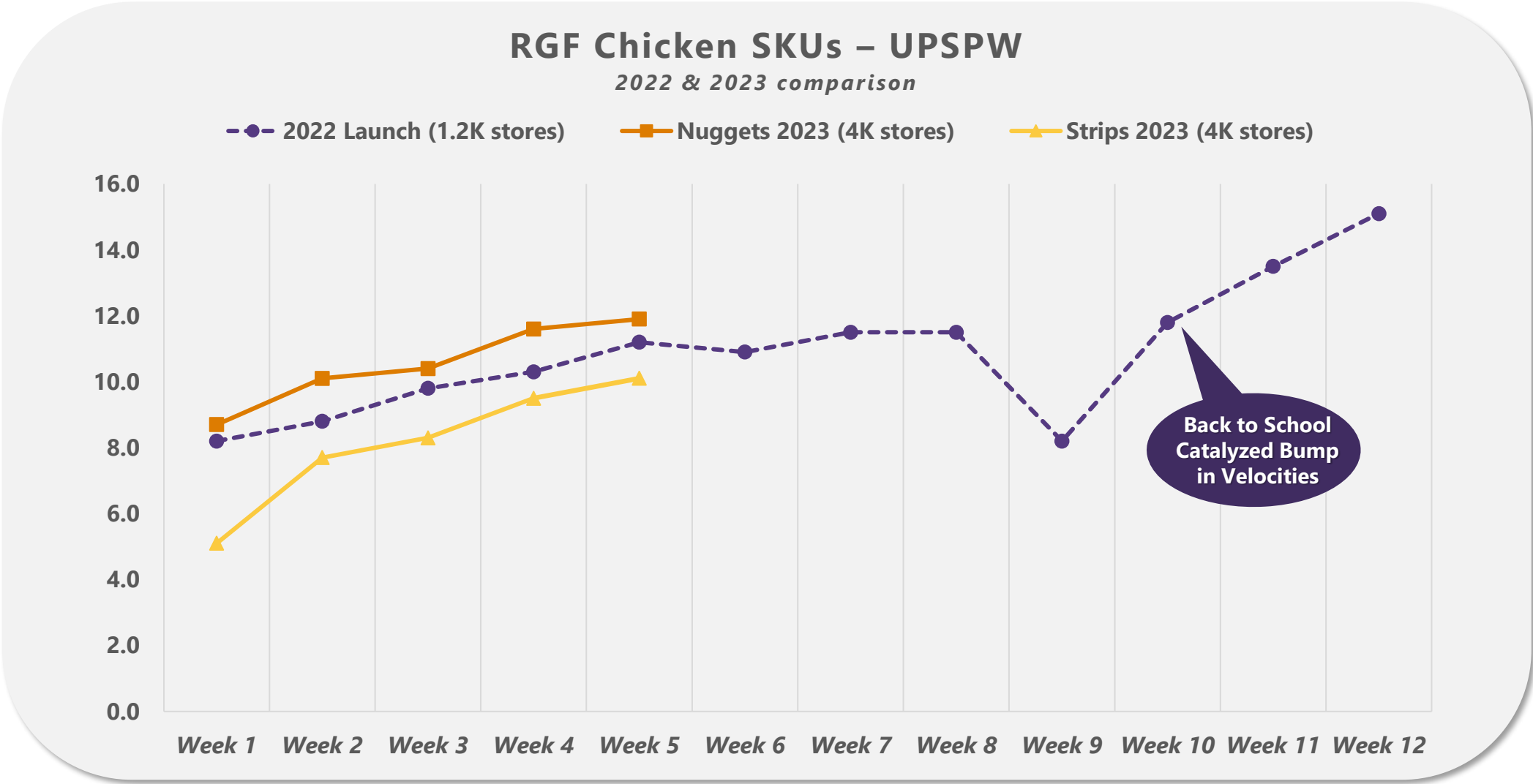
- There is only a 3.5% buyer overlap between RGF & Tyson Frozen Chicken, according to measured channel data study conducted by Spins
- Customer feedback points to growth in the unmeasured channel being almost 100% incremental to the category – none of the incumbent brands have seen a decline in sales since RGF's entry
- Strong velocities and incrementality of growth gives RGF permission to extend further into the large and growing Frozen Chicken Category
  - Retail partners asking us 'what's next'
  - Q1 2024 innovation plan includes 10-12 new SKUs in the Frozen Poultry & Seafood Category



