

A blue-tinted background image of a microscope, showing the eyepiece, objective lenses, and the stage.

LANDEC

INNOVATIONS FOR HEALTHY LIVING

January 2019

IMPORTANT CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

Except for the historical information contained herein, the matters discussed in this presentation are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

Potential risks and uncertainties include, without limitation, those mentioned in our most recent Annual Report on Form 10-K, as modified by any subsequent filings we make with the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Act of 1933 or the Exchange Act. Landec undertakes no obligation to update or revise any forward-looking statements in order to reflect events or circumstances that may arise after the date of this presentation.

This presentation contains summaries of financial and non-financial information that has been filed with the SEC pursuant to the Exchange Act. You should read this presentation in conjunction with our most recent Annual Report on Form 10-K and any subsequent Exchange Act filings.

LANDEC

Diversified Health and Wellness Solutions

Our mission is to create innovative products that support everyone's unique health and wellness journey.



LANDEC FY18 FINANCIAL HIGHLIGHTS

GENERATING GROWTH WHILE CONTINUING TO INVEST IN
NEW PRODUCT INNOVATIONS AND NEW CAPACITY & CAPABILITIES

FY18 FINANCIAL METRICS⁽¹⁾

REVENUES

\$524 MILLION

YOY= +12%

CURATION FOODS: \$459M

LIFECORE: \$65M

EPS

\$0.41

YOY = +14%

FY18 YOY PERFORMANCE GROWTH PLATFORMS

- LIFECORE +10%
- EAT SMART SALADS: +23%
- EMERGING NATURAL FOODS: +12%

(1) Adjusted to reflect continuing operations, excluding the Company's export trading business (Cal-Ex), which will be shut down in F4Q18 and \$0.51 of EPS from tax reform

BUSINESS FOCUS: CURATION FOODS



NEWS: ANNOUNCING CURATION FOODS



Our mission is to provide access to fresh, plant-based foods made from 100% clean ingredients to as many people as possible in a way that preserves and protects our planet for future generations.





Portfolio of Natural Food Brands


<i>Packaged Fresh Vegetables</i>
Discover delicious possibilities to Eat Smart
Made for Me


<i>Pure-Plant Meal Solutions</i>
Savor unexpected flavors and dishes made from pure plants.
Pure Plant Foodies

 OLIVE OIL & VINEGAR®
<i>Premium Artisan Olive Oils & Vinegars</i>
Explore the surprising variety of flavors that makes everyday food taste extraordinary
Food Explorers


<i>Authentic Fresh Guacamole</i>
Celebrate traditional, authentic Mexican taste
Made for Me


<i>A Fresh Take on Guacamole</i>
Experience fresh new flavors
Food Explorers

Product Tenets: Fresh & Clean Ingredients | Delicious & Convenient | Plant-based & Healthy

Our Values: Innovation, Passion, Belief in People, Respect, Integrity, Customer Commitment, Accountability

We are a different kind of food company

Curation Foods is re-imagining the way fresh, plant-based foods are grown, prepared and delivered in a way the preserves and protects the planet.

Curation Foods Differentiated Capabilities:

Internal Innovation

Entrepreneurial innovation culture driven by consumer insights

Refrigerated Supply Chain

Delivering fresh food to customers throughout North America

Customer Reach

Products sold throughout North America in 100% of Club stores and 73% Retail Stores

