

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 20, 2024**

LIFECORE BIOMEDICAL, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-27446
(Commission file number)

94-3025618
(IRS Employer Identification No.)

3515 Lyman Boulevard
Chaska, Minnesota
(Address of principal executive offices)

55318
(Zip Code)

(952) 368-4300
(Registrant's telephone number, including area code)

Not Applicable
(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 communication 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 pursuant to Section 12(b) of the Act:

Title of each class
Common Stock

Trading Symbol
LFCR

Name of each exchange on which registered
The NASDAQ Global Select Market

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 2.02 Results of Operations and Financial Condition.

On March 20, 2024, Lifecore Biomedical, Inc., a Delaware corporation (the “Company”) issued a press release announcing that the Company filed its Annual Report on Form 10-K for the fiscal year ended May 28, 2023 (the “Form 10-K”) with the Securities and Exchange Commission. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference. This information, including the information contained in the press release, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is not incorporated by reference into any of the Company’s filings, whether made before or after the date hereof, regardless of any general incorporation language in any such filing.

Additionally, on March 20, 2024, the Company made available on its website a supplementary summary of select financial data of the Company (the “Supplemental Presentation”) related to the Company’s financial results reflected in the Form 10-K, including the restated financial information contained therein. A copy of the Supplemental Presentation is furnished as Exhibit 99.2 hereto and is incorporated herein by reference. This information, including the information contained in the Supplemental Presentation, shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, and is not incorporated by reference into any of the Company’s filings, whether made before or after the date hereof, regardless of any general incorporation language in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Lifecore Biomedical, Inc., dated March 20, 2024.
99.2	Supplemental Presentation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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 20, 2024

LIFECORE BIOMEDICAL, INC.

By: /s/ John D. Morberg
John D. Morberg
Chief Financial Officer

Lifecore Biomedical Completes Restatements and Files Form 10-K for Fiscal Year 2023

Efforts now aligned toward the completion of its First Quarter Fiscal 2024 Report on Form 10-Q

CHASKA, Minn., March 20, 2024 (GLOBE NEWSWIRE) -- Lifecore Biomedical, Inc. (NASDAQ: LFCR) ("Lifecore" or the "Company"), a fully integrated contract development and manufacturing organization ("CDMO"), announced today that it has filed its Annual Report on Form 10-K for the fiscal year ended May 28, 2023 ("FY23") with the United States Securities and Exchange Commission (the "SEC").

Form 10-K Filing and Restatement Overview

The FY23 Annual Report on Form 10-K filing contains the restatement of previously issued consolidated financial statements as of and for the fiscal years ended May 29, 2022 ("FY22") and May 30, 2021 ("FY21") included in the Company's Annual Report on Form 10-K/A for the year ended May 29, 2022 filed with the SEC, the Company's unaudited consolidated financial statements as of and for the periods ending August 30, 2020, November 29, 2020, February 28, 2021, August 29, 2021, November 28, 2021, February 27, 2022, August 28, 2022, November 27, 2022 and February 26, 2023 included in the Company's Quarterly Reports on Form 10-Q filed with the SEC (collectively, the "Prior Financial Statements").

The restatements correct errors involving the calculation of capitalized interest, valuation of inventories, and certain other adjustments related to previously divested businesses reflected in the Prior Financial Statements. In addition, the Company has adjusted certain other items that were previously identified and concluded as immaterial, individually and in the aggregate, to the Prior Financial Statements.

The more significant restatement adjustments to the Lifecore segment financial statements contained in the Prior Financial Statements, are described as follows:

- The Company restated inventories and cost of sales to write down inventories to their net realizable value as well as recording reserves for excess and obsolete inventories in FY22 and FY21 which reduced inventories and increased cost of sales during those periods.
- The Company restated property and equipment and interest expense to record capitalized interest on assets under construction in FY22 and FY21 which increased property and equipment and reduced interest expense during those periods.
- The Company restated the Lifecore segment revenues and cost of sales in FY21 to gross up revenues and cost of sales for certain performance obligations where the Company acted as a principal in the arrangements.
- The Company recorded an accounts receivable reserve for a specific customer in FY21 and FY22, which decreased accounts receivables and increased selling, general, and administrative expenses.
- The Company restated FY21 opening retained earnings to account for the cumulative effect of the above restatements.

