

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

FOOD52, INC.,¹

Debtor.

Chapter 11

Case No. 25-12277 (LSS)

Ref. Docket Nos. 15 & 80

**DECLARATION OF ERIKA BADAN IN SUPPORT OF
ENTRY OF SALE ORDERS AUTHORIZING (I) THE SALE OF
THE DEBTOR’S ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS,
ENCUMBRANCES, AND OTHER INTERESTS; (II) THE DEBTOR TO ENTER INTO
AND PERFORM ITS OBLIGATIONS UNDER THE ASSET PURCHASE
AGREEMENTS AND RELATED DOCUMENTS; (III) THE DEBTOR TO ASSUME
AND ASSIGN CERTAIN CONTRACTS; (IV) WAIVER OF THE STAY PERIODS
UNDER BANKRUPTCY RULES 6004(h) AND 6006(d);
AND (V) GRANTING RELATED RELIEF**

Pursuant to 28 U.S.C. § 1746, I, Erika Badan, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am the Chief Executive Officer (“CEO”) of Food52, Inc. (the “**Debtor**” or the “**Company**”), having served in that position since my appointment in April 2024. As CEO, I am familiar with the day-to-day operations, businesses, financial affairs, and books and records of the Company.

2. I am familiar with the *Debtor’s Motion for Entry of (I) an Order (A) Approving Bidding Procedures in Connection with the Sale of the Debtor’s Assets, (B) Approving Form and Manner of Notice, (C) Approving Designation of Stalking Horse Bidder and Stalking Horse Bid, (D) Scheduling Auction and Sale Hearing, (E) Authorizing Procedures Governing Assumption*

¹ The Debtor in this chapter 11 case is Food52, Inc. and the last four digits of the Debtor’s federal tax identification number are 2738. For the purpose of this chapter 11 case, the Debtor’s service address is 1 Dock 72 Way, 13th Floor, Brooklyn, New York 11205.



and Assignment of Certain Contracts and Unexpired Leases, and (F) Granting Related Relief; and (II) an Order (A) Approving Purchase Agreement(s), and (B) Authorizing a Sale Free and Clear of All Liens, Claims, Encumbrances, and Other Interests [Docket No. 15] (the “**Sale Motion**”).² I submit this declaration (this “**Declaration**”) in support of entry of (i) an order approving the sale of the Food52 assets to F52, LLC; (ii) an order approving the sale of the Schoolhouse assets to Troy-CSL Lighting, Inc.; and (iii) an order approving the sale of the Dansk assets to Form Portfolios LLC (collectively, the “**Sale Orders**”).

3. The facts set forth in this Declaration are based on my personal knowledge, my discussions with other members of the Debtor’s management, employees, and advisors, my review of relevant documents, or my opinion based on my experience, knowledge, and information concerning the Debtor’s operations, financial condition, and business affairs. If called to testify, I would testify competently to the facts set forth in this Declaration and I am authorized to submit this Declaration on behalf of the Debtor.

The Debtor’s Marketing and Sale Process

4. As more fully described in the *Declaration of Erika Badan in Support of Chapter 11 Petition and First Day Motions* [Docket No. 2], in September 2025, the Debtor retained Core Advisors LLC (“**Core Advisors**”) as its investment banker to solicit interest from potential strategic purchasers, and Buchbinder & Co. LLC (“**Buchbinder**”) was engaged as an additional investment banker to solicit interest from special situations investors. The investment bankers prepared detailed marketing materials and assembled due diligence materials for a confidential electronic data room and a confidential information memorandum with the assistance of the Debtor and its other professional advisors. Core Advisors solicited interest from 135 prospective

² All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Sale Motion.

strategic and financial buyers, and Buchbinder contacted approximately 76 credit funds, special situations groups, and private equity funds, resulting in total outreach to 211 parties. Core Advisors circulated a detailed “teaser” and description of the opportunity to acquire the Debtor’s assets to prospective purchasers. Ultimately, prior to the Petition Date, 35 parties signed non-disclosure agreements with the Debtor and were provided access to the data room, including 27 parties from Core Advisors’ outreach and 8 parties from Buchbinder’s outreach. Those parties were notified of the December 10, 2025 deadline to submit indications of interest (“IOIs”).

