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

FORM 10-KT

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

For the fiscal year ended _____, or

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

For the transition period from **May 26, 2025** to **December 31, 2025**.

Commission file number: **000-27446**

LIFECORE BIOMEDICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

94-3025618

(I.R.S. Employer Identification Number)

3515 Lyman Boulevard

Chaska, Minnesota

(Address of principal executive offices)

55318

(Zip Code)

Registrant's telephone number, including area code

(952) 368-4300

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol</u> | <u>Name of each exchange on which registered</u> |
|--|-----------------------|--|
| 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 | <input type="checkbox"/> | Accelerated filer | <input checked="" type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

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 \$222,965,066 as of June 30, 2025, 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 March 9, 2026, there were 37,477,386 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-KT incorporates certain information by reference from the registrant’s definitive proxy statement for the 2026 annual meeting of stockholders to be filed no later than 120 days after the end of the registrant’s fiscal year ended December 31, 2025.

Explanatory note

On August 1, 2025, the Board of Directors of Lifecore Biomedical, Inc. approved a change in the Company's fiscal year that ends on the last Sunday of May to a fiscal year that corresponds with the calendar year, ending on December 31, effective for the fiscal year beginning May 26, 2025 and ending December 31, 2025. As a result of this change, the Company is filing this Annual Report on Form 10-KT to report financial results for the transition period from May 26, 2025 through December 31, 2025. During the transition period, the Company elected to file a quarterly report on Form 10-Q for the quarter ended September 30, 2025, and expects to file quarterly reports based on the calendar year beginning with the quarter ending March 31, 2026.

LIFECORE BIOMEDICAL, INC.
ANNUAL REPORT ON FORM 10-KT
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Cautionary note about forward-looking statements

This Annual Report on Form 10-KT, 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 since that time, we have operated as a stand-alone fully integrated CDMO.

Since May 2024, Lifecore has continued to execute on 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, as well as initiatives to improve operational discipline, productivity and cost structure, 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 fully automated high-speed, multi-purpose 5-head aseptic isolator filler, which expanded our aseptic filling capabilities and increased the range of programs we are able to support;

- 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, (iv) the repayment of \$19.7 million of borrowings on our outstanding revolving credit facility over the past 18 months, with no amounts outstanding on this facility as of December 31, 2025, (v) reduced obligations with the payment of an aggregate amount of \$4.7 million to the holders of the Redeemable Convertible Preferred Stock in full satisfaction of outstanding registration delay fees in November 2025, and (vi) the implementation of operational cost reductions, including overhead costs and professional fees associated with legal, accounting and consulting spend;
- Our corporate governance and compliance has improved by, among other actions, the election of four new directors who have joined our board, appointing a new Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) and other members of our senior leadership team, entering into a cooperation agreement with 22NW, LP to strengthen Board alignment with stockholders, and regaining compliance with our SEC filing requirements and the listing requirements of the Nasdaq Stock Exchange (“Nasdaq”).
- We enhanced our business development strategy, increased our investment in sales and marketing to support brand visibility, and expanded our business development team with 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, including increased focus on cost control, manufacturing efficiency, and data-driven decision-making across the organization. For example, as part of our initiatives from 2025, we launched a new enterprise resource planning (“ERP”) system in January 2026, which is designed to enhance inventory control, data visibility, financial management, and operational decision-making. We also recently hired a seasoned industry executive in the role of head of business transformation to champion the Company’s efforts to improve our cost structure and drive productivity and efficiencies. 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 in the long-term.

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.

Domestic 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. Industry momentum toward onshoring and domestic manufacturing is accelerating, and we believe Lifecore is positioned to support this trend through its expertise in complex sterile injectables, regulatory compliance, and comprehensive U.S.-based CDMO capabilities. Most recently, in September 2024, Lifecore installed a 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 maintains a comprehensive multi-compendial quality and regulatory system supported by over 40 years of experience with global authorities, including the FDA, EMA, and ANVISA. Lifecore is a strong partner for companies looking for proven experience in delivering Quality by Design (QbD), cGMP compliance, and manufacturing excellence. The Company consistently meets customer and regulatory requirements through routine certifications and numerous customer audits each year. In March 2025, the FDA completed a general drug product good manufacturing practices inspection, which was closed in May 2025 with no further action. Lifecore's Quality Management System covers APIs and excipients, medical devices, drug products, and biologics, reflecting its established capabilities in quality and compliance.

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) *Ensure Operational Capacity and Reduced Operational Expenses*: Ensure that Lifecore is equipped to meet the evolving demands of the sterile injectable market while improving cost efficiency. 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 of Excellence*: 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.

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. 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 focus and 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, as well as inside sales support and proposal writing resources.

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 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.

Lifecore currently operates five aseptic filling lines with 45 million units of capacity, which support efficient and safe aseptic processing of drug medical device and combination products. Most recently, Lifecore has installed a 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, end-user market demand, customer supply chain initiatives, success of customer product development programs and timing of customer orders, as well as the scale, scope, mix and the duration of our fulfillment of such customer orders, has resulted and could 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

As of December 31, 2025, the Company had 382 full-time employees, of whom 177 were dedicated to manufacturing, 93 to quality and regulatory affairs, 78 to general operations, and 34 to sales, marketing and administrative activities. In 2025, we optimized our workforce and completed the strengthening of our senior leadership team, which we believe has the requisite background and experience to lead Lifecore's focus as a stand-alone fully integrated CDMO. 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-KT 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-KT. 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

- Our ability to retain existing customers, attract new customers and sell additional products and services to our existing and new customers, is highly dependent on the actual and perceived stability of our business and financial condition.
- Customer demand for our products and services is based on many factors that are 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, and our agreements contain certain 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-KT, we have identified material weaknesses in our internal control over financial reporting as of December 31, 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 with a goal to complete the remediation of these material weaknesses by the filing of our Annual Report on Form 10-K for the twelve-month period ended December 31, 2026, and we have taken and are continuing to take action 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-KT 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, 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 December 31, 2025, we had approximately \$189.9 million in total indebtedness with Alcon Research, LLC (“Alcon”), with \$184.1 million outstanding under our Credit and Guaranty Agreement (the “Term Loan Credit Facility”). As of December 31, 2025, we are party to a \$40.0 million revolving credit agreement (“Revolving Credit Facility”) with BMO, and had \$21.4 million available for borrowing under the Revolving Credit Facility with no amounts outstanding as of December 31, 2025.

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-KT. 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 stockholders.