# Breaded Chicken Launch Update – Mass Retailer



Launch Started 4 Weeks Later than Expected, On Pace vs. YAG in Velocity

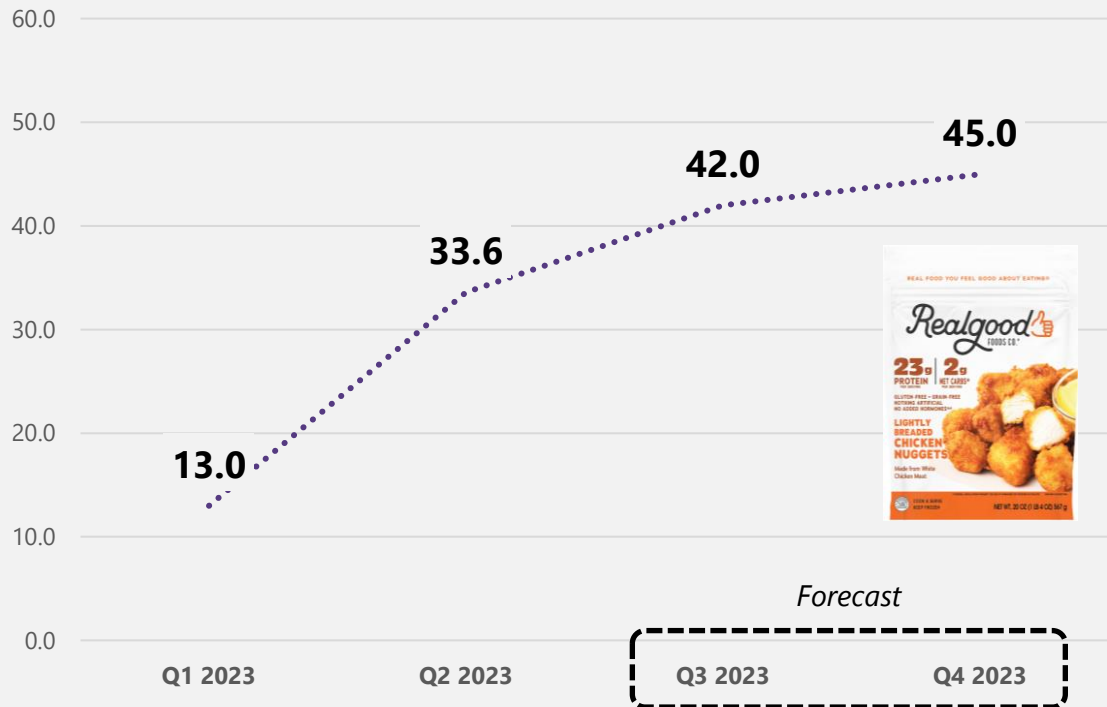


# Breaded Chicken Launch Update

RGF Breaded Poultry Will Rank #3 by YE 2023 Ahead of Several Legacy National Brands



TTL US MULO ACV Growth  
RGF Breaded Chicken ACV



Tyson #1 SKU = 85 ACV.  
Tyson Brand \$2.5B Frozen Meat & Poultry



Perdue #1 SKU = 49 ACV.  
Perdue Brand \$492m Frozen Meat & Poultry



Foster #1 SKU = 27 ACV.  
Foster Brand \$236m Frozen Meat & Poultry



Banquet #1 SKU = 28 ACV.  
Banquet Brand \$222m Frozen Meat & Poultry

Source: SPINS Ending 7/18 and RGF Internal outlook rest of year.