The more significant restatement adjustments to the Company's former Curation Foods segment financial statements are described as follows:

- The Company restated FY21 opening retained earnings related to its former Curation Foods businesses non-current other receivables that were not collectable prior to the fiscal year periods presented in the consolidated FY23 financial statements.
- The Company restated the presentation of certain operating costs and expenses of continuing operations and discontinued operations affecting FY22 and FY21.

Supplemental Information

Given the complexity of the Company's restatements contained within the FY23 Annual Report on Form 10-K, the Company has furnished a supplementary summary of select financial data related to its ongoing Lifecore business to assist investors with their analysis of restated comparable financials. The 2023 Annual Report on Form 10-K and supplementary financial data package can be found in the Investors section of the Lifecore website at <https://ir.lifecore.com/>.

About Lifecore Biomedical

Lifecore Biomedical, Inc. is a fully integrated contract development and manufacturing organization (CDMO) that offers highly differentiated capabilities in the development, fill and finish of complex sterile injectable pharmaceutical products in syringes and vials. As a leading manufacturer of premium, injectable grade Hyaluronic Acid, Lifecore brings more than 40 years of expertise as a partner for global and emerging biopharmaceutical and biotechnology companies across multiple therapeutic categories to bring their innovations to market. For more information about the Company, visit Lifecore's website at www.lifecore.com.

Important Cautions Regarding Forward-Looking Statements

This press release contains forward-looking statements regarding future events and our future results that are subject to the safe harbor created under the Private Securities Litigation Reform Act of 1995 and other safe harbors under the Securities Act of 1933 and the Securities Exchange Act of 1934. Words such as “anticipate”, “estimate”, “expect”, “project”, “plan”, “intend”, “believe”, “may”, “might”, “will”, “should”, “can have”, “likely” and similar expressions are used to identify forward-looking statements. All forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially, including such factors among others, as the outcome of any evaluation of the Company’s strategic alternatives or any discussions with any potential bidders related thereto, the Company’s ability to become current with its reports with the Securities and Exchange Commission (the “SEC”), and the timing thereof, the Company’s ability to regain compliance with applicable listing standards under Nasdaq, and its ability expand its relationship with its existing customers. For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to our filings with the Securities and Exchange Commission, including the risk factors contained in our most recent Annual Report on Form 10-K. Forward-looking statements represent management’s current expectations and are inherently uncertain. Except as required by law, we do not undertake any obligation to update forward-looking statements made by us to reflect subsequent events or circumstances.

Lifecore Biomedical, Inc. Contact Information:

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Lifecore Biomedical, Inc

Supplemental Financial Information
FY23 10-K Restatement Summary

March 2024



FY23 Form 10-K Restatement Summary

The FY23 Annual Report on Form 10-K filing contains the restatement of previously issued consolidated financial statements as of and for the fiscal years ended May 29, 2022 ("FY22") and May 30, 2021 ("FY21") included in the Company's Annual Report on Form 10-K/A for the year ended May 29, 2022 filed with the SEC, the Company's unaudited consolidated financial statements as of and for the periods ending August 30, 2020, November 29, 2020, February 28, 2021, August 29, 2021, November 28, 2021, February 27, 2022, August 28, 2022, November 27, 2022 and February 26, 2023 included in the Company's Quarterly Reports on Form 10-Q filed with the SEC (collectively, the "Prior Financial Statements").

The restatements correct errors involving the calculation of capitalized interest, valuation of inventories, and certain other adjustments related to previously divested businesses reflected in the Prior Financial Statements. In addition, the Company has adjusted certain other items that were previously identified and concluded as immaterial, individually and in the aggregate, to the Prior Financial Statements.

The more significant restatement adjustments to the Lifecore segment financial statements contained in the Prior Financial Statements, are described as follows:

- The Company restated inventories and cost of sales to write down inventories to their net realizable value as well as recording reserves for excess and obsolete inventories in FY22 and FY21 which reduced inventories and increased cost of sales during those periods.
- The Company restated property and equipment and interest expense to record capitalized interest on assets under construction in FY22 and FY21 which increased property and equipment and reduced interest expense during those periods.
- The Company restated the Lifecore segment revenues and cost of sales in FY21 to gross up revenues and cost of sales for certain performance obligations the Company acted as a principal in the arrangements.
- The Company recorded an accounts receivable reserve for a specific customer in FY21 and FY22 resulting in a decrease to accounts receivables and an increase to selling, general, and administrative expenses.
- The Company restated FY21 opening retained earnings to account for the cumulative effect of the above restatements.

