

January 24, 2024



## Local Bounti Amends Cargill Credit Facility and Receives Funds for Working Capital

*Company receives \$15 million in cash from Cargill as part of amended credit facility*

*New facilities begin to ramp— Washington seeded and Texas expected to commence seeding by end of January 2024— provides capacity for new product introductions to support long-term revenue diversification and expansion*

HAMILTON, Mont., Jan. 24, 2024 /PRNewswire/ -- Local Bounti Corporation (NYSE: LOCL) ("Local Bounti" or the "Company"), a breakthrough U.S. indoor agriculture company, today announced that it has secured additional cash to fund working capital as part of its amended credit facility with Cargill Financial Services International, Inc. ("Cargill").



Craig Hurlbert, Chief Executive Officer of Local Bounti commented, "As we transition into 2024, our team is energized and has its sights set on becoming the most efficient CEA produce company in the industry. We have made incredible progress with the development of our Stack & Flow Technology<sup>®</sup>, now on full display at our Georgia facility where it has

enabled us to double run-rate production. This integration has been instrumental in improving our crop quality and turns at the facility resulting in a step change in shipment volume.

"Stack & Flow is also the centerpiece of our upcoming openings at new greenfield facilities in Washington and Texas by the end of January. With these facilities in place, we will have a national network of growing facilities that can efficiently serve our customers with added capacity to meet customer demand for other leafy green varieties and value-added SKUs. We have high expectations for these facilities and our new product innovation initiatives and look forward to demonstrating our focus on execution in the year ahead."

The expansion of Local Bounti's cutting-edge facilities, coupled with its proprietary Stack & Flow technology, has helped exceed customer expectations. By harnessing innovation, the Company has been able to expand distribution of its market-leading Grab & Go Salad Kits and is set to expand its baby leaf portfolio by introducing several high-velocity offerings including Spinach, Arugula, 50/50 Blend and Power Greens by the end of the third quarter of 2024. This commitment to delivering compelling new products is designed to drive category growth for retail partners and position Local Bounti at the forefront of delivering fresh and exciting choices to consumers.

Kathleen Valiasek, Chief Financial Officer of Local Bounti, added, "We are pleased with the ongoing support of our lender and their flexibility in structuring a credit facility that allows us to continue scaling the business in a fashion that will allow us to achieve our goals. We continue to focus on operational efficiency across our organization and have made important strides in controlling costs. With an optimized organization, capital resources, and a strong innovation pipeline in place, we believe Local Bounti is poised for a breakout year in 2024."

### **Amended Credit Facility**


Under the terms of its amended credit facility with Cargill, Cargill has agreed to provide Local Bounti with \$15 million of working capital, the aggregate amount of which includes \$5 million more than the Company's previously stated expectation. The Company continues to pursue opportunities to lower its cost of capital and evaluate opportunities for construction financing to supplement or replace existing debt.

### **About Local Bounti**

Local Bounti is redefining indoor farming with an innovative method – its *Stack & Flow Technology*® – that significantly improves crop turns, increases output and improves unit economics. Local Bounti operates advanced indoor growing facilities across the United States, servicing approximately 13,000 retail doors with its two brands: Local Bounti® and Pete's®. Local Bounti grows healthy food utilizing a hybrid approach that integrates the best attributes of controlled environment agriculture with natural elements. Local Bounti's sustainable growing methods are better for the planet, using 90% less land and 90% less water than conventional farming methods. With a mission to 'bring our farm to your kitchen in the fewest food miles possible,' Local Bounti's food is fresher, more nutritious, and lasts longer than traditional agriculture. To find out more, visit [localbounti.com](https://localbounti.com) or follow Local Bounti on [LinkedIn](#) for the latest news and developments.

### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. In some cases, you can identify these forward-looking statements by the use of terms such as "expect," "will," "continue," "believe," "expect," "estimate," "project," "intend," "should," "is to be," or similar expressions, and variations or negatives of these words, but the absence of these words does not mean that a statement is not forward-looking. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to statements regarding commencement of operations and seeding at the Texas and Washington facilities; lowering cost of capital; evaluation of lower cost or replacement debt; and sufficiency of capital. These statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from results expressed or implied in this press release. The following factors, among others, could cause actual results to differ materially from those described in these forward-looking statements: the risk that Local Bounti will fail to obtain additional necessary capital when needed on acceptable terms, or at all; Local Bounti's ability to effectively integrate the acquired operations of any CEA or similar operations which it acquires into its existing operations; the ability of Local Bounti to retain and hire key personnel; the Company's ability to meet the continued listing requirements of the New York Stock Exchange; the uncertainty of projected financial information; if and when the Company will repurchase the stock authorized by its Board of Directors and the impact of the share repurchase program to the Company and its stockholders; Local Bounti's increased leverage as a result of additional indebtedness incurred in connection with the acquisition of Pete's or as the result of the incurrence of additional future indebtedness; restrictions contained in Local Bounti's debt facility agreements with Cargill; Local Bounti's ability to repay, refinance, restructure and/or extend its indebtedness as it comes due; Local Bounti's ability to generate revenue; the risk that Local Bounti may never achieve or sustain profitability; the risk that Local Bounti could fail to effectively manage its future growth; Local Bounti's ability to build out additional facilities; reliance on third parties for construction, delays relating to material delivery and supply chains, and fluctuating material prices; Local Bounti's ability to decrease its cost of goods sold over time; potential for damage to or problems with Local Bounti's CEA facilities; Local Bounti's ability to attract and retain qualified employees, including management; Local Bounti's ability to develop and maintain its brand or brands it may acquire; Local Bounti's ability to maintain its company culture or focus on its vision as it grows; Local Bounti's ability to execute on its growth strategy; the risks of diseases and pests destroying crops; Local Bounti's ability to compete successfully in the highly competitive natural food market; Local Bounti's ability to defend itself against intellectual property infringement claims; changes in consumer preferences, perception and spending habits in the food industry; seasonality; Local Bounti's ability to achieve its sustainability goals; and other risks and uncertainties indicated from time to time, including those under "Risk Factors" and "Forward-Looking Statements" in Local Bounti's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 31, 2023, as supplemented by other reports and documents Local Bounti files from time to time with the SEC. Local Bounti cautions that the foregoing list of factors is not exclusive and cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date hereof. Local Bounti does not undertake or accept any obligation or undertaking to update or revise any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based.

 View original content to download multimedia <https://www.prnewswire.com/news-releases/local-bounti-amends-cargill-credit-facility-and-receives-funds-for-working-capital-302043443.html>

SOURCE Local Bounti