



NASDAQ: RGF

Fourth Quarter & FY 2022 Earnings Presentation

March 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.

Industry Information

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

All third-party brand names and logos appearing in this presentation are trademarks or registered trademarks of their respective holders. Any such appearance does not necessarily imply any affiliation with or endorsement of the Company.

Fourth Quarter 2022 Company Highlights



Household Penetration Remained Steady at 8.6% in Q4

- RGF continues to rank as #2 HWI Frozen Brand behind only Amy's
- Roughly 10M households – or 1 in 12 – bought RGF Products

Successfully Expanded into Massive Refrigerated Category

- Refrigerated Flautas are available in majority of US ACV in un-measured channel with velocities 2x the threshold
- Launching burritos shortly (distribution authorized) and will launch protein-based entrees later in the year
- Expands TAM by \$4B

Secured ~50K New Distribution Points for 2023

- Represents 38% distribution growth, with ~2/3 shipping in Q2/Q3 2023
- Includes a national retailer rollout of our breaded chicken as well as two large retailers committing to rollout our Multi-Serve Asian Entrees in Q2
 - Adds an estimated \$60M in annualized Measured Channel Sales, effectively doubling Measured Channel sales dollars

Inflection Point on Gross Margins and Cash Flow

- Achieved 13.7% gross margin despite plant network being <50% utilized
- Adjusted gross margin of 27.7% is second best in company's history
- Cash burn of \$8M was significantly lower than \$19M in Q3

Q4 Financial Highlights

(\$ in millions)	Q4 '22	Q4 '21	\$ Chg y/y	% Chg y/y
Net Sales	\$35.7	\$25.6	\$10.0	39.2%
Cost of Sales	\$30.8	\$24.0	\$6.8	28.2%
Gross Profit	\$4.9	\$1.3	\$3.6	279.7%
<i>Gross Margin⁽¹⁾</i>	13.7%	5.0%		870 bps
Adjusted Gross Profit⁽²⁾	\$9.9	\$4.5	\$5.4	120.9%
<i>Adjusted Gross Margin⁽¹⁾⁽²⁾</i>	27.7%	17.5%		1,020 bps
Adjusted Operating Expenses	\$12.1	\$8.7	\$3.4	39.2%
Adjusted EBIT	(\$2.1)	(\$4.2)	\$2.1	na
Adjusted EBITDA⁽²⁾⁽³⁾	(\$0.7)	(\$3.9)	\$3.1	na

Our 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 carbohydrates in their diets** and **increase their protein intake**. Our mission is to make our craveable, nutritious comfort foods **accessible to everyone across the United States** and, eventually, throughout the world.

* 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

Exceptional New Product Velocities



RGF chicken nuggets #1 H&W frozen meat item at a leading national customer; Ranks in top 12% of all frozen poultry & meat products –including conventional producers such as Tyson & Purdue

