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

# FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **May 25, 2025**, or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: **000-27446**

# LIFECORE BIOMEDICAL, INC.

(Exact name of registrant as specified in its charter)

| **Delaware** | **94-3025618** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification Number) |
| **3515 Lyman Boulevard**<br>**Chaska, Minnesota** | **55318** |
| (Address of principal executive offices) | (Zip Code) |

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

Securities 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 $0.001 per share** | **LFCR** | **The NASDAQ Global Select Stock Market** |

Securities registered pursuant to section 12(g) of the Act:

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☒ |
| | | 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 ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the Registrant was approximately $201,592,285 as of November 22, 2024, the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing sales price on the NASDAQ Global Select Market reported for such date.

As of July 31, 2025, there were 37,407,919 shares of common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III of this Annual Report on Form 10-K incorporates certain information by reference from the registrant's definitive proxy statement for the 2025 annual meeting of stockholders to be filed no later than 120 days after the end of the registrant's fiscal year ended May 25, 2025.

**LIFECORE BIOMEDICAL, INC.**
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**Cautionary note about forward-looking statements**

This Annual Report on Form 10-K, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," 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 are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. Potential risks and uncertainties include, without limitation, the risks summarized and described in Item 1A. "Risk Factors" of this report.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Accordingly, our actual results could differ materially from those projected in the forward-looking statements for many reasons, including the risk factors summarized and described in Item 1A. "Risk Factors" of this report.

All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements as well as others made in this report and hereafter in our other Securities and Exchange Commission ("SEC") filings and public communications.

You should evaluate all forward-looking statements made by us in the context of all risks and uncertainties described with respect to our business. We caution you that the risks and uncertainties identified by us may not be all of the factors that are important to you. Furthermore, the forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

# PART I

## Item 1. Business

### The Company

Lifecore Biomedical, Inc. and its subsidiaries ("Lifecore", the "Company", "we" or "us"), located in Chaska, Minnesota, is a fully integrated contract development and manufacturing organization ("CDMO") that offers highly differentiated clinical and commercial capabilities in the development, cGMP manufacturing and aseptic filling of complex formulations and highly viscous sterile injectable pharmaceutical drug or medical device products in syringes, vials and cartridges, across a wide variety of modalities. Lifecore has become a leading U.S. manufacturer of pharmaceutical-grade, non-animal-sourced hyaluronic acid ("HA") using our proprietary, fermentation-based HA process that we developed in 1981. We manufacture HA in bulk form as well as for use in formulated and filled syringes and vials for our customers' injectable products used in treating a broad spectrum of medical conditions and procedures, including ophthalmic and orthopedic applications. We have leveraged this expertise in HA fermentation, manufacturing and aseptic formulation and filling to also develop highly viscous non-HA-based sterile injectable products with our customers for multiple applications.

Lifecore's product development service capabilities include analytical method development and validation, formulation development, sterile filtration, process scale-up, pilot studies, stability studies, process validation and production of materials for clinical studies. We also operate semi-automated Restricted Access Barrier Systems ("RABS") and fully automated aseptic filling lines with isolators. These systems support efficient and safe aseptic processing of both synthetic and biologic drug products. Manufacturing takes place across our three cGMP facilities, where we produce FDA-approved (as defined below) commercial drug and device products. We have earned multiple certifications from regulatory agencies in Europe, Japan, Brazil and the International Organization for Standardization ("ISO").

Lifecore's predecessor business commenced in the mid-1960's with a primary focus on microbial diagnostic devices, but Lifecore developed its HA capabilities in the early 1980's. From 2010, when it was acquired by Landec Corporation, until 2023, our CDMO business was operated through the Lifecore subsidiary of lower-margin food businesses. In 2022, we changed our corporate name from Landec Corporation to Lifecore Biomedical, Inc. to reflect the growing focus on the CDMO business. In May 2023, Lifecore completed the divestiture of these food businesses, and beginning with fiscal year 2024, we operate as a stand-alone integrated CDMO.

During fiscal year 2025, Lifecore continued to execute on the previously announced strategic initiatives to support higher performance as a CDMO. We have made significant improvements to our revenue generating capacity, financial position, management team, governance, financial reporting and stock exchange compliance, and business development efforts, including:

- In September 2024, we doubled our revenue-generating capacity (to support up to approximately $300 million in annual revenue-generating capacity) through the installation of a new fully automated high-speed, multi-purpose 5-head aseptic isolator filler;
- We strengthened our financial position through, among other actions, (i) raising $24.3 million in a private placement of Lifecore common stock in October 2024, (ii) a three-year term extension of our existing asset-based lending revolving credit facility with BMO Harris Bank N.A. ("BMO") in November 2024, (iii) the sale of certain excess capital equipment for $17 million in January 2025, and (iv) the implementation of operational cost reductions, including overhead costs and professional fees associated with legal, accounting and consulting spend;
- We made key executive officer appointments, including a new CEO in May 2024 and a new CFO in September 2024, as well as other senior leadership appointments thereafter, to join the existing, talented Lifecore team;

- In June 2024, we reached a cooperation agreement with 22NW, LP pursuant to which we agreed to the appointment of certain Board members who we believe will reinforce alignment between the full Board and our stockholders;
- In August 2024, we completed required filings of our periodic reports with the SEC, held our 2023 annual meeting of stockholders and regained compliance with the listing requirements of the Nasdaq Stock Exchange ("Nasdaq"), resulting in Nasdaq ceasing potential action to delist the Company's common stock; and
- We enhanced our business development strategy, increased our investment in sales and marketing to support brand visibility, and expanded our business development team with new sales talent who will focus on key drug development geographies in the United States and internationally.

In addition, we also implemented various process improvements to ensure improved productivity and discipline in key areas of our business. Based on all of these improvements, together with our competitive advantages and our strategic plan described below, we believe that we are well-positioned for future growth.

The Company was incorporated under the laws of the State of Delaware under its prior corporate name in 2007. The Company's principal executive offices are located at 3515 Lyman Boulevard, Chaska, Minnesota 55318, and the telephone number is (952) 368-4300.

**Competitive advantages**

Lifecore believes that we have developed and are maintaining certain advantages that we expect to enable us to succeed in a competitive CDMO marketplace, including:

***Strong relationships with market leaders***

Through our history of successfully developing and manufacturing highly viscous HA and HA-based products, Lifecore has established long-term relationships with global and emerging biopharmaceutical and biotechnology companies who have marketing, sales and distribution capabilities to end-user markets across multiple therapeutic categories. Lifecore has multiple customer relationships ranging from 20 years to nearly 40 years. We intend to continue leveraging these relationships to attract new, long-term relationships and expand into additional pharmaceutical modalities and medical device applications.

***Ability to expand medical applications for HA***

Due to the growing knowledge of the unique characteristics of HA and Lifecore's capabilities in cross-linking, we are continuing to identify and pursue opportunities for the use of HA in other medical applications beyond ophthalmic and orthopedics, such as wound care, aesthetic surgery, drug delivery, and next generation orthopedics and device coatings, and through sales to academic and corporate research customers. Further applications may involve expanding process development activity.

***Manufacturing capabilities and expertise with respect to highly complex and viscous injectables***

Lifecore has made strategic capital investments in its CDMO business focusing on extending its aseptic filling capacity and capabilities with respect to highly complex and viscous programs to meet increasing customer demand and to attract new opportunities outside of HA markets. Most recently, in September 2024, Lifecore installed a new fully automated high-speed, multi-purpose 5-head aseptic isolator filler, which has significantly expanded our available capacity and the range of project opportunities we can support.

***Vertically integrated CDMO capabilities***

Lifecore's vertically integrated development and manufacturing capabilities allow us to establish a variety of contractual relationships with customers globally. Lifecore's role in these relationships extends from supplying HA raw materials to providing technology transfer and development services to manufacturing aseptically filled, finished sterile injectable products, and assuming full supply chain responsibilities.

***Regulatory and quality expertise***

Lifecore has built a strong multi-compendial quality and regulatory system and team that is demonstrated in its results, processes and customer relationships. With an over 40-year track record with global regulatory bodies (FDA (as defined below), EMA, ANVISA, etc.), Lifecore is a strong partner for companies looking for proven experience in delivering QbD, cGMP compliance, and manufacturing excellence. In March 2025, the FDA completed a general drug product good manufacturing practices inspection of Lifecore, and in May 2025 it closed its inspection without further required action.

**Our strategy**

As a trusted partner to our customers and the patients they serve, we are dedicated to supporting them in improving healthcare outcomes through the highest standards of quality and service. We provide innovative, value-added solutions for sterile development and manufacturing, driven by our talented team. Our mission drives our commitment to excellence, quality, performance and culture. To accomplish our mission, we have implemented the following growth strategies and sustaining objectives.

***Growth strategies***

1) *Maximizing Existing Customer Business*: Maximize and expand our scope of work for each customer by driving more robust relationships while ensuring our customers understand our capabilities and prioritize us for additional opportunities.

2) *Advancing Programs Towards Commercialization*: Continue to seek out opportunities to advance customers' early-to-mid stage and late-stage product development activities by supporting their clinical programs and commercial process scale-up activities.

3) *Driving New Business*: Implement a new sales strategy to strategically expand our target market to increase our focus on large multinational pharmaceutical companies, capitalizing on investments we have made in technology and creating a more agile organization to support our expanding pipeline.

***Sustaining objectives***

1) *Reduced Operational Expenses*: Focus on value creation initiatives by eliminating low-return activities, optimizing key processes, and having a culture of continuous improvement in order to drive sustainable savings across the Company.

2) *Performance-Driven Culture*: Commitment to a high-performance culture driven by exceptional talent, one where we are data-driven, have top talent in all strategic roles, and where incentives are aligned with our stockholders.

3) *Commitment to Quality*: Maintain the highest level of quality in every aspect of our work and in our relationships with customers and regulatory agencies alike.

**Reportable segments**

The Company's chief operating decision maker, as defined by U.S. generally accepted accounting principles ("U.S. GAAP"), manages CDMO and HA manufacturing operations on the basis of a single integrated segment.

**Sales and marketing**

Historically, Lifecore has leveraged its deep technical expertise, long-standing customer relationships, strong brand recognition and word-of-mouth referrals to support its leadership in HA, development and manufacturing experience and expertise. We are focused on better aligning our internal resources to lead and manage existing and new clinical and commercial customer relationships in order to free up our business development team. We believe our business development team is well-positioned to strategically expand our target market by increasing focus on: large multinational pharmaceutical companies; later-stage clinical development programs; technology transfers of existing commercial programs; and a broader range of modalities. These efforts are aimed at driving new development programs into our organization. To support this strategy, we have increased our investment in sales and marketing to enhance brand visibility. Additionally, we have expanded our business development team by adding experienced sales talent focused on key drug development geographies in the United States and internationally.

**Manufacturing and processing**

Lifecore has three state-of-the-art facilities with a combined 250,000 square feet in Chaska, Minnesota that are all located within two miles of one another and regulated under one FDA establishment identifier number. These facilities support the HA manufacturing process and sterile manufacturing services, including formulation, aseptic filling of syringes, vials and cartridges, analytical testing, secondary packaging, warehousing of raw materials and finished goods, and distribution. Lifecore maintains exceptional versatility in the manufacturing of various finished product formats. We supply HA in a powder form at a variety of molecular weights. We also supply several different forms of HA and non-HA finished drug or device products in a variety of solutions and gels, and in a variety of bulk and single-use finished packages.

The commercial production of HA requires fermentation, separation, purification and aseptic processing capabilities. HA can primarily be produced in two ways, either through bacterial fermentation or through extraction from rooster combs. Lifecore produces HA only from bacterial fermentation, using an efficient microbial fermentation process and an effective purification operation.

In September 2024, Lifecore installed a new fully automated high-speed, multi-purpose 5-head aseptic isolator filler, which has significantly expanded our available capacity and the range of project opportunities we can support.

The Company believes that its current manufacturing capacity plan will be sufficient to allow it to meet the needs of its current customers for the foreseeable future.

**Competition**

The contract development and manufacturing industry for pharmaceuticals is intensely competitive and highly regulated. Lifecore's competition in the CDMO market includes a number of full-service contract manufacturers and larger pharmaceutical, biotechnology and specialty companies that have the ability to insource manufacturing. Also, some pharmaceutical companies have been seeking to divest all or portions of their manufacturing capacity, and any such divested assets may be acquired by our competitors. Some of our significantly larger and global competitors have substantially greater financial, marketing, technical and other resources than we do.

**Seasonality**

Lifecore is not significantly affected by seasonality. However, the timing of customer orders, the scale, scope, mix and the duration of our fulfillment of such customer orders can result in variability in our revenues.

**Government regulation**

The Food and Drug Administration ("FDA") regulates and/or approves the clinical trials, commercial production, manufacturing, labeling, distribution, import, export, sale and promotion of medical devices and drug products in or from the United States. Most of our customers' products are regulated by the FDA and similar agencies in other countries. These products are often classified as medical devices or drugs and usually require FDA approval or clearance before they can be sold in the United States. Beyond approval, there are strict rules for how these products are designed, made, packaged, labeled, and distributed. Our customers must keep detailed records, follow quality control standards, and are considered the product's "Sponsor". During commercialization of the product, the Sponsor must submit annual reports and get approval for major changes to the product or its labeling. The FDA also requires reporting of any adverse events and imposes other post-market responsibilities. Lifecore provides support to the Sponsor as requested.

In addition, Lifecore is subject to extensive and continuing regulation by the FDA, including compliance with current Good Manufacturing Practices, or cGMP, which impose procedural and documentation requirements. The FDA or other regulatory agencies can delay approval of a drug if our manufacturing facilities are not able to demonstrate compliance with cGMPs, pass other aspects of pre-approval inspections (i.e., compliance with filed submissions) or properly scale-up to produce commercial supplies. Drug manufacturers and their subcontractors, and those supplying products, ingredients and components of them, are required to register their establishments with the FDA and state agencies and are subject to periodic announced and unannounced inspections by the FDA and state agencies for compliance with cGMP and other regulations. In addition, changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements. Accordingly, manufacturers like Lifecore must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMPs and other aspects of regulatory compliance. Failure to comply with applicable requirements may result in restrictions on a product, manufacturer or holder of an approved NDA, including withdrawal of product approval, recall or seizure of the product or other voluntary, FDA-initiated or judicial action that could delay or prohibit further operations.

**Human capital**

***Our employees***

In the first quarter of fiscal year 2025, we completed an initiative to strategically optimize our cost structure, which included optimizing our workforce. We also recast our executive leadership team, which we believe has the requisite background and experience to support Lifecore's transformation into a standalone CDMO with enhanced technical and regulatory strengths. As of May 25, 2025, the Company had 406 full-time employees, of whom 194 were dedicated to manufacturing, 97 to quality and regulatory affairs, 83 to general operations, and 32 to sales, marketing and administrative activities. All of our employees are located in the United States. None of our employees are represented by labor unions or collective bargaining agreements.

***Our human capital focus***

We believe that the strength of our team and our workplace culture is essential to our ability to achieve our strategic and operational goals. Lifecore maintains an active strategy of recruitment, development and retention aligned to our growth strategies described under "Strategy" above. We closely monitor employee turnover rates, as our success depends upon retaining and investing in our team, particularly our highly trained manufacturing and technical staff. Lifecore aims to decrease employee-initiated voluntary turnover and increase employee retention through a combination of an engaging culture and opportunities for individual developmental and personal career growth.

***Our culture and employee development***

Lifecore invests in creating a differentiated culture for our team that enables continuous innovation at scale. Our team is passionate about our mission to enable the success of our customers, and together we are building a performance-focused, engaged and inclusive culture.

Our hiring process has been designed to provide an equitable candidate experience, facilitate the inclusion of new perspectives and foster innovation and creativity.

We provide training to our employees in the areas of safety, compliance, leadership and human resources along with individualized, job specific training. Individual training plans for continued growth are developed between employees and supervisors or managers. Frontline leaders are provided improvement tools for training, as well as employee interface training.

We seek to empower our employees to own their career path and seek out training programs to take them to the next level. We maintain strong programs focused on growth opportunities, performance and learning, and career development.

**Available information**

Lifecore's website is www.lifecore.com. Lifecore makes available free of charge copies of its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, as soon as reasonably practicable after filing such material electronically with, or otherwise furnishing it to, the SEC. In addition, these materials may be obtained at the website maintained by the SEC at www.sec.gov. The reference to the Company's website address does not constitute incorporation by reference of the information contained on the website, and the information contained on the website is not part of this document.

**Item 1A. Risk factors**

*Our business faces significant risks and uncertainties. Certain important factors may have a material adverse effect on our business, prospects, financial condition and results of operations, any of which could subsequently have an adverse effect on the trading price of our common stock, par value $0.001 per share ("Common Stock"), and you should carefully consider them. Accordingly, in evaluating our business, we encourage you to consider the following discussion of risk factors in its entirety, in addition to other information contained in or incorporated by reference into this Annual Report on Form 10-K and our other public filings with the SEC. Additional risks not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and results of operations in future periods.*

**Risk factor summary**

Our business is subject to numerous risks and uncertainties, including those highlighted in this section titled "Risk Factors" and summarized below. We have various categories of risks, including risks related to our internal controls and financial reporting, our financial and cash position, our business and operations, and ownership of our Common Stock, and general risks, which are discussed more fully below. As a result, this risk factor summary does not contain all of the information that may be important to you, and you should read this risk factor summary together with the more detailed discussion of risks and uncertainties set forth following this summary, as well as elsewhere in this Annual Report on Form 10-K. These risks include, but are not limited to, the following:

***Risks related to our internal controls and financial reporting***

- We have identified material weaknesses in our internal control over financial reporting that have affected the reliability of our financial statements and have had, and may continue to have, other adverse consequences.

***Risks related to our financial and cash position***

- We are highly leveraged and subject to significant interest, volatile fair market value fluctuations, and certain credit agreement obligations, some of which are expected to grow. These may negatively impact our results and limit cash flow available to invest in the ongoing needs of our business, as well as our operational flexibility, or otherwise adversely affect our results of operations.
- We have a history of losses. We may need additional capital and any additional capital we seek may not be available in the amount we need, at the time we need it or on terms favorable to us.

***Risks related to our business and operations***

- If we are unable to retain existing customers, attract new customers and sell additional products and services to our existing and new customers, our revenue growth and profitability will be adversely affected.
- Our success as a stand-alone CDMO will be subject to customer demand based on factors beyond our control.
- A significant portion of our revenue has been concentrated on a few large customers, including Alcon, one of our primary lenders, and terminations of agreements or cancellations or delays of orders by these customers may adversely affect our business.
- We may be adversely impacted by the terms of our refinancing transactions with Alcon and by Alcon's concentrated relationship with us as a significant customer of ours and as our lender.
- We are subject to increasing competition in the marketplace.
- Our profitability is dependent upon our ability to obtain appropriate pricing for our products and to control our cost structure or to pass along costs to our customers.
- Our CDMO services are highly complex, and our failure to provide quality and timely services to our CDMO customers could adversely impact our business.
- Our customers' failure to receive or maintain regulatory approval for product candidates or products could negatively impact our revenue and profitability.
- Our business is highly regulated and our operations are subject to laws, regulations and standards that directly impact our business.
- Loss or compromise of our HA bacterial cell bank assets could materially impact our business operations, product quality and competitive position.
- Our development and manufacturing activities may expose us to product liability claims.
- We have a concentration of facilities and unforeseen events could materially disrupt our ability to provide services and manufacture products for our customers.
- Our dependence on single-source suppliers and service providers may cause disruption in our operations should any supplier fail to deliver materials.

- Changes to U.S. trade policy, tariff and import/export regulations may have a material adverse effect on our business.
- We may need to consider new business acquisitions to achieve our growth strategy, and any such acquisition would involve substantial effort and costs to complete and uncertainty relating to integration.

***Risks related to ownership of our Common Stock***

- Future resales, or the perception of future resales, of our Common Stock may cause the market price of our Common Stock to drop significantly, even if our business is doing well.
- Our stock price may fluctuate in response to various conditions, many of which are beyond our control.
- Our Redeemable Convertible Preferred Stock has rights, preferences, and privileges that are not held by, and are preferential to, the rights of holders of our Common Stock.
- Our stockholders will experience significant dilution as a result of the issuance of shares of our Common Stock upon conversion of the Redeemable Convertible Preferred Stock.
- Our corporate organizational documents and Delaware law have anti-takeover provisions that may inhibit or prohibit a takeover of us and the replacement or removal of our management.

***General risks***

- The outcome of existing and future litigation and regulatory proceedings and the related fees, costs and penalties could have a material adverse effect on our business.
- We are dependent on our key employees and if one or more of them were to leave, we could experience difficulties in replacing them or effectively transitioning their replacements and our operating results could suffer.
- Our reputation and business may be harmed if our computer network security or any of the databases containing our trade secrets, proprietary information or the personal information of our employees, or those of third parties, are compromised.
- We are implementing a new enterprise resource planning system, and challenges with the implementation of the system may impact our business and operations.
- Third parties may claim that our services or our customers' products infringe their intellectual property rights.
- We have access to certain intellectual property and information of our customers and suppliers, and failure to protect that intellectual property or information could adversely affect our future growth and success.
- We may be unable to protect our intellectual property and proprietary processes from infringement or claims of ownership or rights by third parties, which could materially and adversely affect the Company.

**Risks related to our internal controls and financial reporting**

***We have identified material weaknesses in our internal control over financial reporting that have affected the reliability of our financial statements and have had, and may continue to have, other adverse consequences.***

As discussed in "Part IV, Item 9A. – Controls and Procedures," in this Annual Report on Form 10-K, we have identified material weaknesses in our internal control over financial reporting as of May 25, 2025. A "material weakness" is a deficiency, or a combination of deficiencies, in internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses we identified led to errors in prior year consolidated financial statements as of and for the fiscal years ended May 29, 2022 and May 30, 2021 and certain interim periods. While these errors were corrected through restatements of our consolidated financial statements, the material weaknesses underlying those restatements have not yet all been remediated. We have adopted a plan to remediate these material weaknesses, and we are taking actions to achieve our remediation, but those actions are not yet complete. The material weaknesses and the remediation thereof have caused us to incur significant accounting, legal, and other advisory costs and expenses, and substantial time from our management and employees, and may cause us to incur additional costs and time in the future.

The actions we are taking in accordance with our remediation plan may not successfully remediate the identified material weaknesses. In addition, other material weaknesses may be identified in the future. If we are unable to correct material weaknesses in a timely manner or prevent other material weaknesses from occurring in the future, we may be unable to report our financial results accurately and/or on a timely basis, which could result in the loss of investor confidence in our reported financial information, subject us to civil and criminal investigations and penalties, as well contractual penalties, make us a target for activists, result in the delisting of our Common Stock from Nasdaq, and/or cause the liquidity of and the market price for our Common Stock to decline.

See "Part IV, Item 9A. – Controls and Procedures" in this Annual Report on Form 10-K for additional information regarding the identified material weaknesses and our actions to date to remediate the material weaknesses.

**Risks related to our financial and cash position**

***We are highly leveraged and subject to significant interest, volatile fair market value fluctuations, and certain credit agreement obligations, some of which are expected to grow. These may negatively impact our results and limit cash flow available to invest in the ongoing needs of our business, as well as our operational flexibility, or otherwise adversely affect our results of operations.***

We are highly leveraged. As of May 25, 2025, we had approximately $176.0 million in total indebtedness with Alcon Research, LLC ("Alcon"), with $173.5 million outstanding under our Credit and Guaranty Agreement (the "Term Loan Credit Facility"). We also had $2.5 million outstanding and $27.3 million available for borrowing under our revolving credit agreement ("Revolving Credit Facility") with BMO.

The degree to which we are leveraged now and/or in the future (including due to the payable-in-kind interest accruing on our outstanding debt under the Term Loan Credit Facility) could have important adverse consequences, including the following:

- our flexibility in planning for, or reacting to, changes in the markets in which we compete may be limited;
- our ability to obtain additional financing or refinancing in the future for working capital or other purposes may be limited;
- we may be at a competitive disadvantage relative to our competitors with less indebtedness; and

- we are rendered more vulnerable to general adverse economic and industry conditions.

The Term Loan Credit Agreement contains various features for early prepayment of the term loans at stated premiums above par if certain future events were to occur, including a change in control or upon any uncured material default of the supply agreement with Alcon, as further described in "Note 10 – Debt – Term Loan Credit Facility" to our consolidated financial statements contained in this Annual Report on Form 10-K. These features could require the Company to pay substantial amounts of cash in excess of the stated principal amount of the term loans, and could limit or prevent us from refinancing our indebtedness or engaging in mergers and acquisitions that could benefit shareholders.

These features meet the definition of an embedded derivative, which we record on our balance sheet as the debt derivative liability. This derivative requires accounting at fair value with changes recorded in earnings. The measurement of fair value depends upon various assumptions determined by management, including the annual probability that the specified future events discussed above will occur, and that the corresponding prepayment options are exercised. Changes to those assumptions have previously caused us to report significant fluctuations in our results, and may continue to cause us to report additional fluctuations in future periods. For example, during the fiscal years ended May 25, 2025 and May 26, 2024, the Company recorded gains of $0.4 million and $39.5 million, respectively, related to changes in fair value of the debt derivative liability. The degree of volatility caused by accounting for the debt derivative liability in our earnings could hamper investor confidence in our results, and if the volatility takes the form of a loss, could significantly reduce our future financial results. Our interest expense and cash payable for interest are rapidly growing, and even though the Term Loan Credit Facility bears interest at a fixed 10% rate:

- Interest is currently payable-in-kind, but beginning in May 2026, a portion of the interest will become payable in cash at a rate of 3% per year through maturity of the Term Loan Credit Facility in May 2029;
- If the Redeemable Convertible Preferred Stock has not converted into Common Stock by June 29, 2026 (or by an earlier "Applicable Date" as defined below), the holders may elect to redeem their holdings in cash by providing 180-day advance notice anytime on or after such date. If we are unable to fund such a redemption by the end of the notice period, the Redeemable Convertible Preferred Stock will automatically convert into an interest-bearing instrument with principal in the amount of the redemption price at a rate of 12% per annum payable in cash; and
- The accounting method for the embedded derivative described above required us to discount our term loan to approximately half of its stated principal value at inception. As the discount amortizes, and as the stated principal of the debt grows from interest payable-in-kind, we anticipate that interest expense will nearly triple by the time the term loans mature, which will negatively impact our reported financial results.

Cash paid for interest, net, was $1.9 million for the fiscal year ended May 25, 2025. Should any or all of the above events occur, the Company may not have the capital necessary to fulfill these obligations or will be required to dedicate a substantial portion of cash flows from operations, if available, to the payment of principal and interest on applicable indebtedness which, in turn, reduces funds available for operations, capital expenditures and growth.

In addition, our two credit agreements contain a number of covenants that limit our ability and our subsidiaries' ability to, among other things, incur additional indebtedness, pay dividends, create liens, engage in transactions with affiliates, merge or consolidate with other companies, or sell substantially all of our assets. The Term Loan Credit Facility, under which Alcon is the lender, also contains certain operational requirements and limitations, including that any material uncured breach by us of our Amended and Restated Supply Agreement relating to the supply of HA to Alcon (the "Alcon Supply Agreement") would constitutes an event of default. The terms of our credit agreements may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs or to execute preferred business strategies. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies who are not subject to such restrictions. Our credit agreements also contain covenants related to maintaining current financial reporting and going concern maintenance.

A failure by us to comply with the covenants specified in our credit agreements could result in an event of default under the agreements, which would give the lenders the right to terminate their commitments to provide additional loans under our credit agreements and to declare all borrowings outstanding, together with accrued and unpaid interest (including the payable-in-kind interest under our Term Loan Credit Facility), to be immediately due and payable. In addition, the lenders would have the right to proceed against the collateral we granted to them, which consists of substantially all of our assets. As previously disclosed, we have been in noncompliance with our credit agreements in the past, and we cannot guarantee that we will be able to remain in compliance with all applicable covenants under the credit agreements in the future, that our lenders will elect to provide waivers or enter into amendments in the future, or, if the lenders do provide waivers, that those waivers will not be conditioned upon additional costs or restrictions that could materially or adversely impact our business, cash flows, results of operations, and financial condition. In addition, if the debt under our credit agreements were to be accelerated, we may not have sufficient cash or be able to borrow sufficient funds to refinance the debt or sell sufficient assets to repay the debt, which could immediately, materially and adversely affect our business, cash flows, results of operations, and financial condition, and there would be no guarantee that we would be able to find alternative financing. Even if we were able to obtain alternative financing, it may not be available on commercially reasonable terms or on terms that are acceptable to us.

***We have a history of losses. We may need additional capital and any additional capital we seek may not be available in the amount we need, at the time we need it or on terms favorable to us.***

We incurred a net loss of $38.7 million for the year ended May 25, 2025, and as of May 25, 2025 we had an accumulated deficit of $205.2 million. We do not anticipate reporting net income in any future periods. We have been financing our operations through the issuance of debt and equity and through operations.

We anticipate the ongoing need for additional capital to execute on our strategies for growth and to fund our operations and capital expenditures. Our capital needs are based upon management estimates as to future revenue and expense. Future capital expenditures, our development, production and manufacturing activities, and our administrative requirements (including salaries, insurance expenses and legal compliance costs) have required, and are anticipated to continue to require, a substantial amount of additional capital and cash flow. In addition, each holder of our Series A Redeemable Convertible Preferred Stock, par value $0.001 per share (the "Redeemable Convertible Preferred Stock") has the right to require us to redeem all or any part of such holder's Redeemable Convertible Preferred Stock on or after the "Applicable Date" for an amount equal to the liquidation preference, which is equal to the purchase price paid by the purchaser at issuance, plus all accrued and unpaid dividends with dividends accruing at a rate of 7.5% per annum, payable in-kind. The "Applicable Date" is the earlier of June 29, 2026, or the termination or waiver of the restriction on cash dividends and/or redemptions that is set forth in our credit agreements, and at June 29, 2026, we estimate that the accrued and unpaid liquidation preference for all shares of Redeemable Convertible Preferred Stock, assuming no earlier conversions or redemptions, will be $50.2 million, which does not include $4.5 million for registration rights monetary penalties that have accrued as of May 25, 2025. If we are not able to increase revenue, if our expenses are higher than anticipated or do not correspond to our rate of revenue growth, or if holders of our Redeemable Convertible Preferred Stock demand redemption, we may require additional capital sooner than we expect or in a greater amount than we currently expect. As discussed above, if we are unable to raise sufficient capital or otherwise fund the redemption of the Redeemable Convertible Preferred Stock, we will be required to pay substantial additional cash interest.

We may pursue sources of additional capital through various financing transactions or arrangements, including equity financing, debt financing, collaborations, sale of assets or real estate, strategic alliances or licensing arrangements, or other means. We may not be successful in identifying suitable financing transactions in the time period required or at all, and we may not obtain the capital we require (on acceptable terms or at all. Also, our efforts to raise additional funds may be hampered by the terms of our Redeemable Convertible Preferred Stock. The holders of our Redeemable Convertible Preferred Stock are entitled to certain anti-dilutive protections and participation rights with respect to any equity financing and certain consent rights related to further increases in indebtedness or other material transactions, in each case, as further described under the applicable documents related thereto.

If we raise additional equity financing, our common stockholders may experience significant dilution of their ownership interests and the value of shares of our Common Stock could decline. In addition, the terms of securities we issue in future capital transactions may be more favorable to our new investors and equity securities we issue in the future may carry rights, preferences, or privileges that are senior to those of the Common Stock.

Our efforts to raise funds by incurring additional indebtedness may be hampered by our current high leverage, by the covenants and restrictions of our existing outstanding indebtedness, and the fact that our assets are pledged to our lenders to secure existing debt. In addition, we may face challenges in securing additional debt financing if our future cash flow from operations is not sufficient to support debt service payments. Debt financing from third parties, if available, would result in increased fixed payment obligations, may be subject to consent requirements from our lenders and holders of Redeemable Convertible Preferred Stock and may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring debt or making capital expenditures.

If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may be required to agree to economic or other terms or covenants that are not favorable to us, including relinquishing certain rights to intellectual property or future revenue streams.

Regardless of the type of future capital financing, we may incur substantial costs and expenses to obtain such financing, which depending on the financing could include original discount issue fees, warrants, investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. We may incur these costs even if we do not obtain the additional capital.

If we cannot timely raise any needed funds, we may be forced to make substantial reductions in our operating expenses, which could limit our sales and marketing efforts, adversely affect our ability to attract and retain qualified personnel, limit our ability to enhance our CDMO capabilities, undermine our efforts to retain and expand customer relationships, make it more difficult for us to respond to competitive pressures or unanticipated working capital requirements, and otherwise adversely affect our ability to pursue our growth objectives. If we cannot timely raise any needed funds, third parties may be reluctant to provide the goods and services we need in order to operate and fulfill our obligations to customers. We also may be forced to divest our assets at unattractive prices in order to obtain additional capital. Our ability to raise additional capital will depend on financial, economic and market conditions, our business performance and other factors, many of which are beyond our control.

**Risks related to our business and operations**

***If we are unable to retain existing customers, attract new customers and sell additional products and services to our existing and new customers, our revenue growth and profitability will be adversely affected.***

During fiscal year 2025, Lifecore continued to execute on its previously announced strategic initiatives in an effort to support higher performance as a CDMO and bring stability to the Company. Key measures taken include the appointment of key leaders, the completion of a private placement of our Common Stock, a nearly three-year term extension of our Revolving Credit Facility, the sale of excess capital equipment and regaining compliance with our continuing SEC reporting obligations and continued listing standards of Nasdaq. However, our historical financial results have been, and our future financial results may be, subject to fluctuations. Our ability to make payments on our debt, fund our other liquidity needs, and make planned capital expenditures will depend on our ability to generate cash in the future. Our ability to generate cash is reliant on our ability to maintain existing and enter into new customer arrangements. If we are unable to retain existing customers, attract new customers and sell additional products and services to our existing and new customers, our revenue growth, profitability and cash generation will be adversely affected.

If we are unable to continue to demonstrate that we have stabilized the business, including that we are able to fund liquidity needs and execute on our strategic objectives, we may cause concern to our current or potential customers, which may result in the loss of both existing and potential business opportunities and make it more difficult to attract and retain customers. Additionally, if we are not able to retain our personnel, particularly our executive and technical personnel, we may risk the loss of the relationships and expertise that are important to attracting, retaining and growing customer relationships.

***Our success as a stand-alone CDMO will be subject to customer demand based on factors beyond our control.***

The amount that our customers spend on the development and manufacture of their products or product candidates, particularly the amount our customers choose to spend on outsourcing these services to us, substantially impacts our revenue and profitability. Our success as a stand-alone fully integrated CDMO will require strong customer demand for our services and capabilities. In particular, we expect that our ability to meet our future growth objectives will depend in large part on our existing and potential customers' demand for and ability to market to consumers various HA-based products and non-HA products that we are able to manufacture for them. In September 2024, we substantially expanded our production capacity and capabilities through the installation of a new fully-automated, high-speed and multi-purpose 5-head aseptic isolator-filler. If we are not able to fill this additional capacity through existing or new customer demand, our margins could be adversely affected.