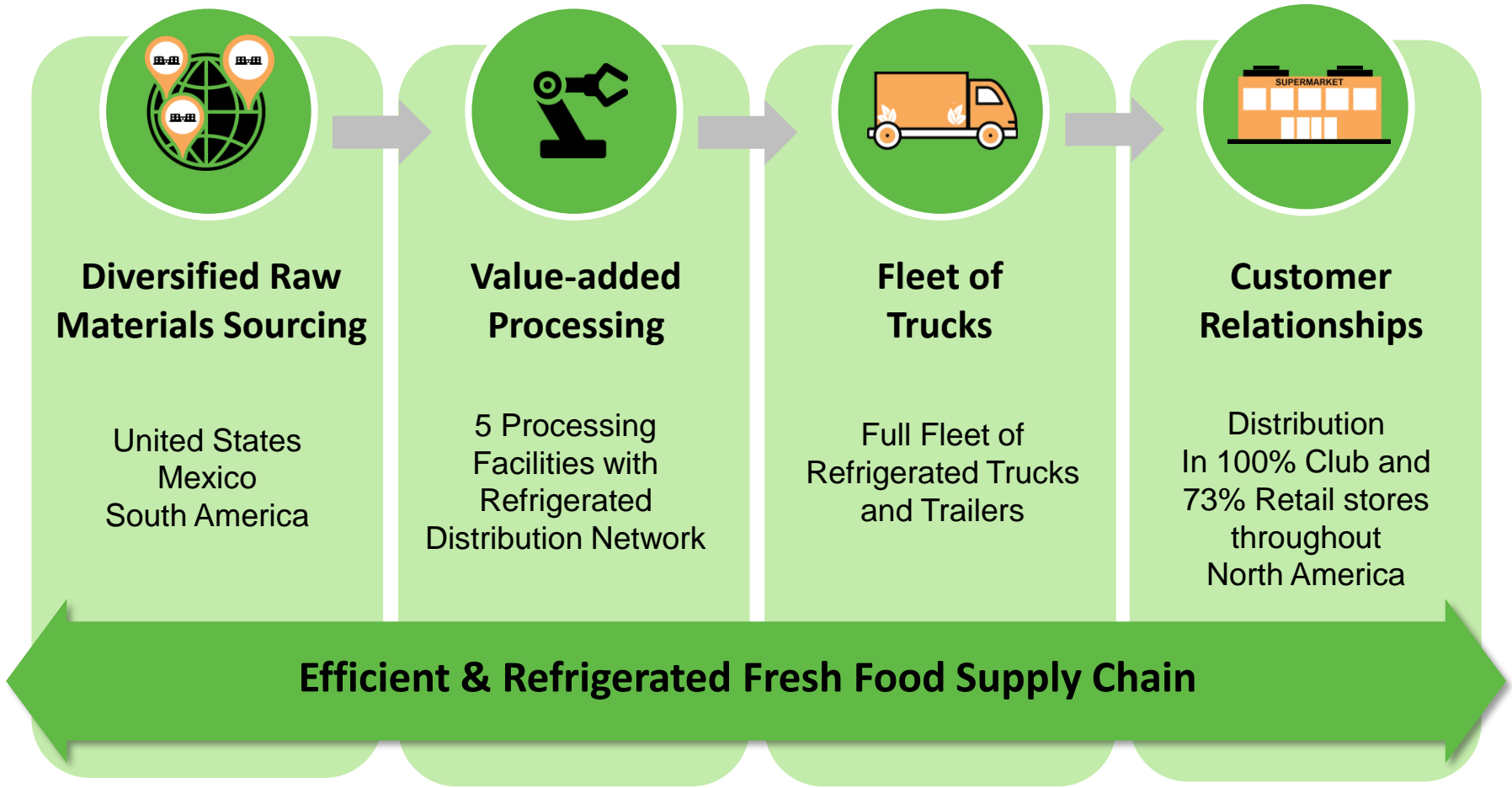
Nielsen Latest 52 W/E 10/27/18

* Total Universe includes Food, Mass, Club, excludes Costco (not reported by Nielsen)

REFRIGERATED, FRESH FOOD SUPPLY CHAIN



The Curation Foods portfolio of natural food brands leverages our national, refrigerated supply chain capability



Nielsen Latest 52 W/E 10/27/18

* Total Universe includes Food, Mass, Club, excludes Costco (not reported by Nielsen)