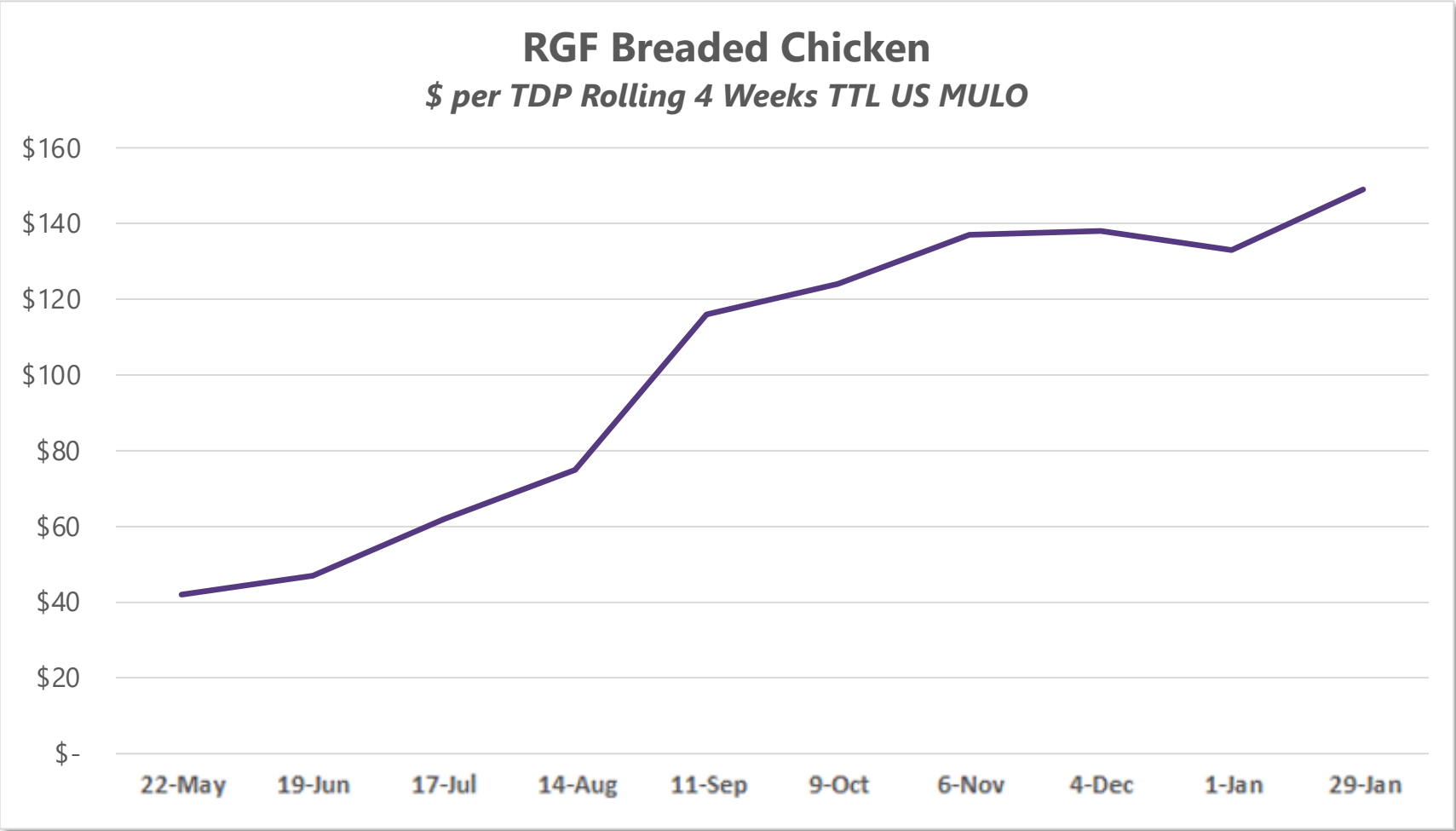
Rank	Row Labels	↓	\$s	Max % ACV	\$s/TDP
1	REAL GOOD FOODS BREADED POULTRY		\$ 507,532	28	\$ 18,342
2	PERDUE SIMPLY SMART		\$ 949,832	34	\$ 12,958
3	INNOVASIAN CUISINE		\$ 2,686,795	98	\$ 9,389
4	SEAFOOD AMERICA		\$ 261,913	48	\$ 5,444
5	APPLEGATE FARMS		\$ 2,366,710	98	\$ 5,362
6	MARGARITAVILLE		\$ 408,537	58	\$ 3,742
7	CAULIPOWER		\$ 745,806	91	\$ 3,330
8	HOT ONES		\$ 625,261	68	\$ 2,996
9	CJ		\$ 155,653	54	\$ 2,873
11	RAOS HOMEMADE		\$ 60,442	31	\$ 1,968
12	DOCKSIDE CLASSICS		\$ 32,339	17	\$ 1,880
13	MAPLE LEAF FARMS		\$ 65,045	35	\$ 1,873
14	DON LEE FARMS		\$ 100,532	63	\$ 1,603



Velocities Growing Weekly Without Promotions



Breaded chicken seeing strong repeat rates with velocities 5-10x our core portfolio