The amount that our customers or potential customers are willing or able to spend on our development and manufacturing services may vary greatly depending on factors beyond our control, including broad factors, such as industry or general economic and financial market conditions, or on more customer-specific factors, such as the success of development programs or the size and resources of the customer. Our smaller customers or potential customers with early-stage programs may have limitations on willingness to spend or access to capital, especially during times of economic uncertainty, and so may not be able to engage or pay for our services or otherwise be required to delay or cancel our services. Regardless of size, our customers or potential customers determine the amounts that they will spend on our services based upon, among other things, the success of clinical studies, market acceptance of their products, available resources, internal capabilities and their need to develop new products. The extent to which, and rate at which, our customers achieve market acceptance of their products, including consumer preferences and trends, and penetration of their current and new products, is a function of many variables including, but not limited to price, safety, efficacy, reliability, conversion costs, regulatory approvals, intellectual property rights, competition, marketing and sales efforts, and general economic conditions affecting purchasing patterns.

In particular, our ability to maintain and grow our business is highly reliant on and subject to the success of our customers in obtaining regulatory approvals and commercial success of these products in the marketplace. Our development customers may experience a delay in, or a failure to receive, regulatory approval of their products or fail to maintain regulatory approval of their products, and we therefore are not able to manufacture these products. In addition, if we are not able to, or a customer perceives a risk that we will not be able to, maintain the regulatory approvals for our facilities, our customers may choose to seek an alternative supplier of our services.

Furthermore, increasing consolidation in the pharmaceutical industry may impact customer demand for our services, especially if our customers choose to develop or acquire integrated manufacturing operations, or otherwise reduce spending on our services.

***A significant portion of our revenue has been concentrated on a few large customers, including Alcon, one of our primary lenders, and terminations of agreements or cancellations or delays of orders by these customers may adversely affect our business.***

During the fiscal year ended May 25, 2025, the Company had sales concentrations of 10% or greater from three customers, including Alcon, which is also one of our primary lenders. Alcon and the other customers accounted for 44%, 18% and 10%, respectively, of our revenue during the fiscal year ended May 25, 2025. We expect that, for the foreseeable future, a limited number of customers may continue to account for a substantial portion of our revenues as we work to expand and diversify our customers and revenue sources.

The reduction, delay or cancellation of orders from one or more major customers for any reason or the loss of one or more of our major customers, whether through termination of existing agreements in accordance with their terms, competition, consolidation, development of other sources of supply, or otherwise, could materially and adversely affect our revenue. For some of our products and services, our major customers do not have minimum purchase obligations. Our major customers may not continue to place orders, orders by existing major customers may be canceled or may not continue at the levels of previous periods, or we may not be able to obtain orders for additional products or services.

***We may be adversely impacted by the terms of our refinancing transactions with Alcon and by Alcon's concentrated relationship with us as a significant customer of ours and as our lender.***

In May 2023, we entered into various financing transactions with Alcon, a significant customer of the Company, pursuant to which Alcon agreed to become the Company's lender under the Term Loan Credit Facility, the Company's largest form of indebtedness with a principal balance of $173.5 million as of May 25, 2025. Also in May 2023, we entered into an equipment sale and leaseback transaction with Alcon relating to equipment we use for manufacture of product for Alcon, as well as the Alcon Supply Agreement, and in December 2023, we entered into an amended and restated contract manufacturing agreement with Alcon ("Alcon CMA"), which amended and restated the agreement relating to our manufacture and supply of aseptic products to Alcon. As a result of these transactions, the Company may be subject to risks related to the nature and significance of this relationship. For example, given the scope of the customer relationship and the relative customer concentration, the Company's revenues and operational results currently are significantly reliant on the success and health of that relationship, including on Alcon's continued ability and desire to use the Company for the manufacture and supply of HA and aseptic products. These relationships give Alcon greater influence over our operations generally. The Alcon Supply Agreement includes annual committed capacity obligations on the Company without minimum purchase obligations on Alcon, and the Alcon CMA also includes annual committed capacity obligations on the Company, and both agreements permit Alcon to source from other third parties.

Additionally, Alcon has not traditionally acted as a lender, and, as a result, the Company may be subject to risks related to the unique nature of the relationship between the Company and Alcon, including the fact that Alcon may not have the same motivations, incentives and practices as a traditional lender. For example, pursuant to the terms of the Term Loan Credit Facility, any material uncured violation of the Alcon Supply Agreement constitutes an event of default under the Term Loan Credit Facility. Any of those effects could have a material adverse effect on the Company's business, prospects, financial condition, results of operations, and cash flows.

***We are subject to increasing competition in the marketplace.***

We operate in a market that is highly competitive. Our competition in the contract manufacturing market includes full-service contract manufacturers and large pharmaceutical companies offering third-party manufacturing services. We also may compete with the internal operations of pharmaceutical companies that choose to perform the services that we offer internally or that choose to produce products internally. We also compete with other manufacturers of HA, which either produce HA as a raw material for others or as a component in their own products or both.

The demand for our development and manufacturing services may change over time in ways that we do not anticipate due to changes in industry or regulatory standards, customer needs, the introduction by competitors of alternative offerings and technologies, or other reasons. Competitors may succeed in developing alternative technologies and products that are more effective, easier to use or less expensive than those which have been or are being developed by us or that would render our technology and products or services obsolete and non-competitive. New developments are expected to continue at a rapid pace and additional competition may emerge, particularly in lower-cost geographies. Many of these competitors have substantially greater financial and technical resources and development, production and manufacturing capabilities than we do, and may have substantially greater experience in conducting critical services that our customers require or may require in the future. Competition may result in price reductions, lower gross profit margins, increased discounts to customers, loss of market share and customer opportunities, which could require increased spending by us relating to our operations and capabilities, technical personnel, quality assurance, and sales and marketing.

***Our profitability is dependent upon our ability to obtain appropriate pricing for our products and to control our cost structure or to pass along costs to our customers.***

Our profitability and success depends on our ability to obtain appropriate pricing for our products and services. In many cases, our contractual arrangements with customers establish pricing terms and mechanics for price increases that will govern the relationship for long periods of time (including, in certain cases, up to several years), and therefore well in advance of our delivery of the products and services. Accordingly, our profitability is heavily reliant on accurately predicting our costs, which is dependent upon assumptions and estimates that may not ultimately be correct, and our ability to pass along cost increases to our customers. In addition, to the extent these pricing arrangements limit our inability to pass along cost increases, we may experience unanticipated increases in our cost structure, including with respect to raw material and labor costs, facility and equipment costs, unanticipated inefficiencies, product loss, or shipping and storage costs. Competition in our industry can also put downward pressure on pricing, which, in turn, can decrease our margins and increase the pressure placed on our ability to accurately predict or pass along our costs.

Our attempts to offset increased costs through pricing actions for our products and services or to pass along such increased costs to our customers may not be sufficient or successful, particularly in light of the limitations created by our existing arrangements and competitive pressures. In addition, our efforts to constrain the cost of our operations may not be effective, or may be inadequate to offset pricing pressures or any unanticipated increases in costs. If we are unable to obtain adequate pricing for our products and services and/or to pass along cost increases, our profitability, results of operations and financial position could be materially adversely affected.

***Our CDMO services are highly complex, and our failure to provide quality and timely services to our CDMO customers could adversely impact our business.***

The CDMO services we offer can be highly complex, due in part to strict regulatory requirements and the inherent complexity of the services provided. Timely operations within our facilities could be impacted by a variety of unforeseen matters, including equipment malfunction, contamination, failure of our employees to follow our required standard instructions, protocols and operating procedures, problems with raw materials and environmental factors. Such issues could affect production of a single manufacturing run or entire manufacturing campaigns, requiring the destruction of products, or could halt manufacturing operations altogether. In addition, any failure to meet required quality standards may result in our failure to deliver products timely to our customers which, in turn, could damage our reputation for quality and service. Any such incident could, among other things, lead to increased costs, lost revenue, reimbursement to customers for lost product, damage to and possibly termination of customer relationships, time and expense spent investigating and remediating the cause and, depending on the cause, similar losses with respect to other manufacturing runs. In addition, such issues could subject us to litigation, the cost of which could be significant.

***Our customers' failure to receive or maintain regulatory approval for product candidates or products could negatively impact our revenue and profitability.***

Lifecore's existing products and the products that Lifecore is developing for its customers are considered to be medical devices, drug products, or combination products, and therefore require clearance or approval by the FDA before commercial sales can be made in the United States. These products also require the approval of foreign government agencies before sales may be made in many other countries. The process for our customer to obtain these clearances or approvals varies according to the nature and use of the product. As a result, our business depends upon FDA or other regulatory approval of the products we manufacture for customers. If our customers experience a delay in, or failure to receive, approval for any of the products that we manufacture, our revenue and profitability could be adversely affected.

After approval by the FDA or other regulatory agencies, these products are generally subject to continued regulation by the FDA, various state agencies and foreign regulatory agencies, including regulation of the design, nonclinical and clinical research studies, manufacturing, labeling, distribution, post-marketing product modifications, advertising, promotion, import, export, adverse event and other reporting, and record-keeping procedures for such products. If our customers fail to maintain regulatory approval of products that we manufacture for them, lose the ability to market the products we manufacture for them, or if the regulatory agencies otherwise limit or prevent the manufacture or distribution of Lifecore's products or change the manufacturing requirements relating to such products, our revenue and profitability could be adversely affected.

***Our business is highly regulated and our operations are subject to laws, regulations and standards that directly impact our business.***

Our business is highly regulated. We are required to maintain compliance with cGMP and applicable product tracking and tracing requirements, and our manufacturing facilities are subject to inspections by the FDA and other global regulators and customers to confirm such compliance. We produce multiple products and so we face increased risks associated with cGMP compliance. In March 2025, the FDA completed a general drug product good manufacturing practices inspection of Lifecore. While it closed its inspection in May 2025 without further required action, future inspections by the FDA, other regulators or customers may result in observations not acceptable by them.

Our inability to demonstrate ongoing cGMP compliance could require us to engage in lengthy and expensive remediation efforts, withdraw or recall products and/or interrupt our supply of any products or provision of services. Delays or other issues that arise in the development, manufacture, fill/finish, packaging, or storage of any drug product as a result of a failure of our facilities to pass any regulatory agency inspection or maintain cGMP compliance could significantly impair our relationships with our customers, which would substantially harm our business, prospects, operating results and financial condition. Any ongoing or additional findings of non-compliance could also increase our costs and cause us to lose revenue from products or services, which could be seriously detrimental to our business, prospects, operating results and financial condition.

In addition, if we, or a regulatory authority, discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with a facility where the product is manufactured, a regulatory authority may impose restrictions relative to that product or the manufacturing facility, including requiring recall or withdrawal of the product from the market, suspension of manufacturing, or other FDA action or other action by the equivalent regulatory authorities in other countries.

Furthermore, compliance with other foreign, federal, state, and local laws, regulations and standards applicable to our business is costly and time-consuming, and we may be required to incur significant compliance costs and capital expenditures in the future.

***Loss or compromise of our HA bacterial cell bank assets could materially impact our business operations, product quality and competitive position.***

We produce HA using microbial fermentation and purification processes, the starting point of which is reliant on our HA bacterial cell bank assets. While we maintain redundant storage backups of these assets, including one maintained at a third party site, any failure, including due to natural disasters, equipment failures, network failures or cyberattacks, that causes a material interruption or discontinuance in our storage of the assets could result in stored assets being damaged and unable to be utilized. As living organisms, bacterial strains are inherently sensitive to environmental conditions, and so improper handling and variations in temperature, pH, nutrient composition, or other process parameters can lead to contamination, mutation, or loss of desired bacterial traits or performance, quality deviations and production inefficiencies. In addition, the expertise required to manage and maintain our cell bank assets is highly specialized and departures of key personnel or inadequate knowledge transfer may result in procedural errors, loss of proprietary know-how, or diminished operational continuity. We have implemented robust controls, including SOPs and multiple physical storage sites to mitigate these risks, but any failure in our HA bacterial cell bank management could materially and adversely affect our HA manufacturing operations, regulatory standing, reputation and competitive advantage.

***Our development and manufacturing activities may expose us to product liability claims.***

We develop and manufacture products intended for use in humans, so our activities involve an inherent risk of allegations of product liability. Product liability claims might be brought against us by consumers, health care providers, pharmaceutical companies or others selling or otherwise coming into contact with our products. If any of the products that we manufacture are determined or alleged to be contaminated or defective or to have caused an illness, injury or harmful accident to a consumer, we could incur substantial costs in responding to complaints or litigation regarding our products, and our brand image could be materially damaged. Such events may have a material adverse effect on our business, operating results and financial condition. In addition, we may be required to participate in product recalls, even if a product that we manufacture is not alleged to be contaminated or defective.

Although we have taken and intend to continue to take what we consider to be appropriate precautions to minimize exposure to product liability claims, we may not be able to avoid significant liability. We seek to reduce our potential liability through measures such as contractual indemnification provisions with customers (the scope and limitations of which may vary by customer and are subject to the financial viability of the customer) and product liability insurance maintained by us and our customers. Our contractual indemnification provisions and product liability insurance may not be adequate or, in the case of product liability insurance, may not continue to be available at an acceptable cost, if at all. A product liability claim, product recall or other claim with respect to liabilities not covered by or in excess of insurance coverage or indemnification rights could have a material adverse effect on our business, operating results and financial condition.

***We have a concentration of facilities and unforeseen events could materially disrupt our ability to provide services and manufacture products for our customers.***

We have three facilities that are all located within two miles of one another in Chaska, Minnesota that use specialized manufacturing equipment to operate our business. Any prolonged disruptions in our primary manufacturing operations due to unforeseen events, including power outages or natural disasters, in or around this area would reduce our ability to provide our CDMO services and conduct our manufacturing operations given that we would not be able to shift manufacturing capabilities to alternative locations. Accordingly, such events would have a material adverse effect on our business, results of operations and financial condition.

***Our dependence on single-source suppliers and service providers may cause disruption in our operations should any supplier fail to deliver materials.***

Several of the raw materials we use to manufacture our products are currently purchased from a single source, including raw materials for our HA products. Any interruption of our relationship with single-source suppliers or service providers could delay product shipments and materially harm our business. We may experience difficulty acquiring materials or services for the manufacture of our products or we may not be able to obtain substitute vendors on a timely basis or at all. In addition, we may not be able to procure comparable materials at similar prices and terms within a reasonable time, if at all, all of which could materially harm our business.

***Changes to U.S. trade policy, tariff and import/export regulations may have a material adverse effect on our business.***

Changes in U.S. or international social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories or countries where we currently sell our products or conduct our business, as well as any negative sentiment toward the U.S. as a result of such changes, could have a material adverse impact on our business, financial condition, and results of operations. For example, the U.S. has recently imposed significant tariffs on imports from other countries, which have prompted retaliatory measures from several countries, which may further escalate, and impact our cost of doing business. It is not yet clear whether or when tariffs may be imposed on pharmaceutical imports, but the imposition of adopted, new or proposed tariffs, or trade restrictions or sourcing requirements could result in increased costs for raw materials, components or finished goods, disruptions to our supply chain, change in manufacturing locations, manufacturing delays and/or adverse impacts to clinical trials. These cost increases, disruptions, delays and adverse impacts may reduce our revenues and margins, require us to raise prices, or make our products less competitive in the marketplace. In addition, we may be restricted in our ability to adapt to these impacts and challenges due to, among other things, the terms of our existing arrangements. If we are unable to mitigate these risks through supply chain adjustments, pricing strategies, cost containment or pass-through, or other measures, our financial performance and growth prospects could be negatively affected.

The impact of any adopted, new or proposed tariffs, trade restrictions or sourcing requirements on our business is subject to a number of factors that we cannot predict, including, but not limited to, the scope, nature, amount, effective date and duration of any such measures. Furthermore, the general uncertainty relating to such measures have the potential to adversely impact the U.S. economy or certain sectors thereof, our industry and the global demand for our products, and as a result, could have a material adverse effect on our business, financial condition and results of operations.

***We may need to consider new business acquisitions to achieve our growth strategy, and any such acquisition would involve substantial effort and costs to complete and uncertainty relating to integration.***

We may need to consider acquisitions of businesses to achieve our growth strategy. The completion and then successful integration of new business acquisitions would require substantial effort from the Company's management, as well as substantial cost and expense. The diversion of the attention of management and any difficulties encountered in the acquisition and transition process could have a material adverse effect on the Company's ability to realize the anticipated benefits of the acquisitions. The successful combination of new businesses also requires coordination of research and development activities, manufacturing, sales and marketing efforts. In addition, the process of combining organizations located in different geographic regions could cause the interruption of, or a loss of momentum in, the Company's activities. There can be no assurance that the Company will be able to retain key management, technical, sales and other key personnel, or that the Company will realize the anticipated benefits of any acquisitions, and the failure to do so would have a material adverse effect on the Company's business, results of operations and financial condition

**Risks related to ownership of our Common Stock**

***Future resales, or the perception of future resales, of our Common Stock may cause the market price of our Common Stock to drop significantly, even if our business is doing well.***

Sales of a substantial number of shares of our Common Stock in the public market could occur at any time, including shares of Common Stock issuable upon conversion of our Redeemable Convertible Preferred Stock. Each holder of Redeemable Convertible Preferred Stock is entitled to convert all or any portion of their Redeemable Convertible Preferred Stock into Common Stock at any time. Additionally, Lifecore may from time to time, at its option, require conversion of all or any portion of the outstanding shares of Redeemable Convertible Preferred Stock to Common Stock if, for at least 20 consecutive trading days during the respective measuring period the closing price of the Common Stock was at least $10.50. Sales of our Common Stock, or a perception in the market that such sales may occur, could reduce the market price of our Common Stock, increase the volatility in the market price of our Common Stock, and adversely affect our ability to raise equity capital.

***Our stock price may fluctuate in response to various conditions, many of which are beyond our control.***

The market price of our Common Stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including the following:

- technological innovations applicable to our products;
- customer demand for our services;
- fluctuations in our operating results;
- our attainment of (or failure to attain) milestones in the development of products for our customers;
- the development of new products by our competitors or competitors of our customers;
- our acquisition of new businesses or the sale or disposal of a part of our business;
- development of new collaborative arrangements by us, our competitors, or other parties;
- changes in government regulations, interpretation, or enforcement applicable to our business;
- changes in investor perception of our business;
- securities litigation and stockholder activism;
- conversions or redemptions of the Redeemable Convertible Preferred Stock;
- changes in financial estimates and recommendations by securities analysts;
- the operating and stock price performance of other companies that investors may deem comparable to us; and
- changes in the general market conditions in our industry.

These broad market and industry fluctuations may adversely affect the price of our Common Stock, regardless of our operating performance. Further, any failure by us to meet or exceed the expectations of financial analysts or investors is likely to cause a decline in our Common Stock price. Further, recent macroeconomic conditions have resulted in significant fluctuations in stock prices for many companies, including Lifecore, and it is not possible to predict when the stock markets may stabilize. In addition, although our Common Stock is listed on Nasdaq, our Common Stock has at times experienced low trading volume in the past. Limited trading volume subjects our Common Stock to greater price volatility and may make it difficult for our stockholders to sell shares at an attractive price.

***Our Redeemable Convertible Preferred Stock has rights, preferences, and privileges that are not held by, and are preferential to, the rights of holders of our Common Stock.***

We have issued Redeemable Convertible Preferred Stock, which have rights, preferences and privileges that are not held by, and are preferential to, the Company's Common Stock, including with respect to dividends, distributions and payments on liquidation, winding up and dissolution, which could adversely impact the rights of the holders of the Company's Common Stock. In addition, subject to the terms of the Certificate of Designations, the holders of Redeemable Convertible Preferred Stock are entitled to designate two members of the Board, to vote on an as-converted basis with the Company's Common Stock, and to separate consent rights over certain matters. These rights, combined with the fact that ownership of the Redeemable Convertible Preferred Stock is highly concentrated, provide the holders of the Redeemable Convertible Preferred Stock with significant influence over the Company. This influence may increase over time, as the Redeemable Convertible Preferred Stock entitles the holders thereof to dividends that are paid-in-kind ("PIK"), which increases the holders' ownership of Redeemable Convertible Preferred Stock, and thus, beneficial ownership of the Company. The holders of the Redeemable Convertible Preferred Stock may have interests that are different from those of the holders of Common Stock, and could adversely impact the Company's ability to effectuate its strategic initiatives and operate its business.

In addition, the conversion price of the Redeemable Convertible Preferred Stock has been, and in the future may be, adjusted in connection with certain dilutive events, including in the event of subsequent equity offerings at a price below the current conversion price. For example, as a result of our private placement of Common Stock on October 3, 2024, the conversion price was adjusted from the initial price of $7.00 per share to approximately $6.53 per share. These rights could adversely impact the Company's access to equity capital, and otherwise compound the dilutive effects of future equity raises by the Company.

Further, on or after the Applicable Date, each holder of our Redeemable Convertible Preferred Stock has the right to require us to redeem all or any part of such holder's Redeemable Convertible Preferred Stock for an amount equal to the liquidation preference, which is equal to the purchase price paid by the purchaser at issuance, plus all accrued and unpaid dividends with dividends accruing at a rate of 7.5% per annum, payable in-kind. The "Applicable Date" is the earlier of June 29, 2026, or the termination or waiver of the restriction on cash dividends and/or redemptions that is set forth in our credit agreements. If some or all of the holders of the Redeemable Convertible Preferred Stock demand redemption of their shares, we may need to obtain additional capital to fund such redemptions and there can be no assurance that we will be able to do so on favorable terms, or at all.

The holders of the Redeemable Convertible Preferred Stock also entered into a registration rights agreement with the Company. This agreement required the Company to file an initial registration statement covering sufficient shares of Common Stock into which the Redeemable Convertible Preferred Stock may be converted, which the Company filed in 2023. The agreement contains monetary penalties if the Company fails to maintain the effectiveness of that registration statement, including the timely filing of our periodic reports with the SEC, which the Company has failed to file timely in the past and could fail to maintain in the future, potentially subjecting the Company to even additional penalties. See "Note 11 – Equity – Redeemable Convertible Preferred Stock – Registration rights" to our consolidated financial statements contained in this Annual Report on Form 10-K for information regarding monetary penalties and interest that we have incurred and accrued.

The Board may issue additional preferred stock in the future, or could authorize the issuance of new securities with priority as to dividends, distributions and payments on liquidation, winding up and dissolution over the rights of the holders of our Common Stock, all of which could further enhance or expand the risks described above.

***Our stockholders will experience significant dilution as a result of the issuance of shares of our Common Stock upon conversion of the Redeemable Convertible Preferred Stock.***

Our outstanding shares of Redeemable Convertible Preferred Stock were initially convertible into an aggregate of over 5.5 million shares of common stock, subject to increase pursuant to applicable anti-dilution adjustments. In April 2025, we held a Special Meeting of Stockholders at which stockholders approved the removal of the 19.99% "Exchange Cap" on the issuance of Common Stock underlying the Redeemable Convertible Preferred Stock. Furthermore, the Redeemable Convertible Preferred Stock accrues dividends on a quarterly basis at a rate of 7.5% per annum, thereby increasing the number of shares of common stock issuable upon conversion. The conversion of some or all of the Redeemable Convertible Preferred Stock will result in the issuance of a substantial number of shares of common stock and, as a result, the percentage ownership and voting power held by our existing stockholders will be significantly reduced and our stockholders will experience significant dilution. As of May 25, 2025, an aggregate of 7,000,626 shares of Common Stock were issuable upon conversion of the then-outstanding Redeemable Convertible Preferred Stock, including all PIK dividends accrued as of such date.

***Our corporate organizational documents and Delaware law have anti-takeover provisions that may inhibit or prohibit a takeover of us and the replacement or removal of our management.***

The anti-takeover provisions under Delaware law, as well as the provisions contained in our corporate organizational documents, may make an acquisition of us more difficult. In addition to the consent rights of the holders of Redeemable Convertible Preferred Stock with an anti-takeover effect, other examples of anti-takeover provisions include:

- our certificate of incorporation includes a provision authorizing our Board of Directors to issue blank check preferred stock without stockholder approval, which, if issued, would increase the number of outstanding shares of our capital stock and could make it more difficult for a stockholder to acquire us;
- our amended and restated bylaws limit the number of directors that may serve on the Board of Directors without the majority approval of all of the outstanding shares of our Common Stock;
- our amended and restated bylaws require advance notice of stockholder proposals and director nominations;
- our Board of Directors has the right to implement additional anti-takeover protections in the future, including stockholder rights plans and other amendments to our organizational documents, without stockholder approval; and
- Section 203 of the Delaware General Corporation Law may prevent large stockholders from completing a merger or acquisition of us.

These measures could discourage or prevent a takeover of us or changes in our management, even if an acquisition or such changes would be beneficial to our stockholders. This may have a negative effect on the price of our Common Stock.

**General risks**

***The outcome of existing and future litigation and regulatory proceedings and the related fees, costs and penalties could have a material adverse effect on our business.***

As previously disclosed, we were delinquent in filing certain of our past periodic reports with the SEC, and we have restated previously issued financial statements for several periods, which have subjected us to, and may in the future, subject us to further, governmental or regulatory investigations or stockholder litigation. For example, on February 16, 2024, the Chicago Regional Office of the SEC issued a subpoena to the Company seeking documents and information concerning the restatements. Also, on July 29, 2024, shareholder David Carew filed a putative class action complaint on behalf of our stockholders in the United States District Court of Minnesota alleging that statements made to our shareholders between October 7, 2020 and March 19, 2024 regarding our financial results, internal controls, remediation efforts, periodic reporting, and financial prospects were false and misleading in violation of Section 10(b) of the Exchange Act. In addition, in December 2024, 22NW, LP ("22NW"), filed a complaint in the Commercial Division of the Supreme Court of the State of New York, New York County alleging, among other things, material misrepresentations by us in connection with its acquisition of economic interests in the Company, including its investment in the Redeemable Convertible Preferred Stock. Both the Carew securities class action complaint and the 22NW complaint seek compensatory damages, court costs, and attorneys' fees, among other remedies. We have incurred, and may be required in future to incur further, significant legal fees and other expenses related to the SEC investigation and these lawsuits. In addition, any adverse determination in any of these matters could expose us to significant liabilities. See "Note 9 – Commitments and Contingencies" to our consolidated financial statements contained in this Annual Report on Form 10-K for additional information regarding the SEC investigation and these lawsuits.

In addition, from time to time, we may be subject to claims or lawsuits during the ordinary course of business regarding, but not limited to, employment matters, safety standards, product liability, security of customer and employee personal information, contractual matters, and compliance with laws.

Litigation to defend ourselves against claims by third parties or enforcement actions by regulators, or to enforce any rights that we may have against third parties, has been and may continue to be necessary, which has resulted and in the future could result in substantial costs, penalties, limitations on our business and diversion of our resources, causing a material adverse effect on our business, financial condition, results of operations or cash flows.

***We are dependent on our key employees and if one or more of them were to leave, we could experience difficulties in replacing them or effectively transitioning their replacements and our operating results could suffer.***

We made key executive officer appointments, including a new CEO in May 2024 and a new CFO in September 2024, as well as other senior leadership appointments thereafter. The success of our business depends to a significant extent on the continued service and performance of this senior leadership team, as well as our ability to attract and retain qualified scientific, technical, sales and marketing personnel. These employees may voluntarily terminate their employment with us at any time. The loss of any of our key personnel for an extended period may cause hardship for our business. In addition, competition for senior level personnel with knowledge and experience in our business is intense. If any of our key personnel were to leave, we would need to devote substantial resources and management attention to replacing them. As a result, management attention may be diverted from managing our business, and we may need to pay higher compensation to replace these employees.

***Our reputation and business may be harmed if our computer network security or any of the databases containing our trade secrets, proprietary information or the personal information of our employees, or those of third parties, are compromised.***

Cyberattacks or security breaches could compromise our confidential business information, cause a disruption in the Company's operations or harm our reputation. We maintain numerous information assets, including intellectual property, trade secrets, banking information and other sensitive information critical to the operation and success of our business on computer networks, and such information may be compromised in the event that the security of such networks is breached. We also maintain confidential information regarding our employees and job applicants, including personal identification information. The protection of employee and company data in the information technology systems we utilize (including those maintained by third-party providers) is critical. Despite the efforts by us to secure computer networks utilized for our business, security could be compromised, confidential information, such as Company information assets and personally identifiable employee information, could be misappropriated, or system disruptions could occur, and there can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.

In addition, cyberattacks on our customers or vendors could disrupt our ability to procure product from our vendors or our customers' ability to order our products, and may negatively impact our reputation. Any of these occurrences could disrupt our business, result in potential liability or reputational damage, or otherwise have an adverse effect on our financial results.

In addition, we may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks. Attacks may be targeted at us, our customers, or others who have entrusted us with information. Actual or anticipated attacks may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants. Advances in computer capabilities, new technological discoveries or other developments may result in the technology used by us to protect sensitive Company data being breached or compromised. Furthermore, actual or anticipated cyberattacks or data breaches may cause significant disruptions to our network operations, which may impact our ability to deliver shipments or respond to customer needs in a timely or efficient manner.

Data and security breaches could also occur as a result of non-technical issues, including an intentional or inadvertent breach by our employees or by persons with whom we have commercial relationships that result in the unauthorized release of confidential information related to our business or personal information of our employees. Any compromise or breach of our computer network security could result in a violation of applicable privacy and other laws, costly investigations and litigation, and potential regulatory or other actions by governmental agencies. As a result of any of the foregoing, we could experience adverse publicity, the compromise of valuable information assets, loss of sales, the cost of remedial measures and/or significant expenditures to reimburse third parties for resulting damages, any of which could adversely impact our brand, our business and our results of operations.

***We are implementing a new enterprise resource planning system, and challenges with the implementation of the system may impact our business and operations.***

We are implementing a new enterprise resource planning system ("ERP"). ERP implementations are complex, time-consuming, labor intensive, and involve substantial expenditures. The new ERP is critical to our ability to gather important information, obtain and deliver products, send invoices, fulfill contractual obligations, maintain books and records, provide accurate, timely and reliable reports on our financial and operating results, and otherwise operate our business. ERP implementations also require transformation of internal processes. Any such implementation involves risks, including loss of information and potential disruption in operations. The implementation and maintenance of the new ERP system may be subject to delays and cost overruns.

Any disruptions, delays or deficiencies in the implementation of the new ERP system could affect our ability to process orders, ship products, send invoices, fulfill contractual obligations, accurately maintain books and records, provide accurate, timely and reliable reports on our financial and operating results, including reports required by the SEC such as the evaluation of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, and otherwise operate our business. Additionally, if we do not implement the new ERP as planned, the effectiveness of our internal control over financial reporting could be adversely affected.

***Third parties may claim that our services or our customers' products infringe their intellectual property rights.***

We may receive notices from third parties, including some of our competitors, claiming that our services infringe their patent or other proprietary rights. Regardless of their merit, responding to any such claim could result in costly litigation and may divert the efforts and attention of our management and technical personnel. If a successful claim is made against us and we fail to develop or license a substitute technology or process, we could be required to alter our processes and/or cease manufacturing a particular product. In addition, our customers' products may be subject to claims of intellectual property infringement, which could require us to cease our development or manufacturing services for the customer.

***We have access to certain intellectual property and information of our customers and suppliers, and failure to protect that intellectual property or information could adversely affect our future growth and success.***

We have access to sensitive intellectual property and confidential information of our customers and suppliers, including formulations used and processes developed by us in the manufacture of our customers' products. We rely on nondisclosure agreements with our employees, information technology security systems and other measures to protect certain customer and supplier information and intellectual property that we have in our possession or to which we have access. Our efforts to protect such intellectual property and proprietary rights may not be sufficient, which could subject us to judgments, penalties and significant litigation costs, reputational harm, or temporarily or permanently disrupt our sales and marketing of the affected products or services, which could have a material adverse effect on our competitive position, results of operations, cash flows or financial condition.

***We may be unable to protect our intellectual property and proprietary processes from infringement or claims of ownership or rights by third parties, which could materially and adversely affect the Company.***

We rely upon trade secrets, technical know-how and continuing technological innovation to develop and maintain our competitive position, and we typically require our employees, consultants and advisors to execute confidentiality and/or assignment of inventions agreements in connection with their employment, consulting or advisory relationships. In addition, we include provisions in our agreements with customers seeking to preserve our rights to the technology we utilize. There can be no assurance, however, that these agreements will not be breached, third parties or our contractual counterparties will not claim ownership or rights to technology we utilize, our agreements will adequately protect our proprietary processes, our proprietary processes will not be infringed or misappropriated or that we will have adequate remedies for any breaches. The loss of protection of our intellectual property, technology or proprietary processes and assets, our inability to secure or enforce such protections or the development by third parties of intellectual property or processes competitive to ours would impact our ability to remain competitive as a CDMO.

**Item 1B. Unresolved staff comments**

None.

**Item 1C. Cybersecurity**

***Cybersecurity risk management and strategy***

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework (the "NIST CSF"). This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise information technology environment;
- development of a multi-year cybersecurity roadmap and prioritization rubric based on risk;
- a contracted third-party security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, (3) our response to cybersecurity incidents and (4) actively monitoring for threats;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- cybersecurity awareness training of our employees, incident response personnel, and senior management;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management process for service providers, suppliers, and vendors.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition.

***Cybersecurity governance***

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee (the "Committee") oversight of cybersecurity and other information technology risks. The Committee oversees management's implementation of our cybersecurity risk management program.

The Committee receives periodic reports from management on our cybersecurity risks, including reports of external service providers relating to testing. In addition, management updates the Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.

The Committee reports to the full Board regarding its activities, including those related to cybersecurity. The full Board also receives briefings from management on our cyber risk management program. Board members receive presentations on cybersecurity topics from our Senior Vice President of Information Technology, leveraging information and analysis from external experts as part of the Board's continuing education on topics that impact public companies.

The Senior Vice President of Information Technology leads an internal team that is responsible for assessing and managing our material risks from cybersecurity threats. The Information Technology team has primary responsibility for our overall cybersecurity risk management program and engages our retained external cybersecurity consultants as needed. The Information Technology team has also developed incident response playbooks that would be put into effect in the event of a Cyber Security incident and have exercised these playbooks in tabletop exercises with our external Cyber Security experts. The Senior Vice President of Information Technology has 25+ years of information management, governance, architecture and security controls management at Lifecore and other Fortune 500 organizations.

Our Information Technology team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from external security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the information technology environment.

## Item 2. Properties

As of May 25, 2025, the Company owned or leased the following principal physical properties:

| Location | Ownership | Facilities |
|---|---|---|
| Chaska, MN | Owned | 148,200 square feet of office, laboratory and manufacturing space |
| Chaska, MN | Leased | 80,950 square feet of office, manufacturing and warehouse space |
| Chanhassen, MN | Leased | 21,384 square feet of warehouse and office space |

Leases for the facilities in Chaska and Chanhassen expire on September 2034 and March 2033, respectively. For additional information about lease terms, see "Part IV, Item 15. Note 16 – Leases" of this Annual Report on Form 10-K.

Our owned real property is subject to a mortgage in favor of the lenders under our revolving credit agreement, as amended, with BMO as administrative agent.