EAT SMART VEGETABLE SALAD KITS, BAGS & TRAYS



First Brand in Category with 100% Clean Ingredients for all non-organic products

Multi-serve Salad Kits



Single-serve Salad Kits



Vegetable Bags & Trays

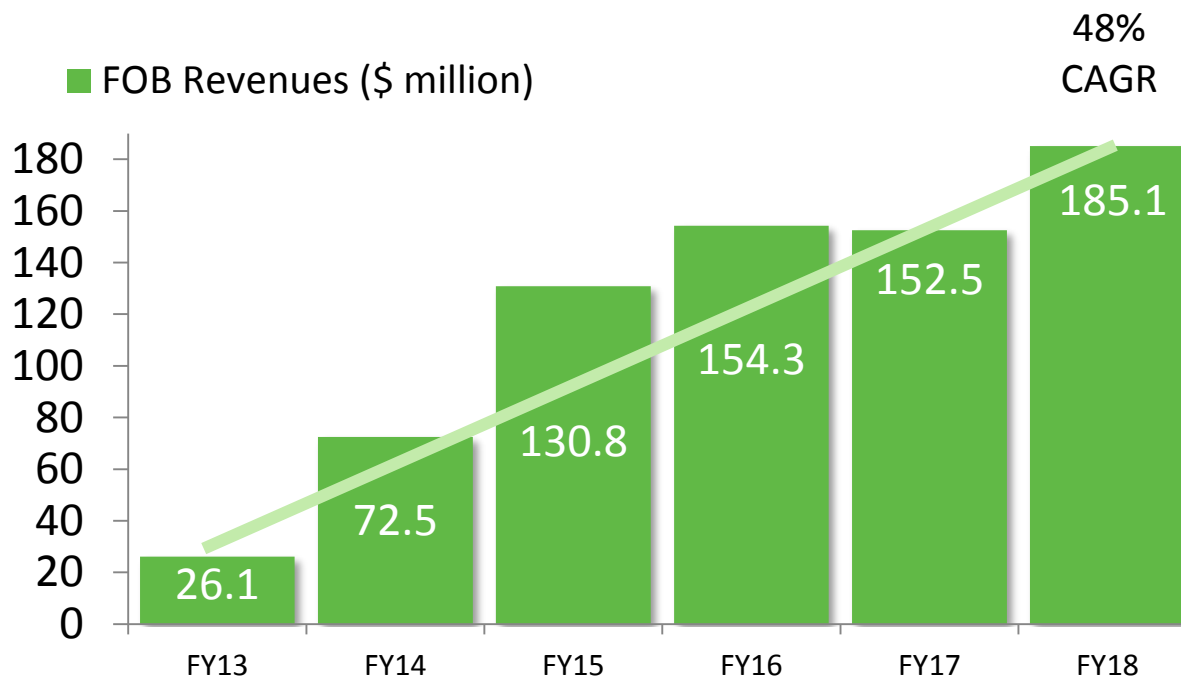


FY18 – Curation Foods

- Revenues – \$459M
- GM – 10.8%



Eat Smart Salad Kit Revenue Growth



Focus on New Product Innovation & Increasing SKUS/Door in US Retail

FY18 SALAD KIT GROWTH AND DISTRIBUTION GAINS



- Eat Smart salad retail sales +23% in Fiscal 2018 (vs. original FY18 forecast: 10-12%)
- U.S. Eat Smart multi-serve salad kits retail sales +50%⁽³⁾ y/y (vs. category growth of 10%)

		United States	Canada
Multi-serve Salad Kits	Market Share ⁽¹⁾	6.4%	39.0%
	ACV ⁽²⁾	46.6% (up from 24.0% LY)	85.3%

