



Lifecore Biomedical Announces Sale of Curation Foods' Avocado Products Business

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Proceeds to be used for debt paydown

CHASKA, Minn., Feb. 07, 2023 (GLOBE NEWSWIRE) -- Lifecore Biomedical, Inc. ("Lifecore" or the "Company"), a fully integrated contract development and manufacturing organization ("CDMO"), today announced that it has completed the sale of its Curation Food's avocado products business for \$17.5 million in cash, subject to certain customary net working capital adjustments.

James G. Hall, President and Chief Executive Officer of Lifecore Biomedical, commented, "This transaction marks another step in our strategy to monetize our remaining Curation Foods assets and unlock the potential of Lifecore as a standalone CDMO business. We are pleased to demonstrate progress toward this outcome with the sale of the avocado products business, and remain focused on exploring opportunities to monetize our final remaining Curation Foods asset, the O Olive Oil & Vinegar® business. We look forward to updating the market on our progress in due course."

The Company completed the simultaneous sign and close of the transaction on February 7, 2023. Net proceeds from the transaction will be used to repay borrowings under the Company's credit facilities, which the Company believes will drive further deleveraging and strengthen the Company's financial position, allowing management to focus greater resources and investment to Lifecore.

The transaction was effectuated through the sale of all of the outstanding equity of Yucatan Foods, LLC, an indirect wholly owned subsidiary of Lifecore and Curation Foods, which included its Yucatan® and Cabo Fresh® brands, as well as the associated manufacturing facility and operations in Guanajuato, Mexico. The results of operations related to the Curation Foods avocado products business will be reported as discontinued operations beginning in the fiscal third quarter of 2023.

About Lifecore Biomedical

Lifecore Biomedical, Inc. is a fully integrated contract development and manufacturing organization (CDMO) that offers highly differentiated capabilities in the development, fill and finish of complex sterile injectable pharmaceutical products in syringes and vials. As a leading manufacturer of premium, injectable grade Hyaluronic Acid, Lifecore brings more than 40 years of expertise as a partner for global and emerging biopharmaceutical and biotechnology companies across multiple therapeutic categories to bring their innovations to market. For more information about the Company, visit Lifecore's website at www.lifecore.com.

Important Cautions Regarding Forward-Looking Statements

This press release contains forward-looking statements regarding future events and our future results that are subject to the safe harbor created under the Private Securities Litigation Reform Act of 1995 and other safe harbors under the Securities Act of 1933 and the Securities Exchange Act of 1934. Words such as "anticipate", "estimate", "expect", "project", "plan", "intend", "believe", "may", "might", "will", "should", "can have", "likely" and similar expressions are used to identify forward-looking statements. All forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially, including such factors among others, as the timing and expenses associated with operations, the ability of the Company to recognize the anticipated benefits of the sale of the remaining Curation Foods businesses, future liabilities or purchase price adjustments that may arise from the previously completed divestiture transactions, including the sale of the avocado products business, the ability to successfully operate the remaining Curation Foods business during the pendency of their divestitures, our ability to successfully complete the transition of the Company's business and operations to focus on Lifecore, the timing of regulatory approvals, uncertainties related to COVID-19 and the impact of our responses to it, and the ability to successfully realize the anticipated benefits of the refocusing of the Company's business on Lifecore. For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to our filings with the Securities and Exchange Commission, including the risk factors contained in our most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K. Forward-looking statements represent management's current expectations and are inherently uncertain. Except as required by law, we do not undertake any obligation to update forward-looking statements made by us to reflect subsequent events or circumstances.

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