The Company does not anticipate experiencing significant difficulty in retaining occupancy of any of our manufacturing, laboratory, or office facilities through lease renewals prior to expiration or through month-to-month occupancy, or in replacing them with equivalent facilities. We believe our existing facilities, both owned and leased, are in good condition and suitable for the conduct of our business.

## Item 3. Legal proceedings

In the ordinary course of business, the Company is involved in various legal proceedings and claims. The information relating to material pending legal proceedings contained in "Part IV, Item 15. Note 9 - Commitments and contingencies" of this Annual Report on Form 10-K is incorporated herein by reference.

## Item 4. Mine safety disclosures

Not applicable.

## PART II

### Item 5. Market for registrant's common equity, related stockholder matters and issuer purchases of equity securities

***Market information***

The Common Stock is traded on the NASDAQ Global Select Market under the symbol "LFCR".

***Holders***

As of August 6, 2025, there were approximately 55 holders of record of our Common Stock. Since certain holders are listed under their brokerage firm's names, the actual number of stockholders is higher. As of August 6, 2025, there were approximately 13 holders of record of the Convertible Preferred Stock.

***Dividends***

The Company has not paid any dividends on the Common Stock since its inception. The Company presently intends to retain all future earnings, if any, for its business and does not anticipate paying cash dividends on its Common Stock in the foreseeable future. Under the terms of its credit agreements, the Company currently is prohibited from making cash dividends, distributions or payments on its capital stock. Additionally, payments on dividends on the Common Stock is subject to preferential dividends payable on the Convertible Preferred Stock.

***Recent sales of unregistered equity securities***

During the fiscal year ended May 25, 2025, the Company issued a restricted stock unit ("RSU") award with respect to 45,000 shares of Common Stock, an option for 210,000 shares of Common Stock, an RSU for 170,000 shares of Common Stock, and a performance stock unit ("PSU") award for up to 370,000 shares of Common Stock to Thomas D. Salus under the Company's Equity Inducement Plan, as amended. The stock option grant, RSU awards and PSU award were granted in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The securities have not been registered under the Securities Act, and may not be offered or sold without registration or an applicable exemption from registration requirements.

***Issuer repurchases of equity securities***

In connection with the cross-complaint filed by the Company on November 3, 2020 described in "Part IV, Item 15. Note 9 – Commitments and contingencies – Compliance Matters" of this Annual Report on Form 10-K against former equity holders who were cross-defendants in that matter, the Company reached a settlement with one cross-defendant who agreed to release 76,514 previously escrowed shares to the Company, which the Company received and retired on April 28, 2025.

In connection with vesting of RSUs and PSUs awarded to our CEO and CFO since May 20, 2024 through May 25, 2025, certain tax withholding obligations were satisfied by forfeiting a total of 62,500 outstanding unregistered shares held by those individuals.

***Securities authorized for issuance under equity compensation plans***

Other information about our equity compensation plans is incorporated herein by reference to Part II, Item 12 of this Annual Report on Form 10-K.

### Item 6. [Reserved]

### Item 7. Management's discussion and analysis of financial condition and results of operations

The following discussion should be read in conjunction with the Company's consolidated financial statements and notes contained in Part IV, Item 15 of this Annual Report on Form 10-K. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. Please see "Part I, Item 1A. Risk Factors" and "Cautionary Note About Forward-Looking Statements" contained in this Annual Report on Form 10-K.

**Overview**

Lifecore is a fully integrated CDMO that offers highly differentiated clinical and commercial capabilities in the development, cGMP manufacturing and aseptic filling of complex formulations and highly viscous sterile injectable pharmaceutical drug or medical device products in syringes, vials and cartridges, across a wide variety of modalities. We manufacture HA in bulk form as well as for use in formulated and filled syringes and vials for our customers' injectable products used in treating a broad spectrum of medical conditions and procedures, including ophthalmic and orthopedic applications. We also offer product development service capabilities to our customers that include analytical method development and validation, formulation development, sterile filtration, process scale-up, pilot studies, stability studies, process validation and production of materials for clinical studies.

During fiscal year 2025, Lifecore continued to execute on the previously announced strategic initiatives to support higher performance as a CDMO. We have made significant improvements to our revenue generating capacity, financial position, management team, governance, financial reporting and stock exchange compliance, and business development efforts. In addition, we implemented various process improvements to ensure improved productivity and discipline in key areas of our business. Based on all of these improvements, together with our competitive advantages and our strategic plan described below, we believe that we are well-positioned for future growth.

For additional information, see "Part I, Item 1. Business" of this Annual Report on Form 10-K.

**Financial overview**

Lifecore generates revenues from two activities within a single, integrated segment: CDMO and HA manufacturing. CDMO includes aseptic formulation and filling of syringes, vials and cartridges for injectable products used for medical purposes and product development services to assist its customers in obtaining regulatory approval for the commercial sale of their device or drug product. HA manufacturing includes the production and sale of pharmaceutical-grade, non-animal-sourced HA using our proprietary, fermentation-based HA process in bulk form.

The following costs are included in cost of goods sold: raw materials (including packaging, syringes, fermentation supplies and purification supplies), direct labor, overhead (including indirect labor, depreciation, and facility-related costs), and shipping and shipping-related costs.

Numerous factors can influence gross profit, including product mix, customer mix, manufacturing costs, timing of production, production yields, volume, sales discounts, contractual provisions, and charges for excess or obsolete inventory, among others. Many of these factors influence or are interrelated with other factors.

R&D expenses consist primarily of product development and commercialization initiatives.

SG&A expenses consist of salaries and related costs for administrative, public company and business development functions as well as legal fees, and consulting fees. Public company costs include compliance, audit, tax, insurance and investor relations.

The debt derivative liability, related party, is a set of embedded derivatives recorded at fair value each period. The derivatives represent certain call and put premiums contained in the credit facility that can be exercised upon qualifying events of default or changes in control. Changes in the fair value are recorded as non-operating income or expense.

**Results of operations – Fiscal year ended May 25, 2025 compared to year ended May 26, 2024**

***Revenues and gross profit***

| | Year ended | | Change | |
|---|---|---|---|---|
| *(in thousands)* | **May 25, 2025** | **May 26, 2024** | **Amount** | **%** |
| Revenues: | | | | |
| CDMO | $ 90,095 | $ 96,616 | $ (6,521) | (7)% |
| HA manufacturing | 38,772 | 31,645 | 7,127 | 23 % |
| Total revenues | 128,867 | 128,261 | 606 | — % |
| Cost of goods sold | 88,569 | 86,411 | 2,158 | 2 % |
| Gross profit | 40,298 | 41,850 | (1,552) | (4)% |
| Gross profit percentage | 31.3 % | 32.6 % | (1.3)% | |

The increase in revenues was due to a $7.1 million increase in HA manufacturing demand primarily due to our largest customer's supply chain initiatives. The HA manufacturing revenue increase was partially offset by the $6.5 million decline in CDMO revenues that is primarily due to $6.2 million lower development revenue due to completion of a discrete development project in the prior comparable period, timing of customer project lifecycles, $4.3 million of reduced volumes primarily driven by a customer working down inventory levels built in the prior fiscal year period, and $3.2 million of lower sales volume from a customer termination, partially offset by $5.4 million of value focused customer pricing initiatives and $1.8 million from a contractual take-or-pay arrangement recognized in fiscal year 2025.

The $1.6 million decrease in gross profit is due to a $5.9 million decrease in CDMO gross profit, partially offset by a net $4.3 million increase in HA manufacturing gross profit due to increased volumes and manufacturing variances. There were a combination of factors within CDMO gross profit including a $3.3 million fluctuation on the adjustment of inventories to their net realizable value primarily due to the absence of a favorable adjustment in the prior fiscal year due to an improvement in sales prices, a $2.1 million decrease due to a customer termination that also resulted in a write-off of inventory and equipment, and an otherwise consistent overall sales mix that included a contractual take-or-pay arrangement and pricing improvements that offset the margin on lower development revenues described above.

***Operating expenses***

| | Year ended | | Change | |
|---|---|---|---|---|
| *(in thousands)* | **May 25, 2025** | **May 26, 2024** | **Amount** | **%** |
| Research and development | $ 8,258 | $ 8,575 | $ (317) | (4)% |
| Selling, general and administrative | 44,046 | 40,463 | 3,583 | 9 % |
| Loss on sale or disposal of assets, net of portion classified as cost of sales | 6,986 | — | 6,986 | n/m |
| Restructuring (recovery) costs | (1,747) | 1,656 | (3,403) | (205)% |
| Total operating expenses | $ 57,543 | $ 50,694 | $ 6,849 | 14 % |

*Research and development ("R&D")*

The decrease of $0.3 million in R&D expenses was primarily due to fewer headcount for the fiscal year ended May 25, 2025 compared to the prior period.

*Selling, general, and administrative ("SG&A")*

The increase of $3.6 million in SG&A expenses was primarily due to a $3.7 million increase in stock-based compensation, the majority of which was related to new hire performance stock unit grants to our executive officers. Also included in SG&A expenses for the current period is $11.6 million primarily related to legal expenses related to legacy matters including the SEC subpoena, an activist investor and a securities class action claim, as well as costs associated with the legacy financial restatement. The prior period included $10.2 million primarily related to incremental audit and consulting fees for the legacy financial restatement, expenses related to strategic alternatives and the divestiture of Curation Foods, and $1.7 million of other one-time costs associated with becoming a standalone CDMO.

*Loss on sale or disposal of assets*

The $7.0 million loss on sale or disposal of assets was primarily due to a $6.4 million loss on the sale of certain excess equipment that was primarily related to the write-off of historically capitalized interest costs, as well as $0.6 million related to capital projects that were abandoned.

*Restructuring costs*

The $1.7 million net recovery for the current fiscal year includes a recovery of $3.2 million following the favorable reversal of a historical lease obligation of the divested Curation Foods business, for which we recorded $1.0 million of expense in the prior fiscal year. The current fiscal year recovery was partially offset by $1.4 million of severance expense related to the transformation of the finance and accounting department.

***Non-operating income or expense***

| | Year ended | | Change | |
|---|---|---|---|---|
| *(in thousands)* | **May 25, 2025** | **May 26, 2024** | **Amount** | **%** |
| Interest expense, net | $ (21,835) | $ (18,090) | $ (3,745) | 21 % |
| Change in fair value of debt derivative liability, related party | 409 | 39,500 | (39,091) | (99)% |
| Other expense, net | (3) | (3,052) | 3,049 | (100)% |
| Income tax expense | (43) | (183) | 140 | (77)% |

*Interest expense, net*

The increase in interest expense, net of interest income, was primarily from $3.8 million more interest related to the Alcon term loans, which will continue to grow due to accumulating interest paid-in-kind and amortization of the debt discount.

*Change in fair value of debt derivative liability, related party*

The change in the fair value of debt derivative liability, related party, in fiscal year 2025 was primarily caused by the absence of significant changes recognized in fiscal year 2024. Those changes were primarily due to changes in the probability factors related to the timing of a change in control event. Management moved back the estimated timing of that event following the conclusion of a strategic review process at the end of fiscal year 2024.

*Other expense, net*

The decrease of $3.0 million in other expense was primarily driven by a $2.7 million decrease compared to the prior fiscal year for monetary penalties associated with late filings accrued under the registration rights agreement with the preferred stockholders (see “Part IV, Item 15. Note 11 - Equity” elsewhere in this Annual Report on Form 10-K).

*Income tax expense*

Neither income tax expense nor its changes were material to the periods presented.

**Liquidity and capital resources**

As of May 25, 2025, the Company had cash of $8.3 million and, based on the borrowing base at May 25, 2025, the Company had approximately $27.3 million available for borrowing under the Revolving Credit Facility of the $40 million maximum committed amount. Under the Revolving Credit Facility, the Company is subject to a springing fixed charge ratio covenant of 1:1 generally in the event that the Company's available liquidity under the Revolving Credit Facility falls below $2.5 million. As of May 25, 2025, the Company was in compliance with all financial covenants under the Term Loan Credit Facility and Revolving Credit Facility. See “Part IV, Item 15. Note 10 - Debt” in this Annual Report on Form 10-K for a summary of the Term Loan Credit Facility and Revolving Credit Facility.

Cash outflows of $0.2 million during the fiscal year ended May 25, 2025 improved by $10.4 million compared to cash outflows of $10.6 million during the fiscal year ended May 26, 2024 for the following reasons:

- Financing proceeds, net, of $23.9 million from the issuance of common stock in October 2024 and $2.4 million from a lease amendment in the fiscal year 2025 period were used to repay a net $17.2 million of borrowings under our revolving credit facility, $0.9 million of other borrowings and $1.3 million related to employee stock plans, compared to $5.0 million of financing proceeds from a customer deposit and net borrowings under the revolving credit facility of $2.9 million received in the fiscal year 2024 period;
- We received investing proceeds of $7.0 million from the sale of excess equipment in January 2025, and we reduced capital spending by $5.0 million in fiscal year 2025 compared to fiscal year 2024;
- Net working capital investments required $1.0 million more cash in fiscal year 2025 compared to fiscal year 2024, partially offset by a $0.5 million increase in earnings as adjusted for non-cash items.

***Contractual and other cash obligations***

The Company's material contractual obligations for the next five years mainly relate to its debt and lease obligations.

The Company's future capital requirements will depend on numerous factors, including our future capital expenditure requirements; development, production and manufacturing activities; administrative requirements (including salaries, insurance expenses and legal compliance costs); ability to establish and maintain new and existing customer arrangements; the costs associated with any legal proceedings and claims; any decision to pursue acquisition opportunities; the timing and amount of amounts payable or payments owed under customer agreements; the ability to comply with regulatory requirements; the emergence of competitive technology and market forces; the effectiveness of customers' activities and arrangements; payment of the accrued and unpaid liquidation preference on shares of the Convertible Preferred Stock, if required; payments required under the Term Loan Credit Facility and Revolving Credit Facility; and other factors. If the Company's currently available funds, together with the internally generated cash flow from operations are not sufficient to satisfy its capital needs, the Company would be required to seek additional funding through various financing transactions or arrangements, including equity financing, debt financing, collaborations, strategic alliances or licensing arrangements, or other means. There can be no assurance that additional funds, if required, will be available to the Company on favorable terms, if at all.

The Company's principal sources of liquidity consist of its existing cash, cash generated by operations (if any), proceeds from the sale of certain excess equipment, and availability under its Revolving Credit Facility. The Company expects these sources will be sufficient to finance its current operational and capital requirements for at least the next twelve months.

There is no assurance that our cash, cash generated from operations, if any, and available borrowing under the Revolving Credit Facility will be sufficient to fund our anticipated capital needs and operating expenses, particularly if we do not generate revenues in the amounts currently anticipated or if our operating costs are greater than anticipated.

***Indebtedness***

Refer to "Part IV, Item 15. Note 10. – Debt" elsewhere in this Annual Report on Form 10-K for a description of the terms of outstanding indebtedness, including the Term Loan Credit Facility and Revolving Credit Facility, which is incorporated herein by reference.

As of May 25, 2025 the Company had $173.5 million in borrowings outstanding under the Term Loan Credit Facility at an effective annual interest rate of 20.9%, which includes the amortization of the debt discount. The stated annual interest rate is 10%, which is payable-in-kind until May 2026, following which interest is payable at a fixed rate of 3% per annum in cash with the remainder payable-in-kind. The obligations under the Term Loan Credit Facility mature on May 22, 2029. Interest paid-in-kind under the Term Loan Credit Facility in fiscal year 2025 was $16.3 million.

As of May 25, 2025, the Company had $2.5 million in borrowings outstanding under the Revolving Credit Facility, at an effective annual interest rate of 8.69%. The Company repaid those borrowings in June 2025 and this repayment was a condition to the Company being able to access any other borrowings under the Revolving Credit Facility. The obligations under the Revolving Credit Facility mature on November 26, 2027. Interest paid under the Revolving Credit Facility in fiscal year 2025 was $0.9 million.

**Critical accounting policies and estimates**

This management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes.

We have determined that certain accounting policies and estimates are critical to the preparation of the financial statements. We have prepared the following additional disclosures to supplement our summary of significant accounting policies located in note 1 to the consolidated financial statements in "Part IV, Item 15" of this Annual Report on Form 10-K.

***Valuation of debt derivative liability***

The Company reported a fair value of its debt derivative liability of $25.0 million, and recorded income from changes in the fair value of its debt derivative liability of $0.4 million and $39.5 million for the fiscal years ended May 25, 2025 and May 26, 2024, respectively.

The debt derivative liability represents the fair value of various features in the Term Loan Credit Agreement that require bifurcation and accounting as a derivative instrument. Its fair value is estimated using a discounted cash flow method that includes annually weighted probabilities that certain call and put premiums are exercised upon qualifying events of default or changes in control. Management makes key judgments and estimates that are input into the valuation model, the most sensitive of which is the probability and timing of a change in control event occurring over the remaining term of the debt. Changes in these assumptions could result in a significant increase to our liabilities and expenses. For example, if all other assumptions were held equal, a one year acceleration of the most likely date of a change in control would have increased the fair value of the debt derivative liability and increased our net loss by $3.2 million for the year ended May 25, 2025.

***Revenue recognition for development services***

The Company recognized revenues for development services of $23.2 million and $29.4 million for the fiscal years ended May 25, 2025 and May 26, 2024, respectively. Revenue for these services is recognized over time based on highly subjective measures of progress. To measure progress, management uses a proportion of labor hours incurred compared to the total estimated hours at the individual development project level.

Individual development projects can be unique, complex and/or novel. Determining the total estimated hours to complete any given project is highly subjective, and so the total amount of development revenue recognized by the Company is sensitive to changes in those hours. To mitigate the risk of such changes, management utilizes several data points to estimate total project hours, including project quotations and periodic status updates from project managers. If total project hours were underestimated by 10% on $10 million of development projects that were halfway complete at the end of the year, we would overstate development revenue by $0.5 million.

***Qualitative impairment reviews of goodwill and other indefinite-lived intangible assets***

The Company reported goodwill of $13.9 million and indefinite-lived intangible assets of $4.2 million as of May 25, 2025. We are required to review these assets on an annual basis to determine whether impairment may exist. The impairment analysis consists of an optional qualitative assessment potentially followed by a quantitative analysis. If we determine that the carrying value of these assets exceeds their fair value, an impairment charge is recorded for the excess.

The critical judgments involved in our annual qualitative testing include an assessment of unfavorable events, an analysis of prior year valuation assumptions and their sensitivity to change, and in the case of goodwill, a comparison of its carrying value against its fair value based on our market capitalization, derived from quoted stock prices, and balance sheet carrying values. We make judgments about whether any of that information puts our goodwill or other indefinite-lived intangible assets at enough risk of impairment to warrant the performance of more rigorous quantitative testing.

In fiscal year 2025, the Company's qualitative assessment indicated a minimal risk of impairment. For example, with respect to our qualitative testing of goodwill, even a 50% decrease in our quoted stock price would not have caused the carrying value of our goodwill to exceed its fair value. We observed a similar amount of sensitivity to changes in assumptions for our indefinite-lived intangible assets.

**Item 7A. Quantitative and qualitative disclosures about market risk**

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

**Item 8. Financial statements and supplementary data**

The information contained in Part IV, Item 15 of this Annual Report on Form 10-K is incorporated herein by reference.

**Item 9. Changes in and disagreements with accountants on accounting and financial disclosure**

Not applicable.

**Item 9A. Controls and procedures**

***Evaluation of disclosure controls and procedures***

As required by Rule 13a-15(b) under the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-K. Based upon such evaluation, our principal executive officer and principal financial officer concluded that, due to material weaknesses in our internal control over financial reporting as described in the "Management's Report on Internal Control over Financial Reporting," our disclosure controls and procedures were not effective as of May 25, 2025.

***Management's report on internal control over financial reporting***

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting (as defined in Rule 13(a)-15(f) under the Securities Exchange Act of 1934, as amended). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and presentation of consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and even when determined to be effective, these controls can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that the internal controls may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, our management assessed the effectiveness of the Company's internal control over financial reporting as of May 25, 2025, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework (2013). Based on this assessment, management concluded that the Company's internal control over financial reporting was not effective as of May 25, 2025, due to the material weaknesses described below.

As reported in our Annual Report on Form 10-K for the fiscal year ended May 26, 2024, we identified material weaknesses in our internal control over financial reporting that existed as of May 26, 2024 due to deficiencies that aggregated to material weaknesses relating to the following components of the COSO framework:

- Control Environment – maintaining a sufficient complement of personnel to timely support the Company's internal control objectives and ensuring personnel conduct internal control related responsibilities;
- Risk Assessment – identification and assessment of risks and changes in the business model resulting from recent disposition activities that impacted the design of control activities, including the precision of management review controls, and the completeness of controls required to support the financial reporting framework;
- Information and Communication – design of controls to validate the completeness and accuracy of information used in the performance of control activities;
- Monitoring – as a result of the material weaknesses described above, the Company failed to design and implement certain monitoring activities that were responsive to timely identification and remediation of control deficiencies; and
- Control Activities – as a result of the material weaknesses in the COSO components identified above, the control activities were ineffective and represent a material weakness.

The material weaknesses identified above that existed at May 26, 2024 encompass, and are inclusive of, the previously identified material weaknesses that existed as of May 28, 2023 and May 29, 2022 relating to matters such as the accounting for and classification of certain non-standard transactions, inventory valuation, the capitalization of interest on assets under construction, recording of development revenue and related cost of sales, the presentation of certain operating costs and expenses of continuing operations and discontinued operations, and the write off of other receivables of the Company's former Curation Foods businesses. In management's view, remediation of the material weaknesses relating to components of the COSO framework would necessarily remediate the specifically identified material weaknesses existing in prior periods.

Management concluded that, as of May 25, 2025, there continued to be deficiencies in the internal control over financial reporting that aggregated to material weaknesses relating to the COSO components of, Information and Communication, Control Activities and Monitoring.

Notwithstanding such material weaknesses in internal control over financial reporting, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's Consolidated Financial Statements included in this Annual Report on Form 10-K present fairly, in all material respects, the Company's financial position, results of operations, and cash flows for the periods presented in conformity with U.S. GAAP.

Our independent registered public accounting firm, BDO USA, P.C., has issued an attestation report on our internal control over financial reporting which appears in Part IV, Item 15 of this Annual Report on Form 10-K and is incorporated in this Item 9A by reference.

***Management's plan for remediation of material weaknesses in internal control over financial reporting***

Management, with the oversight of the Audit Committee, is committed to remediating the identified control deficiencies. As described in our Annual Reports on Form 10-K for the fiscal years ended May 26, 2024 and May 25, 2025, management adopted and executed upon a plan to both address the identified material weaknesses and to enhance our overall control environment as described above.

During fiscal year 2025, our management made progress in executing the remediation plan, narrowing the scope of material weaknesses to only three remaining COSO components; Information and Communication, Control Activities, and Monitoring. We continue to strengthen the Monitoring component by establishing a system of ongoing evaluations, improving the communication of control deficiencies, and implementing corrective actions to strengthen the overall effectiveness of internal controls.

During fiscal year 2026, management expects to continue to implement the previously described remediation plan and make further progress toward remediating the control deficiencies in the Information and Communication, Control Activities, and Monitoring components of the COSO framework. Specific remediation activities will include the following:

- Undertake a comprehensive ERP system implementation, targeted for the first quarter of calendar year 2026, which is expected to improve the reliability and consistency of financial data and reporting, and support continued enhancements to the internal control over financial reporting environment.
- Test and monitor the design and operating effectiveness of internal controls over financial reporting following the ERP implementation.
- Establish and maintain ongoing evaluations to assess the effectiveness of internal controls over financial reporting, particularly following the ERP implementation.

As we continue to evaluate the design and operating effectiveness of new and enhanced controls and execute on our remediation plan, we may modify the remediation plan described above in order to make further progress toward remediation of the identified material weaknesses, to respond to changes in the internal control environment, and to preserve the effectiveness of existing internal controls.

***Changes in internal control over financial reporting***

Except for the remediation planning efforts described above, there have been no changes in our system of internal control over financial reporting during the three months ended May 25, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other information**

***Fiscal year end change***

On August 1, 2025, the Company's Board of Directors approved a change in the Company's fiscal year from 52- or 53-week periods that end on the last Sunday of May to calendar years ending on December 31. The Company will report its financial results for a transition period from May 26, 2025 to December 31, 2025 on a Transition Report on Form 10-K/T. Thereafter, the Company plans to file annual reports for twelve-month periods ending December 31 beginning with the year ending December 31, 2026. Prior to filing the transition report, the Company will file a Quarterly Report on Form 10-Q for the quarter ending September 30, 2025.

The Company will be moving its fiscal year end to align with the calendar year, effective for the December 31, 2025 calendar period. This decision to move its fiscal year-end, which had been based on the legacy businesses seasonality, will allow Lifecore to report in a timely manner with the majority of its peer companies, customers and other stakeholders, which the company believes is an important factor in evaluating operational and financial performance. It also aligns with the launch of the new ERP system and expected associated benefits.

***2025 bonus plan payouts***

As previously reported, on July 18, 2024, the Company's Board of Directors approved a cash incentive award plan for the Company's fiscal year 2025 (the "2025 Bonus Plan") which was recommended by the Compensation Committee. Under the 2025 Bonus Plan, eligible participants, including Paul Josephs, the Company's President and Chief Executive Officer, and Ryan Lake, the Company's Chief Financial Officer, were eligible to earn cash bonuses based on the Company's adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") for fiscal year 2025 and four business objectives, weighted at 80% and 20%, respectively. Additionally, if minimum fiscal year 2025 Adjusted EBITDA was not achieved, the 2025 Bonus Plan provided that no bonus amounts would be earned. Adjusted EBITDA for purposes of the 2025 Bonus Plan was based on the Company's fiscal year 2025 EBITDA which excluded changes in the fair value of debt derivatives, financing fees, restructuring and reorganization costs, state franchise taxes, amounts paid in settlement of governance matters, and stock-based compensation expense, but includes the cost of bonuses under the 2025 Bonus Plan.

Based upon the Company's results for fiscal year 2025, the Company achieved two of the four business objectives under the 2025 Bonus Plan, but 2025 Adjusted EBITDA failed to meet the minimum amount, primarily due to unexpected legal, auditing and related costs associated with legacy matters. However, the Compensation Committee approved and the Board of Directors, on the recommendation of the Compensation Committee, approved the exercise of discretion to permit payouts under the 2025 Bonus Plan. In determining to exercise their discretion, the Compensation Committee and the Board considered the steps taken by the Company to actively mitigate the unexpected expenses and to improve the Company's overall expense structure, and the initiatives implemented to position the Company well for sustainable growth, including measures to ensure compliance with SEC and Nasdaq listing requirements, enhance the leadership team, recalibrate the Company's workforce, improve investor relations, and mitigate legal and operational risk.

Messrs. Josephs and Lake were eligible to participate in the 2025 Bonus Plan at 100% and 60% at the target level of achievement as a percentage of their respective annual base salaries. Based upon the discretion exercised by the Board and in light of their achievements and high performance in their respective roles, the Board of Directors approved payouts under the 2025 Bonus Plan of 50% of the target bonus amount for each of Messrs. Josephs and Lake effective August 1, 2025. Accordingly, the payouts under the 2025 Bonus Plan to Mr. Josephs and Mr. Lake will be 50% and 30% of their respective annual base salaries, or $275,000 and $141,000, respectively.

**Item 9C. Disclosure regarding foreign jurisdictions that prevent inspections**

Not applicable.

## PART III

### Item 10. Directors, executive officers and corporate governance

Information with respect to this item is incorporated by reference to the Company's definitive proxy statement for the 2025 annual meeting of stockholders to be filed no later than 120 days after the end of fiscal year 2025 (the "2025 Proxy Statement") under the headings "Proposal No. 1 - Election of Directors - Director and Director Nominee Biographies," "Corporate Governance and Board Matters," "Executive Officers of the Company," "Delinquent Section 16(a) Reports," "Board of Directors Meetings and Committees," and "Audit Committee Report."

***Insider trading compliance policy***

The Company has adopted an insider trading compliance policy governing the purchase, sale, and/or any other disposition of its securities that applies to its directors, officers and employees, and other covered persons. The Company believes its insider trading policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of the insider trading compliance policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

### Item 11. Executive compensation

Information with respect to this item is incorporated by reference to 2025 Proxy Statement under the headings "Executive Compensation and Related Information," "Compensation Committee Interlocks and Insider Participation," and "Compensation of Directors."

### Item 12. Security ownership of certain beneficial owners and management and related stockholder matters

Information with respect to this item is incorporated by reference to the 2025 Proxy Statement under the heading "Stock Ownership of Certain Beneficial Owners and Management."

The following table provides information as of May 25, 2025, with respect to our shares of Common Stock that may be issued under the Company's 2019 Stock Incentive Plan, as amended (the "2019 Plan"), which was approved by our stockholders, and our Equity Inducement Plan, as amended (the "Inducement Plan"), which was adopted and approved without stockholder approval pursuant to Nasdaq Listing Rule 5635(c)(4), to provide for grants of equity awards as an inducement material to the individual's entry into employment with the Company. The terms and conditions of the Inducement Plan are substantially similar to the Company's stockholder-approved 2019 Stock Incentive Plan, subject to Nasdaq Listing Rule 5635(c)(4).

| | Equity compensation plan information | | | |
|---|---|---|---|---|
| | **Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)** | | **Weighted-average exercise price of outstanding options, warrants and rights ($) (b) (1)** | **Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))** |
| Equity compensation plans approved by security holders (1) | 1,572,973 | (2) | $9.19 | 2,030,822 |
| Equity compensation plans not approved by security holders | 3,751,613 | (3) | $6.54 | 298,387 |
| Total | 5,324,586 | | $8.57 | 2,329,209 |

(1) Represents the weighted-average exercise price of outstanding stock options and does not include RSUs or PSUs.

(2) Consists of outstanding options to purchases 966,324 shares of Common Stock and RSUs covering an aggregate of 606,649 shares of Common Stock.

(3) Consists of outstanding options to purchases 293,975 shares of Common Stock, RSUs covering an aggregate of 912,638 shares of Common Stock and PSUs covering an aggregate of 2,545,000 shares of Common Stock.

**Item 13. Certain relationships and related transactions and director independence**

Information with respect to this item is incorporated by reference to the 2025 Proxy Statement under the headings “Certain Relationships and Related Party Transactions,” “Board of Directors Meetings and Committees,” and “Director Independence.”

**Item 14. Principal accountant fees and services**

Information with respect to this item is incorporated by reference to the 2025 Proxy Statement under the headings “Fees Paid to Independent Registered Accounting Public Accounting Firm” and “Audit Committee Pre-Approval Policies.”

