
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 13, 2023

LOCAL BOUNTI CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40125
(Commission
File Number)

98-1584830
(IRS Employer
Identification No.)

**400 W. Main St.
Hamilton, MT 59840**
(Address of Principal Executive Offices, including Zip Code)

Registrant's telephone number, including area code: (800) 640-4016

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value of \$0.0001 per share	LOCL	New York Stock Exchange
Warrants, each exercisable for one share of Common Stock for \$11.50 per share	LOCL WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.***Fifth Amendment to Credit Agreements***

As previously disclosed, in September 2021, Local Bounti Corporation (the “Company”), along with certain subsidiaries of the Company, and Cargill Financial Services International, Inc. (“Cargill Financial”) entered into (a) a credit agreement (the “Original Senior Credit Agreement”) and (b) a subordinated credit agreement (the “Original Subordinated Credit Agreement” and, together with the Original Senior Credit Agreement, the “Original Credit Agreements”). Also as previously disclosed, in March 2022, August 2022, December 2022, and January 2023, the Company, along with certain subsidiaries of the Company and Cargill Financial, entered into that certain First Amendment to Credit Agreements and Subordination Agreement, that Second Amendment to Credit Agreements, that Third Amendment to Credit Agreements and that Fourth Amendment to Credit Agreements, respectively, to amend the Original Credit Agreements (as amended, the “Credit Agreements”).

On March 13, 2023, the Company, along with certain subsidiaries of the Company, entered into a Fifth Amendment to Credit Agreements (the “Fifth Amendment”) with Cargill Financial to further amend the Credit Agreements. The Fifth Amendment (i) reduces the amount of cash required to be held in the debt service reserve account for the Credit Agreements by approximately \$11.0 million until April 2, 2024, at which time the amount of cash required to be held in the debt service reserve account will be an amount equal to the sum of interest and principal payments that would be required under the Credit Agreements for two calendar quarters, (ii) allows for the payment in kind of the quarterly interest payment due and payable for the quarter ending March 31, 2023, (iii) allows for the payment in kind of the unused commitment fee payable for the quarter ending March 31, 2023; and (iv) reduces the minimum liquidity covenant in each of the Credit Agreements from \$11.0 million to \$1.0 million. The aggregate amount of outstanding loans and undrawn commitments under the Credit Agreements remains at \$170.0 million (plus interest paid in kind).

All capitalized terms above that are not defined elsewhere have the meanings ascribed to them in the Fifth Amendment or the Credit Agreements, as applicable. The foregoing description of the Fifth Amendment and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the full text of the Fifth Amendment, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition.

On March 17, 2023, the Company issued a press release reporting topline financial results of the Company for the year ended December 31, 2022. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 2.02 of Form 8-K, including Exhibit 99.1, is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
10.1†	Fifth Amendment to Credit Agreements, dated as of March 13, 2023, by and among Local Bounti Operating Company LLC, Local Bounti Corporation, the guarantors party thereto and Cargill Financial Services International, Inc.
99.1	Press Release dated March 17, 2023
104	Cover Page Interactive Data File (formatted as Inline XBRL)

† Certain exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company hereby agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 17, 2023

Local Bounti Corporation

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: Chief Financial Officer

FIFTH AMENDMENT TO CREDIT AGREEMENTS

This Fifth Amendment to Credit Agreements (this "Amendment") is entered into as of March 13, 2023 by and among Local Bounti Operating Company LLC, a Delaware limited liability company and successor by merger to Local Bounti Corporation, a Delaware corporation (the "Company"), Local Bounti Corporation, a Delaware corporation formerly known as Leo Holdings III Corp ("Holdings"), and the other Guarantors signatory hereto, the Subsidiary Borrowers signatory hereto, Cargill Financial Services International, Inc., a Delaware corporation ("CFSI"), in its capacity as the Senior Lender (as defined below), and CFSI, in its capacity as the Subordinated Lender (as defined below).

