

August 16, 2022



# **Societal CDMO Announces Signing of More Than \$9 Million Sales and Purchase Agreement With David Weekley Homes for Excess Lakefront Land**

*Established Homebuilder to Purchase Approximately 121 Acres in Gainesville, Georgia, for Residential Development*

*Proceeds from Sale to Strengthen Societal CDMO's Corporate Balance Sheet Through Planned Debt Reduction; Second Real Estate Transaction in Process to Further Enhance Financial Position*

SAN DIEGO and GAINESVILLE, Ga., Aug. 16, 2022 (GLOBE NEWSWIRE) -- Societal CDMO, Inc. ("Societal CDMO"; NASD: [SCTL](#)), a contract development and manufacturing organization (CDMO) dedicated to solving complex formulation and manufacturing challenges primarily in small molecule therapeutic development, today announced that it has signed a sales and purchase agreement to sell approximately 121 acres of lakefront land to David Weekley Homes, an established homebuilder, for \$9,075,000.00. The land is located adjacent to Societal's manufacturing facility in Gainesville, Georgia, and is being sought by David Weekley Homes, which operates in 19 cities across the U.S., for residential development. The closing of the sale is subject to completion of standard due diligence and other customary conditions. Subject to completion of diligence, Societal CDMO expects the sale to close in the second half of 2023 and intends to use the proceeds from the sale to strengthen its balance sheet by paying down a portion of its outstanding debt.

"A core component of Societal's forward-looking growth strategy is the continuous strengthening of our balance sheet to provide the company the sturdiest foundation from which to operate. Our ownership of these approximately 121 acres of lakefront property provides Societal CDMO the unique opportunity to monetize a valuable, non-core business asset and utilize the capital that is generated to offset a portion of the company's debt," said Ryan Lake, chief financial officer of Societal CDMO. "We believe that this is a particularly prudent move in light of the challenging economic environment that is currently impacting not only those in the life sciences industry but the broader global market. We look forward to the closing of this transaction and continuing to execute against our broader corporate growth strategy."

Societal CDMO is also in the process of pursuing a second real estate transaction intended to further strengthen the company's financial position. This second transaction is focused on the sale and lease back of its buildings and a portion of the company's remaining land on its Gainesville campus. Discussions with prospective buyers are advancing and the company is

aiming to close the sale and lease back deal by the end of 2022. The company expects the total proceeds from both real estate transactions to be between \$40 million and \$50 million, and intends to utilize these proceeds to reduce its debt and significantly improve its debt capital structure, putting the company on a path toward refinancing the debt at a lower cost of capital.

### **About Societal CDMO**

Societal CDMO (NASDAQ: [SCTL](#)) is a bi-coastal contract development and manufacturing organization (CDMO) with capabilities spanning pre-Investigational New Drug (IND) development to commercial manufacturing and packaging for a wide range of therapeutic dosage forms with a primary focus in the area of small molecules. With an expertise in solving complex manufacturing problems, Societal CDMO is a leading CDMO providing therapeutic development, end-to-end regulatory support, clinical and commercial manufacturing, aseptic fill/finish, lyophilization, packaging and logistics services to the global pharmaceutical market.

In addition to our experience in handling DEA controlled substances and developing and manufacturing modified-release dosage forms, Societal CDMO has the expertise to deliver on our clients' pharmaceutical development and manufacturing projects, regardless of complexity level. We do all of this in our best-in-class facilities, which total 145,000 square feet, in Gainesville, Georgia and San Diego, California.

Societal CDMO: Bringing Science to Society. For more information about Societal CDMO's customer solutions, visit [societalcdmo.com](http://societalcdmo.com).

### **Forward-Looking Statements**

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements, among other things, relate to the completion of the transactions contemplated by the purchase and sale agreement, the anticipated timing and benefits thereof and the company's anticipated use of proceeds therefrom, as well as the company's plans to pursue additional real estate transactions. The words "anticipate", "believe", "could", "estimate", "upcoming", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases may be used to identify forward-looking statements in this press release. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Factors that could cause the company's actual outcomes to differ materially from those expressed in or underlying these forward-looking statements include the risk that the transaction may not be completed in a timely manner or at all; the risk of failure to satisfy the conditions to the consummation of the transactions or the occurrence of any event, change or other circumstance that could give rise to the termination of the purchase and sale agreement; the effect of the announcement or pendency of the transaction on the company's business relationships, operating results and business generally; risks and uncertainties associated with the ongoing economic and social consequences of the COVID-19 pandemic, including any adverse impact on the customer ordering patterns or inventory rebalancing or disruption in raw materials or supply chain; the company's ability to regain, and maintain, compliance with the Nasdaq continued listing standards; demand for the company's services, which depends in part on customers' research and development and the clinical plans and market

success of their products; customers' changing inventory requirements and manufacturing plans; customers and prospective customers decisions to move forward with the company's manufacturing services; the average profitability, or mix, of the products the company manufactures; the company's ability to enhance existing or introduce new services in a timely manner; fluctuations in the costs, availability, and suitability of the components of the products the company manufactures, including active pharmaceutical ingredients, excipients, purchased components and raw materials, or the company's customers facing increasing or new competition; the company's ability to collect on customers' receivable balances; and risks that the results of the combination of IriSys LLC's business with the company's business may not be as anticipated. These forward-looking statements should be considered together with the risks and uncertainties that may affect our business and future results presented herein along with those risks and uncertainties discussed in our filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). These forward-looking statements are based on information currently available to us, and we assume no obligation to update any forward-looking statements except as required by applicable law.

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Source: Societal CDMO, Inc.