## PART IV

### Item 15. Exhibits and financial statement schedules

(a)

(b) Index of exhibits.

| Exhibit number | Exhibit title |
|---|---|
| 3.1 | Certificate of Incorporation of the Registrant, incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on November 7, 2008. |
| 3.2 | Certificate of Amendment to Certificate Incorporation of the Registrant, incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on November 16, 2022. |
| 3.3 | Certificate of Amendment, effective August 15, 2024, to Certificate Incorporation of the Registrant, incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on August 21, 2024. |
| 3.4 | Amended and Restated By-Laws of the Registrant, as amended through October 11, 2012, incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on October 16, 2012. |
| 3.5 | Amendment No. 1 to By-Laws of the Registrant, effective May 6, 2019, incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 7, 2019. |
| 3.6 | Amendment No. 2 to By-Laws of the Registrant, effective May 23, 2019, incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 24, 2019. |
| 3.7 | Amendment No. 3 to By-Laws of the Registrant, effective October 14, 2020, incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on October 19, 2020. |
| 3.8 | Amendment No. 4 to By-Laws of the Registrant, effective November 14, 2022, incorporated herein by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on November 16, 2022. |
| 3.9 | Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock of the Registrant, effective January 9, 2023, incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on January 10, 2023. |
| 4.1+ | Description of Capital Stock of Lifecore Biomedical, Inc. |
| 10.1* | Lifecore Biomedical, Inc. 2019 Stock Incentive Plan, as amended through March 20, 2024, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on August 21, 2024. |
| 10.2* | Lifecore Biomedical, Inc. Equity Inducement Plan, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on March 21, 2024. |

| Exhibit number | Exhibit title |
|---|---|
| 10.3* | Lifecore Biomedical, Inc. First Amendment to Equity Inducement Plan adopted April 11, 2025, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 16, 2025. |
| 10.4* | Landec Corporation Executive Change in Control Severance Plan incorporated by reference to Exhibit 10.33 to the Registrant's Annual Report on Form 10-K for the year ended May 31, 2020. |
| 10.5* | Amendment dated April 27, 2023 to the Lifecore Biomedical, Inc. (f/k/a Landec Corporation) Executive Change in Control Severance Plan, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 2, 2023. |
| 10.6 | Securities Purchase Agreement, dated January 9, 2023, by and between Lifecore Biomedical, Inc. and the purchasers named therein, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 10, 2023. |
| 10.7 | Registration Rights Agreement, dated January 9, 2023, by and between Lifecore Biomedical, Inc. and the other parties thereto, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 10, 2023. |
| 10.8 | Cooperation Agreement, effective as of June 28, 2024, by and among Lifecore Biomedical, Inc., Jason Aryeh, Matthew Korenberg and certain 22NW Investors specified therein, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on July 1, 2024. |
| 10.9 | Cooperation Agreement, effective as of June 28, 2024, between Lifecore Biomedical, Inc. and certain Legion Investors specified therein, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on July 1, 2024. |
| 10.10 | Cooperation Agreement, effective as of June 28, 2024, between Lifecore Biomedical, Inc. and certain Wynnefield Investors specified therein, incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on July 1, 2024. |
| 10.11 | Credit and Guaranty Agreement, dated May 22, 2023, by and among Lifecore Biomedical, Inc., Curation Foods, Inc. and Lifecore Biomedical Operating Company, Inc., as borrowers, certain other subsidiaries of Lifecore Biomedical, Inc. party thereto, as guarantors, and Alcon Research, LLC, as lender, administrative agent and collateral agent, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 23, 2023. |
| 10.12 | Pledge and Security Agreement, dated May 22, 2023, by and among Lifecore Biomedical, Inc., Curation Foods, Inc., Lifecore Biomedical Operating Company, Inc. and certain other subsidiary parties thereto, as grantors, and Alcon Research, LLC, as collateral agent, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on May 23, 2023. |

| Exhibit number | Exhibit title |
|---|---|
| 10.13 | Limited Waiver and First Amendment dated December 31, 2023 to that certain Credit and Guaranty Agreement, dated May 22, 2023, by and among Lifecore Biomedical, Inc., Curation Foods, Inc. and Lifecore Biomedical Operating Company, Inc., as borrowers, certain other subsidiaries of Lifecore Biomedical, Inc. party thereto, as guarantors, and Alcon Research, LLC, as lender, administrative agent and collateral agent, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 5, 2024. |
| 10.14+ | Limited Waiver and Second Amendment dated August 8, 2024 to that certain Credit and Guaranty Agreement, dated May 22, 2023, by and among Lifecore Biomedical, Inc., Curation Foods, Inc. and Lifecore Biomedical Operating Company, Inc., as borrowers, certain other subsidiaries of Lifecore Biomedical, Inc. party thereto, as guarantors, and Alcon Research, LLC, as lender, administrative agent and collateral agent. |
| 10.15 | Limited Waiver Under and Third Amendment dated November 26, 2024, to that certain Credit and Guaranty Agreement, dated May 22, 2023, by and among Lifecore Biomedical, Inc., Curation Foods, Inc. and Lifecore Biomedical Operating Company, Inc., as borrowers, certain other subsidiaries of Lifecore Biomedical, Inc. party thereto, as guarantors, and Alcon Research, LLC, as lender, administrative agent and collateral agent, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 26, 2024. |
| 10.16 | Credit Agreement, dated December 31, 2020, by and among Landec Corporation, Curation Foods, Inc. and Lifecore Biomedical, Inc., as borrowers, certain other subsidiary parties thereto, as guarantors, and BMO Harris Bank., N.A., a slender and administrative agent, incorporated herein by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on January 5, 2021. |
| 10.17 | Pledge and Security Agreement, dated December 31, 2020, by and among Landec Corporation, Curation Foods, Inc., Lifecore Biomedical, Inc. and certain other subsidiary parties thereto, as grantors, and BMO Harris Bank., N.A., as administrative agent, incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 5, 2021. |
| 10.18 | First Amendment to Credit Agreement, dated as of April 19, 2021, by and among Lifecore Biomedical, Inc. (formerly known as Landec Corporation), Curation Foods, Inc., Lifecore Biomedical Operating Company, Inc. (formerly known as Lifecore Biomedical, Inc.) and BMO Harris Bank, N.A. |
| 10.19 | Second Amendment to Credit Agreement, dated as of December 22, 2021, by and among Lifecore Biomedical, Inc. (formerly known as Landec Corporation), Curation Foods, Inc., Lifecore Biomedical Operating Company, Inc. (formerly known as Lifecore Biomedical, Inc.) and BMO Harris Bank, N.A. |
| 10.20 | Third Amendment to Credit Agreement, dated as of February 22, 2022, by and among Lifecore Biomedical, Inc. (formerly known as Landec Corporation), Curation Foods, Inc., Lifecore Biomedical Operating Company, Inc. (formerly known as Lifecore Biomedical, Inc.) and BMO Harris Bank, N.A. |

| Exhibit number | Exhibit title |
|---|---|
| 10.21 | Limited Waiver and Fourth Amendment to Credit Agreement, dated January 9, 2023, by and among Lifecore Biomedical, Inc., Curation Foods, Inc., Lifecore Biomedical Operating Company, Inc., as borrowers, certain other subsidiaries of Lifecore Biomedical, Inc. party thereto, as guarantors, and BMO Harris Bank N.A., as lender and administrative agent, incorporated herein by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 10, 2023. |
| 10.22 | Limited Waiver and Fifth Amendment to that certain Credit Agreement, dated May 22, 2023, by and among Lifecore Biomedical, Inc., Curation Foods, Inc. and Lifecore Biomedical Operating Company, Inc., as borrowers, certain other subsidiaries of Lifecore Biomedical, Inc. party thereto, as guarantors, and BMO Harris Bank, N.A., as lender and administrative agent, incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on May 23, 2023. |
| 10.23 | Limited Waiver and Sixth Amendment to that certain Credit Agreement, dated December 31, 2020, by and among Lifecore Biomedical, Inc., Curation Foods, Inc. and Lifecore Biomedical Operating Company, Inc., as borrowers, certain other subsidiaries of Lifecore Biomedical, Inc. party thereto, as guarantors, and BMO Harris Bank, N.A., as lender and administrative agent, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on January 5, 2024. |
| 10.24 | Seventh Amendment to Credit Agreement, dated May 10, 2024, by and among Lifecore Biomedical, Inc., Curation Foods, Inc., Lifecore Biomedical Operating Company, Inc., and BMO Bank N.A, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 14, 2024. |
| 10.25+ | Eighth Amendment to Credit Agreement, dated August 8, 2024, by and among Lifecore Biomedical, Inc., Curation Foods, Inc., Lifecore Biomedical Operating Company, Inc., and BMO Bank N.A. |
| 10.26 | Limited Waiver Under and Ninth Amendment to that certain Credit Agreement, dated December 31, 2020, by and among Lifecore Biomedical, Inc., Curation Foods, Inc. and Lifecore Biomedical Operating Company, Inc., as borrowers, certain other subsidiaries of Lifecore Biomedical, Inc. party thereto, as guarantors, and BMO Bank, N.A., as lender and administrative agent, incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on November 26, 2024. |
| 10.27 | Equipment Sale and Leaseback Agreement, dated May 22, 2023, by and between Lifecore Biomedical, Inc. and Alcon Research, LLC, incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on May 23, 2023. |
| 10.28 | Equipment Lease Agreement, dated May 22, 2023, by and between Lifecore Biomedical, Inc. and Alcon Research, LLC, incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed on May 23, 2023. |
| 10.29# | Amended and Restated Supply Agreement, dated May 3, 2023, by and between Lifecore Biomedical, Inc. and Alcon Research, LLC, incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K filed on May 23, 2023. |

| Exhibit number | Exhibit title |
|---|---|
| 10.30# | Amendment No. 1 to that certain Amended and Restated Supply Agreement, dated May 3, 2023, by and between Lifecore Biomedical, Inc. and Alcon Research, LLC, incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 5, 2024. |
| 10.31# | Amended and Restated Contract Manufacturing Agreement, dated December 31, 2023, by and between Lifecore Biomedical, Inc. and Alcon Research, LLC, incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on January 5, 2024. |
| 10.32# | Amendment No. 1 effective as of May 2, 2024, to Amended and Restated Contract Manufacturing Agreement, by and between Alcon Research, LLC and Lifecore Biomedical, LLC., incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 8, 2024. |
| 10.33#+ | Amendment No. 2 effective June 13, 2025, to Amended and Restated Contract Manufacturing Agreement, by and between Alcon Research, LLC and Lifecore Biomedical, LLC. |
| 10.34 | Form of Indemnification Agreement incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 17, 2018. |
| 10.35* | Offer Letter, dated March 20, 2024, by and between the Company and Paul Josephs, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on March 21, 2024. |
| 10.36* | Restricted Stock Unit Award Agreement dated May 20, 2024 to Paul Josephs under Lifecore Biomedical Inc. Equity Inducement Plan., incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on May 22 2024. |
| 10.37* | Performance Stock Unit Award Agreement dated May 20, 2024 to Paul Josephs under Lifecore Biomedical Inc. Equity Inducement Plan., incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on May 22 2024. |
| 10.38* | Participation Notice with Paul Josephs dated May 20, 2024 under the Lifecore Biomedical, Inc. Executive Change in Control Severance Plan., incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on May 22 2024. |
| 10.39*+ | Amendment to Offer Letter dated March 20, 2024 between Paul Josephs and Lifecore Biomedical, Inc. |
| 10.40* | Employment agreement, dated August 28, 2024, by and between the Company and Ryan D. Lake, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on August 29, 2024. |
| 10.41*+ | Employment agreement, dated April 12, 2025, by and between the Company and Thomas Salus. |
| 19.1+ | Lifecore Biomedical, Inc. Insider Trading Policy |

| Exhibit number | Exhibit title |
|---|---|
| 21.1+ | Subsidiaries of the Registrant |
| 23.1+ | Consent of Independent Registered Public Accounting Firm |
| 24.1+ | Power of Attorney (included on the signature page to this Annual Report on Form 10-K) |
| 31.1+ | CEO Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2+ | CFO Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1** | CEO Certification pursuant to section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2** | CFO Certification pursuant to section 906 of the Sarbanes-Oxley Act of 2002 |
| 97.1 | Compensation Recoupment Policy, incorporated by reference to Exhibit 97.1 to the Registrant's Current Report on Form 10-K filed on March 20, 2024. |
| 101.INS | XBRL Instance |
| 101.SCH | XBRL Taxonomy Extension Schema |
| 101.CAL | XBRL Taxonomy Extension Calculation |
| 101.DEF | XBRL Taxonomy Extension Definition |
| 101.LAB | XBRL Taxonomy Extension Labels |
| 101.PRE | XBRL Taxonomy Extension Presentation |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

* Represents a management contract or compensatory plan or arrangement.

** Information is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

\+ Filed herewith.

\# Confidential portions of this exhibit have been redacted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request in accordance with Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

**Item 16. Form 10-K summary**

None.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stockholders and Board of Directors
Lifecore Biomedical, Inc.
Chaska, MN

**Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of Lifecore Biomedical, Inc. (the "Company") as of May 25, 2025 and May 26, 2024, the related consolidated statements of operations, convertible preferred stock and stockholders' equity (deficit), and cash flows for each of the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at May 25, 2025 and May 26, 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of May 25, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated August 7, 2025 expressed an adverse opinion thereon.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

***Revenue Recognition for Development Services***

As described in Notes 1 and 12, the Company recognizes revenue related to development services based on the proportion of labor hours incurred compared to the total estimated hours for an individual arrangement. The Company recognized revenues of $23.2 million for the year ended May 25, 2025 related to development services.

We identified the estimated labor hours to complete an arrangement with a customer used in revenue recognition for development services as a critical audit matter. Management estimates labor hours in the revenue recognition for development services agreements that are not yet completed. Auditing management's judgments and estimates required significant audit effort and auditor subjectivity.

The primary procedures we performed to address this critical audit matter included:

- Obtaining an understanding of management's process and evaluating the design of controls in the determination of labor hours used in revenue recognition of development services.
- Testing the completeness and accuracy of contract terms by comparing inputs included in management's calculations to executed contracts including any significant amendments.
- For a sample of projects, confirming the open statements of work at year end directly with the customer.
- For a sample of projects, agreeing labor hours used in the revenue recognition to payroll records.

- Performing a retrospective review to evaluate ability to estimate the number of labor hours necessary to complete development services by comparing the original estimated number of labor hours to the actual amount incurred for a sample of completed projects.

***Fair Value of Debt Derivative Liability, Related Party***

As described in Note 10 and Note 15 of the consolidated financial statements, the Company entered into a Credit and Guaranty Agreement with Alcon Research Company, LLC ("Term Loan Credit Facility"). The Term Loan Credit Facility contains various features that meet the definition of an embedded derivative ("debt derivative liability, related party") and require bifurcation, which is subsequently remeasured at fair value every reporting period. The fair value of the debt derivative liability, related party was $25 million on the Company's consolidated balance sheets as of May 25, 2025.

We identified the determination of the inputs used by the Company to develop the estimated fair value of the put and call options associated with i) change of control event and ii) an event of default under a material agreement comprising the debt derivative liability, related party as a critical audit matter. These inputs are based on management judgment and consist of the estimated probability of occurrence and exercise date components of the redemption feature option assumptions. Auditing these inputs used in the valuation of the debt derivative, related party required especially challenging and subjective auditor judgment due to the nature and extent of auditor effort required to address this matter, including the use of individuals with specialized skills or knowledge.

The primary procedures we performed to address this critical audit matter included:

- Obtaining an understanding of management's process in the determination of the inputs used in the fair valuation of the debt derivative liability, related party.

- Testing of management's process for developing the fair value estimate and evaluating the inputs used to calculate the fair value of the debt derivative, related party. Specifically, the weighting of the probability of occurrence and timing of the exercise dates of each of the redemption feature options for both the change of control and the event of default under a material agreement redemption option and considering evidence obtained in other areas of the audit to determine if contradictory evidence existed.

- Utilizing personnel with specialized skills and knowledge in valuation approaches and methodologies to assist in assessing the appropriateness of the methodology used and application of the assumptions in estimating the fair value of the debt derivative liability, related party.

/s/ BDO USA, P.C.

We have served as the Company's auditor since 2024.

Minneapolis, Minnesota

August 7, 2025

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors
Lifecore Biomedical, Inc.
Chaska, MN

**Opinion on Internal Control over Financial Reporting**

We have audited Lifecore Biomedical, Inc.'s (the "Company's") internal control over financial reporting as of May 25, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of May 25, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of May 25, 2025 and May 26, 2024, the related consolidated statements of operations, convertible preferred stock and stockholders' equity (deficit), and cash flows for each of the years then ended, and the related notes (collectively referred to as the "consolidated financial statements") and our report dated August 7, 2025 expressed an unqualified opinion thereon.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment. The Company has identified deficiencies in certain components of the COSO criteria. Specifically, the Company identified control deficiencies constituting material weaknesses, either individually or in the aggregate, relating to the following components in the COSO criteria:

1. Information and Communication – design of controls to validate the completeness and accuracy of information used in the performance of control activities.

2. Monitoring – as a result of the material weakness described above, the Company failed to design and implement certain monitoring activities that were responsive to timely identification and remediation of control deficiencies.

3. Control Activities – as a result of the material weaknesses in the COSO components identified above, the control activities were ineffective and represent a material weakness.

The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2025 consolidated financial statements, and this report does not affect our report dated August 7, 2025 on those consolidated financial statements.

**Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, P.C.

Minneapolis, Minnesota

August 7, 2025

**LIFECORE BIOMEDICAL, INC.**
**CONSOLIDATED BALANCE SHEETS**

| *(in thousands, except share and per share amounts)* | May 25, 2025 | May 26, 2024 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 8,265 | $ 8,462 |
| Accounts receivable, net of allowance for credit losses of $1,351 and $711 | 15,151 | 16,274 |
| Accounts receivable, related party | 13,537 | 10,810 |
| Current portion of note receivable | 8,000 | — |
| Contract assets | 6,979 | 4,069 |
| Inventory | 32,291 | 39,979 |
| Prepaid expenses and other current assets | 1,454 | 1,439 |
| Total current assets | 85,677 | 81,033 |
| Property, plant and equipment, net of accumulated depreciation of $57,412 and $50,334 | 129,006 | 149,165 |
| Goodwill | 13,881 | 13,881 |
| Intangible assets, net of accumulated amortization of $3,700 | 4,200 | 4,200 |
| Other assets | 6,578 | 5,681 |
| Total assets | $ 239,342 | $ 253,960 |
| **LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)** | | |
| Current liabilities: | | |
| Accounts payable | $ 8,220 | $ 16,334 |
| Accrued expenses and other current liabilities, see note 7 | 21,958 | 22,538 |
| Total current liabilities | 30,178 | 38,872 |
| Debt, net of current portion | 5,801 | 22,906 |
| Debt, net of current portion, related party | 121,198 | 100,819 |
| Debt derivative liability, related party | 24,991 | 25,400 |
| Other liabilities | 9,741 | 12,061 |
| Total liabilities | 191,909 | 200,058 |
| Commitments and contingencies, see note 9 | | |
| Series A Redeemable Convertible Preferred Stock, $0.001 par value; 2,000,000 shares authorized; 45,736 and 42,461 shares issued and outstanding, redemption value $46,308 and $42,991 | 46,097 | 42,587 |
| Stockholders' equity: | | |
| Common Stock, $0.001 par value; 75,000,000 shares authorized; 37,026,234 and 30,562,961 shares issued and outstanding | 37 | 31 |
| Additional paid-in capital | 206,539 | 177,807 |
| Accumulated deficit | (205,240) | (166,523) |
| Total stockholders' equity | 1,336 | 11,315 |
| Total liabilities, convertible preferred stock and stockholders' equity | $ 239,342 | $ 253,960 |

*See accompanying notes to the consolidated financial statements*

**LIFECORE BIOMEDICAL, INC.**
**CONSOLIDATED STATEMENTS OF OPERATIONS**

| *(in thousands)* | Year ended May 25, 2025 | Year ended May 26, 2024 |
|---|---|---|
| Revenues | $ 72,328 | $ 77,674 |
| Revenues, related party | 56,539 | 50,587 |
| Total revenues | 128,867 | 128,261 |
| Cost of goods sold | 88,569 | 86,411 |
| Gross profit | 40,298 | 41,850 |
| Research and development expenses | 8,258 | 8,575 |
| Selling, general, and administrative expenses | 44,046 | 40,463 |
| Loss on sale or disposal of assets, net of portion classified as cost of sales | 6,986 | — |
| Restructuring (recovery) costs | (1,747) | 1,656 |
| Operating loss | (17,245) | (8,844) |
| Interest expense, net | (2,956) | (3,428) |
| Interest expense, related party | (18,879) | (14,662) |
| Change in fair value of debt derivative liability, related party | 409 | 39,500 |
| Other expense, net | (3) | (3,052) |
| (Loss) income from continuing operations before income taxes | (38,674) | 9,514 |
| Income tax expense | (43) | (183) |
| (Loss) income from continuing operations | (38,717) | 9,331 |
| Income from discontinued operations | — | 2,682 |
| Net (loss) income | $ (38,717) | $ 12,013 |

*See accompanying notes to the consolidated financial statements*

**LIFECORE BIOMEDICAL, INC.**
**CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)**

| *(in thousands, except share and per share amounts)* | Year ended May 25, 2025 | Year ended May 26, 2024 |
|---|---|---|
| Net (loss) income | $ (38,717) | $ 12,013 |
| Preferred stock dividends | (3,318) | — |
| Accretion of preferred stock to redemption value | (192) | — |
| Fair value of conversion ratio improvement to preferred stockholders | (2,132) | — |
| (Loss) income available to common stockholders | $ (44,359) | $ 12,013 |
| | | |
| Basic income or loss per share: | | |
| (Loss) income from continuing operations available to common stockholders | $ (1.27) | $ 0.30 |
| Income from discontinued operations | — | 0.09 |
| Basic (loss) income per share | $ (1.27) | $ 0.39 |
| | | |
| Diluted income or loss per share: | | |
| (Loss) income from continuing operations available to common stockholders | $ (1.27) | $ 0.26 |
| Income from discontinued operations | — | 0.07 |
| Diluted (loss) income per share | $ (1.27) | $ 0.33 |
| | | |
| Weighted average shares outstanding: | | |
| Basic | 34,818,906 | 30,474,298 |
| Diluted | 34,818,906 | 36,658,186 |

*See accompanying notes to the consolidated financial statements*

**LIFECORE BIOMEDICAL, INC.**
**CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)**

| *(dollars in thousands)* | Redeemable Convertible Preferred Stock | | Common Stock | | Additional paid-in capital | Accumulated deficit | Total stockholders' equity (deficit) |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | | |
| Balance at May 26, 2024 | 42,461 | $ 42,587 | 30,562,961 | $ 31 | $ 177,807 | $ (166,523) | $ 11,315 |
| Issuance of stock, net of fees | — | — | 5,928,775 | 6 | 23,844 | — | 23,850 |
| Dividends paid-in-kind | 3,275 | 3,318 | — | — | (3,318) | — | (3,318) |
| Accretion to redemption value | — | 192 | — | — | (192) | — | (192) |
| Settlement of stock-based awards | — | — | 611,012 | — | (1,270) | — | (1,270) |
| Retirement of shares | — | — | (76,514) | — | (490) | — | (490) |
| Stock-based compensation | — | — | — | — | 10,158 | — | 10,158 |
| Net loss | — | — | — | — | — | (38,717) | (38,717) |
| Balance at May 25, 2025 | 45,736 | $ 46,097 | 37,026,234 | $ 37 | $ 206,539 | $ (205,240) | $ 1,336 |
| | | | | | | | |
| Balance at May 28, 2023 | 39,420 | $ 39,318 | 30,322,169 | $ 30 | $ 174,276 | $ (178,536) | $ (4,230) |
| Dividends paid-in-kind | 3,041 | 3,078 | — | — | (3,078) | — | (3,078) |
| Accretion to redemption value | — | 191 | — | — | (191) | — | (191) |
| Settlement of stock-based awards | — | — | — | — | (152) | — | (152) |
| Exercise of stock options, net | — | — | 240,792 | 1 | 723 | — | 724 |
| Stock-based compensation | — | — | — | — | 6,229 | — | 6,229 |
| Net income | — | — | — | — | — | 12,013 | 12,013 |
| Balance at May 26, 2024 | 42,461 | $ 42,587 | 30,562,961 | $ 31 | $ 177,807 | $ (166,523) | $ 11,315 |

*See accompanying notes to the consolidated financial statements*

**LIFECORE BIOMEDICAL, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| *(in thousands)* | Year ended May 25, 2025 | Year ended May 26, 2024 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net (loss) income | $ (38,717) | $ 12,013 |
| Adjustments to reconcile net income or loss to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization | 8,027 | 7,954 |
| Stock-based compensation | 10,158 | 6,201 |
| Non-cash interest expense | 20,247 | 15,442 |
| Change in debt derivative liability, related party | (409) | (39,500) |
| Loss on sale or disposal of assets | 7,776 | 18 |
| Gain on settlement of lease liability | (2,642) | — |
| Other, net | 49 | 1,828 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (2,262) | (3,263) |
| Contract assets | (2,910) | 871 |
| Inventories | 7,688 | 862 |
| Other assets | 378 | 2,854 |
| Accounts payable | (1,670) | (6,676) |
| Accrued expenses and other liabilities | (5,919) | 1,653 |
| Net cash (used in) provided by operating activities | (206) | 257 |
| Cash flows from investing activities: | | |
| Purchases of property, plant, and equipment | (13,415) | (18,395) |
| Proceeds from sale of equipment | 7,000 | — |
| Net cash used in investing activities | (6,415) | (18,395) |
| Cash flows from financing activities: | | |
| Issuance of common stock, net of fees | 23,850 | — |
| Payments on revolving credit facility | (145,758) | (146,704) |
| Proceeds from revolving credit facility | 128,567 | 149,586 |
| Payments of debt principal | (930) | (714) |
| Payments for debt issuance costs | (435) | (231) |
| Customer deposit | — | 5,000 |
| Proceeds from exercise of stock options | — | 724 |
| Proceeds from finance lease incentive | 2,400 | — |
| Payments related to employee stock plans | (1,270) | (152) |
| Net cash provided by financing activities | 6,424 | 7,509 |
| Net decrease in cash and cash equivalents | (197) | (10,629) |
| Cash and cash equivalents, beginning of period | 8,462 | 19,091 |
| Cash and cash equivalents, end of period | $ 8,265 | $ 8,462 |

**For supplemental cash flow information see note* 1.

*See accompanying notes to the consolidated financial statements.*

**LIFECORE BIOMEDICAL, INC.**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**(amounts in thousands of U.S. dollars, except share and per share values)**

## 1. Organization, basis of presentation, and summary of significant accounting policies

***Organization***

Lifecore Biomedical, Inc. and its subsidiaries ("Lifecore" or the "Company") is a fully integrated contract development and manufacturing organization ("CDMO") that provides services in the development, fill and finish of complex sterile injectable pharmaceutical products in syringes, vials and cartridges.

***Basis of presentation***

The Company's fiscal year was the 52- or 53-week period that ended on the last Sunday of May. Quarters within each fiscal year ended on the last Sunday of August, November, and February. In instances where the last Sunday resulted in a quarter being twelve weeks in length, the Company's policy was to extend that quarter to the following Sunday. A fourteenth week was included in the fiscal year every five or six years to realign the Company's fiscal quarters with calendar quarters.

Certain prior period amounts in the balance sheet, the statement of cash flows and the notes to the financial statements have been reclassified to conform to the current period presentation.

***Basis of consolidation***

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). All intercompany accounts and transactions have been eliminated.

***Use of estimates***

The preparation of financial statements and the notes to the financial statements in accordance with U.S. GAAP requires management to make estimates and judgments that affect the amounts reported. The accounting estimates that require management's most significant and subjective judgments include revenue recognition; recognition and measurement of current and deferred income tax assets and liabilities; the net realizable value of inventories; the valuation and recognition of stock-based compensation; and the valuation of the debt derivative liability. Actual results may differ from management's estimates.

***Supplemental disclosures of cash flow information***

The following table presents supplemental cash flow information:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Cash paid for income taxes, net | $ 46 | $ 72 |
| Cash paid for interest | 1,907 | 2,730 |
| Non-cash investing and financing activities: | | |
| Purchases of property, plant, and equipment in accounts payable | 1,539 | 7,858 |
| Non-cash portion of sale of property, plant and equipment via note receivable | 9,590 | — |
| Increases to property, plant and equipment from finance leases | 2,737 | — |
| Capitalization of non-cash interest to property, plant, and equipment | 3,049 | 3,150 |
| Dividends paid-in-kind on Redeemable Convertible Preferred Stock | 3,318 | 3,078 |

***Discontinued operations***

The Company previously operated a food business through its wholly-owned subsidiary, Curation Foods, Inc. ("Curation Foods"). The Company completed the sale or disposition of all Curation Foods subsidiaries during the fiscal year ended May 26, 2024. Upon completion of the dispositions, it ceased to operate the Curation Foods business. Interest and income tax expense were not allocated to discontinued operations due to their immateriality.

During the fiscal year ended May 26, 2024, the Company reached settlement agreements related to the Curation Foods business that resulted in the receipt of cash payments totaling $2,682, which were recognized as income from discontinued operations in the fiscal year ended May 26, 2024. The $2,682 cash received is included in net cash from operating activities on the consolidated statements of cash flows.

***Income or loss per share***

Net loss per common share is computed using the two-class method required due to the participating nature of the Series A Convertible Preferred Stock, which is redeemable under certain circumstances either by the Company or by the holder thereof (the "Redeemable Convertible Preferred Stock") (see note 11) given the rights to participate in dividends if declared on common stock. The two-class method is an earnings allocation formula that treats participating securities as having rights to earnings that would otherwise have been available to common stockholders. In addition, as these securities are participating securities, the Company is required to calculate diluted net income or loss per share under the if-converted and treasury stock method in addition to the two-class method and utilize the most dilutive result. In periods where there is a net loss, no allocation of undistributed net loss to the Series A Convertible Preferred stockholders is performed as the holders of these securities are not contractually obligated to participate in the Company's losses.

Basic income or loss per share is computed using the weighted average number of common shares outstanding during the reporting period. Diluted income or loss per share reflects the potential dilution as if securities or other contracts to issue the Company's common stock, par value $0.001 per share ("Common Stock") were exercised or converted into Common Stock. The Company's diluted common equivalent shares consist of Redeemable Convertible Preferred Stock, stock options, restricted stock units ("RSUs") and performance share units ("PSUs"). Dilution related to stock options, RSUs and PSUs is calculated using the treasury stock method, which includes the assumed repurchase of common shares from cash received upon stock option exercises, and unrecognized compensation expense. The potential dilutive effect of the Redeemable Convertible Preferred Stock is calculated using the if-converted method assuming the conversion as of the earliest period reported or at the date of issuance, if later, but are excluded if their effect is anti-dilutive.

***Reportable segments***

The Company's Chief Operating Decision Maker ("CODM"), the President and Chief Executive Officer, manages CDMO and HA (defined below) manufacturing operations on the basis of a single, integrated segment. The CODM's review of financial results includes the consolidated financial statements of the Company, which the Company used to aid its determination that net income or loss is the measure of single-segment performance. Asset information is not separately identified nor internally reported to the Company's CODM.

Entity-wide disclosures of revenue by geographic area are presented based on the customer location.

***Concentrations of risk***

Cash, accounts receivable and a note receivable are financial assets that potentially subject the Company to concentrations of credit risk. Company policy limits, among other things, the amount of credit exposure to any one issuer and to any one type of investment, other than securities issued or guaranteed by the U.S. government. The Company maintains cash in U.S. bank accounts, the balances of which generally exceeds the federally insured limit. A significant portion of accounts receivable is concentrated with a few large customers as described further in note 4. The note receivable was paid in June 2025.

***Cash and cash equivalents***

The Company records all highly liquid securities with original maturities of three months or less when acquired as cash equivalents. Cash equivalents consist mainly of money market funds. The market value of cash equivalents approximates their historical cost given their short-term nature.

***Accounts receivable, net of allowance for credit losses***

Accounts receivable generally represent amounts billed for services provided under customer contracts and are recorded at the invoiced amount net of an allowance for credit losses, if necessary. Management applies judgment in assessing the ultimate realization of our receivables, and estimates an allowance for credit losses based on various factors, such as the aging of our receivables, historical collection experience, current and future economic market conditions, and the financial condition of our customers.

***Inventory***

Inventory consists of raw materials, work in process and finished goods related to sterile injectable pharmaceutical products in syringes, vials and cartridges. This includes premium, pharmaceutical-grade hyaluronic acid ("HA") in bulk form as well as formulated and filled syringes, vials and cartridges for injectable products.

Inventory is stated at the lower of cost (using the first-in, first-out method) or net realizable value. Work in process and finished goods cost includes the purchase price of applied raw materials, direct labor costs and allocated overhead primarily in the form of indirect labor and property, plant and equipment costs.

Adjustments to inventory are determined at the raw materials, work-in-process, and finished goods levels to reflect obsolescence or impaired balances. Factors influencing inventory obsolescence include changes in demand, product life cycle, product pricing, physical deterioration, and quality concerns.

***Goodwill and intangible assets***

Goodwill represents the excess of the purchase price over the fair value of net assets acquired by the Company in a business combination. Goodwill is not amortized but assessed for impairment on an annual basis or more frequently if impairment indicators exist. The impairment analysis for goodwill consists of an optional qualitative assessment, potentially followed by a quantitative analysis. If the Company determines that the carrying value of its reporting unit exceeds its fair value, an impairment charge is recorded for the excess.

The Company performs its annual goodwill impairment test in the fiscal fourth quarter, or whenever an event or change in circumstances occurs that would require a reassessment of the impairment of goodwill. In performing the evaluation, the Company assesses qualitative factors such as overall financial performance, actual and anticipated changes in industry and market conditions, and competitive environments. As a result of the most recent annual goodwill impairment test, the Company determined that there was no impairment of goodwill.

Definite-lived intangible assets are amortized on a straight-line basis over their estimated useful life. The Company is required to review the carrying value of intangible assets for recoverability whenever events occur or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable.

***Property, plant and equipment, net***

Property, plant and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which are as follows: five to ten years for furniture and fixtures; three to ten years for computer equipment; seven to twenty-five years for machinery and equipment; seven to forty years for buildings and building improvements; and the shorter of the lease term or useful life for leasehold improvements. Repairs and maintenance costs are expensed as incurred. Depreciation and amortization expense for these assets is recorded either in cost of goods sold or selling, general and administrative expenses in the consolidated statements of operations, depending on the asset and its intended use.

The Company capitalizes interest on construction in process projects. To determine the capitalization rate, management uses judgment with the objective of achieving a reasonable measure of the cost of financing those projects that theoretically could have been avoided if funding for the project had instead been used to repay debt.

The Company reviews the carrying value of property and equipment for recoverability whenever events occur or changes in circumstances indicate that the carrying amount of individual assets or asset groups may not be recoverable. The Company conducts a quarterly review to determine if construction in process activities have gone idle and, if so, ceases to capitalize interest on idle projects.

The Company capitalizes software development costs for internal use. Capitalization of software development costs begins in the application development stage and ends when the asset is placed into service. The Company depreciates such costs on a straight-line basis over estimated useful lives of three to seven years, and the depreciation expense is recorded either in cost of goods sold or selling, general and administrative expenses in the consolidated statements of operations, depending on the asset and its intended use.

***Impairment of long-lived assets***

Long-lived assets or asset groups are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets or asset groups is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flow expected to be generated from the asset or asset group. If the future undiscounted cash flows are not sufficient to recover the carrying value of the assets or asset group, its carrying value is adjusted to fair value. The Company regularly evaluates its long-lived assets for indicators of possible impairment.

***Debt***

The Company capitalizes debt issuance costs related to term debt as an offset to the carrying value of the debt and amortizes these costs over the term of the agreement using the effective interest method. The Company capitalizes debt issuance costs related to revolving credit lines as other assets on the balance sheet and amortizes the costs over the life of the credit line using the straight-line method, as the effective interest method cannot be applied to the variable borrowings under these instruments. Amortization of deferred issuance costs is included as a component of interest expense in the consolidated statements of operations.

***Revenue recognition***

The Company follows a five-step, principles-based model to recognize revenue upon the transfer of promised goods or services to customers at an amount that reflects the consideration for which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when or as the Company satisfies its performance obligations under a contract and control of the product is transferred to the customer. Standard terms of sale are generally included in contracts and purchase orders. Lifecore’s standard payment terms with its customers generally range from 30 days to 60 days.

The following sections provide additional details about the Company's revenue recognition policies:

*CDMO*

Lifecore provides aseptic formulation and filling of syringes, vials and cartridges for injectable products used for medical purposes. In instances where the customer contracts with the Company for aseptic filling, the filled goods are distinct in the context of the contract. Lifecore generally recognizes revenue for these products at the point in time when the product is released through the completion of the certificate of analysis.

Lifecore provides product development services to assist its customers in obtaining regulatory approval for the commercial sale of their device or drug product. These services include analytical method development and validation, formulation development, sterile filtration, process scale-up, pilot studies, stability studies, process validation and production of materials for clinical studies. The promised services are not individually distinct in the context of the contract; rather, they are highly interdependent such that Lifecore would not be able to fulfill its promise by transferring any of the goods or services independently. Revenues generated from product development services are recognized over time, as Lifecore is creating an asset unique to each customer without alternative use and has an enforceable right to payment, including a reasonable profit margin, for performance completed to-date. The Company determined that labor hours, the primary input to such arrangements, are the best and most accurate measure of progress and measures that progress as a proportion of total estimated hours for an individual arrangement.

*HA manufacturing*

Lifecore manufactures and sells pharmaceutical-grade, non-animal-sourced hyaluronic acid ("HA") using our proprietary, fermentation-based HA process in bulk form as well as for use in formulated and filled syringes and vials for customers' injectable products used in treating a broad spectrum of medical conditions and procedures. The HA produced is distinct as customers are able to utilize the product provided under HA supply contracts when they obtain control. Lifecore recognizes revenue for these products at the point in time when legal title to the product is transferred to the customer, which is at the time shipment is made.

*Other revenue policies*

Revenue for bill-and-hold arrangements is recognized when control transfers to the customer, even though the customer does not have physical possession of the goods. Control transfers when the bill-and-hold arrangement has been determined to have substantive reason, the product is identified as belonging to the customer, the product is ready for physical transfer to the customer and the product cannot be used or directed to another customer.

The Company accounts for shipping and handling as fulfillment activities, and not as a separate performance obligation. Shipping and other transportation costs charged to customers are recorded in both revenue and cost of goods sold. Amounts billed to third-party customers for shipping and handling are included as a component of revenues. Shipping and handling costs incurred are included as a component of cost of products sold.

***Defined contribution plan***

The Company sponsors a defined contribution 401(k) plan which is available to all full-time Lifecore employees and allows participants to contribute from 1% to 50% of their salaries, up to the Internal Revenue Service limitation into designated investment funds. The Company matches 100% on the first 3% and 50% on the next 2% contributed by an employee. Employee and Company contributions are fully vested at the time of the contributions. The Company retains the right, by action of the Board of Directors, to amend, modify, or terminate the plan. For fiscal years ended May 25, 2025 and May 26, 2024, the Company contributed $1,500 and $1,664, respectively, to the plan.