# RGF Global Entrees Platform Growth Continues



RGF’s Global MS Entrees are #2 highest velocity platform – distribution expanded in June/July into Walmart and Publix nationally and Kroger in December

## \$1B Global MS Entrée Category

### Big 2 Brands:

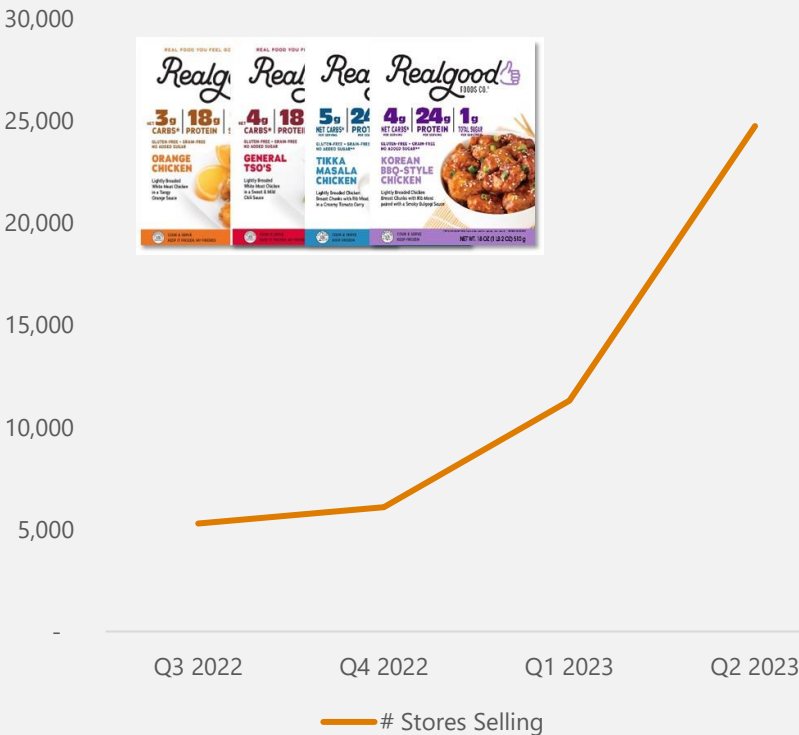


\$240m TTL US  
Measured Channel  
50g+ Sugar per Box



\$185m TTL US  
Measured Channel  
60g+ Sugar per Box

## RGF Global Entrees Growth TDPs by Quarter



- RGF Global Entrees Platforms gaining momentum—By end of Q4, will be in Walmart, Publix and Kroger = 40,000 TDPs
- RGF #1 Global Entrée SKU OUTPERFORMING All PF Chang’s SKUs on shelf at Walmart
- Sugar is the #1 consumer trend in the US—RGF Entrees have 1g-2g Sugar vs. 50g – 60g Conventional



# 2023 & LT Guidance



	FY 2023	Long Term
Net Sales	At least \$200 million ~40% growth	~\$500 million
Adjusted Gross Margin <sup>(1)</sup>	At least 24%	35%
Adjusted EBITDA / EBITDA Margin <sup>(2)</sup>	Mid to High Single Digit \$M	15%

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 appendix for a reconciliation of adjusted gross profit and adjusted gross margin to the most directly comparable GAAP measures, gross profit and gross margin, respectively.