(1) Market share excludes Costco; 52 weeks ended 7/28/18

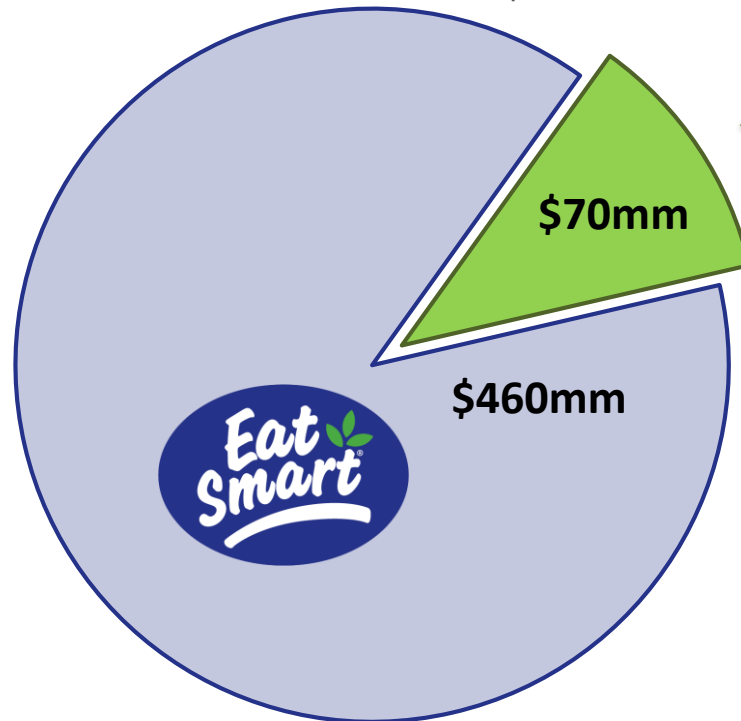
(2) Nielsen All Commodity Volume (ACV), excludes Costco; 52 weeks ended 7/28/18

(3) Excludes Costco; 52 weeks ending 5/26/18

Customer Sample:



Curation Foods Revenue
Total Annualized Run Rate = \$530 million



EMERGING BRANDS

13-15% of Curation Foods Revenue



As emerging brands scale, they will deliver greater percentage of total profitability with gross margins 30%+, with less sourcing and cost volatility.

27 years ago, Ardy Haerizadeh, Yucatan Food's Founder, set out to make guacamole that celebrated the traditions and cultures of Mexico.

Headquartered in Santa Monica, California with plant operations in Guanajuato, Mexico, Yucatan Foods has grown to approximately \$60mm in annual revenues, selling two brands, Yucatan® and Cabo Fresh® to retailers throughout North America. All products are made with 100% clean ingredients and fresh Haas avocados make up about 95% of the product ingredients.

With a state-of-the-art production facility in Mexico, computer-controlled ripening, inspection, quality control, production, and packaging to make superior product.



YUCATAN®





Plant Forward - Clean - Organic

- 100% Clean label ingredients
- 95% of ingredients from fresh Haas avocados from Mexico
- First Organic line sold in US and Canada.

Innovation

- Guac-N-Chips, Avocado Butter
- Opportunities among Curation Foods brands

Sales

- Products are sold in refrigerated perimeter of store
- Curation Foods: Produce & Club expertise
- Yucatan: Deli expertise

Logistics

- Leverage Curation Foods refrigerated logistics for final mile

Processing

- Opportunity to secure footprint in Mexico for lower cost sourcing and operations for Eat Smart products



O OLIVE OIL & VINEGAR



Acquired in April, 2018

Completed Construction of In-House Vinegar Facility

- Reducing COGS by 30+%
- Ensuring Quality Product and Supply

Revitalized Brand with Package Redesign:

- Creates Dramatic Brand Block On-Shelf
- 200% growth in points of distribution
- Key Wins: Whole Foods, Publix

Launched Organic Apple Cider Vinegar:

- Whole Foods Market NYC, Harris Teeter, Safeway, Mariano's

INTRODUCING NOW PLANTING®

NOW
PLANT
ING



The Now Planting® brand developed internally to target the Plant-Forward Consumer