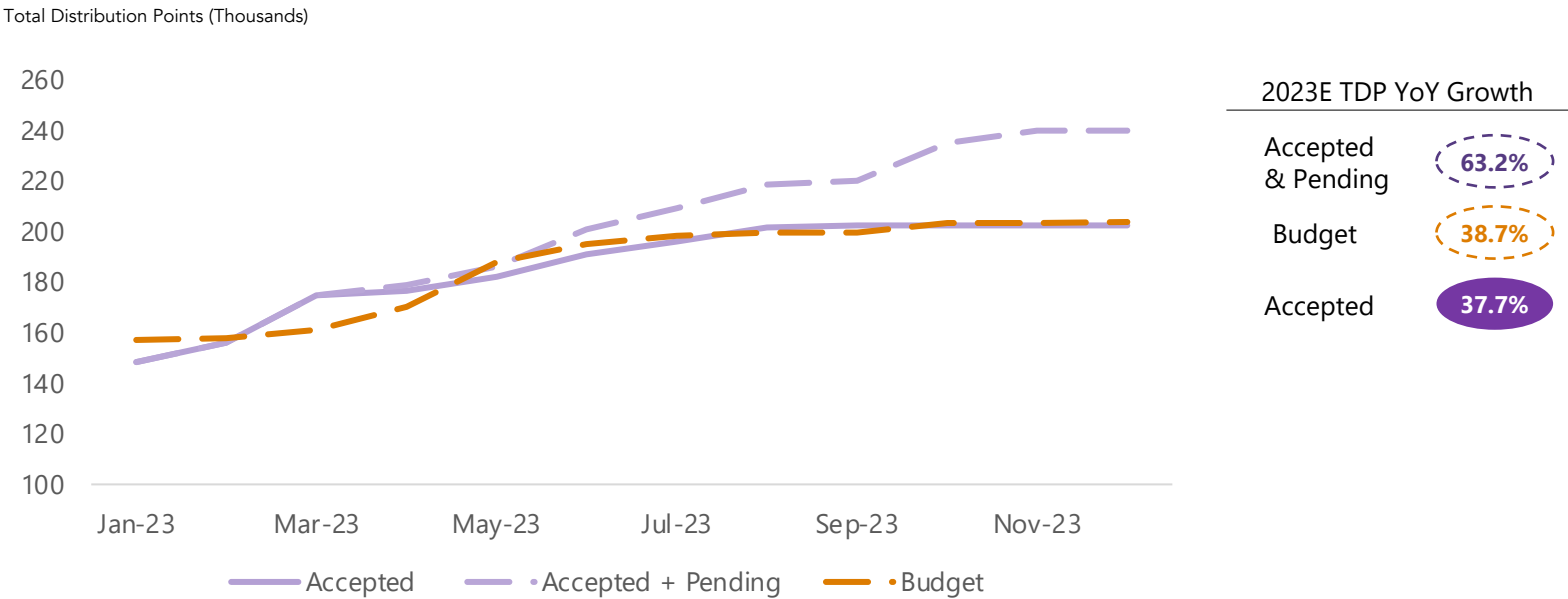
Source: SPINS Ending 2/26 Rolling 4 weeks Real Good Foods Breaded Chicken

Strong Distribution Growth Momentum

50K New Distribution Points Secured



We Are On Track To Meet and Exceed 2023 Distribution Goals



Through 3/1/23 RGF Has CONFIRMED Wins To Achieve...

