



# LANDEC

INVESTOR PRESENTATION

September 2021

## IMPORTANT CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

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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.

## STRONG BUSINESSES CREATING SHAREHOLDER VALUE

We demonstrate our commitment to shareholders by maximizing the value of our business portfolio, improving operating margins at Curation Foods, investing in growth to drive momentum at Lifecore while employing sustainable business practices to protect the planet for future generations.



## LANDEC CONSOLIDATED FINANCIAL OVERVIEW

	FY21 FINANCIAL METRICS	FY22 FINANCIAL GUIDANCE	IMPLIED GROWTH
REVENUE	\$544mm	\$545mm - \$554mm	flat – 1.8%
ADJUSTED EBITDA*	\$31mm	\$33.3mm - \$35.5mm	6% - 13%

*\* Landec Consolidated Adjusted EBITDA also includes FY21 Corporate Expense of (\$11.3mm), incremental to segment level allocation*

## FY22 BUSINESS SEGMENT FINANCIAL GUIDANCE



	FY22	Implied Growth
<b>Revenue</b>	\$105mm-\$108mm	7% - 10%
<b>Adjusted EBITDA*</b>	\$26mm-\$27mm	6% - 10%

### DRIVERS

- Build business development pipeline
- Manage current capacity and future capacity needs
- Advance product commercialization



	FY22	Implied Growth
<b>Revenue</b>	\$440mm-\$446mm	(1.4%) - flat
<b>Adjusted EBITDA*</b>	\$12mm-\$13mm	9% - 18%

### DRIVERS

- Deliver product innovation to market
- Pursuing operational excellence (Z.E.S.T.)
- Foster a culture of continuous improvement

\* Landec Segment Adjusted EBITDA includes a majority of corporate allocation

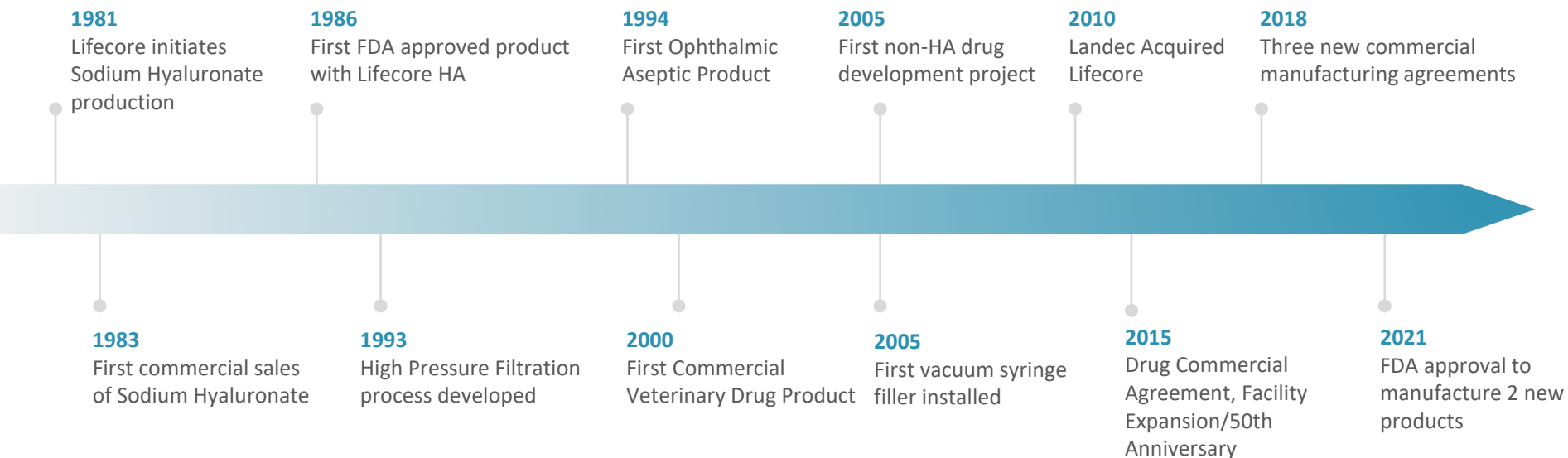


Lifecore®  
BIOMEDICAL

LANDEC

INNOVATING DIVERSIFIED HEALTH AND WELLNESS SOLUTIONS

# LIFECORE: PROGRESS MADE POSSIBLE



Lifecore partners with leading pharmaceutical and biotech companies to create products that are difficult to formulate, filter, and/or fill.