The Company and CFSI are parties to (i) a Credit Agreement dated as of September 3, 2021 (as amended by a First Amendment to Credit Agreements and Subordination Agreement dated as of March 14, 2022 (the "First Amendment"), a Second Amendment to Credit Agreements dated as of August 11, 2022 (and effective as of June 30, 2022) (the "Second Amendment"), a Third Amendment to Credit Agreements dated as of December 30, 2022 (the "Third Amendment") and a Fourth Amendment to Credit Agreements dated as of January 6, 2023 (the "Fourth Amendment"), and as further amended, restated, supplemented or otherwise modified from time to time, the "Senior Credit Agreement"), among the Company, certain Subsidiaries of the Company from time to time party thereto, as borrowers (the "Subsidiary Borrowers" and, together with the Company, the "Borrowers"), and CFSI, as lender (in such capacity, the "Senior Lender"), and (ii) a Subordinated Credit Agreement dated as of September 3, 2021 (as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment, and as further amended, restated, supplemented or otherwise modified from time to time, the "Subordinated Credit Agreement" and, together with the Senior Credit Agreement, the "Credit Agreements"), among the Company, the Subsidiary Borrowers from time to time party thereto, and CFSI, as lender (in such capacity, the "Subordinated Lender").

The Borrowers have requested that the Senior Lender and the Subordinated Lender make certain amendments to the Credit Agreements, and the Senior Lender and the Subordinated Lender is each willing to grant such request on the terms and subject to the conditions set forth herein.

ACCORDINGLY, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Definitions.** As used herein, capitalized terms defined in the Credit Agreements and not otherwise defined herein shall have the meanings given them in the Credit Agreements.

2. **Amendments to Senior Credit Agreement.** The Senior Credit Agreement is hereby amended as follows:

(a) Section 1.1 of the Senior Credit Agreement is amended by adding or amending and restating, as the case may be, the following definitions:

"Fifth Amendment Effective Date" means March 13, 2023.

"Minimum P&I Amount" means, as of any date of determination occurring during the periods described in the table below, the amount set forth opposite each such applicable period:

<u>Period</u>	<u>Minimum P&I Amount</u>
The period commencing on the Third Amendment Effective Date and ending on the day immediately preceding the Fifth Amendment Effective Date	\$11,271,693.32
The period commencing on the Fifth Amendment Effective Date and continuing through April 1, 2024	\$0
The period commencing on April 2, 2024 and at all times thereafter	An amount equal to the sum of interest and principal payments that would be required pursuant to Section 2.3 for two (2) calendar quarters, calculated based on the outstanding principal balance of the Term Loans as of the Term Loan Commitment Termination Date

“Specified 2022 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified 2023 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified PIK Amount” means the sum of the Specified PIK Interest and the Specified PIK Fee.

“Specified PIK Fee” has the meaning specified in Section 2.6(a).

“Specified PIK Interest” has the meaning specified in Section 2.3(a).

“Term Loan Amount” means, initially, up to \$150,000,000; provided that, from and after the First Amendment Funding Date, “Term Loan Amount” shall mean up to \$127,500,000 plus the Specified PIK Amount.

(b) Section 1.1 of the Senior Credit Agreement is further amended by deleting the defined term “Minimum Liquidity Step-up Date” appearing therein.

(c) Section 2.3(a) of the Senior Credit Agreement is amended and restated in its entirety to read as follows:

(a) The Borrowers shall pay accrued interest on the Term Loans in cash on the first Business Day of each calendar quarter (in arrears through the last day of the immediately preceding quarter) and on the Maturity Date. Notwithstanding the foregoing, unless a Default or Event of Default has occurred and is continuing, (I) the quarterly interest payment of the Borrowers due and payable on January 2, 2023 (for interest accruing for the quarter ending December 31, 2022) may be paid in kind (such interest, the “Specified 2022 PIK Interest”), and (II) the quarterly interest payment of the Borrowers due and payable on April 3, 2023 (for interest accruing for the quarter ending March 31, 2023) may be paid in kind (such interest, the “Specified 2023 PIK Interest” and, together with the Specified 2022 PIK Interest, the “Specified PIK Interest”). The Specified PIK Interest shall be deemed paid and discharged, without the taking of any further action by the Borrowers, by automatically adding such Specified PIK Interest to the principal balance of the Term Loans. After such Specified PIK Interest is added to the principal balance, such Specified PIK Interest shall be treated as principal for all purposes hereunder and shall itself bear interest.

(d) Section 2.6(a) of the Senior Credit Agreement is amended and restated in its entirety to read as follows:

(a) Unused Commitment Fee. Accruing from the Closing Date until the Term Loan Commitment Termination Date, the Borrowers agree to pay to the Lender a nonrefundable unused commitment fee (the "Unused Commitment Fee") equal to the Unused Commitment Fee Rate (computed on the basis of a year of 360 days and actual days elapsed) multiplied by the average daily difference between (i) the Term Loan Amount and (ii) the aggregate principal amount of Term Loans actually funded under the Term Loan Facility. All Unused Commitment Fees shall be payable quarterly in cash on the first Business Day of each calendar quarter (in arrears through the last day of the immediately preceding quarter) and on the Term Loan Commitment Termination Date. Notwithstanding the foregoing, unless a Default or Event of Default has occurred and is continuing, the Unused Commitment Fee of the Borrowers due and payable on April 3, 2023 (for the fee accruing for the quarter ending March 31, 2023) may be paid in kind (such fee, the "Specified PIK Fee"). The Specified PIK Fee shall be deemed paid and discharged, without the taking of any further action by the Borrowers, by automatically adding such Specified PIK Fee to the principal balance of the Term Loans. After such Specified PIK Fee is added to the principal balance, such Specified PIK Fee shall be treated as principal for all purposes hereunder and shall itself bear interest.

(e) Section 5.2(a)(ii) of the Senior Credit Agreement is amended and restated in its entirety to read as follows:

(ii) not later than 20 days after the end of each calendar month (commencing with the calendar month ending January 31, 2023), a duly completed Capital Expenditures Compliance Certificate signed by a Responsible Officer of the Company setting forth reasonably detailed calculations demonstrating compliance with the covenant set forth in Section 6.8(f) as of the last day of such month;

(f) Section 6.8(d) of the Senior Credit Agreement is amended and restated in its entirety to read as follows:

(d) Minimum Liquidity. Commencing as of the Fifth Amendment Effective Date and at all times thereafter, the Borrowers will not permit Liquidity to be less than \$1,000,000.

(g) Exhibit C to the Senior Credit Agreement is amended and restated in its entirety in the form of Exhibit C attached hereto.

3. Amendments to Subordinated Credit Agreement. The Subordinated Credit Agreement is hereby amended as follows:

(a) Section 1.1 of the Subordinated Credit Agreement is amended by adding or amending and restating, as the case may be, the following definitions:

"Fifth Amendment Effective Date" means March 13, 2023.

"Specified 2022 PIK Interest" has the meaning specified in Section 2.3(a).

“Specified 2023 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified PIK Amount” means the sum of the Specified PIK Interest and the Specified PIK Fee.

“Specified PIK Fee” has the meaning specified in Section 2.6(a).

“Specified PIK Interest” has the meaning specified in Section 2.3(a).

“Term Loan Amount” means, initially, up to \$50,000,000; provided that, from and after the First Amendment Funding Date, “Term Loan Amount” shall mean up to \$42,500,000 plus the Specified PIK Amount.

(b) Section 1.1 of the Subordinated Credit Agreement is further amended by deleting the defined term “Minimum LiquidityStep-up Date” appearing therein.