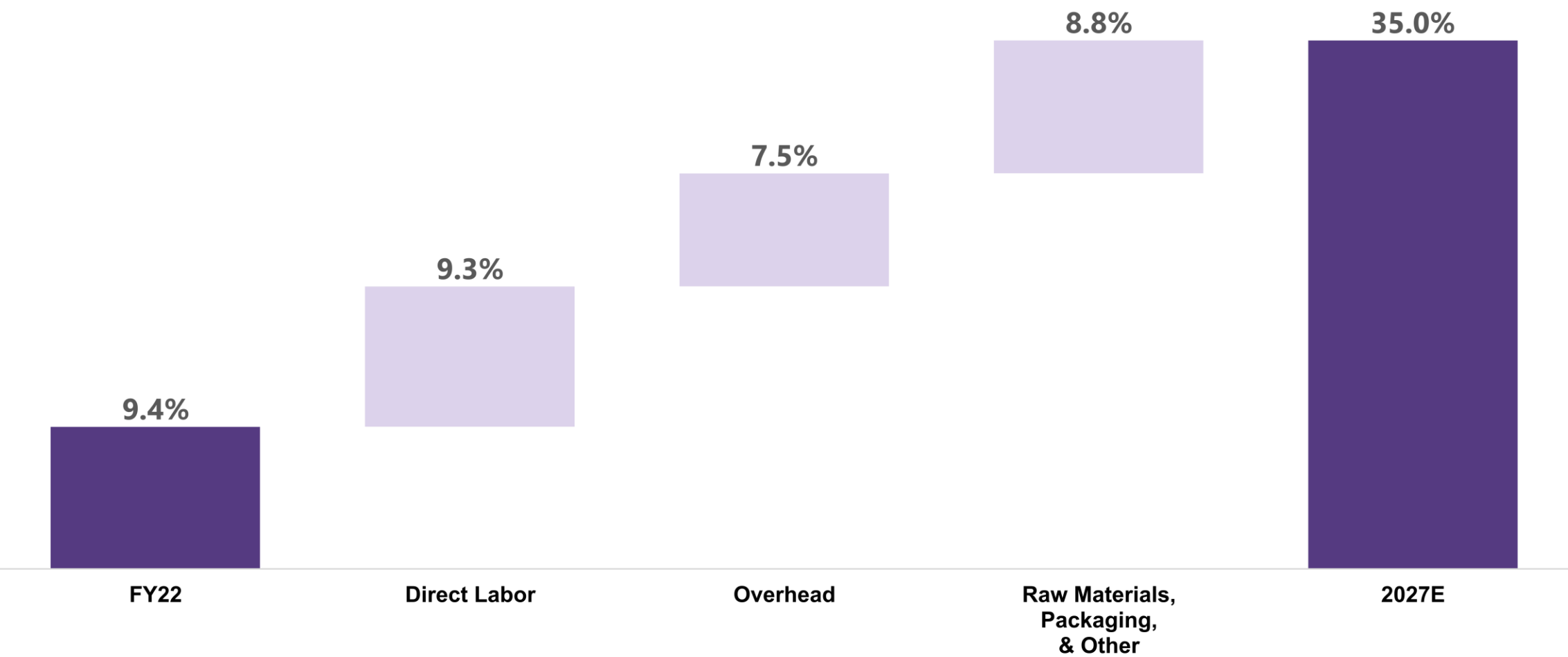
2) Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA means, for any reporting period, net income (loss) before depreciation and amortization, income taxes, and interest expense, adjusted to exclude the impact of transaction expenses, as well as other costs and adjustments identified by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

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# Significant Opportunity for Gross Margin Expansion



Planned labor, overhead and materials cost improvements to accelerate profitability





*Real* Food You Feel *Good* About Eating

## Investor Relations

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# Non-GAAP Financial Measure – Adjusted Figures



The following table reconciles net earnings or losses to Adjusted EBITDA based on the consolidated financial statements of the Company for the periods indicated.