We save our customers time and reduce barriers – so they can focus on creating innovations that change lives.

It's not what we make. *It's what we make possible.*

*Leveraging over 35 years of experience to bring our customers' innovations to market*

Drug development  
is on the rise

1

**+6% CAGR\***

*(Pre-Clinical; Phase 1-3) 2008 – 2019*

*William Blair, Pharmaceutical Outsourcing & Service Report. April 2020*

High propensity to outsource  
manufacturing among small-  
and mid-sized organizations

2

**+75% of total approvals**

*(Finished dose outsourced by small- and mid-sized pharma)*

*William Blair, Pharmaceutical Outsourcing & Service Report. April 2020*

Growing Injectable  
NDA approvals

3

**55% of all drugs in development  
are injectables**

*Pharmaprojects® January 2019*

Demand for specialized  
CDMO vial & syringe capacity

4

**90-132**

*Estimated new approvals  
of injectables to CDMOs*

**75-100M units**

*incremental demand  
for vials & syringes*

*GlobalData PharmSource Report: Demand and Supply for Contract Manufacturing of  
Injectable Drugs Through 2023*



## Lifecore Strategic Priorities

1

### Build Business Development Pipeline

Currently have **23 projects** in various stages of the development pipeline

2

### Manage Capacity

Maximize Capacity for current customers and **future** growth generated from business development pipeline

3

### Advance Product Commercialization

Target a minimum of **one regulatory product** approval annually



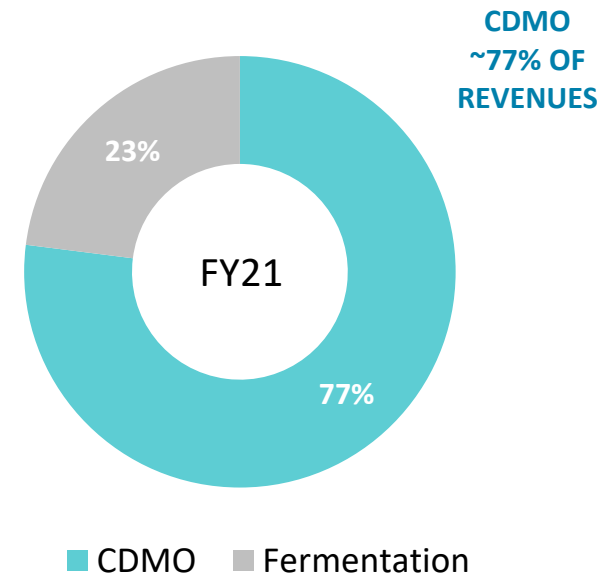
## LIFECORE – BIOMEDICAL BUSINESS

### TWO PLATFORMS FOR LAUNCHING AND MANUFACTURING FUTURE MEDICAL PRODUCTS:

LEGACY	GROWTH
A leading supplier of pharmaceutical grade, sodium hyaluronate in ophthalmology, orthopedic and veterinary medicine	A fully integrated Contract Development & Manufacturing Organization (CDMO) assisting companies to bring new, FDA-approved injectable therapies to market