(c) Section 2.3(a) of the Subordinated Credit Agreement is amended and restated in its entirety to read as follows:

(a) The Borrowers shall pay accrued interest on the Term Loans in cash on the first Business Day of each calendar quarter (in arrears through the last day of the immediately preceding quarter) and on the Maturity Date. Notwithstanding the foregoing, unless a Default or Event of Default has occurred and is continuing, (I) the quarterly interest payment of the Borrowers due and payable on January 2, 2023 (for interest accruing for the quarter ending December 31, 2022) may be paid in kind (such interest, the “Specified 2022 PIK Interest”), and (II) the quarterly interest payment of the Borrowers due and payable on April 3, 2023 (for interest accruing for the quarter ending March 31, 2023) may be paid in kind (such interest, the “Specified 2023 PIK Interest” and, together with the Specified 2022 PIK Interest, the “Specified PIK Interest”). The Specified PIK Interest shall be deemed paid and discharged, without the taking of any further action by the Borrowers, by automatically adding such Specified PIK Interest to the principal balance of the Term Loans. After such Specified PIK Interest is added to the principal balance, such Specified PIK Interest shall be treated as principal for all purposes hereunder and shall itself bear interest.

(d) Section 2.6(a) of the Subordinated Credit Agreement is amended and restated in its entirety to read as follows:

(a) Unused Commitment Fee. Accruing from the Closing Date until the Term Loan Commitment Termination Date, the Borrowers agree to pay to the Lender a nonrefundable unused commitment fee (the “Unused Commitment Fee”) equal to the Unused Commitment Fee Rate (computed on the basis of a year of 360 days and actual days elapsed) multiplied by the average daily difference between (i) the Term Loan Amount and (ii) the aggregate principal amount of Term Loans actually funded under the Term Loan Facility. All Unused Commitment Fees shall be payable quarterly in cash on the first Business Day of each calendar quarter (in arrears through the last day of the immediately preceding quarter) and on the Term Loan Commitment Termination Date. Notwithstanding the foregoing, unless a Default or Event of Default has occurred and is continuing, the Unused Commitment Fee of the Borrowers due and payable on April 3, 2023 (for the fee accruing for the quarter ending March 31, 2023) may be paid in kind (such fee, the “Specified PIK Fee”). The Specified PIK Fee shall be deemed paid and discharged, without the taking of any further action by the Borrowers, by automatically adding such Specified PIK Fee to the principal balance of the Term Loans. After such Specified PIK Fee is added to the principal balance, such Specified PIK Fee shall be treated as principal for all purposes hereunder and shall itself bear interest.

(e) Section 5.2(a)(ii) of the Subordinated Credit Agreement is amended and restated in its entirety to read as follows:

(ii) not later than 20 days after the end of each calendar month (commencing with the calendar month ending January 31, 2023), a duly completed Capital Expenditures Compliance Certificate signed by a Responsible Officer of the Company setting forth reasonably detailed calculations demonstrating compliance with the covenant set forth in Section 6.8(f) as of the last day of such month;

(f) Section 6.8(d) of the Subordinated Credit Agreement is amended and restated in its entirety to read as follows:

(d) *Minimum Liquidity*. Commencing as of the Fifth Amendment Effective Date and at all times thereafter, the Borrowers will not permit Liquidity to be less than \$1,000,000.

(g) Exhibit C to the Subordinated Credit Agreement is amended and restated in its entirety in the form of Exhibit C attached hereto.

4. **References.** All references in each Credit Agreement to “this Agreement” shall be deemed to refer to such Credit Agreement as amended hereby and any and all references in any other Loan Documents to the Credit Agreements shall be deemed to refer to the Credit Agreements as amended hereby.

5. **No Other Changes.** Except as expressly set forth herein, all terms of each Credit Agreement and each of the other Loan Documents remain in full force and effect.