5. On December 11, 2025, six parties submitted IOIs, with a seventh submitted on December 15, 2025. However, before the Debtor was able to move forward with those prospective buyers, on December 15, 2025, the Debtor’s pre-petition secured lender, Avidbank, swept the Debtor’s cash from its bank accounts, forcing the Debtor to terminate approximately sixty percent of its employees on December 17, 2025, and an additional 20% on December 26, 2025, and requiring the Debtor to identify an emergency solution short of a complete shutdown.

6. The Debtor and its advisors immediately pivoted, working around the clock to identify any solution that could preserve the Company—or any segment thereof—as a going concern and potentially save jobs and vendor relationships. Core Advisors immediately reached out to five of the parties who submitted IOIs and informed them that any actionable bid would need to include financing to fund the Debtor’s operations through the closing of a sale transaction on an expedited timeline. The Debtor also contacted various third-party liquidators regarding the immediate liquidation of inventory as well as the potential sale of certain receivables in exchange for up-front cash. Ultimately, only one party—F52, LLC—submitted an actionable bid for the Debtor’s assets.

7. The Debtor commenced this chapter 11 case on December 29, 2025 (the “**Petition Date**”), with a signed asset purchase agreement and committed DIP financing in the amount of \$3.42 million from F52, LLC, who was subsequently approved by the Court as the Stalking Horse Bidder on January 12, 2026 [Docket No. 80] (such order, the “**Bidding Procedures Order**”). The consideration under the Stalking Horse APA provided for a total purchase price of \$6.5 million, a portion of which would be satisfied through a credit bid of the DIP obligations, and certain assumed liabilities. The Bidding Procedures Order approved certain bid protections for the Stalking Horse Bidder, including a Break-Up Fee of \$200,000 and an Expense Reimbursement of up to \$200,000, and scheduled various dates, including a Bid Deadline of February 3, 2026 at 4:00 p.m. (ET), an Auction, if applicable, on February 5, 2026 at 10:00 a.m. (ET), and a hearing for the Court to consider approval of one or more sales on February 10, 2026 at 2:00 p.m. (ET).

8. Following the Petition Date,³ the Debtor, with the assistance of its advisors, continued to market its Assets. As set forth more fully in the declaration of Samuel McCartney of Core Advisors, filed contemporaneously herewith, the Debtor engaged with 48 parties post-petition, including 20 potential bidders from the pre-petition process and 28 new potential bidders. The Debtor provided data room access to 33 potential bidders, processed diligence requests from 18 potential bidders, facilitated 16 management meetings, and coordinated meetings between potential bidders and the Debtor’s restructuring counsel at Young Conaway Stargatt & Taylor, LLP.

³ Prior to the Petition Date, Buchbinder was terminated, leaving Core Advisors as the Debtor’s sole investment banker.

The Qualified Bids and the Auction

9. Prior to the Bid Deadline, the Debtor received seven Qualified Bids for the Assets in addition to the Stalking Horse APA, including one Qualified Bid for substantially all of the Debtor's Assets, four Qualified Bids for the Debtor's Schoolhouse business, and two Qualified Bids for the Debtor's Dansk business. One of the Qualified Bidders for the Dansk assets elected to withdraw its Qualified Bid prior to the Auction because the cash consideration offered by that party was not competitive with the other Qualified Bid for such Assets.

10. After extensive negotiations with the Qualified Bidders to improve their Qualified Bids and to reach agreement on the terms of proposed asset purchase agreements, the Debtor proceeded to hold the Auction, which lasted approximately six hours. The Debtor conducted the Auction in the following order: (i) Qualified Bids on all Assets; (ii) Qualified Bids on Food52 and Schoolhouse; (iii) Qualified Bids on Food52; and (iv) Qualified Bids on Schoolhouse. Following the Schoolhouse Auction, Form Portfolios LLC was the only Qualified Bidder for all of the Dansk assets, and, as a result, an auction was not held on the Dansk assets.

