

TALKING POINTS

As previously announced, Clemens Food Group (CFG) has made the business decision to move the **Smoked Meats** and **Branded Franks** production areas out of the Lancaster facility. We now have a better understanding of the timing and the phases for each of these moves.

SMOKED MEATS

In an effort to streamline operations, CFG is moving Lancaster smoked meats production to our state-of-the-art Smoked Meats facility in Hatfield, PA.

- These moves will be done in phases, with the first phase beginning in mid-August
- The move is anticipated to be completed by end of September

BRANDED FRANKS

We are moving the Hatfield and Kunzler branded franks production to a co-packer.

- These moves will be done in multiple phases with the first phase beginning early September
- The move is anticipated to be completed by mid-November 2024

To reiterate our June announcement, after these operation moves there will remain a significant amount of frank production at the Lancaster facility.

STATUS OF CURRENT SALE

As we continue to evaluate our facilities, we are also working diligently to find a buyer for the plant that will continue operations and maintain jobs in Lancaster. This, along with working with customers to meet their needs and exceed their expectations, are our top priorities.

As of August 1, 2024, CFG has had significant interest with a dozen prospective buyers, seven of which went on facility tours. Prospective buyers are continuing to evaluate all aspects of the business transaction and the CFG team is educating and providing assistance to answer their questions.

The process to sell a facility can often take several months from when a prospective buyer reaches out with initial interest. A prospective buyer will typically research and diligence the facility and perform an in-depth financial analysis before it considers entering into a letter of intent. After a letter of intent is executed, further diligence is often conducted by the prospective buyer and an agreement of sale is negotiated between the parties.

During this time of continued transition, we are committed to communicating any new updates as soon as they are available.

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