6. **Representations and Warranties.** Each Loan Party represents and warrants to the Senior Lender and the Subordinated Lender as follows:

(a) Such Loan Party is a corporation or limited liability company, as applicable, duly formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization. Each Loan Party (i) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (A) own or lease its assets and carry on its business and (B) execute and deliver this Amendment and perform its obligations under this Amendment, the Credit Agreements as amended hereby and each agreement, instrument or document entered into pursuant to any of the foregoing (collectively, the “Amendment Documents”), and (ii) is duly qualified and is licensed and, if applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in the case of clause (ii), in jurisdictions where the failure to be so qualified or in good standing, individually or in the aggregate, has not had and could not reasonably be expected to result in a Material Adverse Effect.

(b) The execution and delivery by such Loan Party of this Amendment, and the performance by such Loan Party of the Amendment Documents, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its Organizational Documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under, (A) any Contractual Obligation (including, without limitation, any Material Agreement or any Contractual Obligation relating to borrowed money) to which such Loan Party is a party or affecting any such Loan Party or the properties of such Loan Party or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Loan Party or its property is subject, or (iii) violate any Law other than any violation, in the case of this clause (iii), that could not reasonably be expected to result in a Material Adverse Effect.

(c) This Amendment has been duly executed and delivered by such Loan Party. Each Amendment Document constitutes a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against such Loan Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(d) All of the representations and warranties contained in the Loan Documents, including without limitation in Article III of each Credit Agreement, are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date hereof.

(e) No Default or Event of Default has occurred and is continuing, or would result from, (i) the execution and delivery of this Amendment or (ii) the consummation of the transactions contemplated under this Amendment or the Credit Agreements as amended hereby.

7. **Effectiveness.** This Amendment shall be effective as of the date hereof only if the Senior Lender and the Subordinated Lender has each received, on or before the date of this Amendment, a copy of this Amendment, in form and substance acceptable to the Senior Lender and the Subordinated Lender in their sole discretion and duly executed by the Loan Parties, the Senior Lender and the Subordinated Lender.

8. **No Waiver or Extension.** Neither the execution of this Amendment or of any other agreement, instrument or document contemplated hereunder, nor any oral communication between the Senior Lender, the Subordinated Lender and any Loan Party, nor the making of any financial accommodation, nor any acceptance of any payment of the Obligations, shall be deemed to be a waiver of any Default or Event of Default or any other breach, default or event of default under any Loan Document or other document held by the Senior Lender or the Subordinated Lender, whether or not known to the Senior Lender or the Subordinated Lender and whether or not existing on the date hereof.

9. **Release of Lenders.** By its signature below, each Loan Party, for itself and on behalf of its respective present and former shareholders, members, directors and officers thereof and such Loan Party's successors (including, without limitation, any trustees or receivers acting on behalf of such Loan Party and any debtor-in-possession with respect to such Loan Party), assigns, subsidiaries and Affiliates (collectively, the "Releasors"), hereby absolutely and unconditionally releases and forever discharges each of the Senior Lender and the Subordinated Lender, and any and all of the Senior Lender's and the Subordinated Lender's respective participants, parent companies, subsidiaries, Affiliates, insurers, indemnitors, successors and assigns, together with all of the present and former directors, officers, agents and employees of any of the foregoing (collectively, the "Released Parties"), from any and all claims, demands or causes of action of any kind, nature or description, whether arising in Law or equity or upon contract or tort or under any state or federal Law or otherwise, which any Releasor has had, now has or has made claim to have against any Released Party for or by reason of any act, omission, matter, cause or thing whatsoever occurring or arising prior to the date of this Amendment, whether such claims, demands and causes of action are matured or unmatured, known or unknown, liquidated or unliquidated, matured or unmatured, or fixed or contingent.