The Debtor's Selection of the Successful Bids and Backup Bids

11. At the conclusion of the Auction, the Debtor selected (i) F52, LLC as the Successful Bidder for the Food52 assets, for an aggregate purchase price of \$9.9 million (consisting of a credit bid of all amounts owed under the DIP Facility⁴ and the balance in cash) plus the assumption of certain liabilities;⁵ (ii) Troy-CSL Lighting, Inc. as the Successful Bidder for the

⁴ As defined in the *Final Order (I) Authorizing the Debtor to Obtain Postpetition Financing; (II) Granting Liens and Providing Superpriority Administrative Expense Status; (III) Authorizing Use of Cash Collateral; (IV) Granting Adequate Protection; (V) Modifying the Automatic Stay; and (VI) Granting Related Relief* [Docket No. 134].

⁵ The purchase price accounts for a \$400,000 credit for F52, LLC's Break-Up Fee and Expense Reimbursement as the Stalking Horse Bidder, valuing the bid at \$10.3 million.

Schoolhouse assets, for a purchase price of \$2.2 million in cash plus the assumption of certain liabilities; (iii) Form Portfolios LLC as the Successful Bidder for the Dansk assets, for an aggregate purchase price consisting of \$250,000 in cash plus the waiver of any administrative expense claim entitled to priority under sections 503(b) or 507(a)(2) of the Bankruptcy Code that Form Portfolios LLC may hold against the Debtor, plus the assumption of certain liabilities; (iv) Static Media Inc. as the Backup Bidder for the Food52 assets, for a purchase price of \$10.2 million in cash plus the assumption of certain liabilities; and (v) SH Operations, LLC, an affiliate of CSC Generation Holdings, LLC, as the Back-Up Bidder for the Schoolhouse assets, for a purchase price of \$2.1 million in cash plus the assumption of certain liabilities.

12. The Debtor has determined, in accordance with its business judgment, the Bidding Procedures Order, and the Bidding Procedures, that the Successful Bids represent the highest and best offers for the applicable Assets and the Backup Bids represent the next highest and best offers for the applicable Assets. I believe that the terms contained in the asset purchase agreements related to the Successful Bids provide a greater recovery for the Debtor's estate for the Assets than would be provided by any other available alternative, and that such agreements represent fair and reasonable offers to purchase the applicable Assets, and that the Backup Bids are the next best alternatives. Given all of the circumstances of this chapter 11 case and the adequacy and fair value of the consideration provided by the Successful Bidders, I believe that the Sale constitutes a reasonable and sound exercise of the Debtor's business judgment, is in the best interests of the Debtor, its estate, its creditors, and other parties in interest, and should be approved.

13. I further believe that the Debtor has demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the Sales outside the ordinary course of business. The sound business reasons for the Sales include, but are not limited to, that

(i) the Successful Bids constitute the highest and best offers for the applicable Assets, (ii) the Successful Bids and the closing thereon will present the best opportunity to realize the value of the Assets, and (iii) any other transaction would not have yielded as favorable an economic result.

14. In my opinion, the Debtor and the Successful Bidders and Backup Bidders have acted in good faith in connection with the Successful Bids and Backup Bids in that, among other things, (i) the Debtor was free to deal with any other party interested in acquiring the Assets, (ii) the Successful Bidders and Backup Bidders complied with the provisions of the Bidding Procedures, (iii) the Successful Bids and Backup Bids were subject to the competitive bid procedures set forth in the Bidding Procedures Order, and (iv) the negotiation and execution of the asset purchase agreements related to the Successful Bids were at arm's-length and in good faith. In my opinion, there has been no improper conduct by any of the Successful Bidders or any of their affiliates in connection with the negotiation of their Successful Bids and related documents with the Debtor.

15. Except as otherwise provided for in the Successful Bids or in the Sale Orders, the Debtor is seeking the sale of the Assets free and clear of all liens, claims, encumbrances, and other interests, including, without limitation, successor liability. I believe that the Successful Bidders would not have entered into the asset purchase agreements related to the Successful Bids, and would not consummate the acquisition of the applicable Assets, if the Sales were not free and clear of all such interests, as applicable. Moreover, not selling the Assets free and clear of all such liens, claims, encumbrances, and other interests, as applicable, would adversely impact the Debtor's efforts to maximize the value of its estate because the purchase price for the Assets would be significantly reduced.

16. In my opinion, the sale of the Assets pursuant to the terms of the Successful Bids is the best way to maximize value for the Debtor's estate.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: February 9, 2026

/s/ Erika Badan
Erika Badan
Chief Executive Officer
Food52, Inc.