- Plant Forward Consumer: 70% of diet coming from Plants
 - U.S~ 17% of US population
 - Canada ~ 23% of population
- Initial Offering of Pure-Plant Soups : Red Pepper Bisque, Sope Verde, Cajun Tomato Rice, Lemongrass Curry, Hominy Bean
- Celebrates the natural flavor of plants!
- 100% clean ingredients, no dairy, no animal product, non-GMO and low in sugar, sodium, fat
- Patented Package Design: Plant-based toppings in the lid!
- Started Shipping October 2018



Curation Foods is committed to delivering value to our shareholders while simultaneously working in a way that respects people and preserves the planet.

Sustainability Pillars

SOCIAL

People



FOOD

Product

All products have 100% clean ingredient label

90% of all packaging is 100% curbside recyclable

ENVIRONMENTAL

Planet

\$6.2mm investment in CA water recycling facility

38% of all energy comes from renewable sources



- A leader in hydroponic, greenhouse grown produce
- Owns 236 acres (≈ 10.3 M sq. ft.) of state-of-the-art greenhouses
- Markets additional 500+ acres of greenhouse grown products for other greenhouse operators
- Landec recognizes 26.9% of quarterly fair value appreciation
- Curation Foods receives 7.5% annual dividend on \$22M senior preferred investment

FY18 Income Contribution:

- Increase in FMV – \$2.9M
- Dividends – \$1.7M



Strategic investment in the future of produce

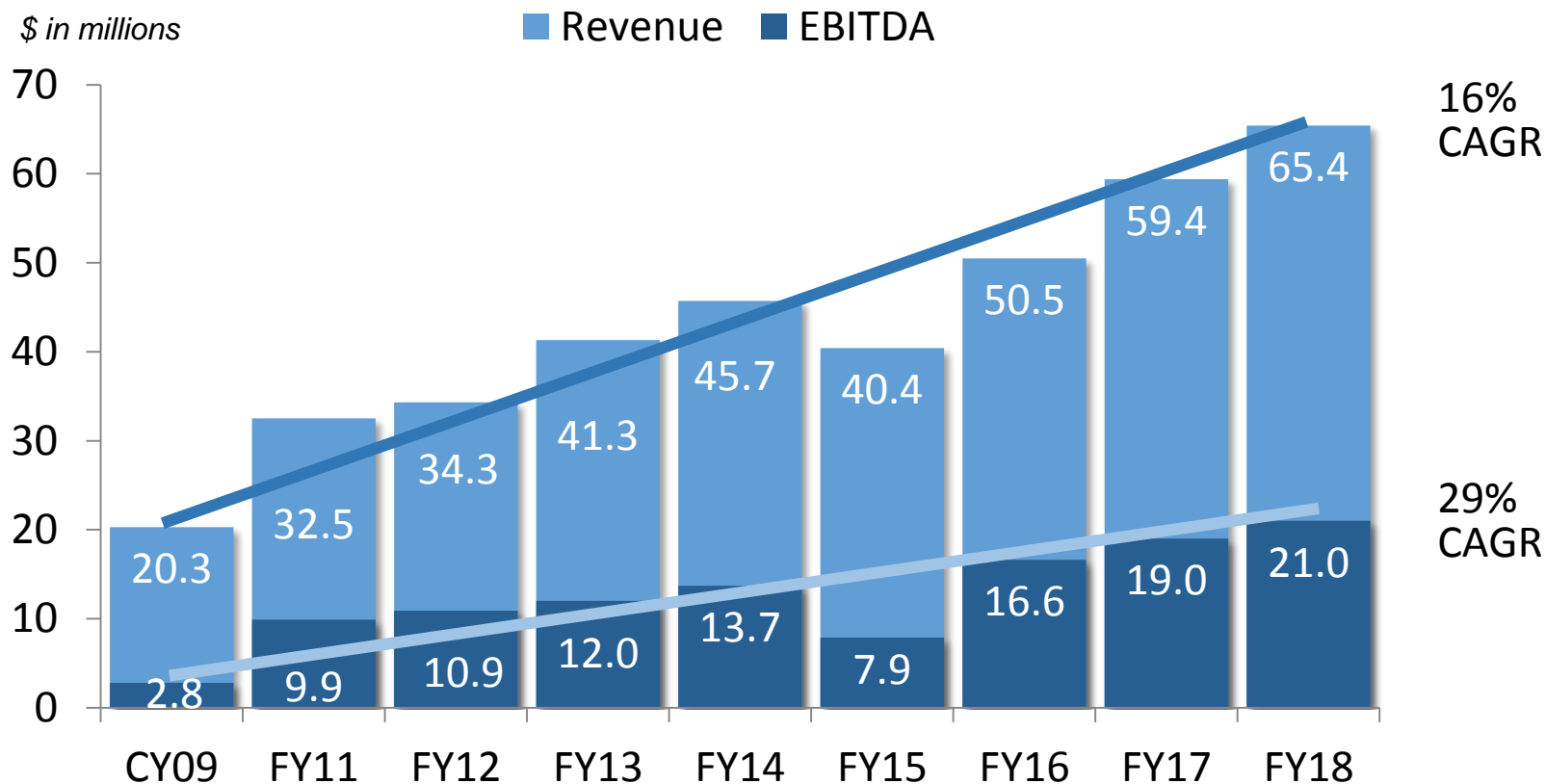


168 acres (7.3M ft²) of greenhouses plus two processing facilities and two water treatment plants in Santa Maria, CA

Additional 68 owned acres in production outside California

BUSINESS FOCUS: LIFECORE





EBITDA CAGR of 29% since joining Landec

*Note: Lifecore acquired in April 2010; Landec fiscal year ends May; CY09 provided for comparability prior to Landec acquisition

Two Businesses:

Legacy:

A leading supplier of medical-grade, fermented Hyaluronic Acid (HA) in ophthalmology and orthopedic markets

Growth:

Fully integrated Contract Development & Manufacturing Organization (CDMO) assisting companies to bring new, FDA-approved therapies to market