10. Acknowledgment and Agreement of Guarantors. By its signature below, each Guarantor (i) consents to the terms and execution of this Amendment; (ii) acknowledges that (x) all indebtedness arising under the Senior Credit Agreement, as amended hereby, constitutes indebtedness guaranteed under each Guaranty (as defined in the Senior Credit Agreement) and secured by the Security Agreement (as defined in the Senior Credit Agreement), and (y) all indebtedness arising under the Subordinated Credit Agreement, as amended hereby, constitutes indebtedness guaranteed under each Guaranty (as defined in the Subordinated Credit Agreement) and secured by the Security Agreement (as defined in the Subordinated Credit Agreement); (iii) reaffirms (x) all of its obligations to the Senior Lender pursuant to the terms of its Guaranty (as defined in the Senior Credit Agreement), the Security Agreement (as defined in the Senior Credit Agreement) and the other Loan Documents (as defined in the Senior Credit Agreement) to which it is a party, and (y) all of its obligations to the Subordinated Lender pursuant to the terms of its Guaranty (as defined in the Subordinated Credit Agreement), the Security Agreement (as defined in the Subordinated Credit Agreement) and the other Loan Documents (as defined in the Subordinated Credit Agreement) to which it is a party; and (iv) acknowledges that (x) the Senior Lender may amend, restate, extend, renew or otherwise modify the Senior Credit Agreement and any indebtedness or agreement of the Borrowers thereunder, or enter into any agreement or extend additional or other credit accommodations in connection therewith, without notifying or obtaining the consent of such Guarantor and without impairing the liability of such Guarantor under any Guaranty (as defined in the Senior Credit Agreement), the Security Agreement (as defined in the Senior Credit Agreement) or any other Loan Document (as defined in the Senior Credit Agreement) to which it is a party, and (y) the Subordinated Lender may amend, restate, extend, renew or otherwise modify the Subordinated Credit Agreement and any indebtedness or agreement of the Borrowers thereunder, or enter into any agreement or extend additional or other credit accommodations in connection therewith, without notifying or obtaining the consent of such Guarantor and without impairing the liability of such Guarantor under any Guaranty (as defined in the Subordinated Credit Agreement), the Security Agreement (as defined in the Subordinated Credit Agreement) or any other Loan Document (as defined in the Subordinated Credit Agreement) to which it is a party.

11. Costs and Expenses. Each Borrower hereby reaffirms its obligation under Section 8.3(a) of each Credit Agreement to pay or reimburse the Senior Lender or the Subordinated Lender, as applicable, for all reasonable and documented out-of-pocket expenses incurred by the Senior Lender or the Subordinated Lender, as applicable, and their respective Affiliates (including the reasonable and documented fees, charges and disbursements of outside counsel for the Senior Lender and the Subordinated Lender) to the extent required pursuant to Section 8.3(a) of each Credit Agreement, in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and the other documents, agreements and certificates contemplated hereunder.

12. Miscellaneous. This Amendment shall be governed by, and construed in accordance with, the internal law of the State of New York (without giving effect to the conflict of laws principles thereof other than Sections 5-1401 and 5-1402 of the New York General Obligations Law, which shall apply to this Amendment and all documentation hereunder). This Amendment, together with the Credit Agreements as amended hereby and the other Loan Documents, comprises the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to such subject matter, superseding all prior oral or written understandings. Any provision of this Amendment which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or by e-mail transmission of a PDF or similar copy shall be equally as effective as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart signature page by facsimile or by e-mail transmission shall also deliver an original executed counterpart, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability or binding effect of this Amendment.

Signature pages follow.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year first above written.

