



Charles River Laboratories Acquires Explora BioLabs

April 6, 2022

– Expands Charles River Accelerator and Development Lab (CRADL™) Footprint Providing Clients with Full-Service, Turnkey Research Space –

– Adds More Than 15 Vivarium Facilities Across Three Key U.S. Biohubs –

– Continued Expansion Expected in 2022 –

WILMINGTON, Mass.--(BUSINESS WIRE)--Apr. 6, 2022-- Charles River Laboratories International, Inc. (NYSE: CRL) announced today that it has acquired Explora BioLabs Holdings, Inc., a premier provider of contract vivarium research services.

Based in San Diego, California, [Explora BioLabs](#) offers contract vivarium operation services, providing biopharmaceutical clients with turnkey *in vivo* vivarium facilities, management, and related services to efficiently conduct their early-stage research activities. Explora BioLabs currently operates more than 15 preclinical vivarium facilities, offering AAALAC-accredited, turnkey rental space in the Southern California, San Francisco, and Boston-Cambridge biohubs, with a planned expansion in Seattle in 2022. With over 100 employees, it also offers contract vivarium management, staffing, and regulatory solutions to manage clients' research sites.

The acquisition of Explora BioLabs complements and expands the [Charles River Accelerator and Development Lab \(CRADL™\)](#) operation, which is part of Charles River's [Insourcing Solutions](#) business. CRADL™ provides AAALAC-accredited, full-service, turnkey vivarium rental space supported by Charles River's technical, vivarium, and veterinary expertise for emerging and well-established biopharmaceutical companies and academic research institutions in key biohubs, including Boston-Cambridge, San Francisco, and China. The Company's outsourced vivarium services allow clients to quickly start and focus on their early-stage research in a flexible manner within high-quality, biosecure facilities with reduced research risk through access to Charles River's expertise in veterinary care.

The combined Explora BioLabs and CRADL operation is expected to include at least 25 vivarium facilities by the end of 2022, providing over 300,000 square feet of turnkey rental capacity in key biohubs, including expansions in the United States and internationally. In addition, clients utilizing CRADL™ and Explora BioLabs will have the added benefit of accessing other Charles River services, including its integrated discovery and non-clinical development expertise, which will provide opportunities to further enhance the speed and efficiency of their research programs and facilitate the progression towards an Investigational New Drug (IND) filing.

James C. Foster, Chairman, President and Chief Executive Officer of Charles River Laboratories, commented, "With its presence in West Coast biohubs, the acquisition of Explora BioLabs complements our existing CRADL™ footprint and offers incremental opportunities to partner with an emerging, high-growth client base, many of which are engaged in cell and gene therapy development."

"Our clients' drive for flexibility and efficiency is generating robust demand for turnkey research capacity. By outsourcing their vivarium space, our clients can focus on accelerating their scientific research, instead of daily vivarium management or building infrastructure. As biopharmaceutical companies turn to CRADL™, they will be able to easily access additional services across our comprehensive discovery and non-clinical development portfolio, further accelerating their research. We believe the addition of Explora BioLabs will enhance the CRADL™ value proposition for clients, and further solidifies the Company's focus on the Research Models and Services segment as a sustained growth engine. We are pleased to welcome the Explora BioLabs team to the Charles River family," Mr. Foster concluded.

Financial and Transaction Details

The purchase price was approximately \$295 million in cash, subject to customary closing adjustments. Explora BioLabs had annual revenue of approximately \$38 million in 2021, with strong, double-digit revenue growth expected over the next five years. The transaction is not expected to have a material impact on Charles River's GAAP or non-GAAP earnings per share in 2022, and beginning in 2023, is expected to be slightly accretive to non-GAAP earnings per share. Explora BioLabs has become part of the Company's Research Models and Services segment.

Caution Concerning Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "expect," "will," "may," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Forward-looking statements include statements in this news release regarding the acquisition of Explora BioLabs and Charles River's expectations with respect to the impact of Explora BioLabs on the Company, its product and service offerings, client perception, and financial results; and Charles River's future growth. Forward-looking statements are based on Charles River's current expectations and beliefs, and involve a number of risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from those stated or implied by the forward-looking statements. Those risks and uncertainties include, but are not limited to, the ability to successfully integrate the acquisition of Explora BioLabs. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in Charles River's Annual Report on Form 10-K as filed on February 16, 2022, as well as other filings we make with the Securities and Exchange Commission. Because forward-looking statements involve risks and uncertainties, actual results and events may differ materially from results and events currently expected by Charles River, and Charles River assumes no obligation and expressly disclaims any duty to update information contained in this news release except as required by law.

About Charles River

Charles River provides essential products and services to help pharmaceutical and biotechnology companies, government agencies and leading

academic institutions around the globe accelerate their research and drug development efforts. Our dedicated employees are focused on providing clients with exactly what they need to improve and expedite the discovery, early-stage development and safe manufacture of new therapies for the patients who need them. To learn more about our unique portfolio and breadth of services, visit www.criver.com.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20220406005195/en/>

Investor Contact:

Todd Spencer
Corporate Vice President,
Investor Relations
781.222.6455
todd.spencer@crl.com

Media Contact:

Amy Cianciaruso
Corporate Vice President,
Chief Communications Officer
781.222.6168
amy.cianciaruso@crl.com

Source: Charles River Laboratories International, Inc.