These features meet the definition of an embedded derivative, which we record on our balance sheet as a 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 year ended May 26, 2024, the Company recorded a gain of \$39.5 million related to the change 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 with the remaining 7% rate of interest continuing to be payable-in-kind, increasing the outstanding balance of the term loan;

- Beginning June 29, 2026 or the termination or waiver of the restriction on cash dividends and/or redemptions, a holder of the Redeemable Convertible Preferred Stock will have the right to require Lifecore to redeem such holder's outstanding Redeemable Convertible Preferred Stock for a cash payment due on the 180th day of the holder's redemption notice. The redemption amount is the same as the liquidation preference. We estimate that the accrued and unpaid liquidation preference for all such shares of Redeemable Convertible Preferred Stock, assuming no earlier conversions or redemptions, will be \$50.2 million on June 29, 2026. If we do not redeem all shares of Redeemable Convertible Preferred Stock that are submitted for redemption, we must pay the holder cash interest at a rate of 1% per month (equivalent to 12% per annum) in respect of that holder's unredeemed shares of Redeemable Convertible Preferred Stock until paid in full. The dividends on the Redeemable Convertible Preferred Stock are payable in kind in the form of additional shares of Redeemable Convertible Preferred Stock, resulting over time in an increasing number of shares of Redeemable Convertible Preferred Stock outstanding and therefore an increasing redemption amount; 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 \$1.5 million for the transition period ended December 31, 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 constitute 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 \$18.0 million for the transition period ended December 31, 2025, and as of December 31, 2025 we had an accumulated deficit of \$223.2 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 may need 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 may in the future 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. 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

Our ability to retain existing customers, attract new customers and sell additional products and services to our existing and new customers, is highly dependent on the actual and perceived stability of our business and financial condition.

During the transition period ended December 31, 2025, Lifecore continued to execute on its strategic initiatives in an effort to support higher performance as a stand-alone fully integrated CDMO and bring stability to the Company. 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.

Customer demand for our products and services is based on many factors that are 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 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 will 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, 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. Accordingly, our development services and commercial manufacturing pipelines are subject to delays and difficult to forecast. 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 transition period ended December 31, 2025, the Company had sales concentrations of 10% or greater from two customers, including Alcon, which is also one of our primary lenders. Alcon and the other customer accounted for 42% and 16%, respectively, of our revenue during the transition period ended December 31, 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.

During the transition period ended December 31, 2025, we became aware of new supply chain initiatives being pursued by Alcon that resulted in a significant decrease in our revenue forecast for 2026. We also became aware that a commercial customer accounting for less than 10% of revenues would end its manufacturing contract with us during the first half of 2026.

Any additional 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 \$184.1 million as of December 31, 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 a 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 internally the development and manufacturing services that we would otherwise provide. 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 customers 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, recent U.S. government actions regarding the imposition of tariffs and subsequent court-mandated invalidation of certain tariffs have contributed to continued uncertainty in U.S. trade policy. Although the Supreme Court's February 2026 ruling struck down broad tariffs previously imposed under the International Emergency Economic Powers Act, it has created new uncertainty regarding potential refund processes and the possibility that new tariffs may be pursued under other statutory authorities. These shifts, along with potential retaliatory measures from other countries, may further escalate trade tensions and impact our cost of doing business.

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 issued following any 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 commercial manufacturing and/or development 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. 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-KT for information regarding monetary penalties and interest that we previously incurred.

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 December 31, 2025, an aggregate of 7,401,682 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, and our agreements contain certain 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.

In addition, our Term Loan Credit Facility is required to be repaid in full upon a merger or other change in control of Lifecore, along with a change in control premium that was approximately \$27.6 million as of December 31, 2025. We also have agreements with our executive officers that provide for severance payments to them and the acceleration of vesting or payments of certain of their outstanding equity awards in the event of certain terminations following a change in control.

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 stockholders 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 November 2025, the Company and individual defendants entered into an agreement in principle with the plaintiffs to settle this matter, without any admission of wrongdoing, which is subject to court approval. If approved by the court in its current form, this proposed settlement is expected to be covered by the Company's insurance policies with no material loss incurred by the Company. 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. The 22NW complaint seeks 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 legal proceedings. In addition, any adverse determination in either 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-KT for additional information regarding the SEC investigation, the settlement of the Carew securities class action and the 22NW lawsuit.

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, and completed the recasting of our senior leadership team in 2025. 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 products 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 have recently implemented a new ERP system. ERP implementations are inherently complex, time-consuming and require significant resources and expenditures. The ERP system 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.

Although the system went live successfully, the implementation and stabilization process continues and involves risks, including potential loss of information, integration challenges and disruption in operations. The implementation and ongoing maintenance of the ERP system may be subject to delays, cost overruns or unforeseen technical issues.

Any disruptions, delays or deficiencies 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. Additionally, if the ERP does not operate as intended, 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 December 31, 2025, the Company’s principal facilities consist of owned and leased properties used for manufacturing, laboratory, warehouse, and administrative operations. We own a facility in Chaska, Minnesota totaling approximately 148,200 square feet of office, laboratory, and manufacturing space, which together with substantially all of our consolidated assets other than cash, accounts receivable and inventory, secures borrowings under our term loan credit facility.

We also lease facilities in Chaska, Minnesota (approximately 80,950 square feet) and Chanhassen, Minnesota (approximately 21,384 square feet) that support our office, manufacturing, and warehouse activities. The Chaska lease expires in September 2034, and the Chanhassen lease expires in March 2028 with an option to extend through March 2033 that the Company is reasonably certain to exercise. For additional information about lease terms, see “Part IV, Item 15. Note 16 – Leases” of this Annual Report on Form 10-KT.

Collectively, these properties provide adequate and suitable capacity for our current operations. We do not expect difficulties in retaining occupancy through lease renewals or in securing equivalent facilities. We believe our owned and leased facilities are in good condition and suitable for the ongoing 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-KT 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”.

Holdings

As of March 9, 2026, there were approximately 49 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 March 9, 2026, 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

There were no sales of unregistered equity securities during the transition period ended December 31, 2025.

Issuer repurchases of equity securities

There were no issuer repurchases of equity securities during the transition period ended December 31, 2025.

Securities authorized for issuance under equity compensation plans

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

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-KT. 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-KT.

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.

Since May 2024, Lifecore has continued to make impactful improvements to its operations and financial position:

- We have improved operations by expanding our revenue-generating capacity, increasing our focus on manufacturing efficiency and cost management, and investing in systems and processes to support more effective execution. In September 2024, the Company expanded its aseptic filling capabilities through the installation of a fully automated high-speed, multi-purpose 5-head aseptic isolator filler. In January 2026, Lifecore implemented a new ERP system designed to enhance inventory control, data visibility, and financial management. Through these and other initiatives, the Company believes that it has improved workforce productivity by more than 20% over approximately the past year. We believe this achievement reflects the performance-driven culture at Lifecore and underscores the Company's commitment to continuous improvement.
- We have 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 in November 2024, (iii) the sale of certain excess capital equipment for \$17 million in January 2025, (iv) the repayment of \$19.7 million of borrowings on our outstanding revolving credit facility over the past 18 months, (v) reduced obligations with the payment of an aggregate amount of \$4.7 million to the holders of the Redeemable Convertible Preferred Stock in full satisfaction of outstanding registration delay fees in November 2025, and (vi) the implementation of operational cost reductions, including overhead costs and professional fees associated with legal, accounting and consulting spend.

Lifecore expects to further improve efficiencies and productivity through additional procurement and operational strategies that will build upon the new capabilities and information available from our ERP system. Lifecore expects this system to strengthen inventory control, support sharper financial management, and help reduce costs as the company grows. To further advance the Company's efficiency objectives, Lifecore recently hired a seasoned industry executive in the role of head of business transformation. This newly created position will champion the Company's efforts to improve its cost structure, to drive productivity, and gain efficiencies.