94%

Of 2023 Net Sales Budget

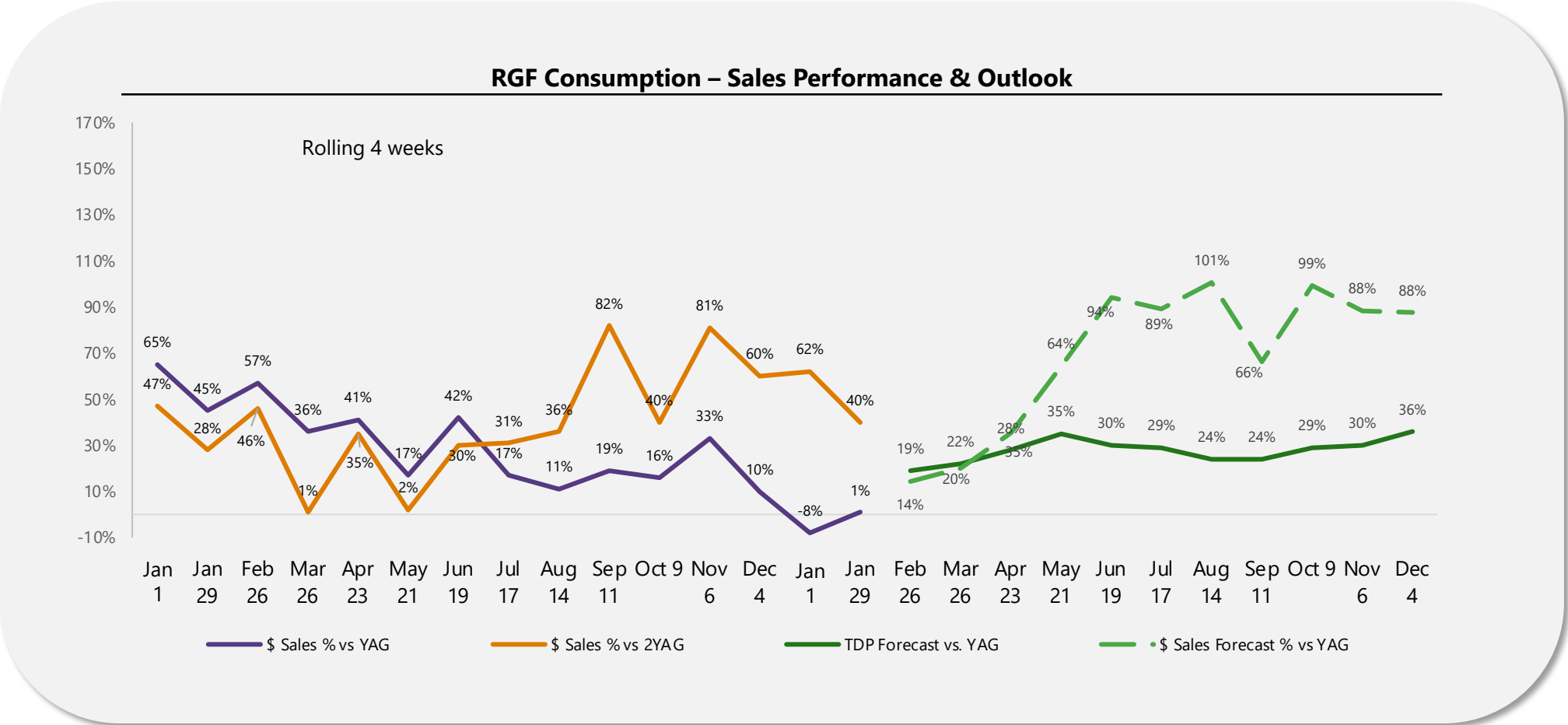
81%

Of Total Points of Distribution Target

Measured Channel Growth



Lapping Tough Comps – Distribution Wins Point to Strong Growth in 2023



Re-Affirming 2023 & LT Guidance



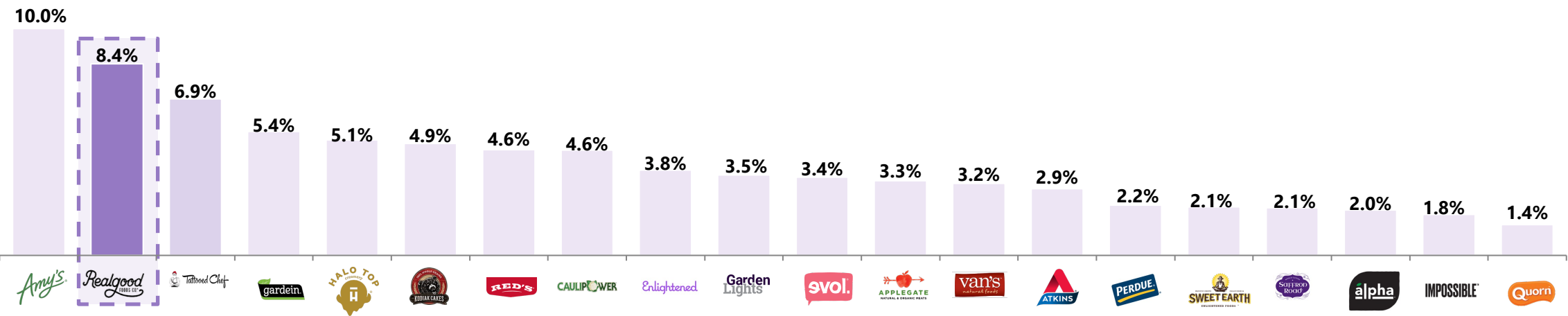
	FY 2023	Long Term
Net Sales	At least \$200 million ~40% growth	~\$500 million
Adjusted Gross Margin ⁽¹⁾	At least 24%	35%
Adjusted EBITDA / EBITDA Margin ⁽²⁾	Mid to High Single Digit \$M	15%