### REVENUE STREAMS

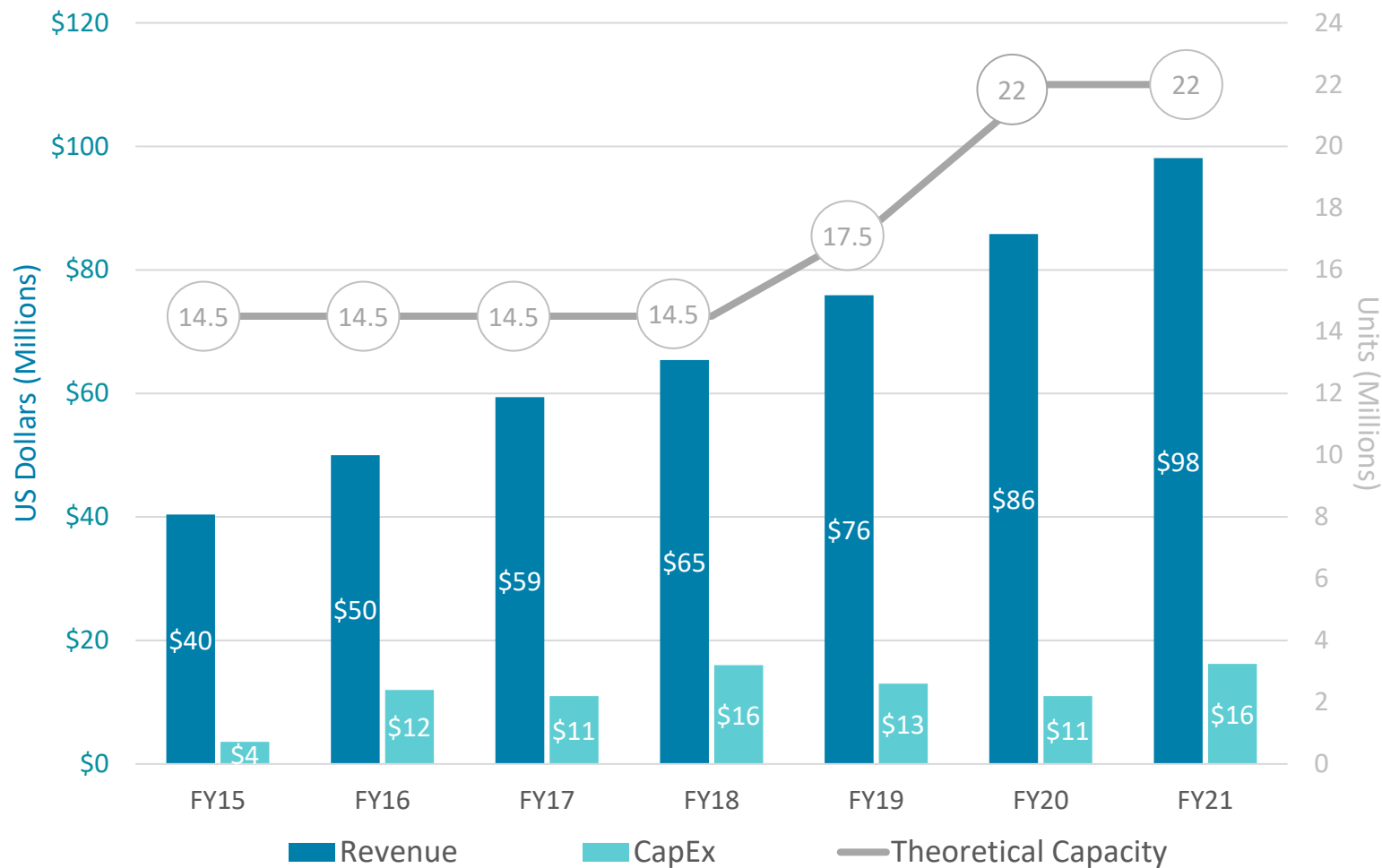


#### FY21

- Revenues: \$98.1mm
- Adjusted EBITDA: \$24.5mm


# CAPEX DRIVES REVENUE AND CAPACITY GROWTH

LIFECORE REVENUE AND CAPEX VS THEORETICAL CAPACITY



## BARRIERS TO COMPETITION

TRUSTED PRODUCER OF  
PREMIUM HYALURONIC ACID (HA)

	Type of HA	Quality	Uses & Types of Products	Barriers to Competition
	Pharmaceutical Injectable Grade	<b>Highest</b> Governed by regulatory agencies	<ul style="list-style-type: none"> <li>• Ophthalmic surgery</li> <li>• Joint Injections</li> <li>• Bone grafts</li> <li>• Intra-articular injections</li> <li>• Carrier for drugs</li> <li>• Tissue engineering</li> </ul>	<b>High</b> <ul style="list-style-type: none"> <li>• Product specs tailored to needs of end user</li> <li>• Heightened quality control in US/EU markets</li> <li>• Regulatory barriers to change source</li> </ul>
	Topical Medical Grade	<b>Moderate</b> Governed by regulatory agencies with less restrictions	<ul style="list-style-type: none"> <li>• Eye drops</li> <li>• Topical wound healing</li> <li>• Topical medications</li> <li>• Intradermal injections</li> </ul>	<b>Moderate</b>
	Cosmetic Nutraceuticals	<b>Lowest</b> Limited or no regulatory agency oversight	<ul style="list-style-type: none"> <li>• Cosmetics, lotions, creams</li> <li>• Nutraceuticals, supplements</li> </ul>	<b>Low to No</b> <ul style="list-style-type: none"> <li>• Commoditized</li> </ul>