On August 1, 2025, our Board of Directors approved a change in the Company's fiscal year from a fiscal year ending on the last Sunday of May to a calendar year ending on December 31. As a result, this Annual Report on Form 10-KT reports current results for the transition period from May 26, 2025 through December 31, 2025. To provide meaningful comparisons in the "Results of operations" section below, operating results for the seven-month transition period ended December 31, 2025 are compared to the unaudited seven-month period ended December 31, 2024, which is derived from the audited results of fiscal year ended May 25, 2025. This presentation reflects the comparative information required under SEC rules applicable to fiscal year changes and is intended to facilitate an understanding of changes in the Company's operating results and financial condition.

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 sales: 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, represents the fair value of various features in the credit facility that require bifurcation and accounting as a derivative instrument. Changes in the fair value are recorded as non-operating income or expense.

Results of operations – seven months ended December 31, 2025 and 2024

Revenues and gross profit

| | Seven months ended December 31, | | Change | |
|-------------------------------|------------------------------------|-----------|----------|------|
| | 2025 | 2024 | Amount | % |
| <i>(dollars in thousands)</i> | (unaudited) | | | |
| Revenues: | | | | |
| CDMO | \$ 51,489 | \$ 49,053 | \$ 2,436 | 5 % |
| HA manufacturing | 24,032 | 13,903 | 10,129 | 73 % |
| Total revenues | 75,521 | 62,956 | 12,565 | 20 % |
| Cost of sales | 51,832 | 46,629 | 5,203 | 11 % |
| Gross profit | 23,689 | 16,327 | 7,362 | 45 % |
| Gross profit percentage | 31.4 % | 25.9 % | 5.5 % | |

The increase of \$12.6 million in revenues was primarily due to a \$10.1 million increase in HA manufacturing revenues, \$8.4 million of which was primarily due to timing of revenues from Lifecore's largest customer's supply chain initiatives and \$1.7 million of increased demand from other customers and pricing initiatives. In addition, CDMO revenues increased \$2.4 million, which was primarily from \$2.9 million of overall higher sales volumes, \$0.5 million of sales of customer specific materials, \$0.4 million of higher development revenue, and \$0.2 million of pricing. These increases were partially offset by the absence of \$1.6 million of take-or-pay revenue recognized in the comparable period.

The increase of \$7.4 million in gross profit is due a \$7.6 million increase from HA manufacturing due to increased sales volume and manufacturing absorption, partially offset by a \$0.2 million decrease from CDMO. The CDMO decrease was due to a decrease in aseptic gross profit of \$0.1 million and a decrease in development gross profit of \$0.1 million. The decline in aseptic gross profit was due to the absence of \$1.6 million in take-or-pay revenue that occurred in the comparable period, partially offset by favorable manufacturing volumes, costing, and pricing initiatives.

Operating expenses

| | Seven months ended December 31, | | Change | |
|-------------------------------------|------------------------------------|------------------|--------------------|--------------|
| | 2025 | 2024 | Amount | % |
| <i>(dollars in thousands)</i> | | | | |
| | (unaudited) | | | |
| Research and development | \$ 4,965 | \$ 4,720 | \$ 245 | 5 % |
| Selling, general and administrative | 19,457 | 30,846 | (11,389) | (37)% |
| Total operating expenses | <u>\$ 24,422</u> | <u>\$ 35,566</u> | <u>\$ (11,144)</u> | <u>(31)%</u> |

Research and development ("R&D")

R&D expenses modestly declined reflecting a relatively consistent level of product development and commercialization activities.

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

The \$11.4 million decrease in SG&A expenses includes a reduction of \$2.5 million in recurring accounting, legal and consulting expenses, a \$1.8 million reduction in stock-based compensation, and a net \$6.6 million reduction in non-recurring expenses primarily related to legacy matters and prior period restructuring.

Non-operating income or expense

| | Seven months ended December 31, | | Change | |
|--|------------------------------------|-------------|------------|------|
| | 2025 | 2024 | Amount | % |
| <i>(dollars in thousands)</i> | | | | |
| | (unaudited) | | | |
| Interest expense, net | \$ (15,574) | \$ (13,066) | \$ (2,508) | 19 % |
| Change in fair value of debt derivative liability, related party | (1,573) | 1,900 | (3,473) | n/m |
| Other income (expense), net | 256 | (215) | 471 | n/m |
| Income tax expense | (337) | (18) | (319) | n/m |

Interest expense, net

The increase in interest expense, net of interest income, of \$2.5 million was primarily from \$3.0 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. This increase was partially offset by \$0.3 million of lower amortization of deferred financing fees on the revolving credit facility caused by its extension through November 2027 and a \$0.2 million aggregate net decrease from various other small items. There were also offsetting changes of \$0.8 million less interest expense caused by lower average revolver borrowings and \$0.8 million more interest expense caused by the placement into service of the multi-purpose 5-head aseptic isolator filler, which reduced the amount of interest that was capitalized to property, plant and equipment.

Change in fair value of debt derivative liability, related party

The \$3.5 million change from income to expense was caused by distinct reasons each period. The change in the 2025 period was primarily caused by passage of time, which lowered the effect of cash flow discounting on the fair value calculations, in addition to offsetting changes to assumptions related to change in control timing and other scenario probabilities. The change in the 2024 period was primarily caused by a decrease in discount rates, which included an improvement in the Company's derived credit rating following an equity raise in October 2024.

Other income (expense), net

The change from expense to income of \$0.5 million was primarily driven by the absence of estimated expense accrued for monetary penalties to the preferred stockholders recognized in the comparative period following the filing of registration statements in October 2024.

Income tax expense

The increase in expense of \$0.3 million was primarily caused by the passage of new Federal tax laws in the 2025 period that resulted in higher deferred tax expense. The new tax laws caused a one-time acceleration of various tax deductions which did not result in income due to the establishment of valuation allowances on all deferred tax assets. At the same time, that acceleration reduced deductions available to offset scheduled future deferred tax liabilities, causing an increase to deferred tax expense.

Results of operations – fiscal years ended May 25, 2025 and May 26, 2024*Revenues and gross profit*

| <i>(dollars in thousands)</i> | Year ended | | Change | |
|-------------------------------|--------------|--------------|------------|------|
| | 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 sales | 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

| <i>(dollars in thousands)</i> | Year ended | | Change | |
|--|--------------|--------------|----------|------|
| | 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) | n/m |
| 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

| <i>(in thousands)</i> | Year ended | | Change | |
|--|--------------|--------------|------------|--------|
| | 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.

Income tax expense

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

Liquidity and capital resources

As of December 31, 2025, the Company had cash of \$17.5 million and \$21.4 million available for borrowing (together, “consolidated liquidity”) under its \$40.0 million Revolving Credit Facility, with no amounts outstanding as of December 31, 2025. As of December 31, 2025, the Company had approximately \$189.9 million in total indebtedness with Alcon, with \$184.1 million outstanding under the Term Loan Credit Facility. The Company is subject to minimum liquidity covenants under its credit agreements, the most restrictive of which requires the Company to maintain at least \$4.0 million of consolidated liquidity, as adjusted for any excess payables, at the end of each fiscal quarter. As of December 31, 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-KT for a summary of the Term Loan Credit Facility and Revolving Credit Facility.