- 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

Brand Health Indicators



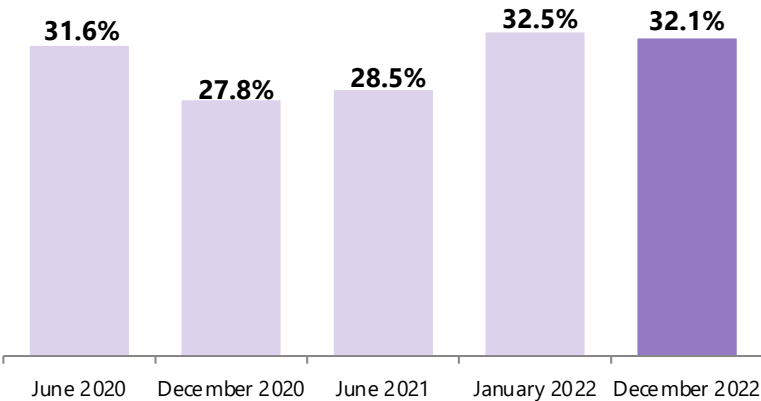
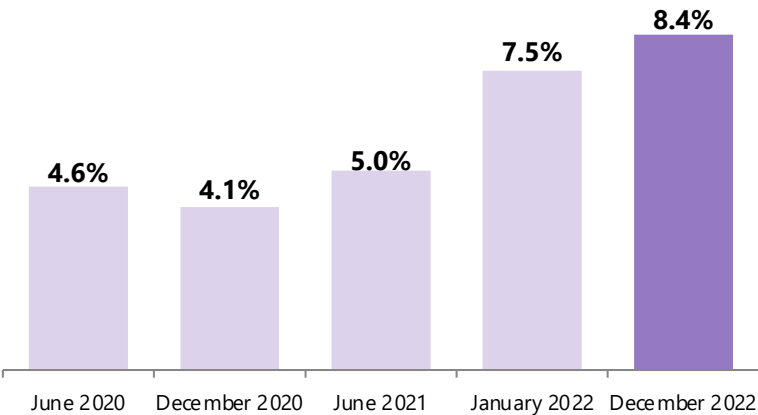
RGF Ranks #2 in HHP Amongst HWI Frozen Brands



Household Penetration



Repeat Purchase Rates



Balance Sheet and Cash Flow Commentary



- Cash and cash equivalents balance of \$7.6 million and total debt of \$73.2 million
- Credit facility capacity of \$75 million with ~\$30 million available
- **Total liquidity of \$37.6 million** (\$7.6M cash + \$30.0M undrawn revolver capacity)
 - Recently amended credit facility with PMC, further enhancing non-dilutive liquidity by up to \$20M
- Fourth quarter cash burn was \$8M, of which \$1M was related to core working capital
- **Company expected to transition to positive adjustive EBITDA and to positive operating cash flow starting in 2H23 and for the full year expects to be OCF positive**
- Minimal cap-ex spending
 - City of Industry facility is not yet fully automated and hence requires minimal maintenance cap-ex
 - Bolingbrook facility and equipment is being leased with costs flowing through the P&L and as such no material cap-ex spending associated with this plant



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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.