LOCAL BOUNTI OPERATING COMPANY LLC, as
Borrower

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

BOUNTI BITTERROOT LLC, as Borrower

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

**CONTROLLED ENVIRONMENT PROPERTY
COMPANY, LLC**, as Borrower

By: LOCAL BOUNTI OPERATING COMPANY
LLC, its sole member

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

GROW BOUNTI NORTHWEST, LLC, as Borrower

By: CONTROLLED ENVIRONMENT
PROPERTY COMPANY, LLC, its sole
member

By: LOCAL BOUNTI OPERATING
COMPANY LLC, its sole member

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

Signature Page to Fifth Amendment to Credit Agreements

531 FOLEY LANE HAMILTON, LLC, as Borrower

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

LOCAL BOUNTI CORPORATION, as Holdings

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: Chief Financial Officer

Signature Page to Fifth Amendment to Credit Agreements

2139 E. 8TH STREET GREELEY, LLC, as Guarantor

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

HOLLANDIA PRODUCE GROUP, INC., as Guarantor

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

HOLLANDIA PRODUCE GA, LLC, as Guarantor

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

ADVANCED SUSTAIN ABILITY, LLC, as Guarantor

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

HOLLANDIA REAL ESTATE, LLC, as Guarantor

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

GREEN GROWTH CONSULTING, LLC, as Guarantor

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

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HOLLANDIA FLOWERS, LLC, as Guarantor

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

HOLLANDIA PRODUCE, LLC, as Guarantor

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

Signature Page to Fifth Amendment to Credit Agreements

**CARGILL FINANCIAL SERVICES
INTERNATIONAL, INC., as Senior Lender**

By: /s/ Erik Haugen
Name: Erik Haugen
Title: TM Settlement Manager

**CARGILL FINANCIAL SERVICES
INTERNATIONAL, INC., as Subordinated Lender**

By: /s/ Erik Haugen
Name: Erik Haugen
Title: TM Settlement Manager

Signature Page to Fifth Amendment to Credit Agreements



Local Bounti Amends Credit Agreement to Provide Additional Flexibility and Provides Select Preliminary and Unaudited Fiscal 2022 Performance

Announces preliminary and unaudited fiscal 2022 sales of \$19.5 million, adjusted gross margin of 38%, net loss of \$111.1 million, and adjusted EBITDA loss* of \$29.8 million*

Company to hold fiscal 2022 earnings conference call on March 29, 2023 at 8 am ET

HAMILTON, Mont., March 17, 2023 – Local Bounti Corporation (NYSE: LOCL, LOCL WS) (“Local Bounti” or the “Company”), a breakthrough U.S. indoor agriculture company combining the best aspects of vertical and greenhouse growing technologies, today announced that it amended its existing credit facility with Cargill Financial Services, Inc. (“Cargill”). Additionally, the Company announced select preliminary financial results for the year ended December 31, 2022. The Company expects to file its 2022 Annual Report on Form 10-K on or about March 29, 2023.

Kathleen Valiasek, CFO of Local Bounti, commented, “The amendment we announced today provides us added flexibility to meet our near-term capital needs associated with the buildout of our facilities. This represents the first of several thoughtful steps we expect to take to ensure that we have access to capital to support our growth strategies and keep our current development on track while we scale up our enterprise, including through potential sale-leaseback transactions or similar strategies. We look forward to sharing additional perspectives on our full fiscal 2022 performance and our 2023 outlook during our upcoming call.”

Amended Credit Agreement

On March 13, 2023, the Company, along with certain subsidiaries of the Company, entered into a Fifth Amendment to Credit Agreements (the “Fifth Amendment”) with Cargill to further amend the Company’s existing credit facility agreements (the “Credit Agreements”). The Fifth Amendment (i) reduces the amount of cash required to be held in the debt service reserve account for the Credit Agreements by approximately \$11.0 million until April 2, 2024, at which time the amount of cash required to be held in the debt service reserve account will be an amount equal to the sum of interest and principal payments that would be required under the Credit Agreements for two calendar quarters, (ii) allows for the payment in kind of the quarterly interest payment due and payable for the quarter ending March 31, 2023, (iii) allows for the payment in kind of the unused commitment fee payable for the quarter ending March 31, 2023; and (iv) reduces the minimum liquidity covenant in each of the Credit Agreements from \$11.0 million to \$1.0 million. The aggregate amount of outstanding loans and undrawn commitments under the Credit Agreements remains at \$170.0 million (plus interest paid in kind).