The following table presents comparative summary cash flows for the seven-month periods ended December 31, 2025 and 2024:

| | Seven months ended December 31, | | Change |
|---------------------------------|------------------------------------|---------------------|------------------|
| | 2025 | 2024 (unaudited) | |
| <i>(in thousands)</i> | | | |
| Net cash provided by (used in): | | | |
| Operating activities | \$ 7,330 | \$ (5,593) | \$ 12,923 |
| Investing activities | 6,304 | (6,231) | 12,535 |
| Financing activities | (4,430) | 7,279 | (11,709) |
| Total | <u>\$ 9,204</u> | <u>\$ (4,545)</u> | <u>\$ 13,749</u> |

Cash flow improved by \$13.7 million in the transition period ended December 31, 2025 compared to the unaudited seven-month period ended December 31, 2024 period for the following reasons:

- Operating cash flows improved \$12.9 million. In the 2024 period, earnings as adjusted for non-cash items used cash of \$9.0 million, which was partially funded by \$3.4 million of favorable working capital changes primarily related to net receivable collections and higher accounts payable, partially offset by higher contract assets and inventory. In contrast, in the 2025 period, earnings as adjusted for non-cash items generated \$10.4 million of cash, offset by changes in working capital of \$3.1 million primarily related to the \$4.7 million payment to fully satisfy the preferred stock registration delay fees, partially offset by \$1.6 million of other net working capital changes;
- Investing cash flows improved by \$12.5 million due to the receipt of \$10.0 million cash from the payment of a note receivable related to a sale of equipment in the 2025 period in addition to lower capital spending in the 2025 period compared to the 2024 period; and
- Financing cash flows decreased \$11.7 million as a result of \$2.5 million of revolver borrowings repaid in the 2025 period and the absence of certain one-time cash flows from the 2024 period, including inflows of \$23.8 million from the issuance of common stock and \$2.4 million from a lease amendment which were used to repay a net \$17.2 million of borrowings under the revolving credit facility in the 2024 period.

The following table presents comparative summary cash flows for the fiscal years ended May 25, 2025 and May 26, 2024:

| <i>(in thousands)</i> | Year ended | | Change |
|---------------------------------|-----------------|--------------------|------------------|
| | May 25, 2025 | May 26, 2024 | |
| Net cash provided by (used in): | | | |
| Operating activities | \$ (206) | \$ 257 | \$ (463) |
| Investing activities | (6,415) | (18,395) | 11,980 |
| Financing activities | 6,424 | 7,509 | (1,085) |
| Total | <u>\$ (197)</u> | <u>\$ (10,629)</u> | <u>\$ 10,432</u> |

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.

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; any redemptions of the Redeemable Convertible Preferred Stock and 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, any additional cash generated by operations, 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.

Cash obligations relating to Redeemable Convertible Preferred Stock

On January 9, 2023, the Company issued 38,750 shares of Redeemable Convertible Preferred Stock for a purchase price of \$1,000 per share (the stated value) and gross proceeds of \$38.8 million. The Redeemable Convertible Preferred Stock accrues dividends and is redeemable at the option of the holder as discussed further below.

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 December 31, 2025, there were \$0.9 million of dividends in arrears that had not yet been paid-in-kind in the form of additional shares of Redeemable Convertible Preferred Stock, representing \$18.75 per preferred share.

Each holder of outstanding shares of Redeemable Convertible Preferred Stock have the right to require the Company to redeem such holder's outstanding Redeemable Convertible Preferred Stock 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. As of December 31, 2025 and May 25, 2025, the aggregate liquidation preference of the Redeemable Convertible Preferred Stock was \$48.4 million and \$46.3 million, respectively. The Company estimates that the accrued and unpaid liquidation preference for all such shares of Redeemable Convertible Preferred Stock, assuming no earlier conversions or redemptions, will be \$50.2 million on June 29, 2026. If the Company does not redeem all shares of Redeemable Convertible Preferred Stock that are submitted for redemption, we must pay the holder cash interest at a rate of 1% per month (equivalent to 12% per annum) in respect of that holder's unredeemed shares of Redeemable Convertible Preferred Stock until paid in full.

Lifecore's internally generated cash is not expected to be sufficient to fund all or any significant redemptions of the Redeemable Convertible Preferred Stock. Lifecore's financing alternatives would be dependent upon the amount of any redemptions and may include supplementing any cash generated from operations and borrowing under its existing credit facilities with financing transactions such as equity financing, debt financing, collaborations, strategic alliances or licensing arrangements, or other means.

In November 2025, the Company paid an aggregate amount of \$4.7 million to the holders of the Redeemable Convertible Preferred Stock in full satisfaction of the outstanding registration delay fees. See "Part I, Item 1. Note 11 – Equity" in this Annual Report on Form 10-KT for a description of this obligation.

Contractual and other cash obligations

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

Indebtedness

Refer to "Part IV, Item 15. Note 10. – Debt" elsewhere in this Annual Report on Form 10-KT 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 December 31, 2025 the Company had \$184.1 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 for the transition period ended December 31, 2025 was \$10.6 million.

As of December 31, 2025, the Company had no borrowings outstanding under the Revolving Credit Facility. The Company repaid \$2.5 million of 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 for the transition period ended December 31, 2025 was negligible.

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 the following accounting policies and estimates are critical to the preparation of the financial statements, so we have provided these 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-KT.

Valuation of debt derivative liability

The Company reported a fair value of its debt derivative liability of \$26.6 million at December 31, 2025, and recognized expense of \$1.6 million from the change in the fair value of its debt derivative liability for the transition period ended December 31, 2025 and recorded income from the change 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 the lender exercises its option to require payment of the term loans upon a qualifying change in control or that the debt is held to maturity and refinanced. 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 each of the change in control scenario dates occurring after December 31, 2026 would have increased the fair value of the debt derivative liability and increased our net loss by \$7.2 million as of and for the transition period ended December 31, 2025.

Revenue recognition for development services

The Company recognized revenues for development services of \$14.2 million, \$23.2 million and \$29.4 million for the transition period ended December 31, 2025 and 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 had goodwill of \$13.9 million and indefinite-lived intangible assets of \$4.2 million, a component of other assets, as of December 31, 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 the transition period ended December 31, 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 similarly low 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-KT 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

(a) 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 CEO and CFO, the effectiveness of the design and operation 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 Annual Report on Form 10-KT.

Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of December 31, 2025 due to the material weakness in internal control over financial reporting described below.

(b) Management's report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f) of the Exchange Act. 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.

Management, with participation of the CEO and CFO, under the oversight of our Audit Committee, assessed the effectiveness of our internal control over financial reporting using the criteria set forth in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, our CEO and CFO concluded that internal control over financial reporting was not effective as of December 31, 2025 due to the material weakness described below.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In connection with the Company's evaluation of internal control over financial reporting, we identified a material weakness related to the design and operation of controls within the information and communication and control activities components of the COSO framework arising from limitations in our legacy ERP environment. Specifically, we did not design and maintain effective IT general controls for our legacy ERP environment. As a result, controls over the completeness and accuracy of key data elements and system-generated reports derived from our legacy ERP system used in financial reporting, in addition to certain automated controls and IT-dependent manual controls that rely on such information, were impacted, increasing reliance on spreadsheets and other end-user computing tools.