***Stock-based compensation***

The Company issues stock-based awards to employees and non-employee directors in the form of stock options, RSUs and PSUs. The Company recognizes compensation expense for stock options and RSUs awards based on their estimated fair value on the date of grant on a straight-line basis over the vesting period of the award. The Company recognizes compensation expense for PSUs over the requisite service period, which is generally the vesting period of the award. The Company accounts for forfeitures as they occur. Stock options are exercisable generally for a period of seven years from the date of grant and generally vest over four years. RSUs generally vest in one to three years. All vesting is subject to continued service.

The grant date fair value of stock options is estimated using the Black-Scholes option pricing model which relies upon management's estimates and assumptions of the expected stock price volatility, the life of the award and the risk-free interest rate. The Company estimates volatility using the historical share price performance over the expected life of the option. RSUs are valued at the closing market price of the Common Stock on the date of grant. PSUs are valued on the grant date through the use of a Monte Carlo simulation model which relies upon management's estimates and assumptions of the expected stock price volatility, the life of the award and the risk-free interest rate. The Company estimates volatility using the historical share price performance over the expected life of the award.

***Income taxes***

The Company measures deferred tax assets and liabilities using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. The Company maintains valuation allowances when it is likely that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances from period to period are included in the Company's income tax provision in the period of change. In determining whether a valuation allowance is warranted, the Company considers such factors as prior earnings history, expected future earnings, unsettled circumstances that, if unfavorably resolved, would adversely affect utilization of a deferred tax asset, carryback and carryforward periods and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset.

In addition to valuation allowances, the Company establishes accruals for uncertain tax positions. The tax-contingency accruals are adjusted in light of changing facts and circumstances, such as the progress of tax audits, case law and emerging legislation. The Company recognizes interest and penalties related to uncertain tax positions as a component of income tax expense. The Company's effective tax rate includes the impact of tax-contingency accruals as considered appropriate by management.

A number of years may elapse before a particular matter, for which the Company has accrued, is audited and finally resolved. The number of years with open tax audits varies by jurisdiction. While it is often difficult to predict the final outcome or the timing of resolution of any particular tax matter, the Company believes its tax-contingency accruals are adequate to address known tax contingencies. Favorable resolution of such matters could be recognized as a reduction to the Company's effective tax rate in the year of resolution. Unfavorable settlement of any particular issue could increase the Company's effective tax rate in the year of resolution. Any resolution of a tax issue may require the use of cash in the year of resolution. The Company's tax-contingency accruals are recorded in other accrued liabilities in the accompanying consolidated balance sheets.

***Derivative financial instruments***

The Company accounts for put and call options embedded in the term debt in accordance with U.S. GAAP, which generally requires companies to bifurcate put and call options embedded in the Term Loan Credit Facility (as defined in note 10) from their host instruments and to account for them as free standing derivative financial instruments. In circumstances where the host instrument contains more than one embedded derivative instrument that is required to be bifurcated, the bifurcated derivative instruments are accounted for as separate derivative instruments.

The fair value of the embedded features are accounted for as a derivative debt liability in the Company's consolidated balance sheets and adjusted to fair value each reporting period. The change in fair value of derivatives is recorded as a component of other income (expense) in the Company's consolidated statements of operations.

***Fair value measurements***

The Company uses fair value measurement accounting for financial assets and liabilities and for financial instruments and certain other items measured at fair value. The Company has not elected the fair value option for any of its other eligible financial assets or liabilities.

Applicable accounting guidance establishes a three-tier hierarchy for fair value measurements, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – observable inputs such as quoted prices for identical instruments in active markets.
- Level 2 – inputs other than quoted prices in active markets that are observable either directly or indirectly through corroboration with observable market data.
- Level 3 – unobservable inputs in which there is little or no market data, which would require the Company to develop its own assumptions.

***Leases***

The Company determines if an arrangement is a lease at inception. The arrangement is a lease if it conveys the right to the Company to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. Right-of-use assets are measured at cost and lease liabilities are recognized at commencement date based on the present value of remaining lease payments over the lease term. For this purpose, the Company considers only payments that are fixed and determinable at the time of commencement. As most of the leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The incremental borrowing rate is a quoted rate based on the understanding of what the Company's credit rating would be. Options to extend the lease are included in the lease term if the options are reasonably certain to be exercised. The Company's lease agreements do not contain any material residual value guarantees.

The Company's lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. The Company combines fixed payments for non-lease components with lease payments and accounts for them together as a single lease component which increases the amount of lease assets and liabilities.

Payments under lease arrangements are primarily fixed; however, certain lease agreements contain variable payments, which are expensed as incurred and are not included in the operating lease assets and liabilities. These amounts primarily include payments affected by changes in price indices.

In a sale-leaseback transaction, the Company determines if it relinquished control of the assets to the buyer-lessor. If control is not relinquished, it does not derecognize the asset and does not apply the lease accounting model.

Operating lease assets are included in other assets and operating lease liabilities are presented in accrued expenses and other current liabilities and other liabilities on the consolidated balance sheets. Finance lease assets are included in property, plant and equipment and finance lease liabilities are classified as debt.

***Related party transactions***

For each material transaction with a related party, the Company discloses the nature of the relationship, a description of the transactions, and the amounts due to or from the related party as required by U.S. GAAP. See note 17.

***Recent accounting pronouncements***

In November 2023, accounting standards update 2023-07 was issued to enhance disclosure of significant expenses that are regularly provided to the chief operating decision maker and are included with each reported measure of segment profit and loss. The update also specifies that companies with a single reportable segment are subject to this standard. The update became effective for this annual reporting period ended May 25, 2025 and was applied retrospectively to all periods presented. There was no impact on the Company's reportable segments identified, and additional required disclosures have been included in notes 1 and 3.

In December 2023, accounting standards update 2023-09 was issued to improve income tax disclosures. This update includes disclosure of disaggregated information about both the effective tax rate reconciliation and income taxes paid. This update is effective for annual periods beginning after December 15, 2024, which will be for our transition period ending December 31, 2025, with early adoption permitted. The amendments in this update may be applied prospectively or retrospectively. Management is currently evaluating the impact that the adoption of this update will have on its financial statements.

In November 2024, accounting standards update 2024-03 was issued to require more detailed disclosures related to certain costs and expenses. The guidance requires entities to disclose amounts of certain expense categories included in expense captions presented on the face of the income statement, including purchases of inventory, employee compensation, depreciation, and intangible asset amortization. ASU 2024-03, as clarified by ASU 2025-01, is effective for public entities for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Management is currently evaluating the impact that the adoption of this update will have on its financial statements.

In July 2025, accounting standards update 2025-05 was issued to improve the measurement of credit losses for accounts receivable and contract assets. The guidance provides a practical expedient for all entities to assume that current conditions as of the balance sheet date remain unchanged for the remaining life of the assets. The update aims to reduce the cost and complexity of estimating credit losses while maintaining decision-useful information for financial statement users. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025. Management is currently evaluating the impact that the adoption of this update may have on its financial statements.

Management has evaluated recently issued accounting pronouncements outside of those mentioned above and does not believe that any of these pronouncements will have a significant impact on the Company's consolidated financial statements and related disclosures.

## 2. Income or loss per share

The following table presents the reconciliation of weighted average shares used in the computation of basic and diluted income or loss per share:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Weighted average shares for basic income or loss per share | 34,818,906 | 30,474,298 |
| Redeemable Convertible Preferred Stock | — | 5,846,612 |
| Stock options, RSUs and PSUs | — | 337,276 |
| Weighted average shares for diluted income or loss per share | 34,818,906 | 36,658,186 |

Due to the Company's net loss for the fiscal year ended May 25, 2025, the diluted loss per share is calculated using only the basic weighted average common shares outstanding and thus excludes the following securities on an as-converted basis as of May 25, 2025.

| | May 25, 2025 |
|---|---|
| Redeemable Convertible Preferred Stock | 7,000,626 |
| Stock options | 1,260,299 |
| RSUs | 1,519,287 |
| PSUs | 2,545,000 |
| Total | 12,325,212 |

See note 11 for more information about Redeemable Convertible Preferred Stock and note 13 for more information about stock options, RSUs and PSUs.

## 3. Segment reporting for single reportable segment

The following table presents the components of net income or loss, which is the measure of profit or loss used for our single reportable segment:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Revenues | $ 128,867 | $ 128,261 |
| Personnel costs[1] | 50,377 | 53,292 |
| Materials and non-depreciation overhead[2] | 51,018 | 48,540 |
| Depreciation and amortization | 8,027 | 7,954 |
| Stock-based compensation | 10,158 | 6,201 |
| Reorganization costs | 10,481 | 9,796 |
| Loss on sale or disposal of assets | 7,776 | 18 |
| All other operating expenses[3] | 8,275 | 11,304 |
| Interest expense, net | 21,835 | 18,090 |
| Change in fair value of debt derivative liability | (409) | (39,500) |
| Other expense, net | 3 | 3,052 |
| Income tax expense | 43 | 183 |
| Income from discontinued operations | — | (2,682) |
| Net (loss) income | $ (38,717) | $ 12,013 |

(1) Includes all wages and salary, bonus, employer taxes, and employee benefit plan expenses

(2) Represents cost of goods sold, excluding direct labor and all personnel cost and depreciation allocations

(3) Includes expenses for accounting, legal and other professional services, software licensing, insurance costs, public company costs and board fees.

For the fiscal year ended May 25, 2025, the Company earned revenue of approximately 60% in the United States, 20% in Belgium, 10% in Netherlands and 10% in all other countries combined. For the fiscal year ended May 26, 2024, the Company earned revenue of approximately 65% in the United States, 10% in Belgium, 5% in Netherlands and 20% in all other countries combined.

## 4. Accounts and note receivable

***Accounts receivable***

Four of the Company's customers had accounts receivable concentrations of 10% or greater as of May 25, 2025, with those customers comprising 37%, 14%, 11% and 11% of accounts receivable. Two of the Company's customers had accounts receivable concentrations of 10% or greater as of May 26, 2024, with those customers comprising 34% and 18% of accounts receivable.

Changes in the allowance for credit losses related to accounts receivable are as follows:

| | Year ended | |
|---|---|---|
| | **May 25, 2025** | **May 26, 2024** |
| Beginning balance | $ 711 | $ 485 |
| Provision | 658 | 263 |
| Charge-offs | (18) | (37) |
| Balance at May 25, 2025 | $ 1,351 | $ 711 |

The primary factor that is currently influencing our estimate of expected credit losses is the knowledge of certain customers whose development projects are awaiting additional funding.

***Note receivable***

On January 7, 2025, the Company accepted a $10,000 note as a portion of the proceeds from the sale of certain excess equipment described in note 6. The note would have matured on July 7, 2026 and was receivable in whole or in part at any time prior to maturity without penalty or premium. Otherwise, the note was scheduled to be collected as follows: $4,000 on July 7, 2025, $4,000 on January 7, 2026 and $2,000 on July 7, 2026.

The note was interest-free through July 7, 2025, and thereafter principal would have earned interest at the U.S. prime rate plus 1% until repayment. Management concluded that interest should have been imputed for the full duration of the note at an effective interest rate of 8.5%, representing the stated rate as of May 25, 2025. As a result, the Company recorded an initial discount of $410 as an offset to the noncurrent portion of the note based on its maturity date.

As of May 25, 2025, the note receivable of $10,000, net of discount of $99, was classified on our balance sheet as follows: $8,000 as a standalone current asset and $1,901 as a component of other assets. Interest income of $205 is included on our statement of operations within interest expense, net.

On June 11, 2025, the note holder paid the note in full.

## 5. Inventory

Inventories consisted of the following:

| | May 25, 2025 | May 26, 2024 |
|---|---|---|
| Finished goods | $ 13,379 | $ 14,924 |
| Raw materials | 10,169 | 13,140 |
| Work in process | 8,743 | 11,915 |
| Inventory | $ 32,291 | $ 39,979 |

## 6. Property, plant, and equipment, net

All property, plant and equipment is located in the United States. The following table presents the components of property, plant and equipment:

| | May 25, 2025 | May 26, 2024 |
|---|---|---|
| Land and land improvements | $ 3,739 | $ 3,739 |
| Buildings and building improvements | 63,732 | 62,874 |
| Machinery and equipment | 61,183 | 61,013 |
| Computer equipment and software | 8,373 | 8,290 |
| Furniture and fixtures | 1,635 | 1,631 |
| Construction in process | 42,231 | 39,151 |
| Idle construction in process | 5,525 | 22,801 |
| Property, plant, and equipment, gross | 186,418 | 199,499 |
| Less: accumulated depreciation and amortization | (57,412) | (50,334) |
| Property, plant, and equipment, net | $ 129,006 | $ 149,165 |

Most of the value of construction in process is related to two projects: (i) an aseptic isolator-filler that will significantly increase manufacturing capacity and is expected to be placed into service during the transition period ending December 31, 2025; and (ii) an idle plant improvement project that supports the Company's plans for future revenue growth.

On January 7, 2025, the Company entered into an agreement for the sale of certain excess equipment. The aggregate purchase price was $17,000. Lifecore received $7,000 cash and paid fees of $752 at closing. Lifecore also accepted a note for the remainder of the proceeds (see note 4) and recorded current and noncurrent payables of $800 and $200, respectively, for selling fees due to a third-party broker. The note and the payables were each cash-settled in June 2025. The sale resulted in a $21,239 reduction in idle construction in process. The Company recorded a loss on the sale of the equipment of $6,400, which is included with other losses of $586 for the fiscal year ended May 25, 2025, respectively, in loss on sale or disposal of assets, net of portion classified as cost of sales, within the statement of operations. The Company also recognized other losses on disposal of assets of $790 as cost of sales within the statement of operations.

Depreciation and amortization expense for property, plant, and equipment for the fiscal years ended May 25, 2025 and May 26, 2024 was $8,027 and $7,954, respectively.

## 7. Accrued expenses and other current liabilities

The following table presents the components of accrued expenses and other current liabilities:

| | May 25, 2025 | May 26, 2024 |
|---|---|---|
| Accrued compensation | $ 6,144 | $ 6,165 |
| Accrued payable to Redeemable Convertible Preferred Stock holders | 4,499 | 3,471 |
| Contract liabilities, related party | 2,731 | 1,025 |
| Current portion of debt | 2,664 | 170 |
| Accrued customer pass-through expenditures | 1,911 | 3,509 |
| Current portion of debt, related party | 773 | 773 |
| Contract liabilities | 684 | 1,088 |
| Current portion of operating lease liabilities | 387 | 3,963 |
| Other | 2,165 | 2,374 |
| Accrued expenses and other current liabilities | $ 21,958 | $ 22,538 |

## 8. Restructuring costs

During fiscal year 2020, the Company commenced a multi-year restructuring plan to improve profitability and to redesign the organization to focus on strategic assets so that it could compete and thrive as a standalone public CDMO business. Management finished incurring expenses under this plan during fiscal year 2025. Types of costs associated with this plan include: (i) employee termination costs, as a result of multiple reductions-in-force; and (ii) other costs related to the sale of non-strategic assets, including contract termination costs and asset write-offs. These costs are included as a separate caption on the statements of operations.

The following table presents the restructuring costs or recovery recognized during the period:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Employee termination | $ 1,423 | $ 234 |
| Other | (3,170) | 1,422 |
| Total | $ (1,747) | $ 1,656 |

The following table presents a reconciliation of the beginning and ending restructuring liabilities:

| | Employee termination | Other | Total |
|---|---|---|---|
| Balance at May 28, 2023 | $ 1,600 | $ 1,397 | $ 2,997 |
| Expense | 234 | 1,422 | 1,656 |
| Payments | (1,617) | (1,391) | (3,008) |
| Other | — | 3,126 | 3,126 |
| Balance at May 26, 2024 | 217 | 4,554 | 4,771 |
| Expense (recoveries) | 1,423 | (3,170) | (1,747) |
| Payments | (1,368) | (1,185) | (2,553) |
| Balance at May 25, 2025 | $ 272 | $ 199 | $ 471 |

The following table presents the balance sheet classification of restructuring liabilities:

| | May 25, 2025 | May 26, 2024 |
|---|---|---|
| Current portion of operating lease liabilities | $ — | $ 3,575 |
| Accrued expenses and other current liabilities – accrued compensation | 272 | 217 |
| Accrued expenses and other current liabilities – other | 199 | 979 |
| Restructuring liabilities | $ 471 | $ 4,771 |

Under the multi-year restructuring plan, the Company incurred total costs of $5,756 related to employee termination and $10,216 related to other actions. No additional costs will be incurred under this plan.

## 9. Commitments and contingencies

***Legal contingencies***

In the ordinary course of business, the Company is involved in various legal proceedings and claims.

The Company makes a provision for a liability relating to legal matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least each fiscal quarter and adjusted to reflect the impacts of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. Legal fees are expensed in the period in which they are incurred.

Because recovery of amounts is contingent upon a legal settlement, no amounts have been recorded as recoverable costs through May 25, 2025.

***Investor dispute***

On December 23, 2024, 22NW Fund, L.P. (“22NW”), a holder of shares of the Company’s Common Stock and Series A Redeemable Convertible Preferred Stock (see note 11), filed a complaint against the Company, two former officers, and five former or current directors in the Commercial Division of the Supreme Court of the State of New York, New York County. The complaint seeks money damages (including compensatory damages, court costs, and attorneys’ fees) for (i) alleged material misrepresentations by the Company on which 22NW allegedly relied when purchasing shares of the Series A Redeemable Convertible Preferred Stock and Common Stock, (ii) alleged breaches of certain express representations in the stock purchase agreement through which 22NW acquired its shares, and (iii) registration delay fees owed under a registration rights agreement entered into in connection with the issuance of the Series A Redeemable Convertible Preferred Stock. The complaint also seeks the equitable remedy of specific performance under the aforementioned stock purchase agreement, requesting an order compelling the Company to file a proxy statement with the SEC and to hold a stockholder meeting to seek the approval of the removal of the current cap on the conversion of Series A Redeemable Convertible Preferred Stock into Common Stock as set forth in the Certificate of Designations related to the Redeemable Convertible Preferred Stock.

On February 24, 2025, the Company filed a motion to dismiss all claims against it except for the claims relating to the registration delay fees. The individual defendants filed separate motions to dismiss the complaint against them in its entirety. Those motions were fully briefed on April 9, 2025. The Court has not scheduled a hearing on the motions or stated whether it will do so. On March 27, 2025, the Court issued a case management order setting forth an initial schedule for discovery, which is ongoing.

The Company intends to vigorously defend itself and its former officers and directors in this action. Any potential loss arising from these claims is not currently probable or estimable. The Company has, however, accrued for the registration delay fees sought by 22NW (see note 11). The Company also held a Special Meeting of Stockholders on April 10, 2025, at which time the stockholders approved the removal of the cap on the conversion of Series A Redeemable Convertible Preferred Stock into Common Stock.

***Class action complaint***

On July 29, 2024, a putative class action complaint was filed on behalf of stockholders of the Company in the United States District Court of Minnesota against the Company and certain of its named executive officers. The complaint generally alleges that statements made to the Company's stockholders between October 7, 2020, and March 19, 2024 regarding the Company's financial results, internal controls, remediation efforts, periodic reporting, and financial prospects were false and misleading in violation of Section 10(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the individual defendants are liable for such statements because they are controlling persons under Section 20(a) of the Exchange Act. The complaint seeks compensatory damages, court costs, and attorneys' fees. On November 15, 2024, the Court appointed co-lead plaintiffs and their respective counsel. The co-lead plaintiffs filed an amended complaint on January 24, 2025 which contained substantially similar allegations and claims as those set forth in the original complaint. The Company filed a motion to dismiss the complaint on March 25, 2025, and the plaintiffs filed their opposition to the motion to dismiss on May 23, 2025. The Company continues to believe that the claims are without merit and intends to vigorously defend against them. Any potential loss arising from this claim is not currently probable or estimable.

***SEC subpoena***

On February 16, 2024, the Chicago Regional Office of the SEC issued a subpoena to the Company seeking documents and information concerning the financial statement restatement. The Company is cooperating with the SEC. We cannot predict the duration or outcome of this matter at this time.

***Landlord complaints***

On January 12, 2024, the landlord for a property leased by Curation Foods filed a complaint of unlawful detainer against the Company in Santa Barbara County Superior Court, seeking possession of the building and alleging past due rent of approximately $171. On February 29, 2024, Curation Foods surrendered possession of the premises to the landlord. The unlawful detainer action was converted to an ordinary civil action. The landlord filed an amended complaint against both Curation Foods and the Company seeking to recover all rent which will accrue through the expiration of the lease, less any sums landlord collects from a replacement tenant. On March 24, 2025, the parties entered into a settlement agreement and resolved this matter. See note 16.

***Compliance matters***

On December 1, 2018, the Company acquired all of the voting interests and substantially all of the assets of Yucatan Foods L.P. ("Yucatan", collectively the "Yucatan Acquisition"), which owns a guacamole manufacturing plant in Mexico called Procesadora Tanok, S de RL de C.V. ("Tanok").

On October 21, 2019, the Company retained Latham & Watkins, LLP to conduct an internal investigation relating to potential environmental and Foreign Corrupt Practices Act ("FCPA") compliance matters associated with regulatory permitting at the Tanok facility in Mexico. The Company subsequently voluntarily self-disclosed to the SEC and the U.S. Department of Justice ("DOJ") the conduct under investigation, and these agencies commenced an investigation. The Company also disclosed the conduct under investigation to the Office of the Attorney General in Mexico, which in December 2021 decided (a) that Curation Foods, did not commit or participate in the criminal conduct disclosed, (b) no criminal action would be taken against Curation Foods, (c) that no criminal liability was established against Tanok and Yucatan after they were acquired by Curation Foods, and (d) the decisions do not apply to any individuals who may be responsible for misconduct. The Company also disclosed the misconduct to other regulators in Mexico. The conduct at issue began prior to the Yucatan Acquisition, and the agreement for the Yucatan Acquisition provides the Company with certain indemnification rights that may allow the Company to recover the cost of a portion of the liabilities that have been and may be incurred by the Company in connection with these compliance matters.

On November 16, 2023, the Company and the DOJ executed a letter ("Declination Letter") in which the DOJ has declined to prosecute the Company for violations of the FCPA involving the Company's formerly-held subsidiary, Yucatan. Pursuant to the Declination Letter, in connection with the DOJ's declination to prosecute, in fiscal year 2023 the Company agreed to pay disgorgement in the amount of $407, and to continue to fully cooperate with any ongoing government investigations and any prosecutions that might result in the future. The Company paid the disgorgement amount in full in fiscal year 2024.

On September 2, 2020, one of the former owners of Yucatan filed a lawsuit against the Company in Los Angeles County Superior Court for breach of employment agreement, breach of contract, breach of holdback agreement, declaratory relief and accounting, and related claims. The Plaintiff sought over $10,000 in damages, including delivery of shares of his stock held in escrow for the indemnification claims described above. On November 3, 2020, the Company filed an answer and cross-complaint against the Plaintiff and other former equity holders of Yucatan for fraud, indemnification, and other claims, and seeking no less than $80,000 in damages. In fiscal years 2022, 2023 and 2024, the Company reached settlements with several of the cross-defendants, pursuant to which the settling cross-defendants agreed that certain of the shares of stock they received when the Company acquired Yucatan either be sold and the proceeds paid to the Company, or that those shares be released to the Company. The trial for the remaining defendants was severed into two trials by the Court:

- The first trial involved claims by and against one defendant only. This trial concluded on October 18, 2024, and final judgment was entered on March 21, 2025, with offsetting verdicts that resulted in a net award in the Company's favor of $902 against the defendant and an award of recoverable costs of $275 for a total judgment of $1,177. The Company filed a notice of appeal on June 9, 2025 and the Plaintiff filed a notice of cross-appeal on July 1, 2025.

- The second trial for the other defendants will involve only the Company's claims against them, and there are no claims made by those defendants against the Company. That second trial has been stayed by the Court pending a final judgment, including any appeal, in the first trial.

- The Plaintiff filed a new complaint seeking over $15,000 in damages and delivery of shares of his stock held in escrow, and served it on the Company on June 30, 2025. The Plaintiff's new lawsuit arises out of the same allegations as his earlier lawsuit, asserts the same claims, and seeks the same damages. The Company will oppose the new complaint and seek to dismiss on the grounds it is duplicative of the first lawsuit.

The ultimate outcome of these or any other investigations, legal actions, or potential claims that may arise from the matters related to the litigation remains uncertain. The Company cannot reasonably predict the timing or outcomes, or estimate the amount of final judgments, or the effect, if any, they may have on its financial statements. Separately, future rulings from the Court will affect pending claims against the severed defendants for indemnification under provisions in the purchase agreement. Because recovery of amounts is still contingent upon the resolution of certain issues, no amounts have been recorded as recoverable costs through May 25, 2025.

## 10. Debt

The following table presents the components of debt:

| | May 25, 2025 | May 26, 2024 |
|---|---|---|
| Debt principal: | | |
| Term loan credit facility with related party | $ 173,508 | $ 157,313 |
| Revolving credit facility | 2,500 | 19,691 |
| Leaseback liability with related party | 6,377 | 7,150 |
| Finance lease liability | 5,965 | 3,385 |
| Debt principal | 188,350 | 187,539 |
| Unamortized debt discount on term loan credit facility with related party | (57,914) | (62,871) |
| Total debt, net of discounts | $ 130,436 | $ 124,668 |
| Classification on consolidated balance sheet: | | |
| Accrued expenses and other current liabilities | $ 3,437 | $ 943 |
| Debt, net of current portion | 5,801 | 22,906 |
| Debt, net of current portion, related party | 121,198 | 100,819 |
| Total debt, net of discounts | $ 130,436 | $ 124,668 |

The following table presents future minimum principal payments:

| | |
|---|---|
| Fiscal year: | |
| 2026 | $ 3,437 |
| 2027 | 967 |
| 2028 | 1,001 |
| 2029 | 174,546 |
| 2030 | 1,052 |
| Thereafter | 7,347 |
| Debt principal | $ 188,350 |

The following table presents the classification of interest in the consolidated financial statements:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Expensed in statement of operations | 21,835 | 18,090 |
| Capitalized to property, plant and equipment | 3,049 | 3,150 |
| Total interest incurred | $ 24,884 | $ 21,240 |

As of May 25, 2025, the Company was in compliance with all financial covenants under the Term Loan Credit Facility and Revolving Credit Facility.

***Term Loan Credit Facility***

On May 22, 2023, the Company entered into a Credit and Guaranty Agreement (the "Term Loan Credit Facility") with Alcon Research, LLC ("Alcon"). The Term Loan Credit Facility refinanced in full all obligations of the Company and their subsidiaries under its prior term loan credit facility. This facility has been amended three times for the purpose of (i) enhancing and clarifying certain reporting requirements; and (ii) most recently on November 26, 2024, to provide limited waivers of potential events of default and permit the Company to retain cash proceeds from the recent sale of the isolator-filler (see note 6).

The Company initially made $142,270 of term loan borrowings under the facility. The term loans bear interest at a fixed rate of 10% per annum payable-in-kind until the third anniversary of the closing date, following which interest is payable at a fixed rate of 3% per annum in cash with the remainder payable-in-kind. The Company may elect to pay any amounts of interest in cash instead of in-kind. The obligations under the Term Loan Credit Facility mature on May 22, 2029.

Term loan principal generally cannot be repaid prior to the maturity date except as follows: (i) the Company is permitted to make voluntary prepayments beginning May 22, 2028 at a rate of 110%; (ii) Alcon or the Company can require prepayment upon a change in control at a rate of 115%; (iii) Alcon can require prepayment upon uncured material default of its supply agreement with the Company at a rate of 120%; (iv) sales of certain collateral assets, with specific exception, require the Company to prepay the term loans in the amount of proceeds received.

The Term Loan Credit Facility contains customary affirmative covenants including, but not limited to, financial reporting requirements and maintenance of existence requirements and negative covenants, including, but not limited to, limitations on the incurrence of debt, liens, investments, restricted payments, restricted debt payments, and affiliate transactions. The Term Loan Credit Facility contains one financial covenant, a minimum liquidity covenant, requiring $4,000 of Consolidated Liquidity (as defined in the Term Loan Credit Facility) as of May 28, 2023 and as of the end of the first, second and third fiscal quarters of 2024 of the Company. During the fourth quarter of fiscal year 2024, the minimum liquidity covenant was increased to $4,500.

As of May 25, 2025, the Company's effective annual interest rate under the Term Loan Credit Facility was 20.9%.

Borrowings are guaranteed and secured by substantially all of the Company's consolidated assets. Pursuant to an intercreditor agreement between Alcon and BMO (as defined below), Alcon is generally entitled to a priority claim with respect to property, plant and equipment, intellectual property and all other collateral to which BMO does not have a priority claim, as described further below. The facility contains customary financial covenants and events of default under which the obligations thereunder could be accelerated and / or the interest rate increased in specified circumstances.

***Revolving Credit Facility***

On December 31, 2020, the Company entered into a revolving credit agreement with BMO Harris Bank, N.A. ("BMO," collectively the "Revolving Credit Facility"). The Revolving Credit Facility has been amended nine times for the purpose of (i) providing limited waivers from historical events of default; (ii) as a result of discontinued operations, reducing the maximum committed amount to its current level of $40,000; (iii) creating an additional $2,500 borrowing tranche beyond the maximum committed amount that must be repaid prior to any other borrowings (the "FILO Tranche"); and (iv) most recently on November 26, 2024, extending the maturity date to November 26, 2027, reducing the applicable interest rates and making certain other changes to the financial and reporting covenants.

The Company can make ordinary borrowings under the main tranche of the facility in an amount up to the lesser of (i) the maximum committed amount and (ii) a specified borrowing base calculated as of the end of each month. The monthly borrowing base is determined using specified percentages of qualifying accounts receivable and inventory that serve as collateral under the facility, net of reserves. As of May 25, 2025, the Company's borrowing base was $27,300, and the Company had no ordinary borrowings under this tranche. These borrowings, when outstanding, bear interest based on an average daily SOFR rate plus a spread of 2.50% per annum for a total interest rate of 8.69% as of May 25, 2025. The facility also bears a commitment fee on unused availability of 0.375% per annum.

As of May 25, 2025, the Company also had a $2,500 borrowing under the FILO Tranche of the facility. This borrowing bears interest at the same rate as ordinary borrowings as described above. This borrowing was repaid in June 2025 and as a result, this tranche was effectively terminated.

The following table presents average borrowings and interest rates for the periods presented:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Average borrowings | $ 9,643 | $ 18,971 |
| Weighted average interest rate | 9.04 % | 9.75 % |

Borrowings are guaranteed and secured by substantially all of the Company’s consolidated assets. Pursuant to an intercreditor agreement between Alcon and BMO, BMO is generally entitled to a priority claim with respect to cash and cash equivalents, accounts receivable and inventory, subject to certain specific exclusions. The facility contains customary financial covenants and events of default under which the obligations thereunder could be accelerated and / or the interest rate increased in specified circumstances.

***Leaseback liability with related party***

On May 22, 2023, the Company entered into an equipment sale and leaseback transaction with Alcon. The sale and leaseback did not meet the requirements for sale-leaseback accounting, which resulted in the creation of a $7,730 leaseback liability representing the Company's total payment obligation under the lease. The lease expires on the earlier of May 22, 2033 or the date on which the Company exercises its option to repurchase the leased equipment, at which time the Company must automatically repurchase the equipment for a nominal amount.

During the lease term, the Company is obligated to make quarterly principal payments to Alcon of $193 plus interest at a rate of 6% per annum on the unpaid principal balance.

The lease contains terms and provisions that are generally customary for a commercial lease of this nature, including obligations relating to the use, operation and maintenance of the equipment. During the term of the lease, Alcon is not permitted to sell or encumber the equipment. Alcon is only entitled to cancel the lease in the event of insolvency, liquidation or bankruptcy; its remedies for other breaches of the lease are limited to monetary damages.

## 11. Equity

***Common stock***

The Company is authorized to issue up to 75,000,000 shares of common stock, $0.001 par value. The Company is generally not permitted to pay cash dividends to common stockholders due to restrictions arising from the Term Loan Credit Facility, the Revolving Credit Facility and the Redeemable Convertible Preferred Stock.

On October 3, 2024, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with certain entities. Pursuant to the Purchase Agreement, the Company agreed to sell an aggregate of 5,928,775 shares of its common stock (the "Shares") for aggregate gross proceeds of approximately $24,300 (the "Offering"). The purchase price for each Share was $4.10. The Offering closed on October 3, 2024. The issuance costs of $467 were recorded as an offset to the Offering proceeds within additional paid-in capital. The issuance of these common shares triggered an anti-dilution provision of the Redeemable Convertible Preferred Stock, resulting in a $2,132 adjustment to loss attributable to common stockholders. This was determined by the additional 453,117 common shares the Preferred Stockholders could obtain upon conversion as of November 24, 2024, multiplied by the October 3, 2024 Lifecore closing stock price of $4.705 per share.

***Redeemable Convertible Preferred Stock***

On January 9, 2023, the Company issued 38,750 shares of Series A Convertible Preferred Stock, par value $0.001 per share, that is in certain cases redeemable at the option of the holder as discussed further below. The Redeemable Convertible Preferred Stock is convertible into shares of Common Stock at the election of the holders of the Redeemable Convertible Preferred Stock. The Redeemable Convertible Preferred Stock ranks senior to the Common Stock with respect to dividends, distributions and payments on liquidation, winding-up and dissolution. The Company recorded Redeemable Convertible Preferred Stock proceeds of $38,750, net of issuance costs of $668. The deduction for issuance costs is being amortized through June 29, 2026 as a charge to additional paid-in capital.

*Dividends*

The holders of Redeemable Convertible Preferred Stock are entitled to dividends at a rate of 7.5% per annum, or $75 per share, payable in-kind and compounding quarterly. The holders are also entitled to participate in dividends declared or paid on the Common Stock on an as-converted basis. At May 25, 2025, there were $572 of dividends in arrears that had not yet been paid-in-kind in the form of additional shares of Redeemable Convertible Preferred Stock, representing $12.50 per preferred share. As of May 25, 2025 and May 26, 2024, the aggregate liquidation preference of the Redeemable Convertible Preferred Stock was $46,308 and $42,991, respectively.

*Conversion*

Each holder has the right, any time at its option, to convert its Redeemable Convertible Preferred Stock, in whole or in part, into fully paid and non-assessable shares of Common Stock at an initial conversion price equal to $7.00 per share. The conversion price is subject to customary anti-dilution adjustments, including in the event of any stock split, stock dividend, recapitalization or similar events, and is also subject to adjustment in the event of subsequent offerings of Common Stock or convertible securities by the Company for less than the conversion price. The issuance of 5,928,775 shares of Common Stock on October 3, 2024 triggered an adjustment to the conversion price to approximately $6.53 per share. In addition, in April 2025, the Company held a Special Meeting of Stockholders at which stockholders approved the removal of the 19.99% "exchange cap" on the issuance of Common Stock underlying the Redeemable Convertible Preferred Stock. As of May 25, 2025, the Redeemable Convertible Preferred Stock was convertible into 7,000,626 shares of Common Stock.

The Company may also elect to convert the Redeemable Convertible Preferred Stock, subject to certain conditions, if, for at least 20 consecutive trading days during the respective measuring period, the Company's closing stock price equals or exceeds $10.50 per share.