Select Preliminary Full Year Fiscal 2022 Results

For the full year ended December 31, 2022, the Company generated sales of \$19.5 million, adjusted gross margin of 38%, net loss of \$111.1 million, and adjusted EBITDA loss of \$29.8 million.

*See reconciliation of the non-GAAP measures at the end of this press release.



About Local Bounti

Local Bounti is redefining indoor farming with an innovative method – its proprietary 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 10,000 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 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 the Company's ability to access additional capital, entering into potential sale-leaseback transactions and the timing of filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2022. 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 Pete's into its existing operations; the ability of Local Bounti to retain and hire key personnel; the uncertainty of projected financial information; Local Bounti's increased leverage as a result of additional indebtedness incurred in connection with the recent 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; and unknown liabilities that may be assumed in the transaction; 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; 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, 2021, filed with the SEC on March 30, 2022, as supplemented by subsequent Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K, and 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.

Non-GAAP Financial Information

This press release contains references to adjusted EBITDA, adjusted gross profit and adjusted gross margin percentage, which are adjusted from results based on generally accepted accounting principles in the United States (“GAAP”) and exclude certain expenses, gains and losses. The Company defines and calculates adjusted EBITDA as net loss attributable to Local Bounti before the impact of interest expense, depreciation, amortization, and adjusted to exclude stock-based compensation expense, business combination fair value basis adjustment to inventory, business acquisition and strategic transaction due diligence and integration related costs, restructuring and business realignment costs, gain/loss from disposal of fixed assets and certain other non-core items. The Company defines and calculates adjusted gross profit as gross profit excluding depreciation, stock-based compensation, utilities commodity price spike and inclement weather related costs, business combination related integration costs, and business combination fair value basis adjustment to inventory. The Company defines and calculates adjusted gross margin percentage as adjusted gross profit as a percent of sales.

These non-GAAP financial measures are provided to enhance the user’s understanding of the Company’s prospects for the future and the historical performance for the context of the investor. The Company’s management team uses these non-GAAP financial measures in assessing performance, as well as in planning and forecasting future periods. These non-GAAP financial measures are not computed according to GAAP and the methods the Company uses to compute them may differ from the methods used by other companies. Non-GAAP financial measures are supplemental, should not be considered a substitute for, or superior to, financial information presented in accordance with GAAP and should be read only in conjunction with the Company’s consolidated financial statements prepared in accordance with GAAP.

Refer to the attached financial supplement for a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP measures for the twelve months ended December 31, 2022.

Contact:

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LOCAL BOUNTI CORPORATION
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION
(in thousands)

RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA
(Preliminary and Unaudited)

	Year Ended December 31, 2022
Net loss	\$ (111,071)
Stock-based compensation expense	39,166
Interest expense, net	16,734
Depreciation and amortization	10,427
Utilities commodity price spike and inclement weather related costs	369
Business combination with Leo Holdings III Corp transaction costs	—
Business combination fair value basis adjustment to inventory	1,042
Business acquisition and strategic transaction due diligence and integration related costs	10,135
Restructuring and business realignment costs	1,052
Convertible notes fair value adjustment	—
Gain/loss from disposal of fixed assets	2,568
Other income and expense	(189)
Adjusted EBITDA	<u>\$ (29,767)</u>

RECONCILIATION OF GROSS PROFIT TO ADJUSTED GROSS PROFIT AND ADJUSTED GROSS MARGIN PERCENTAGE
(Preliminary and Unaudited)

	Year Ended December, 31 2022
Sales	\$ 19,474
Cost of goods sold	17,259
Gross profit	2,215
Depreciation	2,957
Stock-based compensation	104
Utilities commodity price spike and inclement weather related costs	369
Business combination related integration costs	736
Business combination fair value basis adjustment to inventory	1,042
Adjusted gross profit	<u>\$ 7,423</u>
Adjusted gross margin %	38%