These deficiencies could have reasonably resulted in a material misstatement of the Company's annual or interim consolidated financial statements not being prevented or detected on a timely basis and therefore constituted a material weakness.

Notwithstanding such material weaknesses in internal control over financial reporting, the Company's CEO and CFO have concluded that the Company's Consolidated Financial Statements included in this Annual Report on Form 10-KT 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, KPMG LLP, who audited the consolidated financial statements included in this Annual Report on Form 10-KT, has issued an adverse opinion on the effectiveness of our internal control over financial reporting. KPMG LLP's report appears on page [55](#) of this Annual Report on Form 10-KT.

(c) Management's plan for remediation of material weaknesses in internal control over financial reporting

Management, with oversight from the Audit Committee, has initiated and is continuing to execute a remediation plan designed to address the material weakness described above.

Progress and next steps:

- Subsequent to year-end, in January 2026, we implemented a new ERP system intended to improve the reliability of system-generated information used in financial reporting.
- We are designing and implementing IT general controls for the new ERP system which are necessary to support process-level controls that rely on the completeness and accuracy of key data elements and system-generated reports, and that support automated controls and IT-dependent manual controls.

Remediation will not be considered complete until the redesigned controls have operated for a sufficient period of time and management has tested and concluded on their operating effectiveness.

(d) Changes in internal control over financial reporting

There have been no changes in our system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other information

Rule 10b5-1 trading plans

During the three months ended December 31, 2025, none of our directors and executive officers adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

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 from the Company's definitive proxy statement for the 2026 annual meeting of stockholders to be filed no later than 120 days after the end of the transition period ended December 31, 2025 (the "2026 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-KT.

Item 11. Executive compensation

Information with respect to this item is incorporated by reference from the 2026 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 from the 2026 Proxy Statement under the heading "Stock Ownership of Certain Beneficial Owners and Management."

The following table provides information as of December 31, 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) | 1,532,447 | (2) \$8.23 | 1,798,895 |
| Equity compensation plans not approved by security holders | 3,568,026 | (3) \$6.80 | 167,474 |
| Total | 5,100,473 | \$8.57 | 1,966,369 |

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

- (2) Consists of outstanding options to purchase 993,504 shares of Common Stock and RSUs covering an aggregate of 538,943 shares of Common Stock.
- (3) Consists of outstanding options to purchase 383,550 shares of Common Stock, RSUs covering an aggregate of 901,476 shares of Common Stock and PSUs covering an aggregate of 2,283,000 shares of Common Stock.

Item 13. Certain relationships and related transactions and director independence

Information with respect to this item is incorporated by reference from the 2026 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 from the 2026 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)

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| 1. Consolidated financial statements of Lifecore Biomedical, Inc. | |
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| Report of Independent Registered Public Accounting Firm (BDO USA, P.C., PCAOB ID: 243) | 54 |
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| Notes to Consolidated Financial Statements | 61 |
| 2. All schedules provided for in the applicable accounting regulations of the Securities and Exchange Commission have been omitted since they pertain to items which do not appear in the financial statements of Lifecore and its subsidiaries or to items which are not significant or to items as to which the required disclosures have been made elsewhere in the financial statements and supplementary notes and such schedules. | |
| 3. Index of exhibits | 46 |
| The exhibits listed in the accompanying Index of Exhibits are filed or incorporated by reference as part of this report. | |

(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, incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended May 25, 2025. |
| 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 | 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. |
| 10.9 | 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. |
| 10.10 | Limited Waiver and First Amendment dated December 31, 2023 to that certain Credit and Guaranty Agreement, 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. |
| 10.11 | Limited Waiver and Second Amendment dated August 8, 2024 to that certain Credit and Guaranty Agreement, 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 10.14 to the Registrant's Annual Report on Form 10-K for the year ended May 25, 2025. |

| Exhibit number | Exhibit title |
|-----------------------|--|
| 10.12 | <u>Limited Waiver Under and Third Amendment dated November 26, 2024, to that certain Credit and Guaranty Agreement, 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.</u> |
| 10.13 | <u>Consent and Omnibus Amendment dated as of November 6, 2025, to that certain Credit and Guaranty Agreement, 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 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025.</u> |
| 10.14 | <u>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 lender 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.</u> |
| 10.15 | <u>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.</u> |
| 10.16 | <u>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.</u> |
| 10.17 | <u>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.</u> |
| 10.18 | <u>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.</u> |
| 10.19 | <u>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.</u> |

| Exhibit number | Exhibit title |
|-----------------------|---|
| 10.20 | <u>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.</u> |
| 10.21 | <u>Limited Waiver and Sixth Amendment to that certain Credit Agreement, dated December 31, 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 10.2 to the Registrant's Current Report on Form 8-K filed on January 5, 2024.</u> |
| 10.22 | <u>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.</u> |
| 10.23 | <u>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., incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the year ended May 25, 2025.</u> |
| 10.24 | <u>Limited Waiver Under and Ninth Amendment to that certain Credit Agreement, dated November 26, 2024, 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.</u> |
| 10.25 | <u>Consent and Omnibus Amendment dated as of November 6, 2025, 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, and solely for the purposes set for therein, Alcon Research, LLC, as term loan agent, incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025.</u> |
| 10.26 | <u>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.</u> |
| 10.27 | <u>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.</u> |

| Exhibit number | Exhibit title |
|-----------------------|--|
| 10.28# | 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. |
| 10.29# | 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. |
| 10.30# | 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. |
| 10.31# | 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. |
| 10.32# | Amendment No. 2 effective June 13, 2025, to Amended and Restated Contract Manufacturing Agreement, by and between Alcon Research, LLC and Lifecore Biomedical, LLC, incorporated by reference to Exhibit 10.33 to the Registrant's Annual Report on Form 10-K for the year ended May 25, 2025. |
| 10.33 | 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. |
| 10.34* | 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. |
| 10.35* | 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. |
| 10.36* | 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. |
| 10.37* | 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. |
| 10.38* | Amendment to Offer Letter dated March 20, 2024 between Paul Josephs and Lifecore Biomedical, Inc., incorporated by reference to Exhibit 10.39 to the Registrant's Annual Report on Form 10-K for the year ended May 25, 2025 |

| Exhibit number | Exhibit title |
|-----------------------|---|
| 10.39* | 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. |
| 10.40* | Employment agreement, dated April 12, 2025, by and between the Company and Thomas Salus, incorporated by reference to Exhibit 10.41 to the Registrant's Annual Report on Form 10-K for the year ended May 25, 2025. |
| 10.41* | Lifecore Biomedical, Inc. Incentive Bonus Plan effective January 14, 2026, incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 16, 2026. |
| 19.1 | Lifecore Biomedical, Inc. Insider Trading Policy, incorporated by reference to Exhibit 19.1 to the Registrant's Annual Report on Form 10-K for the year ended May 25, 2025. |
| 21.1+ | Subsidiaries of the Registrant |
| 23.1+ | Consent of Independent Registered Public Accounting Firm - KPMG, LLP |
| 23.2+ | Consent of Independent Registered Public Accounting Firm - BDO USA, P.C. |
| 24.1+ | Power of Attorney (included on the signature page to this Annual Report on Form 10-KT) |
| 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-KT summary

None.