*Redemption*

The Redeemable Convertible Preferred Stock is redeemable by the holders after the earlier of June 29, 2026 or the termination or waiver of the restriction on cash dividends and/or redemptions that is set forth in the Company's credit agreements. The redemption price for each share of Redeemable Convertible Preferred Stock is an amount equal to its liquidation preference. Until such date, it is redeemable contingent upon the occurrence of certain events that may be outside of the control of the Company. As a result, the Company has presented the Redeemable Convertible Preferred Stock as temporary equity on the consolidated balance sheets.

*Voting*

Each holder is entitled to vote with the holders of the shares of Common Stock on all matters submitted for a vote of holders of shares of Common Stock, with certain limited exceptions. Each holder is entitled to the whole number of votes equal to the number of shares of Common Stock into which such holder's shares of Redeemable Convertible Preferred Stock would be convertible on the record date for the vote. The holders of the Redeemable Convertible Preferred Stock are also entitled to elect two directors to serve on the Company's board of directors so long as at least 30% of the initial shares of Redeemable Convertible Preferred Stock remain outstanding.

*Registration rights*

The holders of the Redeemable Convertible Preferred Stock also entered into a registration rights agreement with the Company. This agreement required the Company to file an initial registration statement covering sufficient shares of Common Stock into which the Redeemable Convertible Preferred Stock may be converted, which the Company filed in 2023. The agreement contains monetary penalties if the Company fails to maintain the effectiveness of that registration statement. The agreement has no specified termination date and no specified maximum amount of penalties.

As of May 25, 2025, the Company had accumulated $5,034 of monetary penalties and interest under the registration rights agreement. The penalties accumulated because of delinquent filings of the Company's annual and quarterly reports with the SEC, which caused the initial registration statement to cease to be effective. In October 2024, the Company completed the necessary SEC filings to regain the effectiveness of the registration statement. This caused monetary penalties to stop accruing. Meanwhile, interest continues to accrue on the penalty amount at a rate of 12% per annum until paid. Penalties are recorded in other expense, net, and interest is recorded in interest expense, net, on the consolidated statements of operations.

The Company initially paid $535 of these monetary penalties leaving a remaining accrual for penalties and interest of $4,499 as of May 25, 2025, which is included in accrued expenses and other current liabilities (see note 7).

## 12. Revenue recognition

The Company disaggregates its revenue based on how it markets its products and services and reviews results of operations. The following table disaggregates revenues by major product lines and services:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| CDMO | $ 90,095 | $ 96,616 |
| HA manufacturing | 38,772 | 31,645 |
| Total | $ 128,867 | $ 128,261 |

The following table disaggregates revenues by the timing of revenue recognition:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Revenues recognized over time | $ 23,194 | $ 29,361 |
| Revenues recognized at a point in time | 105,673 | 98,900 |
| Total | $ 128,867 | $ 128,261 |

During the fiscal year ended May 25, 2025, the Company had revenues concentrations of 10% or greater from three customers, with those customers comprising 44%, 18% and 10% of revenue. During the fiscal year ended May 26, 2024, the Company had revenues concentrations of 10% or greater from three customers, with those customers comprising 39%, 19% and 10% of revenue.

Contract assets primarily relate to the Company's unconditional right to consideration for work completed but not billed at the reporting date. Contract liabilities primarily relate to payments received from customers in advance of performance under a contract.

The following table presents changes in contract assets and liabilities:

| | Contract assets, current | Contract liabilities, current | Contract liabilities, noncurrent |
|---|---|---|---|
| Balance at May 26, 2024 | $ 4,069 | $ (2,113) | $ (4,960) |
| Changes to the beginning balance arising from: | | | |
| Amounts billed as accounts receivable as the result of rights to consideration becoming unconditional | (4,069) | — | — |
| Recognition of revenue as the result of performance obligations satisfied | — | 2,113 | — |
| Reclassification of scheduled satisfaction of performance obligations from noncurrent to current due to passage of time | — | — | 2,295 |
| Net change to contract balances recognized after the beginning of the period due to amounts billed, recognition of revenue, changes in estimate, reclassifications from noncurrent to current, and interest from significant financing component | 6,979 | (3,415) | (360) |
| Balance at May 25, 2025 | $ 6,979 | $ (3,415) | $ (3,025) |

Cash received in advance of services performed are recorded as deferred revenue.

**13. Stock-based compensation**

The Company provides stock-based compensation to its employees under two plans:

- The 2019 Stock Incentive Plan became effective on October 16, 2019. This plan provides for the grant of stock options, stock grants, stock units and stock appreciation rights to employees, consultants and directors. Under the plan, no recipient may receive awards during any fiscal year that exceed 500,000 stock options, 250,000 stock grants or stock units, or 500,000 stock appreciation rights, nor may any non-employee director be granted awards in excess of $120. As of May 25, 2025, the Company had 2,030,822 common shares reserved for new awards under the 2019 Stock Incentive Plan.

- The Equity Inducement Plan became effective on March 20, 2024. This plan provides for the grant of equity awards to individuals that were not previously employees or directors of the Company as an inducement material to the individual's entry into employment with the Company. As of May 25, 2025, the Company had 298,387 common shares reserved for new awards under the Equity Inducement Plan.

The following table presents information about the fair value of stock-based awards:

| | Stock options | | PSUs | |
|---|---|---|---|---|
| | Year ended | | Year ended | |
| | May 25, 2025 | May 26, 2024 | May 25, 2025 | May 26, 2024 |
| Weighted-average grant date fair value per share | $ 4.32 | $ 3.91 | 3.85 | 4.66 |
| Weighted-average assumptions used to determine grant-date fair value: | | | | |
| Expected life | 4.4 years | 4.4 years | 5.0 years | 5.0 years |
| Risk-free interest rate | 4.0 % | 4.3 % | 3.7 % | 4.4 % |
| Volatility | 84 % | 58 % | 82 % | 78 % |
| Dividend yield | — % | — % | — % | — % |

The following table presents other information about stock-based awards:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Weighted average grant-date fair value of RSUs awarded per share | $ 5.50 | $ 7.48 |
| Intrinsic value of stock options exercised | — | 115 |
| Fair value of RSUs vested per share | 7.93 | 7.74 |
| Fair value of PSUs vested per share | 4.24 | — |
| Tax benefit of options exercised | — | 35 |

The following table presents information about stock option balances and activity:

| | Shares | Weighted-average exercise price per share | Weighted-average remaining contractual term | Aggregate intrinsic value |
|---|---|---|---|---|
| Outstanding at May 26, 2024 | 2,112,591 | $ 10.88 | | |
| Granted | 755,775 | 6.64 | | |
| Forfeited | (155,189) | 7.49 | | |
| Expired | (1,452,878) | 11.04 | | |
| Outstanding at May 25, 2025 | 1,260,299 | 8.57 | 4.5 years | $ 225,294 |
| Exercisable at May 25, 2025 | 599,970 | 10.57 | 2.3 years | 1,361 |

The intrinsic values presented in the table above were calculated as the excess, if any, of the market price or closing price of the Company's Common Stock over the exercise price of the options multiplied by the number of options exercised, outstanding or exercisable, as applicable.

The following table presents information about recent RSU and PSU activity:

| | RSUs | | PSUs | |
|---|---|---|---|---|
| | Shares | Weighted-average grant date fair value per share | Shares | Weighted-average grant date fair value per share |
| Outstanding at May 26, 2024 | 1,622,004 | $ 7.83 | 1,500,000 | $ 4.66 |
| Granted | 1,038,287 | 5.50 | 1,120,000 | 3.85 |
| Vested | (756,547) | 7.93 | (75,000) | 4.24 |
| Forfeited | (384,457) | 7.67 | — | — |
| Outstanding at May 25, 2025 | 1,519,287 | 6.23 | 2,545,000 | 4.32 |

***Stock-based compensation expense***

The following table summarizes stock-based compensation by income statement line item:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Cost of product sales | $ 856 | $ 582 |
| Research and development expense | (122) | 168 |
| Selling, general and administrative expense | 9,424 | 5,451 |
| Stock-based compensation expense | $ 10,158 | $ 6,201 |

Most of the stock-based compensation expense arises from recent awards to our executive officers and other newly hired employees under the Equity Inducement Plan. Those awards include (i) RSUs that primarily vest on each of the first five anniversaries of the grant date; and (ii) PSU awards divided into ten equal tranches that will vest, if at all, based upon closing stock price milestones over a five-year performance period, and to the extent a PSU award tranche vests based on performance, 50% of the shares for each tranche will be issued immediately, and 50% of the shares will be issued on the one-year anniversary of the performance vesting date.

As of May 25, 2025, there was $13,865 of total unrecognized compensation expense related to unvested equity compensation awards granted under the Lifecore incentive stock plans. This total expense is expected to be recognized over a weighted-average period of 2.0 years.

## 14. Income taxes

All of the Company's income or loss from continuing operations before income tax is derived from its domestic operating subsidiaries. The following table presents the components of the provision for income taxes from continuing operations:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Current: | | |
| Federal | $ 14 | $ (10) |
| State | 148 | 37 |
| Total | 162 | 27 |
| Deferred: | | |
| Federal | (124) | 173 |
| State | 5 | (17) |
| Total | (119) | 156 |
| Income tax provision | $ 43 | $ 183 |

Income tax expense differs from the amount calculated using the 21% statutory U.S. federal income tax rate as follows:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Tax at U.S. statutory rate | $ (8,122) | $ 1,998 |
| State income taxes, net of federal benefit | (197) | 52 |
| Compensation-related activity | 799 | 418 |
| Return to provision adjustments | 213 | 3,136 |
| Deferred tax write-offs | (748) | 711 |
| Tax credit carryforwards | (539) | (518) |
| Other | 96 | 158 |
| Change in valuation allowance | 8,541 | (5,772) |
| Income tax expense | $ 43 | $ 183 |

The following table presents the components of deferred tax assets and liabilities reported in the balance sheets:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Deferred tax assets: | | |
| Net operating loss carryforwards | $ 40,677 | $ 40,806 |
| Limitations on business interest expense | 15,573 | 11,783 |
| Research credit carryforwards | 7,116 | 6,700 |
| Capitalized research and development | 3,767 | 2,916 |
| Other | 6,338 | 4,609 |
| Deferred tax assets before valuation allowance | 73,471 | 66,814 |
| Less: valuation allowance | (54,714) | (46,173) |
| Deferred tax assets | 18,757 | 20,641 |
| Deferred tax liabilities: | | |
| Depreciation | (10,735) | (11,809) |
| Debt derivative liability and related debt discount | (7,026) | (7,911) |
| Other | (1,419) | (1,464) |
| Deferred tax liabilities | (19,180) | (21,184) |
| Net deferred tax liability | $ (423) | $ (543) |

The Company continues to maintain a full valuation allowance against its U.S. and state deferred tax assets based on available positive and negative evidence, including historical losses during the most recent three-year period. The Company will re-evaluate the need for a valuation allowance in future periods based on its operating results as a standalone entity.

The following table presents the amounts and expiration dates of net operating loss and tax credit carryforwards as of May 25, 2025:

| | Net operating loss carryforwards | | Research and development credits | | |
|---|---|---|---|---|---|
| | Amount | Begin to expire | Amount | Life | Begin to expire |
| Federal | $ 172,048 | 2028 | $ 3,858 | 20 years | 2033 |
| California | 52,239 | 2025 | 2,058 | unlimited | none |
| All other states | 16,512 | 2025 | 2,024 | 15 years | 2029 |

The Federal net operating loss carryforwards presented in the table above include $164,770 with no expiration date. The Company estimated utilization of $2,051 and $3,907 of Federal net operating loss carryforwards and no material state operating loss carryforwards for the fiscal years ended May 25, 2025 and May 26, 2024, respectively.

As of May 25, 2025, the total amount of net unrecognized tax benefits is $1,323, of which $1,186, if recognized, would affect the effective tax rate. No interest and penalties have been accrued as of May 25, 2025. The Company has not had, and does not expect to have, any significant increase or decrease to its unrecognized tax benefits within the next twelve months.

Due to tax attribute carryforwards, the Company is subject to examination for tax years 2012 forward for U.S. tax purposes. The Company was also subject to examination in various state jurisdictions for tax years 2012 forward.

New tax legislation was passed subsequent to year-end, see note 18 for additional information.

## 15. Fair value of financial instruments

***Term Loan Credit Facility and debt derivative liability***

The Term Loan Credit Facility contains various features that meet the definition of an embedded derivative and require bifurcation. These features, which were necessary for the Company to accept in order for Alcon to agree to provide the term loan financing, comprise three options for early prepayment of the term loans at stated premiums above par if certain future events were to occur, as described more fully in note 10. These embedded derivatives were initially recorded at fair value as a noncurrent liability ("debt derivative liability") offset by a discount to the carrying value of the Term Loan Credit Facility that is being amortized to interest expense over the term of that facility. The debt derivative liability is being subsequently remeasured at fair value every reporting period with changes in fair value recognized as a component of other expense, net.

The disclosed fair value of the term loan and the recorded fair value of the debt derivative liability are estimated using a discounted cash flow method (a level 3 measurement) that includes annually weighted probabilities that certain call and put premiums are exercised upon qualifying events of default or changes in control. As of May 25, 2025, the fair value of the term loan, excluding the value of the embedded debt derivative liability, was $132,100 with a carrying value of $115,594; the fair value of the debt derivative liability was $24,991, which was the same as its carrying value. As of May 26, 2024, the fair value of the term loan, excluding the value of the embedded debt derivative liability, was $124,700 with a carrying value of $94,442; the fair value of the debt derivative liability was $25,400, which was the same as its carrying value.

The debt derivative liability is currently the only financial instrument recorded at fair value on a recurring basis in the accompanying balance sheets. The following table presents information about those measurements:

| | Type of measurement | Measurement date | Type of measurement | | |
|---|---|---|---|---|---|
| | | | Level 1 | Level 2 | Level 3 |
| **Liabilities** | | | | | |
| Debt derivative liability | Recurring | May 25, 2025 | — | — | 24,991 |
| Debt derivative liability | Recurring | May 26, 2024 | — | — | 25,400 |

The following table presents the rollforward reconciliation of this Level 3 recurring fair value measurement:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Balance at beginning of period | $ 25,400 | $ 64,900 |
| Change in fair value | (409) | (39,500) |
| Balance at end of period | $ 24,991 | $ 25,400 |

The key inputs to the valuation model are (i) the probability and timing of a change in control event occurring over the remaining term of the debt; and (ii) the discount rate, which can be influenced by changes in the risk-free rate, the Company's credit rating and/or as changes in the overall credit market. Factors that can affect the estimate of fair value at each reporting date, and therefore the amount of gain or loss recorded for a particular period, include imprecision in estimating unobservable market inputs and the selection of particular methodologies and assumptions used to determine the fair value.

During fiscal year 2024, there were large sequential declines in the probability of a change in control that significantly lowered the fair value of the debt derivative liability. During fiscal year 2025, we increased the probability of a 2028 change in control and lowered the discount rate due to an improvement in the Company's credit rating.

Key inputs used to develop the fair value measurement were as follows:

| | May 25, 2025 | May 26, 2024 |
|---|---|---|
| Probability of change in control event | 80.0 % | 80.0 % |
| Weighted average discount rate | 18.4 % | 21.4 % |

The weighted average discount rate was calculated based on the individual discount rate used for each future payment and weighted by both the present value of the future payments and the probability of each scenario.

***Cash and Revolving Credit Facility***

Outstanding cash and outstanding borrowings under the Company's Revolving Credit Facility are carried at cost, which approximates fair value due to their short duration and variable rates of interest (a level 2 measurement).

***Leaseback liability with related party***

As discussed further in note 10, the Company maintains a financial liability for an equipment sale and leaseback with Alcon for which control of the asset was deemed not to have transferred.

In accordance with U.S. GAAP, we present supplemental fair value information based on market conditions of the underlying financial instrument. The fair value information does not change the stated rate or carrying value of the instrument. The fair value of the leaseback liability was estimated using a discounted cash flow method (a level 3 measurement) that assumes a weighted-average discount rate of 5.8% and 6.3% as of May 25, 2025 and May 26, 2024, respectively. As of May 25, 2025 and May 26, 2024, the fair value of the leaseback liability approximated its carrying value.

***Customer deposit***

A significant customer of the Company agreed to provide an upfront cash deposit in order to finance working capital requirements for the duration of its commercial supply agreement with us. The deposit bears no interest and matures upon termination of the commercial supply agreement, which can be extended indefinitely upon mutual agreement of the parties, and was most recently extended in March 2024 for a period of 1.75 years to December 31, 2026.

In accordance with U.S. GAAP, we present supplemental fair value information based on market conditions of the underlying financial instrument. The fair value information does not change the stated rate or carrying value of the instrument. The fair value of the deposit is estimated using a discounted cash flow method (a level 3 measurement) that includes assumed discount rates of 6.6% and 7.3% as of May 25, 2025 and May 26, 2024, respectively. The fair value assumes repayment in 1.6 years and 2.6 years as of May 25, 2025 and May 26, 2024, respectively, which was the remaining contractual term of the agreement as of each measurement date. As of May 25, 2025 and May 26, 2024, the fair value of the deposit approximated its carrying value.

***Conversion ratio improvement provided to preferred stockholders***

During the three months ended November 24, 2024, we performed a non-recurring fair value measurement to record the value of a conversion ratio improvement provided to preferred stockholders as a result of the October 3, 2024 Securities Purchase Agreement referenced in note 11. The fair value of the conversion feature was recorded as $2,132 adjustment to loss attributable to common stockholders. The fair value was calculated using an as-converted method based on the contractual conversion ratio of the preferred shares and the closing price of our Common Stock, a level 1 measurement.

The weighted average discount rate was calculated based on the individual discount rate used for each future payment and weighted by both the present value of the future payments and the probability of each scenario.

## 16. Leases

Substantially all current lease activity comes from two active facilities near the Company's owned headquarters facility in Chaska, Minnesota. Additionally, an operating lease liability for the abandoned headquarters of the Curation Foods business in Santa Maria, California was settled with the landlord in the March 2025 for a gain of $2,642. None of the Company's other leases are material to the periods presented.

In January 2016, a lease commenced for the Company's warehouse and final packaging building in Chaska, Minnesota. The lease has since been amended twice to accomplish the following: (i) to extend the term of the lease to September 2034, (ii) to add a buyout option equal to the balance of the lessor's mortgage loan, valued at $3,100 as of May 25, 2025; and (iii) to provide a $2,400 cash payment to the Company in fiscal year 2024 in exchange for an increased rent payment schedule and an updated purchase option. The lease is classified as a finance lease and has a discount rate of 9%, which was the Company's incremental borrowing rate at the time of the most recent amendment to the lease in August 2024.

In January 2021, a lease commenced for the Company's warehouse and office space in Chanhassen, Minnesota. The lease term extends through March 2033. The lease is classified as an operating lease and has a discount rate of 3%, which was the Company's incremental borrowing rate at lease inception.

The components of lease cost were as follows:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Finance lease cost: | | |
| Amortization of leased assets | $ 160 | $ 137 |
| Interest on lease liabilities | 456 | 373 |
| Operating lease cost | 336 | 344 |
| Variable lease cost | — | 306 |
| Sublease income | — | (148) |
| Total lease cost | $ 952 | $ 1,012 |

The Company’s maturity analysis of operating and finance lease liabilities as of May 25, 2025 are as follows:

| | Operating leases | Finance leases |
|---|---|---|
| Fiscal year: | | |
| 2026 | $ 433 | $ 682 |
| 2027 | 416 | 698 |
| 2028 | 302 | 715 |
| 2029 | 146 | 732 |
| 2030 | 150 | 722 |
| Thereafter | 436 | 6,396 |
| Total lease payments | 1,883 | 9,945 |
| Less: interest | (153) | (3,980) |
| Present value of lease liabilities | $ 1,730 | $ 5,965 |
| Classification on consolidated balance sheet: | | |
| Accrued expenses and other current liabilities (see note 7) | $ 387 | $ 164 |
| Debt, net of current portion | — | 5,801 |
| Other liabilities | 1,343 | — |
| Present value of lease liabilities | $ 1,730 | $ 5,965 |

Supplemental cash flow information related to leases are as follows:

| | Year ended | |
|---|---|---|
| | May 25, 2025 | May 26, 2024 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | $ 445 | $ 761 |
| Operating cash flows from finance leases | 443 | 373 |
| Financing cash flows from finance leases | (2,230) | 136 |
| Lease liabilities arising from obtaining right-of-use assets: | | |
| Finance leases | 2,737 | — |

## 17. Related party transactions

Alcon has been and continues to be one of the Company's largest customers, comprising 44% and 39% of its revenues for the fiscal years ended May 25, 2025 and May 26, 2024, respectively. On May 22, 2023, Alcon entered into the Term Loan Credit Facility with the Company as described in note 10. This relationship as the Company's largest creditor, combined with its position as one of the Company's largest customers, caused management to conclude that Alcon has the ability to exert significant influence over the Company and therefore meets the definition of a related party beginning in May 2023.

Alcon’s transactions with the Company are as follows:

- Customary current financial positions for a customer of Alcon's size, including accounts receivable, contract assets, contract liabilities and revenue, each as presented in the consolidated balance sheets and statements of operations. Alcon has provided the Company guaranteed contractual minimum purchasing commitments through 2031, and the Company is required to maintain certain manufacturing capacity levels through 2033;

- Cash advances Alcon provided to the Company to purchase and install Alcon-owned equipment on the Company's premises totaling $307 and $1,207 at May 25, 2025 and May 26, 2024, respectively;
- A significant individual prepayment that Alcon made to the Company in the fourth quarter of fiscal year 2024 of $5,500. The prepayment was accounted for as a contract liability, initially recorded at present value due to the existence of a significant financing component, and now being accreted to its settlement value via charges to interest expense, related party. This contract liability will be settled beginning January 2026 by issuing twelve monthly credit memos to Alcon totaling $5,500. The contract liability is classified on the balance sheet as a current portion of $2,731 and a noncurrent portion of $2,768, which is included in other liabilities on the balance sheet;
- Proceeds of $142,270 from term loans issued in May 2023 that were used to repay prior borrowings. The term loan principal plus accrued interest has grown to $173,508 through May 25, 2025 as a result of 10% interest paid-in-kind. See note 10 for additional information; and
- Alcon purchased equipment in May 2023 for $7,730 that it is leasing back to the Company in exchange for quarterly payments over a ten-year period. Payments to Alcon under the lease were $1,185 and $970 for the fiscal year ended May 25, 2025 and May 26, 2024. See note 10 for additional information.
- Interest expense incurred from the Alcon borrowings noted above was $18,879 and $14,662 for the years ended May 25, 2025 and May 26, 2024, respectively. Included in those amounts was non-cash interest expense of $18,473 and $14,186 for the years ended May 25, 2025 and May 26, 2024, respectively.
- A contract asset for $110 as of May 25, 2025 for the recognition of revenue as the result of performance obligations satisfied

**18. Subsequent events**

The One, Big, Beautiful Bill Act (the “Act”) was signed into law in July 2025. The Act contains significant tax law changes with various effective dates affecting business taxpayers, including a permanent extension of the 21% flat corporate income tax rate which was previously set to expire after 2025. Among the other tax law changes that will impact the Company relate to the timing of certain tax deductions including depreciation expense, research and development expenditures and interest expense. The Company will implement the tax law changes for its next quarterly report for the period ending September 30, 2025. The Company is still evaluating the potential impact of this new law.

On August 1, 2025, the Company’s Board of Directors approved a change in the Company’s fiscal year from 52- or 53-week periods that end on the last Sunday of May to calendar years ending on December 31. The Company will report its financial results for a transition period from May 26, 2025 to December 31, 2025 on a Transition Report on Form 10-K/T. Thereafter, the Company plans to file annual reports for twelve-month periods ending December 31 beginning with the year ending December 31, 2026. Prior to filing the transition report, the Company will file a Quarterly Report on Form 10-Q for the quarter ending September 30, 2025.

**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 thereunto duly authorized.

LIFECORE BIOMEDICAL, INC.

By: /s/ Paul Josephs

Paul Josephs
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Ryan D. Lake

Ryan D. Lake
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: August 7, 2025

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Paul Josephs and Ryan D. Lake, and each of them, as his or her attorney-in-fact, with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorney-in-fact to any and all amendments to said Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report on Form 10-K has been signed by the following persons in the capacities and on the dates indicated:

| Signature | Title | Date |
|---|---|---|
| /s/ Paul Josephs<br>Paul Josephs | President and Chief Executive Officer (Principal Executive Officer) and Director | August 7, 2025 |
| /s/ Ryan D. Lake<br>Ryan D. Lake | Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) | August 7, 2025 |
| /s/ Katrina L. Houde<br>Katrina L. Houde | Chairman of the Board | August 7, 2025 |
| /s/ Humberto C. Antunes<br>Humberto C. Antunes | Director | August 7, 2025 |
| /s/ Jason Aryeh<br>Jason Aryeh | Director | August 7, 2025 |
| /s/ Paul H. Johnson<br>Paul H. Johnson | Director | August 7, 2025 |
| /s/ Christopher Kiper<br>Christopher Kiper | Director | August 7, 2025 |
| /s/ Matthew Korenberg<br>Matthew Korenberg | Director | August 7, 2025 |
| /s/ Nelson Obus<br>Nelson Obus | Director | August 7, 2025 |
| /s/ Joshua E. Schechter<br>Joshua E. Schechter | Director | August 7, 2025 |

**Exhibit 4.1**

## DESCRIPTION OF CAPITAL STOCK

The following description of the capital stock of Lifecore Biomedical, Inc. (the "Company," "we," "us," and "our") is not complete and may not contain all the information you should consider before investing in our capital stock. This description is summarized from, and qualified in its entirety by reference to, our certificate of incorporation and our Certificate of Designations of the Series A Convertible Preferred Stock, each of which have been publicly filed with the Securities and Exchange Commission.

Our authorized capital stock consists of:

- 50,000,000 shares of common stock, $0.001 par value; and
- 2,000,000 shares of preferred stock, $0.001 par value (of which 120,000 shares are designated as shares of Series A Convertible Preferred Stock as of the date of this Annual Report on Form 10-K).

**Common Stock**

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. In any election of directors, a director nominee shall be elected if the votes cast for such nominee's election exceed the votes cast against such nominee's election (with abstentions not counted as a vote cast either for or against that nominee's election) by the stockholders entitled to vote on the election. Any director or our entire board of directors (the "Board") may be removed, with or without cause, and any vacancies on the Board may be filled, by the holders of a majority of the shares then entitled to vote at an election of directors. Amendments to our bylaws may be adopted by the affirmative vote of a majority in voting power of all of the then outstanding shares of the voting stock of the Company entitled to vote. All other matters shall be decided by the affirmative vote of a majority in voting power of the votes cast affirmatively or negatively (excluding abstentions) at a meeting by the holders entitled to vote thereon.

Holders of common stock are entitled to receive proportionately any dividends as may be declared by our Board, subject to any preferential dividend rights of outstanding preferred stock.

In the event of our liquidation, dissolution or winding up, the holders of our common stock are entitled to receive proportionately our net assets available after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

**Classified Board**

In accordance with the terms of our certificate of incorporation and bylaws, subject to the rights of holders of any series of preferred stock to elect directors, our Board is divided into two classes: Class 1 and Class 2, with each class serving staggered two-year terms. This classification of the Board may have the effect of delaying or preventing changes in the control or management of the Company.

**Preferred Stock**

Under the terms of our certificate of incorporation, our Board is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our Board has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences of each series of preferred stock. We have designated one series of preferred stock.

The purpose of authorizing our Board to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock.

The preferred stock of each series will rank senior to the common stock in priority of payment of dividends and in the distribution of assets in the event of our liquidation, dissolution or winding up, to the extent of the preferential amounts to which the preferred stock of the respective series will be entitled. Upon issuance, the shares of preferred stock will be fully paid and nonassessable, which means that its holders will have paid their purchase price in full and we may not require them to pay additional funds.

**Series A Convertible Preferred Stock**

On January 9, 2023, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with the investors named therein (each a "Purchaser" and collectively the "Purchasers"). Pursuant to the Purchase Agreement, the Company issued and sold an aggregate of 38,750 shares (the "Preferred Shares") of the Series A Convertible Preferred Stock, par value $0.001 per share (the "Convertible Preferred Stock"), to the Purchasers for an aggregate purchase price of $38.75 million.

Each share of Convertible Preferred Stock has the powers, designations, preferences and other rights as are set forth in the Certificate of Designations of the Series A Convertible Preferred Stock filed by the Company with the Delaware Secretary of State on January 9, 2023 (the "Certificate of Designations").

The Convertible Preferred Stock ranks senior to the Company's Common Stock with respect to dividends, distributions and payments on liquidation, winding-up and dissolution.

Upon a liquidation, dissolution, winding up or change of control of the Company, each share of Convertible Preferred Stock will be entitled to receive an amount per share of Convertible Preferred Stock equal to the greater of (i) the purchase price paid by the Purchaser, plus all accrued and unpaid dividends (the "Liquidation Preference") and (ii) the amount that the holder of Convertible Preferred Stock (each, a "Holder" and collectively, the "Holders") would have been entitled to receive at such time if the Convertible Preferred Stock had been converted into Common Stock immediately prior to such liquidation event.

The Holders will be entitled to dividends on the Liquidation Preference at the rate of 7.5% per annum, payable in-kind ("PIK"). The Company may, at its option, pay such dividends in cash from and after the earlier of June 29, 2026, or the termination or waiver of the restriction on cash dividends and/or redemptions that is set forth in the Credit Agreements (as defined in the Certificate of Designations) (such earlier date, the "Applicable Date"). The Holders are also entitled to participate in dividends declared or paid on the Common Stock on an as-converted basis.

Upon certain bankruptcy events, the Company is required to pay to each Holder an amount in cash equal to the Liquidation Preference being redeemed. From and after the Applicable Date, each Holder shall have the right to require the Company to redeem all or any part of the Holder's Convertible Preferred Stock for an amount equal to the Liquidation Preference.

Each Holder has the right, at its option, to convert its Convertible Preferred Stock, in whole or in part, into fully paid and non-assessable shares of Common Stock at an initial conversion price equal to $7.00 per share. The conversion price is subject to customary anti-dilution adjustments, including in the event of any stock split, stock dividend, recapitalization or similar events, and is also subject to adjustment in the event of subsequent offerings of Common Stock or convertible securities by the Company for less than the conversion price. On October 3, 2024, the Company completed the sale of an aggregate of 5,928,775 shares of its common stock in a private placement at a purchase price of $4.10 per share, for aggregate gross proceeds of approximately $24.3 million (the "PIPE Offering"). As a result of the PIPE Offering, the conversion price was automatically adjusted to approximately $6.53 per share.

Pursuant to the terms of the Certificate of Designations, unless and until approval of the Company's stockholders is obtained as contemplated by Nasdaq listing rules, no Holder may convert shares of Convertible Preferred Stock through either an optional or a mandatory conversion into shares of Common Stock if and solely to the extent that the issuance of such shares of Common Stock would exceed the aggregate number of shares of Common Stock that is equal to 19.99% of the amount of Common Stock of the Company outstanding as of the execution of the Purchase Agreement (the "Exchange Limit"). Additionally, subject to certain exceptions and waiver by each Holder, the Company will not issue any shares of Common Stock to any respective Holder to the extent that such issuance of Common Stock would result in such Holder beneficially owning in excess of 9.99% of the then-outstanding Common Stock (together with the Exchange Limit, the "Conversion Limits"). If the Exchange Limit is met, the number of shares of Common Stock into which such Holder of Convertible Preferred Stock is entitled to convert its Convertible Preferred Shares is reduced on a pro rata basis, proportionate to each such Holder's holdings in the Convertible Preferred Stock.

Subject to certain conditions, the Company may from time to time, at its option, require conversion of all or any portion of the outstanding shares of Convertible Preferred Stock to Common Stock if, for at least 20 consecutive trading days during the respective measuring period the closing price of the Common Stock was at least 150% of the conversion price. The Company may not exercise its right to mandatorily convert outstanding shares of Convertible Preferred Stock unless certain conditions with regard to the shares of Common Stock to be issued upon such conversion are satisfied.

The Holders are generally entitled to vote with the holders of the shares of Common Stock on all matters submitted for a vote of holders of shares of Common Stock (voting together with the holders of shares of Common Stock as one class) on an as-converted basis, subject to the Conversion Limits.

Additionally, for so long as 30% of the Preferred Shares remain outstanding, certain matters will require the approval of the majority of the outstanding Convertible Preferred Stock, voting as a separate class, including (i) amending, altering or repealing any provision of the Certificate of Designations; (ii) amending, altering or repealing any provision of the Company's certificate of incorporation or bylaws, in each case, in a manner that adversely affects the powers, preferences or rights of the Convertible Preferred Stock; (iii) increasing or decreasing the authorized number of shares of Convertible Preferred Stock (except to provide for the issuance of PIK dividends); (iv) creating (including by reclassification), issuing shares of or increasing the authorized number of shares of any additional class or series of capital stock of the Company unless such class or series rank junior to the Convertible Preferred Stock and are issued at fair market value; (v) purchasing or redeeming or paying, declaring or setting aside any fund for, any dividend or distribution on, any Common Stock or other Junior Stock (as defined in the Certificate of Designations), other than purchases of equity securities of the Company upon the termination of an employee of the Company or any of its subsidiaries in accordance with the terms of such employee's employment agreement or any equity incentive or similar plan approved by the Board; or (vi) creating, incurring, granting, entering into, permitting, assuming or allowing, directly or indirectly, (a) any indebtedness by the Company (or any of its subsidiaries), excluding equity securities and non-convertible preferred stock (but including convertible debt), at any time when, or as a result of which, the principal amount of the Company's total outstanding and available indebtedness exceeds $175,000,000, or (b) any lien, charge or other encumbrance on all or substantially all of the Company's (or any of its subsidiaries') properties or assets.

**Anti-Takeover Effects of Delaware Law and Our Charter and Bylaws**

In our certificate of incorporation, we elect not to be subject to Section 203 of the General Corporation Law of the State of Delaware. Subject to certain exceptions, Section 203 prevents a publicly-held Delaware corporation from engaging in a "business combination" with any "interested stockholder" for three years following the date that the person became an interested stockholder, unless the interested stockholder attained such status with the approval of our Board or unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger or consolidation involving us, and the interested stockholder and the sale of more than 10% of our assets. In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person.

Our certificate of incorporation provides that any action required or permitted to be taken by our stockholders at an annual meeting or special meeting of stockholders may only be taken if it is properly brought before such meeting and may not be taken by written action in lieu of a meeting. Our bylaws provide that special meetings of the stockholders can be called by the Board, the Chairman of the Board, the president or by one or more stockholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting. In addition, our bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to our Board. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our Board or by a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting. These provisions could have the effect of delaying certain stockholder actions until the next stockholder meeting.