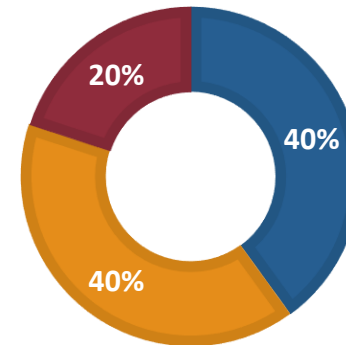


FY18

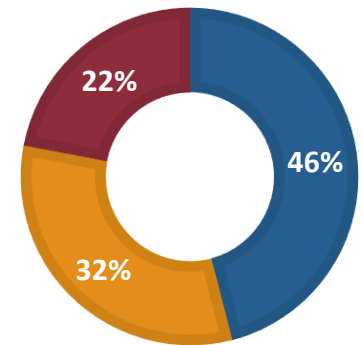
- Revenues – \$65M
- GM – 43.7%

Revenue Streams

FY17



FY18



■ Aseptic Fill ■ Fermentation ■ Development

Platform for launching and manufacturing future medical products

LIFECORE EXPANSION SETS STAGE FOR GROWTH








Manufacturing facility expanded by 30,000 ft² to meet projected growth

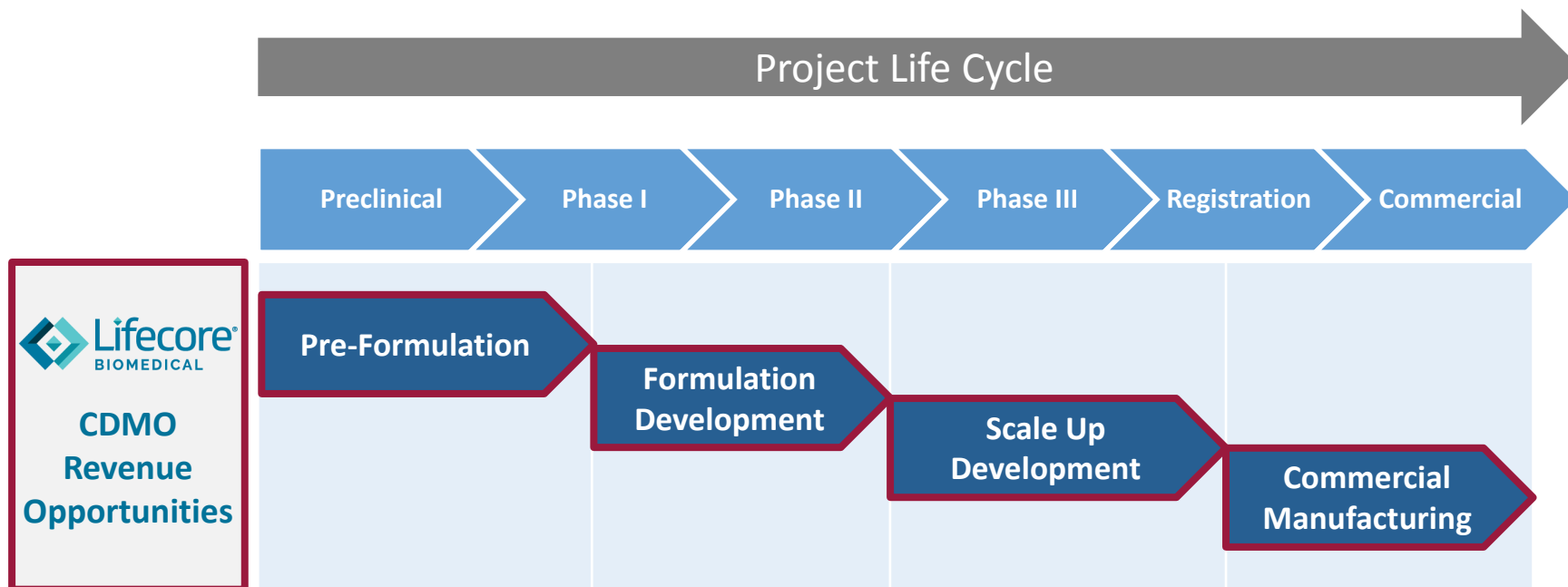
Leased a new 65,000 ft² final packaging and warehousing facility



Lifecore invested over \$55M during the last three years in innovation, product development, facilities & equipment and new capabilities

2010	VERSUS	2018
Ophthalmic, Orthopedic	 Markets	Ophthalmic, Orthopedic, Oncology, ENT, Pulmonary, Neurology, General Surgery
Hyaluronic Acid (HA) manufacturer	 Capabilities	Contract Development & Manufacturing Organization (CDMO) with fill-finish expertise to manufacture specialized products. Expanded HA offering.
Medical Devices	 Products	Drugs, Medical Devices, Combination Products, Biologics
114K ft ² 2.5M syringes	 Capacity	210K ft ² 9M syringes
\$200M Premium HA: Ophthalmic, Orthopedic	 Total Applicable Market	\$4B Premium HA: Ophthalmic, Orthopedic + Injectable Drugs

LIFECORE CDMO SERVICES & CAPABILITIES ACROSS PROJECT LIFE CYCLE



Lifecore can address the customer's entire product development life cycle

CDMO services leverage our HA heritage:
Focused on development projects that have difficult formulations
and/or are challenging to filter and fill

STRATEGIC GROWTH PLATFORM



A blue-tinted background image of a microscope, showing the eyepiece, objective lenses, and the stage with a slide. The word "LANDEC" is overlaid in large, bold, orange capital letters.

LANDEC

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