Financial statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Lifecore Biomedical, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Lifecore Biomedical, Inc. and subsidiaries (the Company) as of December 31, 2025, the related consolidated statements of operations, convertible preferred stock and stockholders' equity (deficit), and cash flow for period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flow for the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

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 December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 16, 2026 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements 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 the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit 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 audit 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 audit 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 audit provides 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 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 product development services

As discussed in Notes 1 and 12 to the consolidated financial statements, the Company recognized revenues of \$14,232 thousand for the transition period ended December 31, 2025 related to product development services. Revenue for product development services is recognized over time as the Company 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.

We identified the evaluation of revenue recognized for product development services as a critical audit matter. Subjective auditor judgment was required to evaluate management's estimated labor hours underlying the measure of progress used to recognize revenue.

The following are the primary procedures we performed to address this critical audit matter. For a sample of projects, we evaluated the estimated labor hours used in the Company's revenue recognition of product development services by:

- confirming the open statements of work at December 31, 2025 directly with the customer
- comparing labor hours incurred for the transition period ended December 31, 2025 to payroll records
- assessing the labor hours incurred and estimated hours to complete by inquiring directly with the project manager
- investigating any adjustments to estimated hours to complete subsequent to December 31, 2025 through inquiry with management, including the project manager, to determine any impact on the estimated hours to complete at December 31, 2025.

Valuation of debt derivative liability

As discussed in Notes 10 and 15 to the consolidated financial statements, the Company recorded a debt derivative liability of \$26,564 thousand as of December 31, 2025, related to the Company's Credit and Guaranty Agreement (Term Loan Credit Facility) with Alcon Research, LLC. The debt derivative liability represents the fair value of various features in the Term Loan Credit Facility that meet the definition of an embedded derivative and require bifurcation. These features comprise options for early prepayment of the term loan at stated premiums above par if certain future events were to occur and are adjusted to fair value each reporting period.

We identified the evaluation of the fair value of the debt derivative liability as a critical audit matter. Specifically, complex auditor judgment was required to evaluate certain assumptions used by the Company to estimate the fair value of the debt derivative liability, including the probability and timing of certain future events and the discount rate. Valuation professionals with specialized skills and knowledge were also required to evaluate the discount rate.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the reasonableness of management's assumptions regarding the probability and timing of potential future events by 1) assessing management's weighting of potential scenarios, including the timing of each scenario; 2) inquiring of management; 3) inspecting relevant supporting evidence, including board of directors and investor presentations; 4) evaluating current market trends; and 5) considering evidence obtained in other areas of the audit to determine if contradictory evidence existed. We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the discount rate by comparing it to a discount rate range that was independently developed using publicly available data for comparable entities.

/s/ KPMG LLP

We have served as the Company's auditor since 2025.

Philadelphia, Pennsylvania
March 16, 2026

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.

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 Public Company Accounting Oversight Board (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.

/s/ BDO USA, P.C.

We served as the Company’s auditor from 2024 to 2025.

Minneapolis, Minnesota

August 7, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Lifecore Biomedical, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Lifecore Biomedical, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, because of the effect of the material weakness, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2025, the related consolidated statements of operations, convertible preferred stock and stockholders' equity (deficit), and cash flow for the period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements), and our report dated March 16, 2026 expressed an unqualified opinion on those consolidated financial statements.

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. A material weakness related to the information and communication and control activities components in the COSO criteria has been identified and included in management's assessment. The material weakness was 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 on those consolidated financial statements.

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 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 the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit 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 of internal control over financial reporting 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.

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/ KPMG LLP

Philadelphia, Pennsylvania

March 16, 2026

LIFECORE BIOMEDICAL, INC.
CONSOLIDATED BALANCE SHEETS

| <i>(in thousands, except share and per share amounts)</i> | December 31, 2025 | May 25, 2025 | May 26, 2024 |
|--|------------------------------|-------------------------|-------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 17,469 | \$ 8,265 | \$ 8,462 |
| Accounts receivable, net | 13,233 | 15,151 | 16,274 |
| Accounts receivable, related party | 12,929 | 13,537 | 10,810 |
| Current portion of note receivable | — | 8,000 | — |
| Contract assets | 7,655 | 6,979 | 4,069 |
| Inventory | 29,085 | 32,291 | 39,979 |
| Prepaid expenses and other current assets | 1,921 | 1,454 | 1,439 |
| Total current assets | 82,292 | 85,677 | 81,033 |
| Property, plant and equipment, net | 127,304 | 129,006 | 149,165 |
| Goodwill | 13,881 | 13,881 | 13,881 |
| Other assets | 8,700 | 10,778 | 9,881 |
| Total assets | <u>\$ 232,177</u> | <u>\$ 239,342</u> | <u>\$ 253,960</u> |
| LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT) | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 5,839 | \$ 8,220 | \$ 16,334 |
| Accrued expenses and other current liabilities | 17,734 | 21,958 | 22,538 |
| Total current liabilities | 23,573 | 30,178 | 38,872 |
| Debt, net of current portion | 5,694 | 5,801 | 22,906 |
| Debt, net of current portion, related party | 135,588 | 121,198 | 100,819 |
| Debt derivative liability, related party | 26,564 | 24,991 | 25,400 |
| Other liabilities | 6,698 | 9,741 | 12,061 |
| Total liabilities | 198,117 | 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; 47,466, 45,736 and 42,461 shares issued and outstanding, redemption value \$48,356, \$46,308 and \$42,991 | 48,262 | 46,097 | 42,587 |
| Stockholders' (deficit) equity: | | | |
| Common Stock, \$0.001 par value; 75,000,000 shares authorized; 37,477,386, 37,026,234 and 30,562,961 shares issued and outstanding | 37 | 37 | 31 |
| Additional paid-in capital | 208,962 | 206,539 | 177,807 |
| Accumulated deficit | (223,201) | (205,240) | (166,523) |
| Total stockholders' (deficit) equity | (14,202) | 1,336 | 11,315 |
| Total liabilities, convertible preferred stock and stockholders' (deficit) equity | <u>\$ 232,177</u> | <u>\$ 239,342</u> | <u>\$ 253,960</u> |