**Series A Convertible Preferred Stock**

In connection with a liquidation, dissolution, winding up or change of control of the Company, Holders of Convertible Preferred Stock would have the right to an amount per share of Convertible Preferred Stock equal to the greater of (i) the Liquidation Preference and (ii) the amount that the Holder would have been entitled to receive at such time if the Convertible Preferred Stock had been converted into Common Stock immediately prior to such liquidation event. The Holders will also be entitled to dividends on the Liquidation Preference at the rate of 7.5% per annum, PIK. The potential need to redeem the Convertible Preferred Stock at a significant premium could result in an anti-takeover effect. In addition, conversion of the Convertible Preferred Stock could dilute the stock ownership or voting rights of persons seeking to obtain control of the Company and thereby have the effect of making it more difficult to remove directors or members of management by diluting the stock ownership or voting rights of persons seeking to effect such a removal.

Additionally, certain matters will require the approval of the majority of the outstanding Convertible Preferred Stock, voting as a separate class. Accordingly, the Convertible Preferred Stock may render more difficult or discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of Common Stock, or the replacement or removal of a member of the Board or management.

**Exhibit 10.14**

**LIMITED WAIVER UNDER AND AMENDMENT TO CREDIT AND GUARANTY AGREEMENT**

This **LIMITED WAIVER UNDER AND AMENDMENT TO CREDIT AND GUARANTY AGREEMENT**, dated as of August 8, 2024 (this "Amendment and Waiver"), is entered into by and among **LIFECORE BIOMEDICAL, INC.**, a Delaware corporation ("Lifecore"), **CURATION FOODS, INC.**, a Delaware corporation ("Curation"), **LIFECORE BIOMEDICAL OPERATING COMPANY, INC.**, a Delaware corporation (collectively with Lifecore and Curation, the "Borrowers" and each a "Borrower"), each Guarantor party hereto, **ALCON RESEARCH, LLC**, as Administrative Agent and Collateral Agent (in such capacities, together with its successors and assigns in such capacities, the "Administrative Agent"), and the Lenders party hereto.

**RECITALS:**

WHEREAS, reference is hereby made to that certain Credit and Guaranty Agreement, dated as of May 22, 2023 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Existing Credit Agreement", and as further amended by this Amendment and Waiver, the "Credit Agreement"; capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement, as amended herein), by and among the Borrowers, the other Credit Parties party thereto from time to time, the Lenders party thereto from time to time, the Administrative Agent, and the other parties party thereto from time to time;

WHEREAS, the Credit Party Representative has informed the Administrative Agent that the Events of Default identified on Exhibit A hereto have occurred and are continuing (collectively, the "Specified Events"); and

WHEREAS, the Credit Parties have requested that the Administrative Agent and the Lenders waive the Specified Events and make certain amendments to the Existing Credit Agreement, and the Administrative Agent and the Lenders have agreed to do so, but solely on the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree as follows:

**1. Acknowledgements**.

(a) Acknowledgement of Obligations. The Credit Parties hereby acknowledge, confirm and agree that all Loans under the Credit Agreement, together with interest accrued and accruing thereon, and all fees, costs, expenses and other charges now or hereafter payable by Borrowers to Administrative Agent or any Lender, are unconditionally owing by Borrowers to Administrative Agent or such Lender, without offset, defense or counterclaim of any kind, nature or description whatsoever.

(b) Acknowledgement of Credit Documents. The Credit Parties hereby acknowledge, confirm and agree that Administrative Agent has and shall continue to have a valid, enforceable and perfected first priority lien upon and security interest in the Collateral heretofore granted to Administrative Agent pursuant to the Credit Documents or otherwise granted to or held by Administrative Agent.

(c) Acknowledgment of Defaults. The Credit Parties hereby acknowledge and agree that the each of Specified Events have occurred and are continuing, constitutes an Event of Default, and entitles Administrative Agent and each Lender to exercise its rights and remedies under the Credit Documents, applicable law or otherwise, including, without limitation, by exercising the right to declare

the Obligations to be immediately due and payable under the terms of the Credit Documents. The Credit Parties represent and warrant that as of the date hereof, no other Events of Default exist other than the Specified Events.

**2. Limited Waiver of Specified Events**.

(a) Subject to satisfaction of the conditions precedent set forth in Section 5 below, the Administrative Agent and the Lenders party hereto (constituting Requisite Lenders) hereby waive, as of the date hereof, the Specified Events (collectively, the "Limited Waiver").

(b) Except as expressly set forth herein, the Limited Waiver shall not be deemed to constitute a consent to, or waiver or approval of, any other act, any other omission or any other failure by the Credit Parties to comply with the terms and provisions of the Existing Credit Agreement or any of the other Credit Documents.

(c) The Limited Waiver is a limited, one time waiver and, except as expressly set forth herein, shall not be deemed to: (i) constitute a waiver of any Default, Event of Default or any other breach by the Credit Parties of, or non-compliance by the Credit Parties with, the Existing Credit Agreement or any of the other Credit Documents, whether now existing or hereafter arising, (ii) constitute a waiver of any right or remedy of any Secured Party under the Existing Credit Agreement or any other Credit Documents which does not arise as a result of the Specified Events (in each case prior to giving effect to this Limited Waiver) or (iii) establish a custom or course of dealing or conduct between any Secured Party, on the one hand, and the Credit Parties, on the other hand.

(d) Each Secured Party expressly reserves the right to exercise all rights and remedies under the Existing Credit Agreement and all other Credit Documents and under applicable law with respect to the occurrence of any Event of Default other than the Specified Events.

**3. Amendments**. Subject to the terms and conditions set forth herein, including satisfaction of each condition set forth in Section 5 below, and in reliance on the representations, warranties, covenants and agreements of the Credit Parties set forth herein, as of the date hereof, the Existing Credit Agreement is hereby amended as follows as of the date hereof:

(a) Section 5.1 of the Existing Credit Agreement is hereby amended by inserting a new clause (r) therein as follows:

(r) As soon as available, but no later than July 15th of each calendar year (or such later date as the Administrative Agent may reasonably agree), an appraisal performed by a reputable valuation firm selected by Lifecore to perform its annual goodwill impairment valuation, in respect of the enterprise value of the Credit Parties, taken as a whole, in substantially comparable form and substance to that certain "Lifecore Biomedical Final Valuation Report, dated August 1, 2024" (each, a "Valuation Report"); provided, that if in any Fiscal Year an event occurs that requires material changes to the form or substance of the Valuation Report most recently delivered, the Credit Parties shall only be required to use commercially reasonable efforts to deliver such updated Valuation Report as promptly as practicable and in any event not later than August 31st of such Fiscal Year.

**4. Representations and Warranties**. To induce the Administrative Agent and the Lenders to enter into this Amendment and Waiver, each Credit Party represents and warrants that:

(a) as of the date hereof, the representations and warranties of the Credit Parties contained in Section 4 of the Credit Agreement or any other Credit Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date;

(b) as of the date hereof, no Default has occurred and is continuing under the Existing Credit Agreement or any other Credit Document or would result from the execution and delivery of this Amendment and Waiver (other than the Specified Events);

(c) the execution and delivery of this Amendment and Waiver and the performance by each Credit Party of this Amendment and Waiver and the Credit Agreement have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of the Organizational Documents of any such Person; (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under (A) any Contractual Obligation to which such Person is a party (other than the creation of Liens in favor of the Administrative Agent pursuant to any Credit Document and the creation of Liens pursuant to the ABL Credit Documents) or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (iii) violate any law applicable to such Person;

(d) no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (i) the execution and delivery of this Amendment and Waiver or the performance by, or enforcement against, any Credit Party of this Amendment and Waiver of the Credit Agreement, or (ii) the exercise by the Administrative Agent or any Lender of its rights under this Amendment and Waiver or the Credit Agreement or the remedies in respect of the Collateral pursuant to the Credit Documents;

(e) this Amendment and Waiver has been duly executed and delivered by each Credit Party that is party hereto; and

(f) this Amendment and Waiver and the Credit Agreement constitute legal, valid and binding obligations of such Credit Party, enforceable against each Credit Party in accordance with its terms, except (a) as rights to indemnification hereunder may be limited by applicable Law and (b) as the enforcement hereof may be limited by any applicable Debtor Relief Laws or by general equitable principles.

**5. Conditions to Effectiveness**. The effectiveness of this Amendment and Waiver is subject to the following conditions:

(a) Delivery of Documents. On or before the date hereof, the Administrative Agent shall have received sufficient copies of (i) this Amendment and Waiver, (ii) a waiver under and amendment to the ABL Credit Agreement in form and substance satisfactory to the Administrative Agent, (iii) a closing certificate signed by the an Authorized Officer of Credit Party Representative dated as of the date hereof, stating that (A) all representations and warranties set forth in this Amendment and Waiver and the other Credit Documents are true and correct on and as of such date (other than representations and warranties relating to a specific earlier date and in such case such representations and warranties are true and correct in all material respects as of such earlier date) and (B) on such date no Default or Event of Default has occurred or is continuing immediately after giving effect to the execution and delivery of this Amendment and Waiver and the consummation of the transactions contemplated hereby, and (iv) any other documents

or agreements reasonably requested by the Administrative Agent in connection herewith, in each case, duly executed and delivered by each applicable Credit Party and each other Person party thereto.

(b) Accuracy of Representations and Warranties. Other than in respect of the Specified Defaults, all of the representations and warranties of the Credit Parties contained in Section 4 of the Credit Agreement or any other Credit Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date.

(c) Expenses. The Credit Parties shall have paid, to the extent invoiced on or before the date hereof, to the Administrative Agent (or its advisors) all reasonable and documented costs and expenses of the Administrative Agent in connection with preparation, execution and delivery of this Amendment and Waiver and all other related documents together with any other amounts, if any, in any case required to be paid under Section 10.2 of the Credit Agreement and unpaid on the date hereof, including, without limitation, legal fees and expenses due and owing to Norton Rose Fulbright US LLP, counsel to the Administrative Agent.

**6. Ratification; Reference to and Effect Upon the Existing Credit Agreement; No Impairment**.

(a) Each Credit Party party hereto hereby consents to this Amendment and Waiver and each of the transactions referenced herein, and hereby reaffirms its obligations under the Credit Agreement and each other Credit Document to which it is a party, as applicable, including, without limitation, the Credit Parties' obligations under Section 5.1(d) of the Credit Agreement to, concurrently with the delivery of financial statements under Section 5.1(b) or 5.1(c) of the Credit Agreement, deliver to the Administrative Agent, a Compliance Certificate executed by the chief financial officer of the Credit Party Representative which calculates the financial covenant set forth in Section 6.8 of the Credit Agreement (and certifies compliance therewith).

(b) Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Existing Credit Agreement or instruments securing the same. Except as specifically amended above, the Existing Credit Agreement and the other Credit Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment and Waiver shall not operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under the Existing Credit Agreement or any other Credit Document, nor constitute a waiver of any provision of the Existing Credit Agreement or any other Credit Document. Upon the effectiveness of this Amendment and Waiver, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of similar import shall mean and be a reference to the Credit Agreement.

(d) Each Credit Party acknowledges that its Obligations and other liabilities and obligations under the Credit Agreement and the other Credit Documents are not impaired in any respect by this Agreement.

**7. Release; Indemnification**.

(a) In further consideration of the execution of this Amendment and Waiver by the Administrative Agent and the Lenders, each Credit Party, individually and on behalf of its successors (including any trustees acting on behalf of such Credit Party and any debtor in possession with respect to

such Credit Party), assigns, Subsidiaries and Affiliates (collectively, the "Releasors"), hereby forever releases the Administrative Agent and each Lender and their respective successors, assigns, parents, Subsidiaries, Affiliates, officers, employees, directors, agents and attorneys (collectively, the "Releasees") from any and all debts, claims, demands, liabilities, responsibilities, disputes, causes, damages, actions and causes of actions (whether at law or in equity) and obligations of every nature whatsoever, whether liquidated or unliquidated, whether known or unknown, whether matured or unmatured, whether fixed or contingent that such Releasor has, had or may have against the Releasees, or any of them, which arise from or relate to any actions which the Releasees, or any of them, have or may have taken or omitted to take in connection with the Credit Agreement or the other Credit Documents prior to the date hereof, including with respect to the Obligations, any Collateral, the Credit Agreement, any other Credit Document and any third party liable in whole or in part for the Obligations. This provision shall survive and continue in full force and effect whether or not each Credit Party shall satisfy all other provisions of this Amendment and Waiver or the other Credit Documents, including payment in full of all Obligations. Each Releasor understands, acknowledges and agrees that the foregoing release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(b) Each Credit Party hereby acknowledges and agrees that such Credit Party's obligations under this Amendment and Waiver shall include an obligation to indemnify and hold the Releasees harmless with respect to any indemnified liabilities in any manner relating to or arising out of the negotiation, preparation, execution, delivery, performance, administration and enforcement of this Amendment and Waiver to the extent required by Section 10.3 of the Credit Agreement.

**8. Relationship of Parties**. The relationship of the Administrative Agent and the Lenders, on the one hand, and the Credit Parties, on the other hand, has been and shall continue to be, at all times, that of creditor and debtor and not as joint venturers or partners. Nothing contained in this Amendment and Waiver, any instrument, document or agreement delivered in connection herewith, the Credit Agreement or any of the other Credit Documents shall be deemed or construed to create a fiduciary relationship between or among the parties hereto or thereto.

**9. GOVERNING LAW**. THIS AMENDMENT AND WAIVER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

**10. Headings**. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

**11. Counterparts; Electronic Execution**. This Amendment and Waiver may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single agreement. Receipt of an executed signature page to this Amendment and Waiver by facsimile or other electronic transmission shall constitute effective delivery thereof. The words "execution," "signed," "signature," and words of like import in this Amendment and Waiver shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[Remainder of Page Intentionally Blank]

**IN WITNESS WHEREOF,** the patties hereto have caused this Amendment and Waiver to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**LIFECORE BIOMEDICAL, INC.** (f/k/a Landec Corporation)

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**CURATION FOODS, INC.**

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**LIFECORE BIOMEDICAL OPERATING COMPANY, INC.** (f/k/a Lifecore Biomedical, Inc.)

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**GREENLINE LOGISTICS, INC.**

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**LIFECORE BIOMEDICAL, LLC**

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**CAMDEN FRUIT CORP.**

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**ADMINISTRATIVE AGENT AND COLLATERAL AGENT:**

**ALCON RESEARCH, LLC**, as Administrative Agent and Collateral Agent

By: /s/ Thomas R. Hudnall
Name: Thomas R. Hudnall
Title: Asst. Secretary

**LENDER:**

**ALCON RESEARCH, LLC** , as the Lender

By: /s/ Thomas R. Hudnall
Name: Thomas R. Hudnall
Title: Asst. Secretary

**EXHIBIT A**

Specified Events

1. The Default and Event of Default under Section 8.1(c) of the Existing Credit Agreement as a result of the Credit Parties' failure to comply with the requirements set forth in Section 5.1(i) of the Existing Credit Agreement with respect to delivery of the Financial Plan (as further described therein) for the Fiscal Year ending May 25, 2025, within the time period set forth in Section 5.1(i) of the Existing Credit Agreement.

2. The Event of Default under Section 8.1(c) of the Existing Credit Agreement as a result of the Credit Parties' failure to comply with the requirements set forth in Section 5.1(f) with respect to providing notice of the occurrence of the Defaults and Events of Default described in #1 above and #3 below.

3. The Events of Default under Section 8.1(b) of the Existing Credit Agreement as a result of the Events of Default (as defined in the ABL Credit Agreement (as defined in the Existing Credit Agreement)) that occurred under the ABL Credit Agreement (as defined in the Existing Credit Agreement) with respect to the Events of Default described in #1 and #2 above.

**Exhibit 10.25**

**LIMITED WAIVER UNDER AND AMENDMENT TO CREDIT AGREEMENT**

This **LIMITED WAIVER UNDER AND AMENDMENT TO CREDIT AGREEMENT**, dated as of August 8, 2024 (this "Amendment and Waiver"), is entered into by and among **LIFECORE BIOMEDICAL, INC.**, a Delaware corporation ("Holdings"), **CURATION FOODS, INC.**, a Delaware corporation ("Curation"), **LIFECORE BIOMEDICAL OPERATING COMPANY, INC.**, a Delaware corporation (collectively with Holdings and Curation, the "Borrowers" and each a "Borrower"), each Guarantor party hereto, **BMO BANK N.A.**, as Administrative Agent, and the Lenders party hereto.

**RECITALS:**

WHEREAS, reference is hereby made to that certain Credit Agreement, dated as of December 31, 2020 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Existing Credit Agreement", and as further amended by this Amendment and Waiver, the "Credit Agreement"; capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement, as amended herein), by and among the Borrowers, the other Loan Parties party thereto from time to time, the Lenders party thereto from time to time, BMO Bank N.A., as Administrative Agent and the other parties party thereto from time to time;

WHEREAS, the Borrower Agent has informed the Administrative Agent that the Events of Default identified on Exhibit A hereto have occurred and are continuing (collectively, the "Specified Events"); and

WHEREAS, the Loan Parties have requested that the Administrative Agent and the Lenders waive the Specified Events and make certain amendments to the Existing Credit Agreement, and the Administrative Agent and the Lenders have agreed to do so, but solely on the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree as follows:

**1. Acknowledgements**.

(a) Acknowledgement of Obligations. The Loan Parties hereby acknowledge, confirm and agree that all Loans under the Credit Agreement, together with interest accrued and accruing thereon, and all fees, costs, expenses and other charges now or hereafter payable by Borrowers to Administrative Agent or any Lender, are unconditionally owing by Borrowers to Administrative Agent or such Lender, without offset, defense or counterclaim of any kind, nature or description whatsoever.

(b) Acknowledgement of Loan Documents. The Loan Parties hereby acknowledge, confirm and agree that Administrative Agent has and shall continue to have a valid, enforceable and perfected first priority lien upon and security interest in the Collateral heretofore granted to Administrative Agent pursuant to the Loan Documents or otherwise granted to or held by Administrative Agent.

(c) Acknowledgment of Defaults. The Loan Parties hereby acknowledge and agree that the each of Specified Events have occurred and are continuing, constitutes an Event of Default, and entitles Administrative Agent and each Lender to exercise its rights and remedies under the Loan Documents, applicable law or otherwise, including, without limitation, by exercising the right to declare the Obligations to be immediately due and payable under the terms of the Loan Documents. The Loan Parties represent and warrant that as of the date hereof, no other Events of Default exist other than the Specified Events.

**2. Limited Waiver of Specified Events**.

(a) Subject to satisfaction of the conditions precedent set forth in Section 5 below, the Administrative Agent and the Lenders party hereto (constituting Required Lenders) hereby waive, as of the date hereof, the Specified Events (collectively, the "Limited Waiver").

(b) Except as expressly set forth herein, the Limited Waiver shall not be deemed to constitute a consent to, or waiver or approval of, any other act, any other omission or any other failure by the Loan Parties to comply with the terms and provisions of the Existing Credit Agreement or any of the other Loan Documents.

(c) The Limited Waiver is a limited, one time waiver and, except as expressly set forth herein, shall not be deemed to: (i) constitute a waiver of any Default, Event of Default or any other breach by the Loan Parties of, or non-compliance by the Loan Parties with, the Existing Credit Agreement or any of the other Loan Documents, whether now existing or hereafter arising, (ii) constitute a waiver of any right or remedy of any Secured Party under the Existing Credit Agreement or any other Loan Documents which does not arise as a result of the Specified Events (in each case prior to giving effect to this Limited Waiver) or (iii) establish a custom or course of dealing or conduct between any Secured Party, on the one hand, and the Loan Parties, on the other hand.

(d) Each Secured Party expressly reserves the right to exercise all rights and remedies under the Existing Credit Agreement and all other Loan Documents and under applicable law with respect to the occurrence of any Event of Default other than the Specified Events.

**3. Amendments**. Subject to the terms and conditions set forth herein, including satisfaction of each condition set forth in Section 5 below, and in reliance on the representations, warranties, covenants and agreements of the Loan Parties set forth herein, as of the date hereof, the Existing Credit Agreement is hereby amended as follows as of the date hereof:

(a) Section 7.02 of the Existing Credit Agreement is hereby amended by inserting a new clause (h) therein as follows:

> (h) As soon as available, but no later than July 15th of each calendar year (or such later date as the Administrative Agent may reasonably agree), an appraisal performed by a reputable valuation firm selected by Lifecore to perform its annual goodwill impairment valuation, in respect of the enterprise value of the Loan Parties, taken as a whole, in substantially comparable form and substance to that certain "Lifecore Biomedical Final Valuation Report, dated August 1, 2024" (each, a "Valuation Report"); provided, that if in any Fiscal Year an event occurs that requires material changes to the form or substance of the Valuation Report most recently delivered, the Loan Parties shall only be required to use commercially reasonable efforts to deliver such updated Valuation Report as promptly as practicable and in any event not later than August 31st of such Fiscal Year.

**4. Representations and Warranties**. To induce the Administrative Agent and the Lenders to enter into this Amendment and Waiver, each Loan Party represents and warrants that:

(a) as of the date hereof, the representations and warranties of the Loan Parties contained in Article VI of the Credit Agreement or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date;

(b) as of the date hereof, no Default has occurred and is continuing under the Existing Credit Agreement or any other Loan Document or would result from the execution and delivery of this Amendment and Waiver (other than the Specified Events);

(c) the execution and delivery of this Amendment and Waiver and the performance by each Loan Party of this Amendment and Waiver and the Credit Agreement have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of the Organizational Documents of any such Person; (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under (A) any Contractual Obligation to which such Person is a party (other than the creation of Liens in favor of the Administrative Agent pursuant to any Loan Document and the creation of the Term Loan Liens) or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (iii) violate any Law applicable to such Person;

(d) no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (i) the execution and delivery of this Amendment and Waiver or the performance by, or enforcement against, any Loan Party of this Amendment and Waiver of the Credit Agreement, or (ii) the exercise by the Administrative Agent or any Lender of its rights under this Amendment and Waiver or the Credit Agreement or the remedies in respect of the Collateral pursuant to the Loan Documents;

(e) this Amendment and Waiver has been duly executed and delivered by each Loan Party that is party hereto; and

(f) this Amendment and Waiver and the Credit Agreement constitute legal, valid and binding obligations of such Loan Party, enforceable against each Loan Party in accordance with its terms, except (a) as rights to indemnification hereunder may be limited by applicable Law and (b) as the enforcement hereof may be limited by any applicable Debtor Relief Laws or by general equitable principles.

**5. Conditions to Effectiveness**. The effectiveness of this Amendment and Waiver is subject to the following conditions:

(a) Delivery of Documents. On or before the date hereof, the Administrative Agent shall have received sufficient copies of (i) this Amendment and Waiver, (ii) a waiver under and amendment to the Term Loan Agreement in form and substance satisfactory to the Administrative Agent, (iii) a closing certificate signed by the an Authorized Officer of Borrower Agent dated as of the date hereof, stating that
(A) all representations and warranties set forth in this Amendment and Waiver and the other Loan Documents are true and correct on and as of such date (other than representations and warranties relating to a specific earlier date and in such case such representations and warranties are true and correct in all material respects as of such earlier date) and (B) on such date no Default or Event of Default has occurred or is continuing immediately after giving effect to the execution and delivery of this Amendment and Waiver and the consummation of the transactions contemplated hereby, and (iv) any other documents or agreements reasonably requested by the Administrative Agent in connection herewith, in each case, duly executed and delivered by each applicable Loan Party and each other Person party thereto.

(b) Accuracy of Representations and Warranties. Other than in respect of the Specified Defaults, all of the representations and warranties of the Loan Parties contained in Article VI of the Credit Agreement or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects, except to the

extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date.

(c) Expenses. The Loan Parties shall have paid, to the extent invoiced on or before the date hereof, to the Administrative Agent (or its advisors) all reasonable and documented costs and expenses of the Administrative Agent in connection with preparation, execution and delivery of this Amendment and Waiver and all other related documents together with any other amounts, if any, in any case required to be paid under Section 11.04 of the Credit Agreement and unpaid on the date hereof, including, without limitation, legal fees and expenses due and owing to Sidley Austin LLP, counsel to the Administrative Agent.

**6. Ratification; Reference to and Effect Upon the Existing Credit Agreement; No Impairment**.

(a) Each Loan Party party hereto hereby consents to this Amendment and Waiver and each of the transactions referenced herein, and hereby reaffirms its obligations under the Credit Agreement and each other Loan Document to which it is a party, as applicable, including, without limitation, the Loan Parties' obligations under Section 7.02(c) of the Credit Agreement to, concurrently with the delivery of financial statements under Section 7.01(a) or 7.01(b) of the Credit Agreement, deliver to the Administrative Agent, a Compliance Certificate executed by the chief financial officer of the Borrower Agent which calculates the Applicable Margin and the financial covenant set forth in Section 8.12 of the Credit Agreement (whether or not a Financial Covenant Trigger Period is then in effect) (and, if in effect, certifies compliance therewith).

(b) Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Existing Credit Agreement or instruments securing the same. Except as specifically amended above, the Existing Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment and Waiver shall not operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under the Existing Credit Agreement or any other Loan Document, nor constitute a waiver of any provision of the Existing Credit Agreement or any other Loan Document. Upon the effectiveness of this Amendment and Waiver, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of similar import shall mean and be a reference to the Credit Agreement.

(d) Each Loan Party acknowledges that its Obligations and other liabilities and obligations under the Credit Agreement and the other Loan Documents are not impaired in any respect by this Agreement.

**7. Release; Indemnification**.

(a) In further consideration of the execution of this Amendment and Waiver by the Administrative Agent and the Lenders, each Loan Party, individually and on behalf of its successors (including any trustees 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 forever releases the Administrative Agent and each Lender and their respective successors, assigns, parents, Subsidiaries, Affiliates, officers, employees, directors, agents and attorneys (collectively, the "Releasees") from any and all debts, claims, demands, liabilities, responsibilities, disputes, causes, damages, actions and causes of actions (whether at law or in equity) and obligations of every nature whatsoever, whether liquidated or unliquidated, whether known or unknown, whether matured or unmatured, whether fixed or contingent that such Releasor has, had or may have against the Releasees, or any of them, which arise from or relate to any actions which the Releasees, or any of them, have or may have taken or omitted to

take in connection with the Credit Agreement or the other Loan Documents prior to the date hereof, including with respect to the Obligations, any Collateral, the Credit Agreement, any other Loan Document and any third party liable in whole or in part for the Obligations. This provision shall survive and continue in full force and effect whether or not each Loan Party shall satisfy all other provisions of this Amendment and Waiver or the other Loan Documents, including payment in full of all Obligations. Each Releasor understands, acknowledges and agrees that the foregoing release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(b) Each Loan Party hereby acknowledges and agrees that such Loan Party's obligations under this Amendment and Waiver shall include an obligation to indemnify and hold the Releasees harmless with respect to any indemnified liabilities in any manner relating to or arising out of the negotiation, preparation, execution, delivery, performance, administration and enforcement of this Amendment and Waiver to the extent required by Section 11.04(b) of the Credit Agreement.

**8. Relationship of Parties**. The relationship of the Administrative Agent and the Lenders, on the one hand, and the Loan Parties, on the other hand, has been and shall continue to be, at all times, that of creditor and debtor and not as joint venturers or partners. Nothing contained in this Amendment and Waiver, any instrument, document or agreement delivered in connection herewith, the Credit Agreement or any of the other Loan Documents shall be deemed or construed to create a fiduciary relationship between or among the parties hereto or thereto.

**9. GOVERNING LAW**. THIS AMENDMENT AND WAIVER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

**10. Headings**. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

**11. Counterparts; Electronic Execution**. This Amendment and Waiver may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single agreement. Receipt of an executed signature page to this Amendment and Waiver by facsimile or other electronic transmission shall constitute effective delivery thereof. The words "execution," "signed," "signature," and words of like import in this Amendment and Waiver shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[Remainder of Page Intentionally Blank]

**IN WITNESS WHEREOF,** the patties hereto have caused this Amendment and Waiver to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**LIFECORE BIOMEDICAL, INC.** (f/k/a Landec Corporation)

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**CURATION FOODS, INC.**

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**LIFECORE BIOMEDICAL OPERATING COMPANY, INC.** (f/k/a Lifecore Biomedical, Inc.)

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**GREENLINE LOGISTICS, INC.**

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**LIFECORE BIOMEDICAL, LLC**

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**CAMDEN FRUIT CORP.**

By: /s/ John Morberg
Name: John Morberg
Title: Chief Financial Officer

**ADMINISTRATIVE AGENT:**

**BMO BANK N.A.**, as Administrative Agent

By: /s/ Stephanie Bach
Name: Stephanie Bach
Title: Director

**LENDER:**

**BMO BANK N.A.**, as the Lender

By: /s/ Stephanie Bach
Name: Stephanie Bach
Title: Director

**EXHIBIT A**

Specified Events

1. The Default under Section 9.01(c) of the Existing Credit Agreement as a result of the Loan Parties' failure to comply with the requirements set forth in Section 7.01(c) of the Existing Credit Agreement with respect to delivery of certain financial projections (as further described therein) for the Fiscal Year ending May 25, 2025, within the time period set forth in Section 7.01(c) of the Existing Credit Agreement.

2. The Event of Default under Section 9.01(b) of the Existing Credit Agreement as a result of the Loan Parties' failure to comply with the requirements set forth in Section 7.03(a) with respect to providing notice of the occurrence of the Defaults and Events of Default described in #1 above and #3 below.

3. The Events of Default under Section 9.01(e) of the Existing Credit Agreement as a result of the Credit Party Representative's (as defined in the Term Loan Agreement (as defined in the Existing Credit Agreement)) failure to timely deliver (i) the consolidated plan and financial forecast required to be delivered pursuant to Section 5.1(i) of the Term Loan Agreement, and (ii) notice of the event of default described in the foregoing clause (i) required to be delivered pursuant to Section 5.1(f) of the Term Loan Agreement.

# AMENDMENT NO. 2 TO AMENDED AND RESTATED CONTRACT MANUFACTURING AGREEMENT

This Amendment No. 2 to Amended and Restated Contract Manufacturing Agreement (the "**Second Amendment**"), effective as of June 13, 2025 **(**the **"Amendment Effective Date")**, is by and between **ALCON RESEARCH, LLC** (hereinafter referred to as "***ALCON*** "), and **LIFECORE BIOMEDICAL, LLC**, a Minnesota entity with its principal offices at 3515 Lyman Blvd., Chaska, Minnesota 55318 (hereinafter referred to as "***LIFECORE***").

**W I T N E S E T H:**

WHEREAS, ALCON and LIFECORE entered into an Amended and Restated Contract Manufacturing Agreement effective as of December 31, 2023, as amended by Amendment No. 1 dated as of May 2, 2024 (as amended, the "**Contract Manufacturing Agreement**"); and

WHEREAS, ALCON and LIFECORE desire to further amend the Contract Manufacturing Agreement to modify certain provisions relating to certain Alcon Equipment;

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, it is mutually agreed as follows:

**1. DEFINITIONS**

Unless otherwise defined herein, capitalized words in this Second Amendment shall have the meaning attributed to them in the Contract Manufacturing Agreement.

**2. ALCON EQUIPMENT.** Section 2.06 of the Contract Manufacturing Agreement provides that the ALCON Equipment shall be the sole property of ALCON and LIFECORE shall use the ALCON Equipment solely and exclusively for manufacturing the Product for ALCON under the Contract Manufacturing Agreement, unless ALCON specifically consents in writing to LIFECORE's other use. Section 2.06 of the Contract Manufacturing Agreement is hereby amended to add the following at the end of the current paragraph:

"ALCON and LIFECORE acknowledge that the Binder VD-23 – UL vacuum drying chamber, E26013 ("**Binder Vacuum Drying Chamber E26013**") is ALCON Equipment under the Contract Manufacturing Agreement. Notwithstanding the above, ALCON consents to LIFECORE's use of the Binder Vacuum Drying Chamber E26013 to manufacture and test other products for other customers, on the following conditions:

(a) Lifecore shall continue to prioritize the scheduling and use of the Binder Vacuum Drying Chamber E26013 for ALCON's Products before other customers; and

(b) In addition to paying for the cost of maintenance and calibration, LIFECORE will assume responsibility for the cost of any repairs and replacing the Binder Vacuum Drying Chamber E26013 when necessary."

**3. INTEGRATION**

Except for the sections of the Contract Manufacturing Agreement specifically amended herein, all terms and conditions of the Contract Manufacturing Agreement remain and shall remain in full force and effect. This Second Amendment shall hereafter be incorporated into and deemed part of the Contract Manufacturing Agreement and any future reference to the Contract Manufacturing Agreement shall include the terms and conditions of this Second Amendment.

**4. COUNTERPARTS**

This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Second Amendment may be executed and delivered electronically (including via DocuSign, Adobe or Portable Document Format (.pdf)), each of which will be valid, binding and deemed an original, and all of which, taken together, will constitute one and the same instrument.

[Signatures on next page]

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be duly executed by their duly authorized representative.

**ALCON RESEARCH, LLC**

By: /s/ James Sinor

Name: James Sinor

Title: Sr. Director, Head ESO

Date: 6/13/2025

**LIFECORE BIOMEDICAL, LLC**

By: /s/ Jackie Klecker

Name: Jackie Klecker

Title: EVP, Quality & Dev Services

Date: 6/13/2025

3515 Lyman Boulevard
Chaska, Minnesota
55318-3051 USA

**Exhibit 10.39**

May 9, 2025

Paul Josephs
17 Grogan Mill

San Antonio, TX 78248

**RE: Amendment to Offer Letter dated March 20, 2024 between Paul Josephs and Lifecore Biomedical, Inc. (the "Offer Letter")**

Dear Paul:

This letter sets forth an amendment ("Amendment") to the Offer Letter that has been mutually agreed between, and duly authorized by, you and Lifecore. All capitalized terms used in this Amendment and not otherwise defined shall have the meanings set forth in the Offer Letter.

The paragraph in the Offer Letter entitled "Relocation" is hereby amended and restated in its entirety as follows:

> **Relocation:** Your position will be based in San Antonio, Texas. While you will not be required to maintain a residence in the same location as Lifecore's headquarters, you will travel to Lifecore's headquarters as appropriate to fulfill your job responsibilities.
>
> For so long as you do not live in the vicinity of the Lifecore's headquarters, Lifecore will reimburse you for reasonable out of pocket expenses, up to a maximum amount to be set by the compensation committee annually, associated with (1) monthly rent of an apartment, hotel accommodations or other similar temporary housing (including utilities); (2) rental car or a car allowance for travel in the Twin Cities; and (3) airfare for four trips per month from your current residence to the Twin Cities. Reimbursement is not provided for personal meal or entertainment expenses during your in-office time, unless those expenses are for business purposes. Initially, the maximum amount of reimbursement of these expenses will be $5,000 per month.

Except for the paragraph specifically amended herein, all terms and conditions of the Offer Letter shall remain in full force and effect. This Amendment shall hereafter be incorporated into and deemed part of the Offer Letter and any future reference to the Offer Letter shall include the terms and conditions of this Amendment.

The parties have duly executed this Amendment as of the date first set forth above.