# EXPERTISE IN HA IS THE FOUNDATION FOR EVOLUTION TO A CDMO

## HA's role in drugs and devices:

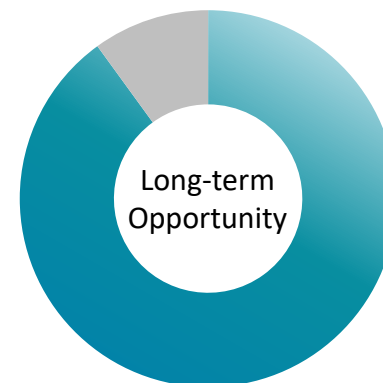
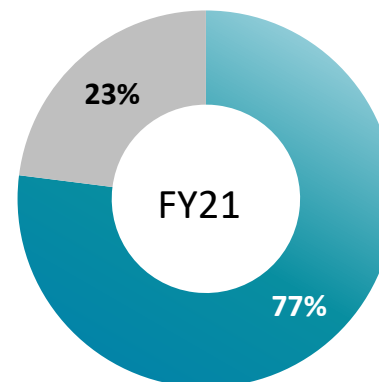
- HA is highly synergistic with new therapies
- HA is a biocompatible, naturally occurring polymer
- Primary commercial use – functional ingredient in medical devices
- HA is the excipient that serves as the vehicle for the drug (API)
- HA is a component of the API – helping to extend delivery of the drug

## CDMO services leverage Lifecore's HA heritage and expertise:

- Over 35 years of experience in development and manufacturing medical devices and drugs
- Handling difficult materials addresses an unmet need within the CDMO market
- Expertise in handling viscous substances lends itself to working with other polymer and drug delivery technologies
- A world class quality and regulatory system with excellent track record with FDA, EMA.

## CDMO Evolution

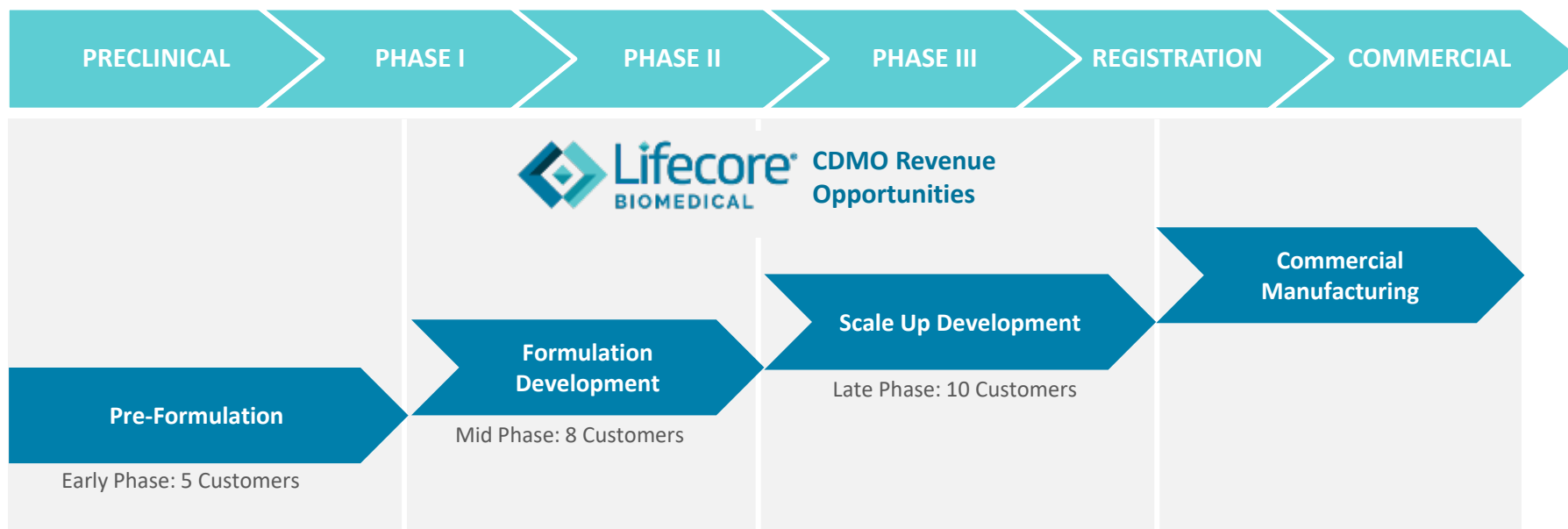
■ CDMO ■ Fermentation



# DRIVING LONG-TERM GROWTH AND PROFITABILITY BY MANAGING OUR PIPELINE

Currently have 23 projects in various stages of the development pipeline

## PROJECT LIFE CYCLE



Lifecore can address customers' entire development and commercial lifecycle.