The more significant restatement adjustments to the Company's former Curation Foods segment financial statements are described as follows:

- The Company restated FY21 opening retained earnings related to its former Curation Foods businesses non-current other receivables that were not collectable prior to the fiscal year periods presented in the consolidated FY23 financial statements.
- The Company restated the presentation of certain operating costs and expenses of continuing operations and discontinued operations affecting FY22 and FY21.

Non-GAAP Measures

This supplemental financial presentation contains non-GAAP financial information, including with respects to EBITDA, adjusted EBITDA, Lifecore segment adjusted EBITDA, and Other segment adjusted EBITDA. The Company has included reconciliations of these non-GAAP financial measures to their respective most directly comparable financial measures calculated in accordance with GAAP. The Company defines EBITDA as earnings before interest, income tax expense (benefit), and depreciation and amortization. The Company defines adjusted EBITDA as EBITDA before certain restructuring and other non-recurring charges.

The Company has disclosed these non-GAAP financial measures to supplement its consolidated financial statements presented in accordance with GAAP in its Annual Report on Form 10-K filed with the SEC. These non-GAAP financial measures exclude/include certain items that are included in the Company's results reported in accordance with GAAP. Management believes these non-GAAP financial measures provide useful additional information to investors about trends in the Company's operations and are useful for period-over-period comparisons. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be the same as similar measures provided by other companies due to the potential differences in methods of calculation and items being excluded/included. These non-GAAP financial measures should be read in conjunction with the Company's consolidated financial statements presented in accordance with GAAP.

Lifecore Segment Restated Financials

(\$ in thousands)	Fiscal Year Ended		Quarter Ended			Nine Months Ended		Quarter Ended	Year Ended
	May 30, 2021	May 29, 2022	August 28, 2022	November 27, 2022	February 26, 2023	February 26, 2023	May 28, 2023 (5)	May 28, 2023 (5)	
Period Ended As Reported (1)									
Net sales	\$ 98,087	\$ 109,320	\$ 23,703	\$ 21,691	\$ 26,330	\$ 71,724	\$ 31,545	\$ 103,269	
Gross profit	38,265	43,746	6,101	6,675	6,072	18,848	8,394	27,242	
Net income (loss) from continuing operations	14,461	16,675	502	916	851	2,269	2,780	5,049	
Income tax expense (benefit)	4,568	5,266	158	290	268	716	554	1,270	
Depreciation and amortization	5,502	6,673	1,771	1,843	1,878	5,492	2,016	7,508	
Interest income	-	72	15	16	16	47	15	62	
Restatements / adjustments (2,3)									
Net sales	\$ 492	\$ 40	\$ 21	\$ 173	\$ 206	\$ 400	\$ (400)	\$ -	
Gross profit	(533)	(3,863)	(127)	(987)	2,469	1,355	(737)	618	
Net income (loss) from continuing operations	(573)	(39)	31	(697)	2,557	1,891	(2,058)	(167)	
Income tax expense (benefit)	(482)	(3,824)	(158)	(290)	(288)	(736)	1,009	273	
Depreciation and amortization	-	83	30	31	31	92	(74)	18	
Interest income	-	-	-	-	-	-	-	-	
Period Ended, As Restated (4)									
Net sales	\$ 98,579	\$ 109,360	\$ 23,724	\$ 21,864	\$ 26,536	\$ 72,124	\$ 31,145	\$ 103,269	
Gross profit	37,732	39,883	5,974	5,688	8,541	20,203	7,657	27,860	
Net income (loss) from continuing operations	13,888	16,636	533	219	3,408	4,160	722	4,882	
Income tax expense (benefit)	4,086	1,442	-	-	(20)	(20)	1,563	1,543	
Depreciation and amortization	5,502	6,756	1,801	1,874	1,909	5,584	1,942	7,526	
Interest income	-	72	15	16	16	47	15	62	

Notes:

* Certain figures presented related to the Nine Months Ended February 26, 2023 may differ from those reflected in the Annual Report on Form 10-K due to rounding.

(1) Period Ended, As Reported: amounts represent the Lifecore segment as reported in the respective period periodic filings with the SEC.

(2) Restatements: amounts represent the restatement adjustments to the Lifecore segment as reported in the Form 10-K filed with the SEC on March 19, 2024.

(3) Adjustments: amounts represent the adjustments to the Lifecore segment as reported in the Form 8-K filed with the SEC on August 31, 2023.