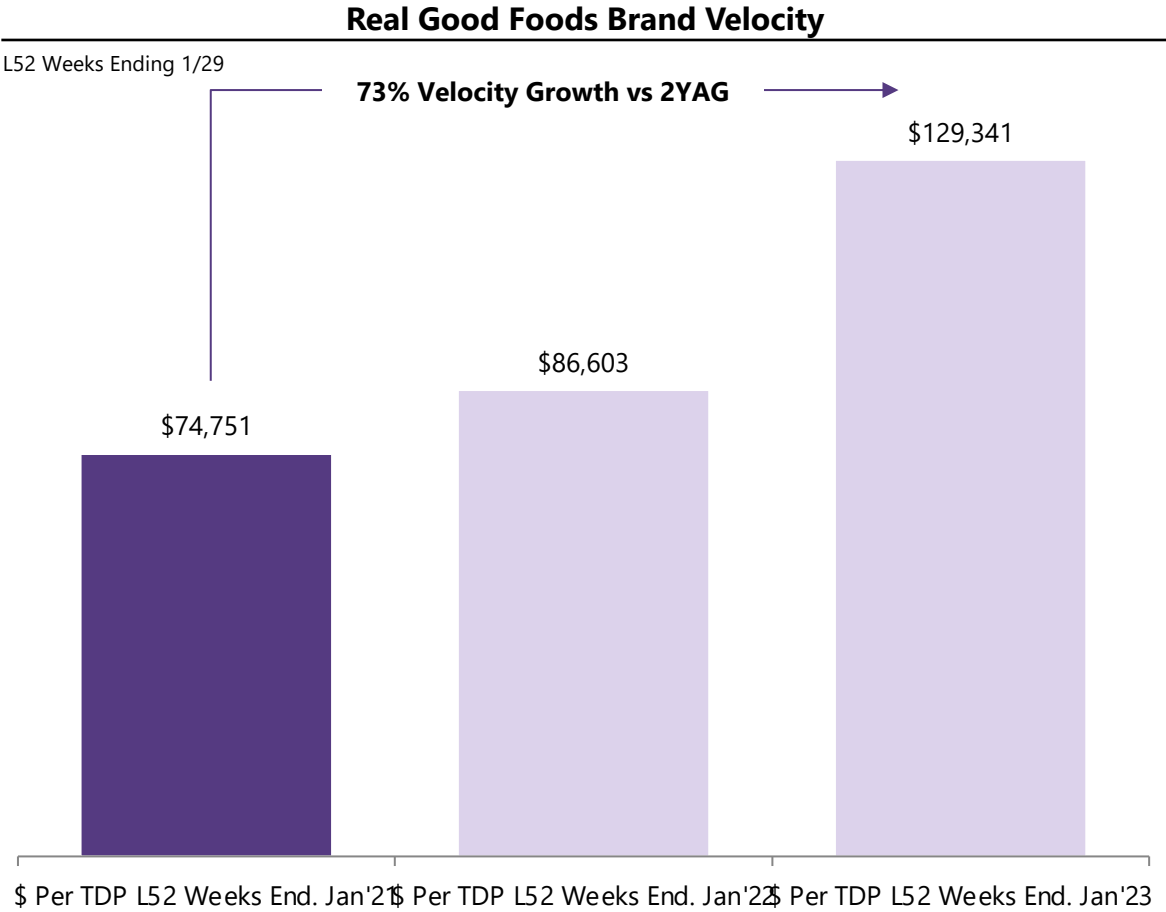
3 months ended December 31			3 months ended December 31		
(US \$ in thousands - unaudited)	2022	2021	(US \$ in thousands - unaudited)	2022	2021
Net Loss	\$(11,834)	\$(44,923)	Gross Profit	\$4,883	\$1,264
Depreciation and amortization	1,426	349	Start-up and idle capacity costs ⁽⁷⁾	4,554	2,043
Provision for income tax	-	-	Costs related to the COVID-19 pandemic ⁽⁸⁾	434	1,140
Interest expense	2,771	1,043			
Other Income	(144)	2,825			
Start-up and idle capacity costs ⁽¹⁾	4,554	2,043			
Costs related to the COVID-19 pandemic ⁽²⁾	434	1,140			
Share-based compensation ⁽³⁾	1,583	28,725			
Transaction expenses ⁽⁴⁾	-	4,617			
Other ⁽⁵⁾	404	-			
Bolingbrook start-up admin. costs ⁽⁶⁾	\$109	\$313			
Adjusted EBITDA	\$(697)	\$(3,868)	Adjusted Gross Profit	\$9,871	\$4,447
Adjusted EBITDA Margin	(2.0)%	(15.1)%	Adjusted Gross Profit Margin	27.7%	17.4%

(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 share-based compensation expense. (4) Represents costs incurred in connection with pursuing certain strategic and financing transactions, including legal, consulting, and accounting costs. (5) Represents other non-recurring administrative costs incurred during the period. (6) Represents administrative costs incurred in connection with start-up of the new Bolingbrook Facility. (7) 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. (8) Represents direct costs incurred in connection with the COVID-19 pandemic, including freight rush charges, labor costs, tolling upcharges, and storage.

2022 Measured Channel Velocity Growth Was Significant vs. YAG & 2YAG

RGF velocities in 2022 stronger than YAG as Core Products Delivering on Shelf at Key Retailers

Realgood
FOODS CO.®



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