See accompanying notes to the consolidated financial statements

LIFECORE BIOMEDICAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

| <i>(in thousands, except share and per share amounts)</i> | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|--|---|--|--|
| Revenues | \$ 43,796 | \$ 72,328 | \$ 77,674 |
| Revenues, related party | 31,725 | 56,539 | 50,587 |
| Total revenues | 75,521 | 128,867 | 128,261 |
| Cost of sales | 51,832 | 88,569 | 86,411 |
| Gross profit | 23,689 | 40,298 | 41,850 |
| Research and development expenses | 4,965 | 8,258 | 8,575 |
| Selling, general, and administrative expenses | 19,457 | 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 | (733) | (17,245) | (8,844) |
| Interest income | 273 | 333 | 58 |
| Interest expense | (1,226) | (3,289) | (3,486) |
| Interest expense, related party | (14,621) | (18,879) | (14,662) |
| Change in fair value of debt derivative liability, related party | (1,573) | 409 | 39,500 |
| Other income (expense), net | 256 | (3) | (3,052) |
| (Loss) income from continuing operations before income taxes | (17,624) | (38,674) | 9,514 |
| Income tax expense | (337) | (43) | (183) |
| (Loss) income from continuing operations | (17,961) | (38,717) | 9,331 |
| Income from discontinued operations | — | — | 2,682 |
| Net (loss) income | <u>\$ (17,961)</u> | <u>\$ (38,717)</u> | <u>\$ 12,013</u> |

See accompanying notes to the consolidated financial statements

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

| <i>(in thousands, except share and per share amounts)</i> | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|---|---|--|--|
| Net (loss) income | \$ (17,961) | \$ (38,717) | \$ 12,013 |
| Preferred stock dividends | (2,049) | (3,318) | — |
| Accretion of preferred stock to redemption value | (117) | (192) | — |
| Fair value of conversion ratio improvement to preferred stockholders | — | (2,132) | — |
| (Loss) income available to common stockholders | <u>\$ (20,127)</u> | <u>\$ (44,359)</u> | <u>\$ 12,013</u> |
| Basic income or loss per share: | | | |
| (Loss) income from continuing operations available to common stockholders | \$ (0.54) | \$ (1.27) | \$ 0.30 |
| Income from discontinued operations | — | — | 0.09 |
| Basic (loss) income per share | <u>\$ (0.54)</u> | <u>\$ (1.27)</u> | <u>\$ 0.39</u> |
| Diluted income or loss per share: | | | |
| (Loss) income from continuing operations available to common stockholders | \$ (0.54) | \$ (1.27) | \$ 0.26 |
| Income from discontinued operations | — | — | 0.07 |
| Diluted (loss) income per share | <u>\$ (0.54)</u> | <u>\$ (1.27)</u> | <u>\$ 0.33</u> |
| Weighted average shares outstanding: | | | |
| Basic | 37,369,709 | 34,818,906 | 30,474,298 |
| Diluted | 37,369,709 | 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)

| <i>(dollars in thousands)</i> | Redeemable Convertible Preferred Stock | | Common Stock | | Additional paid-in capital | Accumulated deficit | Total stockholders' equity (deficit) |
|----------------------------------|--|-----------|--------------|--------|----------------------------|---------------------|--------------------------------------|
| | Shares | Amount | Shares | Amount | | | |
| 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 |
| 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 |
| Dividends paid-in-kind | 1,731 | 2,049 | — | — | (2,049) | — | (2,049) |
| Accretion to redemption value | — | 117 | — | — | (117) | — | (117) |
| Conversion of preferred stock | (1) | (1) | 154 | — | 1 | — | 1 |
| Settlement of stock-based awards | — | — | 440,261 | — | (1,133) | — | (1,133) |
| Exercise of stock options, net | — | — | 10,737 | — | 50 | — | 50 |
| Stock-based compensation | — | — | — | — | 5,671 | — | 5,671 |
| Net loss | — | — | — | — | — | (17,961) | (17,961) |
| Balance at December 31, 2025 | 47,466 | \$ 48,262 | 37,477,386 | \$ 37 | \$ 208,962 | \$ (223,201) | \$ (14,202) |

See accompanying notes to the consolidated financial statements

LIFECORE BIOMEDICAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

| <i>(in thousands)</i> | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|--|---|--|--|
| Cash flows from operating activities: | | | |
| Net (loss) income | \$ (17,961) | \$ (38,717) | \$ 12,013 |
| Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities: | | | |
| Depreciation | 5,541 | 8,027 | 7,954 |
| Stock-based compensation | 5,671 | 10,158 | 6,201 |
| Non-cash interest expense, inclusive of related party | 15,211 | 20,247 | 15,442 |
| Change in fair value of debt derivative liability, related party | 1,573 | (409) | (39,500) |
| Loss on sale or disposal of assets | — | 7,776 | 18 |
| Gain on settlement of lease liability | — | (2,642) | — |
| Other, net | 395 | 49 | 1,828 |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable, inclusive of related party | 2,286 | (2,262) | (3,263) |
| Contract assets | (676) | (2,910) | 871 |
| Inventory | 3,206 | 7,688 | 862 |
| Other assets | (546) | 378 | 2,854 |
| Accounts payable | (1,737) | (1,670) | (6,676) |
| Accrued registration rights penalty and interest | (4,703) | — | — |
| Accrued expenses and other liabilities | (930) | (5,919) | 1,653 |
| Net cash provided by (used in) operating activities | <u>7,330</u> | <u>(206)</u> | <u>257</u> |
| Cash flows from investing activities: | | | |
| Purchases of property, plant, and equipment | (3,696) | (13,415) | (18,395) |
| Proceeds from sale of equipment | 10,000 | 7,000 | — |
| Net cash provided by (used in) investing activities | <u>6,304</u> | <u>(6,415)</u> | <u>(18,395)</u> |
| Cash flows from financing activities: | | | |
| Issuance of common stock, net of fees | — | 23,850 | — |
| Payments on revolving credit facility | (63,626) | (145,758) | (146,704) |
| Proceeds from revolving credit facility | 61,126 | 128,567 | 149,586 |
| Customer deposit | — | — | 5,000 |
| Proceeds from finance lease incentive | — | 2,400 | — |
| Payments related to employee stock plans | (1,133) | (1,270) | (152) |
| Other financing activities | (797) | (1,365) | (221) |
| Net cash (used in) provided by financing activities | <u>(4,430)</u> | <u>6,424</u> | <u>7,509</u> |
| Net increase (decrease) in cash and cash equivalents | 9,204 | (197) | (10,629) |
| Cash and cash equivalents, beginning of period | 8,265 | 8,462 | 19,091 |
| Cash and cash equivalents, end of period | <u>\$ 17,469</u> | <u>\$ 8,265</u> | <u>\$ 8,462</u> |

See accompanying notes to the consolidated financial statements, including note 1 for supplemental cash flow information

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

On August 1, 2025, the Company’s Board of Directors approved a change in the Company’s fiscal year from a fiscal year ending on the last Sunday of May to a calendar year (the “Fiscal Year Change”). As a result, these financial statements include the presentation of a transition period from May 26, 2025 to December 31, 2025. See note 18 for transition period comparative information.

Certain prior period amounts have been reclassified to conform to the current period’s 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; evaluating assets for reserves and potential impairment; 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:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|---|---|------------------------------------|------------------------------------|
| Cash (refunded) paid for income taxes, net | \$ (12) | \$ 46 | \$ 72 |
| Cash paid for interest | 1,468 | 1,907 | 2,730 |
| Non-cash investing and financing activities: | | | |
| Purchases of property, plant and equipment in accounts payable | 778 | 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 | 903 | 3,049 | 3,150 |
| Dividends paid-in-kind on Redeemable Convertible Preferred Stock | 2,049 | 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 and accounts 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 exceed the federally insured limit. A significant portion of accounts receivable is concentrated with a few large customers as described further in note 4.