(4) Period End, As Restated: amounts represent the restated/adjusted Lifecore segment for each of the respective reported period after giving effect to the Restatements and Adjustments

(5) Quarter and year ended May 28, 2023 Period Ended, as Reported figures represent amounts included in the Company's earnings release dated August 31, 2023.

Lifecore Segment Reconciliation: Net Income (Loss) from Continuing Operations to Adjusted EBITDA

(\$ in thousands)	Fiscal Year Ended		Quarter Ended				Nine Months Ended		Year Ended	
	May 30, 2021	May 29, 2022	August 28, 2022	November 27, 2022	February 26, 2023	February 26, 2023	May 28, 2023 (5)	May 28, 2023 (5)	May 28, 2023 (5)	
Period Ended, As Reported (1)										
Net income (loss) from continuing operations	\$ 14,461	\$ 16,675	\$ 502	\$ 916	\$ 851	\$ 2,269	\$ 2,780	\$ 5,049		
Interest income	-	72	15	16	16	47	15	62		
Income tax expense (benefit)	4,568	5,266	158	290	268	716	554	1,270		
Depreciation and amortization	5,502	6,673	1,771	1,843	1,878	5,492	2,016	7,508		
Total EBITDA	24,531	28,542	2,416	3,033	2,981	8,430	5,335	13,765		
Non-recurring charges (5)	-	387	60	66	60	186	750	936		
Total Adjusted EBITDA	\$ 24,531	\$ 28,929	\$ 2,476	\$ 3,099	\$ 3,041	\$ 8,616	\$ 6,085	\$ 14,701		
Restatement / adjustments (2,3)										
Net income (loss) from continuing operations	(573)	(39)	31	(697)	2,557	1,891	(2,058)	(167)		
Interest income	-	-	-	-	-	-	-	-		
Income tax expense (benefit)	(482)	(3,824)	(158)	(290)	(288)	(736)	1,009	273		
Depreciation and amortization	-	83	30	31	31	92	(74)	18		
Restructuring and other non-recurring charges	-	-	-	-	200	200	(34)	166		
Period Ended, As Restated (2)										
Net income (loss) from continuing operations	\$ 13,888	\$ 16,636	\$ 533	\$ 219	\$ 3,408	\$ 4,160	\$ 722	\$ 4,882		
Interest income	-	72	15	-	16	47	15	62		
Income tax expense (benefit)	4,086	1,442	-	-	(20)	(20)	1,563	1,543		
Depreciation and amortization	5,502	6,756	1,801	1,874	1,909	5,584	1,942	7,526		
Total EBITDA	23,476	24,762	2,319	2,077	5,281	9,677	4,212	13,889		
Non-recurring charges (6)	-	387	60	66	260	386	716	1,102		
Total Adjusted EBITDA	\$ 23,476	\$ 25,149	\$ 2,379	\$ 2,143	\$ 5,541	\$ 10,063	\$ 4,928	\$ 14,991		
Other Segment Adjusted EBITDA, As Restated (7)	(8,276)	(7,345)	(1,867)	(1,845)	(1,964)	(5,676)	(2,077)	(7,753)		
Consolidated Adjusted EBITDA, As Restated	\$ 15,200	\$ 17,804	\$ 512	\$ 298	\$ 3,577	\$ 4,387	\$ 2,851	\$ 7,238		

Notes:

- * Certain figures presented related to the Nine Months Ended February 26, 2023 may differ from those reflected in the Annual Report on Form 10-K due to rounding.
- (1) Period Ended, As Reported: amounts represent the Lifecore segment as reported in the respective period periodic filings with the SEC.
- (2) Restatements: amounts represent the restatement adjustments to the Lifecore segment as reported in the Form 10-K filed with the SEC on March 19, 2024.
- (3) Adjustments: amounts represent the adjustments to the Lifecore segment as reported in the Form 8-K filed with the SEC on August 31, 2023.
- (4) Period End, As Restated: amounts represent the restated/adjusted Lifecore segment for each of the respective reported period after giving effect to the Restatements and Adjustments.
- (5) Quarter and year ended May 28, 2023 Period Ended, as Reported figures represent amounts included in the Company's earnings release dated August 31, 2023.
- (6) Non-recurring charges: primarily related to one-time expenses incurred in the Lifecore production process.
- (7) Other Segment Adjusted EBITDA, As Restated: amounts represent the restated/adjusted Other segment for each of the respective reported periods after giving effect to the Restatements and Adjustments.