3 months ended June 30			3 months ended June 30		
(US \$ in thousands - unaudited)	2023	2022	(US \$ in thousands - unaudited)	2023	2022
Net Loss	\$(14,586)	\$(11,110)	Gross Profit	\$4,812	\$2,351
Depreciation and amortization	1,626	404	Start-up and idle capacity costs <sup>(6)</sup>	5,029	3,563
Provision for income tax	-	-	Costs related to the COVID-19 pandemic <sup>(7)</sup>	0	871
Interest expense	3,949	1,291	Other <sup>(8)</sup>	135	-
Other Income	-	-			
Start-up and idle capacity costs <sup>(1)</sup>	5,029	3,563			
Costs related to the COVID-19 pandemic <sup>(2)</sup>	-	871			
Share-based compensation <sup>(3)</sup>	1,994	1,735			
Other <sup>(4)</sup>	135	-			
Bolingbrook start-up admin. costs <sup>(5)</sup>	-	-			
<b>Adjusted EBITDA</b>	<b>\$(1,853)</b>	<b>\$(3,246)</b>	<b>Adjusted Gross Profit</b>	<b>\$9,976</b>	<b>\$6,785</b>
<b>Adjusted EBITDA Margin</b>	<b>(5.2)%</b>	<b>(10.5)%</b>	<b>Adjusted Gross Profit Margin</b>	<b>28.2%</b>	<b>22.0%</b>

(1) Represents start-up costs associated with commencing operations at our City of Industry and Bolingbrook facilities and other costs associated with temporary manufacturing capacity at our City of Industry and Bolingbrook facilities, including indirect labor costs, utility costs, and rent. (2) Represents direct costs incurred in connection with the COVID-19 pandemic, including freight rush charges, labor costs, tolling upcharges, and storage. (3) Represents equity-based compensation expense. (4) Non-recurring distribution cost incurred as a result of a strategic decision to consolidate network & commissions (5) Represents administrative costs incurred in connection with start-up of the new Bolingbrook Facility. (6) Represents start-up costs associated with commencing operations at our City of Industry and Bolingbrook facilities and other costs associated with temporary manufacturing capacity at our City of Industry and Bolingbrook facilities, including indirect labor costs, utility costs, and rent. (7) Represents direct costs incurred in connection with the COVID-19 pandemic, including freight rush charges, labor costs, tolling upcharges, and storage. (8) (3) Non-recurring distribution cost incurred as a result of a strategic decision to consolidate network & commissions

# RGF Nutritious Chicken Tenders: Grain Free, Low Carb & High Protein

*Realgood*  
FOODS CO.®



- ❖ 14g carbs
- ❖ 11g Protein
- ❖ Processed Grains



- ❖ 14g carbs
- ❖ 11g Protein
- ❖ Processed Grains



- ❖ 14g carbs
- ❖ 10g Protein
- ❖ Processed Grains

# RGF Nutritious Orange Chicken: Low Sugar, Low Carb & High Protein



Options today are **LOADED** with Sugar and Carbs ~  
**InnovAsian has more sugar than a Snickers bar!**



- ❖ 47g carbs
- ❖ 21g Sugar
- ❖ Processed Grains



- ❖ 42g carbs
- ❖ 20g Sugar
- ❖ Processed Grains

# NEW Low Carb Enchiladas with Flour Tortilla



**36g carbs**  
**14g protein**



**56g carbs**  
**18g**  
**Protein**

**Texture of traditional tortilla with 80% Less Carbs**

**Delicious and nutritious—These enchiladas will out-cut any traditional frozen enchilada on shelf today**

# Other Burrito Nutrition Virtually Identical



8g Carbs

25g+ Protein

Whole muscle, Chicken Chunks & Queso Filling



37g Carbs

9g Protein

Mushy, Processed Filling



47g Carbs

16g Protein

Mushy, Processed Filling



47g Carbs

12g Protein

Mushy, Processed Filling

# RGF Nutritious Asian Entrée Bowls: Low Sugar, Grain Free, Low Carb & High Protein

*Realgood*  
FOODS CO.®



- ❖ 54g carbs
- ❖ 9g Sugar
- ❖ Processed Grains



- ❖ 76g carbs
- ❖ 19g Sugar
- ❖ Processed Grains



- ❖ 62g carbs
- ❖ 23g Sugar
- ❖ Processed Grains