# Curation

FOODS



# CURATION FOODS

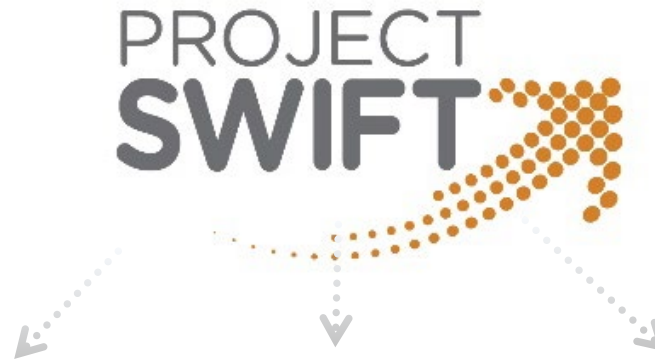


Our mission is to provide 100% clean ingredient plant-based food to as many people as possible, in a way that respects people and protects the planet for future generations.

Launched in January 2019, Curation Foods is the corporate umbrella for our portfolio of natural food brands and patented packaging technology.



**Simplify**  
**Win**  
**Innovate**  
**Focus**  
**Transform**



1

## Network & Operational Optimization

- Maximizing efficiency and productivity
- Centralization of Curation Foods offices into its Innovation Center headquarters in Santa Maria, CA,
  - Continuous improvement in plant operations with lean manufacturing practices – Z.E.S.T
  - Entered into logistics agreement with Castellini to improve delivery and productivity performance

2

## Focus on Strategic Assets

- Simplify the business
- Completed asset sale and exited the lease salad dressing manufacturing facility
  - Completed asset sale of Hanover manufacturing facility
  - Streamline Eat Smart legacy vegetable and tray business

3

## Organizational Redesign

- Competitive structure
- Focus on strategic initiative
  - Developing and elevating internal talent
  - Reducing headcount

Project SWIFT is a value creation program will improve Curation Foods' operating cost structure, enhance profitability and strengthen the Company's balance sheet.

**ZEST** will empower our people to work in a different way, changing their mindset and behaviors leading to an acceleration of our performance across our operations. **ZEST** improved Avocado Products operations in FY20 and is rolling out to Curation Foods Network in Fiscal 2021

**ZERO MINDSET**  
Zero breakdown, zero defects, zero recalls, accidents, zero pollution.

**EMPOWERMENT**  
Empower employees to impact change. I operate. I maintain. I own the outcomes.

**STANDARDIZATION**  
Implementing the same practices across the network for efficiency.

**TRAINING**  
The cornerstone of success and employee engagement.



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



### **SOCIAL** *People*



### **FOOD** *Product*

All products have 100% clean ingredient label for all Curation Foods products

90% of all packaging is 100% curbside recyclable at Curation Foods



### **ENVIRONMENTAL** *Planet*

50% of water being recycled system-wide at Curation Foods

38% of all energy comes from renewable sources at Curation Foods

## SUSTAINABILITY PILLARS

## MANAGEMENT: FOCUS ON PROFITABILITY

Albert D. Bolles, Ph.D

*President & CEO*

- Served on Landec's board since May 2014
- Proven track record of visionary leadership and building teams across R&D, technical innovation, quality and supply chain and delivering results through operational excellence, enabling commercial success and profitable growth
- Prior to joining Landec, Dr. Bolles was executive vice president, chief technology and operations officer at ConAgra, served as vice president for PepsiCo Beverages and Foods, (Pepsi, Gatorade, and Tropicana) and Quaker Foods

John D. Morberg

*CFO*

- Serves as Landec's CFO responsible for Finance, Accounting, Legal and Investor relations.
- Proven track 25 years of corporate finance and executive leadership experience with both public and private companies
- Prior to joining Landec, Mr. Morberg served as CFO and General Counsel for BL Restaurant Holding, LLC, served in various roles, including as the CEO, CFO and board member at Garden Fresh Restaurant Corp, served as CFO of DEI Holdings, Inc., and Vice President and Controller of PETCO. Mr. Morberg began his career at KPMG. He is a member of the State Bar of California and holds a CPA license (inactive).

