

Edward Smolyansky Launches Campaign to Replace Board of Directors at Lifeway Foods (NASDAQ: LWAY)

CHICAGO, March 17, 2025 /PRNewswire/ -- Edward Smolyansky, who, together with Ludmila Smolyansky, beneficially owns 4,163,141 shares of common stock, today launched a formal campaign to stop the further eroding of value taking place at Lifeway Foods, Inc (NASDAQ: LWAY) by submitting and filing a Notice regarding Planned Nominees for election at the upcoming 2025 Annual Meeting.

Lifeway Foods has reached an inflection point. The Board's continued deference to the CEO has raised serious governance concerns, and it must now demonstrate in court that its actions align with its fiduciary responsibilities to shareholders.

The latest suit was brought by Danone, Lifeway's largest unaffiliated investor for over 25 years. Danone alleges that the directors breached their fiduciary duties when the Board granted 283,337 shares of stock to CEO Julie Smolyansky without obtaining Danone's consent per its 1999 shareholder agreement with Lifeway Foods.² The grant was suspicious given the cash retention bonus paid to CEO Smolyansky of \$2 million³ announced immediately before.

All of this followed the rejection of an unsolicited offer from Danone, its second, to buy the shares of Lifeway it did not own for \$27 per share, representing a premium of 72% over the 3-month volume weighted average price.

Instead of negotiating better terms with Danone and/or mending fences with its largest single shareholder, we find Lifeway Foods having to contend with litigation stemming from clearly questionable conduct. Importantly, the timing and magnitude of the \$8.5 million aggregate CEO award in cash and shares – equating to more than 94% of Lifeway Foods' 2024 net income – suggests that this Board is far more interested in enriching the CEO than maximizing value for all shareholders.

The Board's failure to maximize shareholder value while enriching the CEO warrants a complete and immediate overhaul.

This change requires a new slate of independent directors, including George Sent. As a leading investment banker for the food and beverage industry, he is well-suited to assist the Board in objectively evaluating the strategic alternatives and acquisition offers received by Lifeway Foods. As the former lead independent director for Lifeway and former chair of Lifeway's Audit and Corporate Governance Committee, Mr. Sent is already intimately familiar with Lifeway Foods and the corporate governance challenges it faces.

The proposed slate also includes Edward Smolyansky, a member of the founding family and one of the largest shareholders, with prior service to Lifeway Foods in several key roles, including Controller, CFO, COO, and Director.

The new slate also includes Ludmila Smolyansky, co-founder of Lifeway and former Chair of the Board. Mrs. Smolyansky, together with her husband Michael, introduced kefir to the US market and helped turn a basement operation into a global enterprise. With her help, the Board can return to its business of maximizing value for shareholders and revive the integrity and spirit upon which Lifeway Foods was founded.

It is Time for Complete and Immediate Change at the Lifeway Board

Lifeway can no longer be burdened with a Board incapable of putting the interests of its shareholders ahead of those of its CEO. The relationship with Lifeway Foods' largest investor must be repaired, and an independent committee can be formed to evaluate all strategic alternatives aimed at maximizing value for shareholders. However, we must act now.

“Lifeway has disregarded not only a respected global partner but also its own founding family,” said Edward Smolyansky. “Since 2021, Lifeway Foods has spent millions of shareholder dollars attempting to control the election process rather than focusing on delivering value. They have made repeated efforts to remove me as a shareholder, all of which have failed. Now, they are taking a similar approach with Danone. While I cannot speak for them, Ludmila and I are committed to restoring accountability and leadership at Lifeway.”

The proposed slate has the right balance of kefir product expertise, shareholder representation, Board and operational familiarity with Lifeway, and financial and transactional experience, to usher a new growth phase for Lifeway.

For more information about the 2025 Lifeway Foods Proxy Campaign, follow [Edward Smolyansky](#) on LinkedIn and visit freelifeway.com, which provides backgrounds and summaries for the nominees, as included in the formal nomination letter to the Board and associated SEC filings.