**Lifecore Biomedical, Inc.**

By: /s/ Thomas D. Salus
Thomas D. Salus
Chief Legal & Administration Officer

ACCEPTED AND AGREED:

/s/ Paul Josephs
Paul Josephs

[*Signature Page to Amendment to Paul Josephs Offer Letter*]

**EXHIBIT 10.41**

# EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "**Agreement**") is made and entered into by and between Lifecore Biomedical, Inc., a Delaware corporation (the "**Company**") and Thomas Salus, an individual (the "**Executive**"), effective as of April 14, 2025 (the "**Effective Date**").

## BACKGROUND

WHEREAS, the Executive and the Company wish to enter into this Agreement to set forth the terms and conditions of Executive's employment with the Company as its Chief Legal and Administration Officer beginning as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Employment and Duties.

(a) The Executive will serve as Chief Legal and Administration Officer of the Company beginning as of the Effective Date. The Executive shall report to the Chief Executive Officer of the Company. The Executive will provide expert and strategic legal advice to the Company and the Board of Directors of the Company (the "**Board**") and perform such duties as are assigned to the Executive, consistent with the Executive's titled position, by the Company's Chief Executive Officer. The Executive will also serve as the Company's Corporate Secretary. The Executive will devote his full business time and the Executive's reasonable best efforts to promote the interests of the Company. The Executive represents and warrants that the Executive is, and during all times during the term of the Executive's employment hereunder will be, eligible and licensed to practice law and in good standing in at least one state.

(b) Nothing contained herein shall preclude the Executive from managing personal investments, participating in charitable, community, educational and professional activities, or, with the prior written consent of the Chief Executive Officer, serve on the board of directors of one for profit company that does not compete with the Company provided that such activities do not interfere with the performance of the Executive's duties. The Executive represents and warrants that the Executive does not have any type of written or oral non-competition agreement or any other agreement that would prevent the Executive from accepting this offer of employment or performing services for the Company. If the Executive has any type of written or oral non-competition agreement or any other agreement that is in force and effect on the Effective Date, the Executive has provided a copy for the Company to review, and the Company hereby acknowledges that Executive has provided a copy of his agreement with his prior employer.

2. Location. The Executive's position will be based in the city and state of the Executive's primary residence. While the Executive will not be required to maintain a residence in the same location as the Company's headquarters, the Executive will spend approximately one week a month of the Executive's working time at the Company's headquarters. For so long as the Executive does not live in the vicinity of the Company's headquarters, the Company will reimburse the Executive for reasonable out of pocket expenses associated with (a) hotel accommodations or other similar temporary housing (including utilities); (b) rental car; (c) airfare for four trips per month from the Executive's residence to the Twin Cities; (d) meals; and (e) incidental expenses.

3. Base Salary. The Company shall pay the Executive in accordance with its normal bi-weekly payroll practices an annual salary at the initial rate of $460,000 per year (the annual base salary that is then in effect, the "**Base Salary**"). The Executive's compensation will be established by the Compensation Committee of the Board (the "**Compensation Committee**") and the Board, and will be typically reviewed, and may be increased (but not decreased except as part of an across-the-board reduction impacting substantially all of the executive officers of the Company), annually.

4. Other Compensation and Benefits.

(a) Annual Incentive Plan Participation. The Executive will not be eligible to participate for fiscal year 2025 in the Company's annual incentive plan ("**AIP**"), which is a cash incentive program based upon the Company's achievement of specific annual performance goals as determined by the Compensation Committee. Commencing with the Company's fiscal year 2026 that begins May 26, 2025 and ends May 31, 2026, the Executive will be eligible to participate in the AIP and will be eligible to participate in any successor or similar plan maintained by the Company for the benefit of executive officers, subject to the terms and conditions of such plans and at the discretion of and subject to approval by the Compensation Committee and/or Board. For the 2026 AIP, the Executive will be eligible for a bonus of 50% of his Base Salary at the target level of achievement; provided that for the 2026 AIP only, the Executive will be paid 125% of any bonus actually earned under the 2026 AIP in recognition of the calendar year bonus opportunity in the Executive's prior position. The Compensation Committee and/or Board will determine the Company's achievement against the performance goals of the 2026 AIP following the completion of the 2026 fiscal year. The Executive must be employed as of the end of the fiscal year and as of the payment date to be eligible to receive incentive pay under the 2026 AIP. Additionally, all incentive compensation is subject to "clawback" as provided in the Company's Compensation Recoupment Policy. On or before the Effective Date, the Executive will be required to execute and deliver an acknowledgment that the Executive is bound by and subject to the Compensation Recoupment Policy as a condition of participation in the 2026 AIP.

(b) Benefit Plans. The Executive shall be eligible to participate in all health insurance, savings and retirement, and other benefit plans, if any, that are from time to time generally applicable to other employees of the Company, subject to the terms and conditions of such plans.

(c) Vacation Days. The Executive shall be entitled to five (5) weeks of paid vacation time per calendar year pro-rated for 2025, in accordance with the plans, practices, policies, and programs of the Company.

(d) Expense Reimbursement. The Executive shall be entitled to receive reimbursement for all reasonable employment-related expenses incurred by the Executive upon the receipt by the Company of an accounting in accordance with practices, policies and procedures applicable to other employees of the Company. The Company shall reimburse the Executive for all fees and expenses relating to the Executive being admitted to practice law, along with all annual fees and expenses relating to continuing legal education required to maintain the Executive's law license.

(e) New Hire and Make Whole Equity Awards. As a material inducement to the Executive entering into this Agreement and accepting employment with the Company, the Executive will be granted the equity-based awards described in clause (i), (ii) and (iii), effective as of the Effective Date, with such awards granted under the Lifecore Biomedical, Inc. Equity Inducement Plan (the "**Inducement Plan**") and subject to award agreements that will be provided to the Executive following the Effective Date. All awards are at the discretion of and subject to approval by the Compensation Committee and/or the Board.

(i) New Hire Awards: The Executive will be granted as of the Effective Date a restricted stock unit ("**New Hire RSU**") award for 45,000 shares of the Company's common stock, which will vest and be settled on the third anniversary of the effective date. The Executive will be granted as of the Effective Date an incentive stock option for 210,000 shares of the Company's common stock (the "**New Hire Option**"), which will have a term of seven years, have an exercise price equal to the Fair Market Value (as defined in the Inducement Plan) on the Effective Date, and shall vest and be exercisable as to 1/3 of the shares on the first anniversary of the Effective Date and as to 1/36th of the shares on each monthly anniversary thereafter, subject in each case to continued employment. The intent of the Company and the Executive is that the terms of the New Hire RSU and the New Hire Option awards will mirror those of restricted stock unit and stock option awards granted under the 2019 Stock Incentive Plan, as amended (the "**2019 Plan**") and the Company's standard form of award agreements under the 2019 Plan.

(ii) Make Whole Restricted Stock Unit: The Executive will be granted as of the Effective Date a restricted stock unit ("**Make Whole RSU**") award for 170,000 shares of the Company's common stock, which will vest and be settled as to 56,666 shares of the Make Whole RSU on each of the first two anniversaries of the Effective Date and as to 56,668 shares of the Make Whole RSU on the third anniversary of the Effective Date. The intent of the Company and the Executive is that the terms of the Make Whole RSU award will mirror the terms of the Restricted Stock Unit Award Agreements previously granted under the Inducement Plan.

(iii) Make Whole Performance Stock Unit. The Executive will be granted as of the Effective Date a performance stock unit ("**PSU**") award for up to 370,000 shares with the terms set forth on Exhibit A. The intent of the Company and the Executive is that the terms of the PSU award will mirror the terms of the Performance Stock Unit Award Agreements previously granted under the Inducement Plan.

5. Confidentiality Agreement. As a condition of the Executive's employment as Chief Legal and Administration Officer, the Executive is required to execute and deliver on the Effective Date, a non-solicitation, confidentiality and inventions agreement in the form previously provided by the Company.

6. Termination of Employment. The Executive's employment with the Company is on an "at will" basis, meaning that either the Executive or the Company may terminate the Executive's employment and this Agreement at any time and for any reason, subject to the provisions of Section 7 and Section 8. Each of the Executive and the Company shall provide the other thirty (30) days prior written notice of any termination of the Executive's employment, other than a termination for Cause, death or disability. Additionally, the Executive's employment will terminate automatically upon the death of Executive or when Executive becomes disabled, meaning the Executive is unable to perform or expected to be unable to perform the essential functions of the Executive's position under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period.

7. Participation in CIC Severance Plan. The Executive will become a participant in the Company's Executive Change in Control Severance Plan (as amended and as may be amended from time to time, the "**CIC Severance Plan**") upon execution, on or before the Effective Date, of a Participation Notice as provided in the CIC Severance Plan. The Participation Notice will provide that the Executive's benefits under the CIC Severance Plan will be at the "Tier 2" level as described on Exhibit A to the CIC Severance Plan and will provide that the definition of "**Good Reason**" as used in the CIC Severance Plan will include the Company's material breach of any provision of this Agreement. Further, the definition of

"**Cause**" as used in the CIC Severance Plan will include the Executive becoming ineligible to practice law in, or suspension or loss of the Executive's license to practice law in, any jurisdiction in which the Executive is admitted to practice (other than a temporary suspension related to failure to complete required continuing legal education requirements, which is thereafter cured by the Executive within 90 days). Notwithstanding anything in this Agreement or the CIC Severance Plan to the contrary, no amendment, modification, suspension, or termination of the CIC Severance Plan that reduces the benefits to which the Executive may become entitled under the CIC Severance Plan or under Section 8 from those benefits as of the Effective Date will apply to the Executive without the Executive's express written consent.

8. Severance. As used in this section, the terms "**Cause**," "**Qualifying Termination**," and "**Severance Benefits**" have the meanings ascribed to them in the CIC Severance Plan (with the definition of "Cause" modified as provided in the immediately preceding Section). If the Executive's employment is terminated by the Company without Cause (other than a Qualifying Termination) or the Company materially breaches the terms of this Agreement, the Executive will be entitled to the same Severance Benefits under the CIC Severance Plan as if the Executive had experienced a Qualifying Termination; provided that (a) the vesting of the PSUs described in Section 4(e)(iii) will not be accelerated and (b) the Executive must satisfy the conditions required by the CIC Severance Plan to receive Severance Benefits (including that the Executive execute a general release of claims as provided in the CIC Severance Plan and the Executive does not revoke or rescind such release). In no event will the Executive receive or be entitled to any duplication in the amount of or types of payments or benefits to the Executive in the event of termination of employment. The Executive will be provided, at the Company's expense, with senior executive level outplacement services for a period of twelve (12) months from the date of termination. Notwithstanding the foregoing, the Executive will not be entitled to any Severance Benefits for the Company's material breach of this Agreement unless (1) the Executive provides notice to the Company of the Company's alleged material breach within 30 days of its occurrence; (2) the Company fails within 30 days (the "**Cure Period**") from the date of such notice to remedy such breach; and (3) if such breach is not remedied, the Executive must resign within 20 days after the end of the Cure Period. If the Company remedies such conditions within the Cure Period, the Executive may withdraw his proposed termination or may resign with no benefits as a voluntary termination.

9. Other Roles. Contemporaneous with the termination of the Executive's employment for any reason, unless otherwise requested by the Chief Executive Officer, the Executive will resign from all officer, director or other positions with the Company and its affiliates and execute such documents as may be requested by the Company to confirm that resignation.

10. Notices. All notices, consents, waivers or other communications which are required or permitted hereunder will be sufficient if given in writing and delivered personally, by overnight mail service, by fax transmission (which is confirmed) or by registered or certified mail, return receipt requested, postage prepaid, to the parties at the addresses set forth below (or to such other addressee or address as will be set forth in a notice given in the same manner):

If to the Company: Lifecore Biomedical, Inc.
3515 Lyman Boulevard
Chaska, Minnesota 55318
Attn: Chief Executive Officer

If to the Executive: Address contained in Company personnel records.

All such notices will be deemed to have been given three business days after mailing if sent by registered or certified mail, one business day after mailing if sent by overnight courier service, or on the date delivered or transmitted if delivered personally or sent by fax transmission.

11. Indemnification. The Executive will be indemnified during the Executive's employment and after the end of the Executive's employment in accordance with the provisions of the Company's Certificate of Incorporation and Bylaws, the Delaware General Corporation Law, and the Company's standard form of indemnification agreement to be entered into between the Company and the Executive effective as of the Effective Date.

12. Non-Disparagement. Both during the term of this Agreement and at all times thereafter, regardless of the reason for termination, the Executive shall not disparage the Company or any of its products, services, directors, officers, agents or employees, or otherwise take any action which could reasonably be expected to adversely affect the personal or professional reputation of the Company or any of its products, services, directors, officers, agents or employees. Similarly, the Company (meaning, solely for this purpose, the directors, executive officers and authorized spokespersons of the Company) will not disparage the Executive. Notwithstanding the foregoing, nothing in this Agreement will prohibit the Executive or the Company from (a) responding to any inquiry from, or providing truthful testimony before any self-regulatory organization or any state or federal regulatory authority, (b) making any other truthful disclosure required by law or legal process, or (c) defending any charge, action, investigation or proceeding initiated by or on behalf of the other.

13. Miscellaneous.

(a) No provision of this Agreement may be amended unless such amendment, modification or discharge is agreed to in writing signed by the parties hereto.

(b) No waiver by any party hereto of any breach of, or compliance with, any condition or provision of this Agreement by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No such waiver shall be enforceable unless expressed in a written instrument executed by the party against whom enforcement is sought.

(c) This Agreement constitutes the entire agreement of the parties on the subject matter and no agreements or representations, oral or otherwise, expressed or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. For the avoidance of doubt, any prior agreements or representations made by either party which are not set forth expressly in this Agreement, are hereby superseded. In the event of any conflict between this Agreement and any policy of the Company, the terms of this Agreement will control.

(d) This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Executive and the Executive's heirs, executors, administrators and legal representatives. The Company may not assign its rights and obligations under this Agreement to any person without the prior written consent of the Executive, except to a successor to the Company's business that expressly adopts and agrees to be bound by this Agreement.

(e) This Agreement will be governed by, and construed in accordance with, the substantive laws of the State of Minnesota without regard to its conflict of law principles, unless a superseding Federal law is applicable. The Executive agrees that the state and federal courts located in the State of Minnesota, without regard to or application of conflict of laws principles, will have jurisdiction in any action, suit or proceeding based on or arising out of

this Agreement, the documents referenced herein and the Executive's employment relationship with the Company. The Executive hereby: (a) submits to the personal jurisdiction of such courts; (b) consent to service of process in connection with any action, suit or proceeding against the Executive; and (c) waive any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction, venue or service of process.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(g) This Agreement has been jointly drafted by the respective representatives of the Company and the Executive and no party shall be considered as being responsible for such drafting for the purpose of applying any rule construing ambiguities against the drafter or otherwise. No draft of this Agreement shall be taken into account in construing this Agreement.

[Execution page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year indicated below, respectively, but effective as of the Effective Date.

Lifecore Biomedical, Inc.

/s/ Paul Josephs
Paul Josephs
Chief Executive Officer

Dated: April 12, 2025

/s/ Thomas D. Salus
Thomas Salus

Dated: April 12, 2025

**Exhibit A**

**TERMS OF PSU AWARD**

The PSUs will vest during a five-year performance period based on achievement of the Performance Price, which is the average closing price of the Company's common stock during at least 20 consecutive trading days within the five year performance period. Based on the Performance Price, the number of PSUs (if any) that will vest will be determined by the corresponding Performance Vesting Percentage, which will be a percentage ranging from 10%-100% in 10% increments corresponding to ten consecutive minimum Performance Prices from the following table:

| Performance Price |
|---|
| $5.00 |
| $7.50 |
| $10.00 |
| $12.50 |
| $15.00 |
| $17.50 |
| $20.00 |
| $22.50 |
| $25.00 |
| $30.00 |
| $35.00 |
| $40.00 |

The ten Performance Prices will be set on the Effective Date and will be the ten consecutive Performance Prices from the table above beginning with the Performance Price that is closest to, but exceeds, the volume weighted average price of the Company's common stock for the 10 trading days prior to the Effective Date. By way of example, if the volume weighted average price of the Company's common stock for the 10 trading days prior to the Effective Date was $6.35 per share, then the first Performance Price for the PSU award would be $7.50 with a 10% Performance Vesting Percentage and the last Performance Price would be $35.00 with a 100% Performance Vesting Percentage.

In no event will the Performance Vesting Percentage exceed 100% regardless of the Performance Price and in no event will the PSUs be vested with respect to any Performance Price on more than one occasion.

If a tranche of the PSU award vests during the five-year performance period following the Effective Date, the Company will issue the Executive unrestricted shares of the Company's common stock on the vesting date in settlement of 50% of the vested portion of that tranche of the PSU award and will issue the Executive unrestricted shares of the Company's common stock

on the one year anniversary of the vesting date in settlement of the other 50% of the vested portion of that tranche of the PSU award.

If, as of the last day of the five year performance period, there are any PSUs that have not vested, such unvested PSUs will be forfeited to the Company. If the Executive's employment with the Company terminates during the performance period (other than a Qualifying Termination as described in the CIC Severance Plan or as described in Section 8 of the Agreement to which this Exhibit A is attached), all unvested PSUs will be forfeited to the Company as of the date of such termination.

For the purposes of the CIC Severance Plan, the "target" level of performance for the PSUs will be based on the value of the per share consideration received by holders of the Company's common stock in the Change in Control (as defined in the CIC Severance Plan). To the extent that the per share consideration for the Company's common stock in such Change in Control transaction is between the prices in two of the tranches above, the PSU vesting will be prorated based on straight line calculation. For the avoidance of doubt, any shares of the Company's common stock to be issued in connection with the vesting of the PSUs in connection with a Change in Control will be settled and deemed issued as of immediately prior to the Change in Control.

Exhibit 19.1

**LIFECORE BIOMEDICAL, INC.**

# INSIDER TRADING COMPLIANCE POLICY

**(As of July 15, 2025)**

**Nothing in this Policy is intended to change the employment relationship between or create a contract between Lifecore Biomedical, Inc. and/or any of its subsidiaries or affiliates ("Lifecore" or the "Company") and any employee. The Company reserves the right to change all matters contained in these policies at any time and without prior notice. The Company reserves the right to interpret the provisions of the Insider Trading Compliance Policy, and to vary from it when such variance is appropriate. It is the employee's responsibility to remain current on policy revisions/updates or new policies. Notification will be sent out to all employees when changes occur to these documents. The most recent version of each policy supersedes and replaces any prior version. For additional interpretation of this policy, consult with the Company's Chief Legal Officer.**

## PURPOSE

This Policy prohibits Company Personnel from trading in Company Securities when aware or in possession of Material Information about the Company that is "nonpublic," or not yet made widely available to the investing public in a broad, non-exclusionary manner.

This Policy also prohibits certain Company Personnel, as designated from time to time by the Securities Compliance Committee, as defined below, from trading in Company Securities during certain specific quarterly or special blackout periods ("**Blackout Periods**").

## SCOPE

This Policy applies to the Company, all of the Company's employees, Officers, members of the Company's Board of Directors ("**Directors**"), and consultants, contractors and agents acting on behalf of the Company (collectively "**Company Personnel**"), as well as Family Members and Controlled Entities of Company Personnel.

## RESPONSIBILITIES

Company Personnel are responsible for ensuring that Family Members also comply with this Policy.

The Company has established the Securities Compliance Committee to oversee and ensure compliance with this Policy. The Securities Compliance Committee is authorized to designate one or more persons to assist in administering this Policy. Questions regarding this Policy should be directed to the Chief Legal Officer.

**CERTAIN DEFINITIONS**

"***Affiliate"*** refers to any corporation, partnership, company, joint venture, or other legal entity which Lifecore Biomedical, Inc. controls or of which Lifecore Biomedical, Inc. directly or indirectly owns more than fifty percent (50%) of its outstanding equity interests.

***"Company Securities"*** refers to all securities that the Company has issued, including common stock and options to purchase common stock, and any other type of securities that the Company may issue, including but not limited to, preferred shares, notes, debentures, and warrants as well as any derivative financial instruments pertaining to the Company's securities, whether or not issued by the Company, such as options and forward contracts. Please refer any questions about this definition to the Chief Legal Officer.

***"Controlled Entities"*** refers to any entities influenced or controlled by Company Personnel or Family Members, including corporations, partnerships, trusts, and any entity established as, or part of, an investment club.

***"Exchange Act"*** refers to the Securities Exchange Act of 1934, as amended.

***"Family Members"*** refers to family members (including a spouse and children, children away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings, and in-laws), who reside with Company Personnel, any family members who do not live in the household of Company Personnel but whose transactions in Company Securities are directed by Company Personnel or are subject to the influence or control of Company Personnel (such as parents or children who consult with Company Personnel prior to making a trade in Company Securities), and any other person who lives with or is supported by Company Personnel, including any domestic employees.

***"Material Information"*** means information about a company that a reasonable investor would be substantially likely to consider to be important in deciding whether or not to buy, sell or retain securities. Any information, including event specific information, that could be expected to affect the price of any Company Securities (whether it relates directly or indirectly to the Company or to trading in Company Securities), whether it is positive or negative, should be considered material. Examples of information which may be considered "material" include, but are not limited to: projections of future earnings or losses, or other earnings guidance; merger, acquisition or divestiture discussions; the signing of a major new material contract or the loss of a major material existing contract; a planned securities offering; management changes; material litigation or regulatory proceedings or significant developments related thereto; bankruptcy proceedings; a cybersecurity breach or incident significantly impacting the Company's information technology systems; or significant developments related to research and development, clinical trials, or new product opportunities. This list is not exhaustive, and there is no bright-line standard for assessing materiality; rather, it is based on an assessment of all of the facts and circumstances at a particular time. Please refer any questions about whether information concerning the Company is "material" and/or "nonpublic" to the Chief Legal Officer.

***"Officers"*** refers to any "officer", as defined in Rule 16a-1(f) promulgated under the Exchange Act, of the Company.

***"Securities Compliance Committee"*** refers to the committee consisting of the Chief Financial Officer, Chief Legal Officer, and such other persons as may be appointed from time to time by the Chief Executive Officer (such other persons' appointments may be revoked by the Chief Executive Officer at any time), having the responsibilities set forth in this Policy. The Securities Compliance Committee may act or approve transactions with the confirmation of at least a majority of its members.

**POLICY**

Trading Restrictions

- Company Personnel with knowledge of nonpublic Material Information about the Company are not permitted to (1) buy Company Securities (other than through the exercise of stock options or the vesting of restricted stock units the Company Personnel received under any Company employee benefit plans; (2) sell Company Securities (including the exercise of options but not including shares withheld by the Company in an amount limited to the number of shares necessary to pay the exercise price of any option or the withholding taxes attributable to the exercise of options or to the vesting of restricted stock units); or (3) cause others (including, but not limited to, Controlled Entities, Family Members, and friends) to, or recommend that others, buy or sell Company Securities, or provide nonpublic Material Information to others who might be expected to trade while in possession of such information, whether or not such Company Personnel intend to realize a profit from such "tip". Refer to the below information under "Trading Plans" with respect to making trades in Company Securities pursuant to a Trading Plan (as defined below).
- Company Personnel who in the course of working for the Company learn of nonpublic Material Information about any other company (in particular, a company with which the Company does business or with which the Company has or is considering a relationship, including a customer or supplier of the Company), may not (1) trade in such other company's securities, or (2) cause others (including, but not limited to, Controlled Entities, Family Members, and friends) to, or recommend that others, buy or sell such company's securities, or provide nonpublic Material Information about such company to others who might be expected to trade while in possession of such information whether or not such Company Personnel intend to realize a profit from such "tip", in each case until the information becomes widely available to the investing public or is no longer material.
- Company Personnel are responsible for making Family Members aware of this Policy. Company Personnel must treat all transactions in Company Securities by Family Members as if the transactions were made for the account of such Company Personnel; provided, that this Policy does not apply to trades in Company Securities by Family Members where the decision to make the trade is made independently by a third party not controlled or influenced by Company Personnel or their Family Members.
- Transactions made by Controlled Entities of Company Personnel are treated for purposes of this Policy as if they were made for the account of such Company Personnel.

- The Company may not, directly or indirectly, buy or sell Company Securities while in possession of nonpublic Material Information related to the Company unless the transaction otherwise complies with all applicable securities laws.

Trading Plans

- The requirements and restrictions set forth in this Policy do not apply to transactions effected pursuant to a trading plan adopted in accordance with all of the provisions of Rule 10b5-1 under the Exchange Act ("**Rule 10b5-1**") or any successor rule (a "**Trading Plan**"), *provided*, that: (a) the Trading Plan must be approved in advance, or pursuant to procedures and on terms established from time to time, by the Securities Compliance Committee, and (b) as of the execution date of the Trading Plan, (i) the person entering into the Trading Plan represents and warrants to the Company that such person is not then aware or in possession of nonpublic Material Information about the Company, and (ii) a Blackout Period applicable to such person is not in effect. Once the Trading Plan is approved and adopted, the person entering into the Trading Plan (a) may not cancel or make any modifications to the Trading Plan unless approved in advance, or pursuant to procedures and on terms established from time to time, by the Securities Compliance Committee, (b) must not exercise any influence over the amount of Company Securities to be traded, the price at which they are to be traded, or the date of any trades and (c) must act in good faith with respect to the Trading Plan. The Company reserves right to suspend trading under any authorized Trading Plan at any time if the Securities Compliance Committee deems it to be in the best interest of the Company to do so. Transactions otherwise prohibited under this Policy or any other Company policy may not be effected through a Trading Plan. The Company does not assume liability for any loss caused by a delay in the Company's approval processes with respect to Trading Plans and approval of a Trading Plan will not be deemed a representation by the Company that the Trading Plan complies with Rule 10b5-1, nor an assumption by the Company of any liability or responsibility to the Trading Plan owner or any other party if the Trading Plan does not comply with Rule 10b5-1.
- This Policy does not prohibit the purchase or sale of Company Securities by the Company in accordance with a Trading Plan that complies with all applicable securities laws. Any such Trading Plan must be approved in advance by the Securities Compliance Committee.

Gifts and Estate Planning Transfers

- Bona fide gifts of Company Securities are not subject to the prohibitions of this Policy, unless the donor has reason to believe that the recipient intends to sell the Company Securities while the donor is aware or in possession of nonpublic Material Information. Bona fide gifts are subject to the "Additional Procedures" set forth below.
- Estate planning transfers are not subject to the prohibitions of this Policy, provided that the transferor continues to control and directly or indirectly own such transferred Company Securities. Estate planning transfers are subject to the "Additional Procedures" set forth below.

Prohibited Transactions

- As a matter of Company policy, Company Personnel (and their Family Members) may not engage in the following types of transactions involving Company Securities:
  - "Short sales" and sales "against the box" of Company Securities. A "short sale" is a sale of securities that the trader does not yet own. In a short sale, the trader sells securities for a particular price, which the trader is expecting will be higher than the price at which the trader must buy the securities to cover the sale. Short sellers only profit if the price of the securities declines. A sale "against the box" is a sale of securities that are owned but are not delivered within twenty days or deposited in the mail for delivery within five (5) days of the sale. A sale "against the box" has the same effect as a short sale.
  - Transactions in puts, calls, or other derivative securities involving Company Securities, on an exchange, on an over-the-counter market, or in any other organized market.
  - Hedging transactions involving the Company Securities, such as prepaid variable forward contracts, equity swaps, collars and exchange funds, or other transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of Company Securities.
  - Pledging Company Securities as collateral for a loan, purchasing Company Securities on margin (i.e., borrowing money to purchase the securities), or placing Company Securities in a margin account. This prohibition does not apply to cashless exercises of stock options under any Company employee benefit plans, nor to situations approved in advance by the Securities Compliance Committee.
- Directors and Officers are not permitted to engage in short-term trades of purchasing and selling or selling and purchasing Company Securities within one hundred and eighty (180) calendar days.
- Nothing in this Policy is intended to limit the ability of an investment fund, a venture capital partnership or other similar entity with which a director is affiliated to distribute Company Securities to its partners, members, or other similar persons. It is the responsibility of each affected director and the affiliated entity, in consultation with their own counsel (as appropriate), to determine the timing of any distributions, based on all relevant facts and circumstances and applicable securities laws.

Termination of Service

This Policy continues to apply to transactions in Company Securities even after termination of service to the Company. If a person is aware or in possession of nonpublic Material Information when their service terminates, that person may not trade in Company Securities until that information becomes widely available to the investing public or is no longer material. The "Additional Procedures" described below will no longer apply upon expiration of any Blackout Period applicable at the time of termination of service.

Section 16 Filings

Directors and Officers have obligations to make the following filings in connection with trades of Company Securities: (a) Forms 3, 4, and 5 under Section 16(a) of the Exchange Act, and (b) Form

144 under the Securities Act of 1933, as amended. Please refer any questions about these filing obligations to the Chief Legal Officer.

Additional Procedures

- The Company has established additional procedures in order to assist in the administration of this Policy that apply to "Insiders" (and to their Family Members and Controlled Entities). "Insiders" consist of Directors, Officers, and other Company Personnel designated as such, or pursuant to procedures established from time to time, by the Securities Compliance Committee. Lists of Insiders are maintained by the Finance Department. Please refer any questions about any lists of Insiders to the Chief Legal Officer.
- *Quarterly Blackout Periods*
  - In order to avoid any appearance that Insiders are trading with an informational advantage relating to the Company's financial results, the Company has established a "**Quarterly Blackout Period**" during which Insiders may not trade Company Securities. The Quarterly Blackout Period generally commences on the 15th day prior to the end of a quarterly or annual financial reporting period and generally ends on the earlier to occur of (1) the conclusion of two full trading days on the NASDAQ stock market or (2) 48 hours after the public issuance of a press release or other filing with the U.S. Securities and Exchange Commission ("SEC") announcing the Company's quarterly or annual financial results for that reporting period.
  - The Securities Compliance Committee may alter the commencement and ending of any Quarterly Blackout Period at their discretion.
  - In addition to trades made pursuant to a Trading Plan as described above, the Securities Compliance Committee may allow an Insider to enter into a Trading Plan or trade during a Quarterly Blackout Period only after consideration of all of the relevant facts and circumstances concerning the matter and if it has been demonstrated to the satisfaction of the Securities Compliance Committee that the person requesting a trade is not in possession of nonpublic Material Information.
  - Even if a Blackout Period is not in effect as specified in this Policy, Company Personnel (including their Family Members and Controlled Entities) may not trade in Company Securities or those of another publicly traded company if they are aware of nonpublic Material Information about the Company or any such other company, respectively.
- *Pre-Clearance Procedures*
  - Certain Insiders (designated by role or title in Schedule I hereto) are required to receive clearance prior to trading in Company Securities and/or implementing a Trading Plan by submitting a Share Transaction Authorization Form to the Finance Department and receiving approval of such request from, or pursuant to procedures established from time to time by, the Securities Compliance Committee.
  - An approval of a transaction or Trading Plan will only be valid for the time specified in the approval and transactions or Trading Plans not initiated/implemented within the specified time must be resubmitted through the pre-clearance procedures before the transaction or Trading Plan may proceed. An approval of a transaction or Trading Plan submitted pursuant

to these pre-clearance procedures does not constitute legal advice and does not relieve the applicable Company Personnel of their legal obligation to refrain from trading in Company Securities if in possession of nonpublic Material Information.

- The Securities Compliance Committee is under no obligation to approve a transaction or Trading Plan and may determine not to approve the transaction or Trading Plan in its discretion. Company Personnel may not inform any person if the Securities Compliance Committee denies such Company Personnel's request to trade in the Company Securities, as such denial may itself be considered under this Policy to be nonpublic Material Information.
- Discretionary purchases or sales of Company Securities by the Company must be approved in advance by the Securities Compliance Committee.

- *Special Blackout Periods*
  - The Securities Compliance Committee may designate, from time to time, a "Special Blackout Period" independent of the Quarterly Blackout Period described above during which Company Personnel that have been designated as being subject to the Special Blackout Period may not trade Company Securities. The Securities Compliance Committee may also apply such Special Blackout Period to the trading in the securities of certain other companies, as they deem appropriate or advisable, including certain of the Company's peers or competitors. The existence of a Special Blackout Period will be communicated to those subject to it, but will not be announced to the Company generally, should not be communicated to any other person, and may itself be considered under this Policy to be nonpublic Material Information.
  - In addition to trades made pursuant to a Trading Plan as described under "Trading Plans" above, the Securities Compliance Committee may allow an Insider to enter into a Trading Plan or trade during a Special Blackout Period only after consideration of all of the relevant facts and circumstances concerning the matter and if it has been demonstrated to the satisfaction of the Securities Compliance Committee that the person requesting a trade is not in possession of nonpublic Material Information.
- Without limiting the generality of the trading restrictions described in this Policy, Blackout Periods do not apply to purchases of Company Securities through the exercise of stock options or the vesting of restricted stock units the Company Personnel received under any Company employee benefit plans, or to shares withheld by the Company in an amount limited to the number of shares necessary to pay the exercise price of any option or the withholding taxes attributable to the exercise of options or to the vesting of restricted stock units.

## SCHEDULE I

INDIVIDUALS SUBJECT TO QUARTERLY TRADING BLACK-OUTS AND PRE-CLEARANCE REQUIREMENTS

- All members of the Company's Board of Directors
- All individuals holding Director-level positions and above
- All individuals in the Accounting and Finance departments
- All participants in Disclosure Committee meetings
- All participants in the Monthly Operating Review meetings

**Exhibit 21.1**

**Subsidiaries of the Registrant**

| Subsidiary | State of Incorporation |
|---|---|
| Lifecore Biomedical Operating Company, Inc. | Delaware |
| Lifecore Biomedical, LLC | Minnesota |
| Curation Foods, Inc. | Delaware |
| Greenline Logistics, Inc. | Ohio |
| Camden Fruit Corp | California |

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-1 (No. 333-271176 and 333-282583) and Form S-8 (No. 333-193213, 333-234229, 333-271175, 333-282585 and 333-282586) of Lifecore Biomedical, Inc. (the Company) of our reports dated August 7, 2025, relating to the consolidated financial statements, and the effectiveness of the Company's internal control over financial reporting, which appear in this Annual Report on Form 10-K. Our report on the effectiveness of internal control over financial reporting expresses an adverse opinion on the effectiveness of the Company's internal control over financial reporting as of May 25, 2025.

/s/ BDO USA, P.C.
Minneapolis, Minnesota
August 7, 2025

**Exhibit 31.1**

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Paul Josephs, certify that:

1. I have reviewed this Annual Report on Form 10-K of Lifecore Biomedical, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ Paul Josephs

Paul Josephs
President and Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Ryan D. Lake, certify that:

1. I have reviewed this Annual Report on Form 10-K of Lifecore Biomedical, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ Ryan D. Lake

Ryan D. Lake
Chief Financial Officer
(Principal Financial Officer)

**Exhibit 32.1**

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Lifecore Biomedical, Inc. (the "Company") for the period ended May 25, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Josephs, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

/s/ Paul Josephs

Paul Josephs
President and Chief Executive Officer
(Principal Executive Officer)

* The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

**Exhibit 32.2**

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Lifecore Biomedical, Inc. (the "Company") for the period ended May 25, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ryan D. Lake, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

/s/ Ryan D. Lake

Ryan D. Lake
Chief Financial Officer
(Principal Financial Officer)

* The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.