James G. Hall

*President of Lifecore*

- Served President of Lifecore since June 2017, and has been with the Company since 1999, working in a variety of leadership capacities across engineering and operations.
- Mr. Hall has over 32 years of pharmaceutical and combination product manufacturing and development experience.
- Prior to joining Lifecore, Mr. Hall was Manager of Pre-Clinical and Clinical supply for Protein Design Labs, a biotechnology company focusing on humanizing monoclonal antibodies. Prior to joining Protein Design Labs in 1995, Mr. Hall held various engineering positions within Lifecore beginning in 1989.

# LANDEC BOARD OF DIRECTORS

## FOCUS ON PROFITABILITY

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REFRESHED  
BOARD OF DIRECTORS

BALANCED REPRESENTATION OF  
BIOMEDICAL & FOOD EXPERTISE

A DIVERSIFIED MIX OF  
ESTABLISHED LEADERS

Craig Barbarosh  
Dr. Albert D. Bolles  
Debbie Carosella  
Jeffrey L. Edwards  
Katrina Houde  
Nelson Obus  
Tonia Pankopf  
Andrew Powell  
Joshua E. Schechter  
Catherine A. Sohn

## NON-GAAP FINANCIAL INFORMATION AND RECONCILIATIONS

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The Company has disclosed non-GAAP financial measures to supplement its consolidated financial statements presented in accordance with GAAP. The non-GAAP Financial measures excludes/includes certain items that are included in the Company's results reported in accordance with GAAP as outlined in the table below. Management believes these non-GAAP financial measures provide useful additional information to investors about trends in the Company's operations and are useful for period-over-period comparisons. The non-GAAP Financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, the non-GAAP financial measures may not be the same as similar measures provided by other companies due to the potential differences in methods of calculation and items being excluded/included. It should be read in conjunction with the Company's consolidated financial statements presented in accordance with GAAP.

## ADJUSTED EBITDA RECONCILIATION

(Unaudited and in thousands)

	Curation Foods	Lifecore	Other	Total
<u>Three Months Ended August 29, 2021</u>				
Net (loss) income	\$ (1,563)	\$ 580	\$ (7,951)	\$ (8,934)
Interest expense and loss on debt refinancing, net of interest income	1,376	(20)	6,534	7,890
Income tax (benefit) expense	(1,244)	183	(1,594)	(2,655)
Depreciation and amortization	3,190	1,548	26	4,764
Total EBITDA	1,759	2,291	(2,985)	1,065
Restructuring and other non-recurring charges (1)	1,195	—	2,162	3,357
Total adjusted EBITDA	<u>\$ 2,954</u>	<u>\$ 2,291</u>	<u>\$ (823)</u>	<u>\$ 4,422</u>
<u>Three Months Ended August 30, 2020</u>				
Net loss	\$ (8,271)	\$ 112	\$ (2,841)	\$ (11,000)
Interest expense, net of interest income	1,376	—	1,725	3,101
Income tax benefit	(2,612)	35	(1,732)	(4,309)
Depreciation and amortization	3,410	1,310	28	4,748
Total EBITDA	(6,097)	1,457	(2,820)	(7,460)
Restructuring and other non-recurring charges (1)	8,464	—	2,106	10,570
Total adjusted EBITDA	<u>\$ 2,367</u>	<u>\$ 1,457</u>	<u>\$ (714)</u>	<u>\$ 3,110</u>

(1) During fiscal year 2020, the Company announced a restructuring plan to drive enhanced profitability, focus the business on its strategic assets, and redesign the organization to be the appropriate size to compete and thrive. This included a reduction-in-force, a reduction in leased office spaces, and the sale of non-strategic assets. Related to these continued activities, in the first quarter of fiscal year 2022, the Company incurred (1) \$4.9 million of restructuring charges, primarily related to the impairment of Office Leases and other restructuring related consulting and legal costs and (2) \$0.8 million of certain non-recurring charges, primarily related to potential environmental and compliance matters at Curation Foods' Avocado Products factory in Silao, Mexico, and other restructuring related legal and consulting costs.