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 its receivables and estimates an allowance for credit losses based on various factors, such as the aging of receivables, historical collection experience, current and future economic market conditions, and the financial condition of 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.

The Company adjusts inventory to remove the value of excess and obsolete items. 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, while intangible assets are acquired in a business combination. Neither goodwill nor indefinite-lived intangible assets are amortized but instead are each assessed for impairment on an annual basis or more frequently if impairment indicators exist. The impairment analyses each consist of an optional qualitative assessment, potentially followed by a quantitative analysis. If the Company determines that the carrying value of a reporting unit or indefinite-lived intangible asset exceeds its fair value, an impairment charge is recorded for the excess.

The Company performs its annual impairment testing as of the first day of its fourth fiscal quarter or whenever an event or change in circumstances occurs that would require a reassessment of impairment. 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 impairment testing, the Company determined that there were no impairments. Definite-lived intangible assets are amortized on a straight-line basis over their estimated useful life. The Company reviews the carrying value of definite-lived 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. Depreciation is 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 expense for these assets is recorded either in cost of sales 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 sales 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.

As a result of differences between the timing of performance obligations and customer payments, the Company may recognize contract assets or contract liabilities. Contract assets represent the Company's right to consideration for goods or services transferred to customers when that right is conditional on something other than the passage of time, such as the completion of additional performance obligations. Contract liabilities represent the Company's obligation to transfer goods or services to customers for which consideration has been received or is due in advance of performance.

The Company evaluates contracts to determine whether they contain a significant financing component. A significant financing component may exist when the timing of payments agreed to by the parties provides the customer or the Company with a significant benefit of financing the transfer of goods or services. When a significant financing component is identified, the Company adjusts the promised amount of consideration for the effects of the time value of money so that revenue reflects the cash selling price of the promised goods or services at the time control transfers, and recognizes the related interest income or interest expense separately from revenue over the financing period. In making this assessment, the Company considers the expected length of time between transfer of the promised goods or services and payment, prevailing market interest rates, and whether the difference between promised consideration and the cash selling price arises for reasons other than financing. The Company follows the practical expedient available in U.S. GAAP that permits it to disregard these requirements when, at contract inception, the period between payment and transfer of the promised goods or services is expected to be one year or less.

The Company accounts for shipping and handling as a fulfillment activity, 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.

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 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 HA using a 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 either (i) at the time shipment is made; or (ii) when the product is stored at the customer's instruction for substantive reason, identified as belonging to the customer, ready for physical transfer to the customer and unable to be used or directed to another customer.

Defined contribution plan

The Company sponsors a defined contribution 401(k) plan which is available to all full-time Lifecore employees. The Company matches 100% of the first 3%, and 50% of the next 2%, that is 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 the transition period ended December 31, 2025 and the fiscal years ended May 25, 2025 and May 26, 2024, the Company contributed \$805, \$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 single vesting period of the award as a whole. The Company recognizes compensation expense for PSUs based on the estimated fair value on the date of grant of each individual tranche over the vesting periods of each tranche of the award, resulting in a more accelerated expense pattern at the whole-award level as compared to the stock options and RSUs. 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 over one to five years. PSUs vest based on achieving specified performance targets. 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. 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. For all awards, the Company estimates volatility using its historical stock price performance over a look-back period equal to the expected future 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 evaluates contracts to determine whether they contain features that meet the definition of an embedded derivative. When present, the Company bifurcates embedded derivatives from host instruments and accounts for them as free standing derivative financial instruments when (i) the economic characteristics and risks of the embedded derivative are not clearly and closely related to those of the host contract, (ii) the hybrid instrument is not remeasured at fair value with changes in fair value recognized in earnings, and (iii) a separate instrument with the same terms as the embedded feature would meet the definition of a derivative instrument. The Company has not entered into any derivative instruments for trading purposes nor has it designated any derivative instruments as hedging instruments.

Derivative instruments that are not designated as hedges are presented on the consolidated balance sheets at fair value. Changes in the fair value of derivative instruments are recorded in earnings in the period in which the changes occur as a component of other income or expense in the Company's consolidated statements of operations.

The Company has bifurcated certain features of its Term Loan Credit Facility (as defined in note 10) as a derivative instrument, which is presented as the debt derivative liability, related party, on the consolidated balance sheets.

Fair value measurements

The Company uses fair value measurement accounting as required for presentation and disclosure of certain financial instruments. The Company has not elected the fair value option for any of its eligible financial instruments.

The Company follows a three-tier hierarchy for classifying fair value measurements based upon the inputs used in measuring fair value:

- 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 or contains 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 initially measured at cost and subsequently amortized over the lease term. Lease liabilities are initially recognized and subsequently measured based on the present value of the 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.

Recent accounting pronouncements

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 was effective for the transition period ended December 31, 2025. The Company has prospectively updated its effective tax rate reconciliation as presented in note 14 and determined that the disaggregation of income taxes paid was not material.

In November 2024, accounting standards update 2024-03, which was subsequently clarified by accounting standards update 2025-01, 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. This guidance is effective for public entities for annual periods beginning after December 15, 2026, which for Lifecore begins with the year ending December 31, 2027, and for interim reporting periods following that year. Management is currently evaluating the impact that the adoption of this update will have on its financial statements.

In September 2025, accounting standards update 2025-06 was issued to modernize the recognition and disclosure framework for internal-use software costs, removing the previous "development stage" model and introducing a more judgment-based approach. This guidance is effective for annual periods beginning after December 15, 2027, which for Lifecore begins with the year ending December 31, 2028, and interim periods therein. Early adoption is permitted as of the beginning of an annual reporting period. 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 for the year ended May 26, 2024:

| | Year ended May 26, 2024 |
|--|------------------------------------|
| Weighted average shares for basic income or loss per share | 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 | <u>36,658,186</u> |

Due to the Company's net loss for the transition period ended December 31, 2025 and the year ended May 25, 2025, the inclusion of dilutive securities would be antidilutive because it would reduce the amount of loss incurred per share. As a result, no additional dilutive shares were included in diluted loss per share, and there were no differences between basic and diluted loss per share.

The following securities on an as-converted basis were excluded from the computations of diluted loss per share:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 |
|--|---|------------------------------------|
| Redeemable Convertible Preferred Stock | 7,401,682 | 7,000,626 |
| Stock options | 1,377,054 | 1,260,299 |
| RSUs | 1,440,419 | 1,519,287 |
| PSUs | 2,283,000 | 2,545,000 |
| Total | <u>12,502,155</u> | <u>12,325,212</u> |

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 the Company's single reportable segment:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|--|--|----------------------------|----------------------------|
| Revenues | \$ 75,521 | \$ 128,867 | \$ 128,261 |
| Personnel costs ⁽¹⁾ | 27,471 | 50,377 | 53,292 |
| Materials and non-depreciation overhead ⁽²⁾ | 28,371 | 51,018 | 48,540 |
| Depreciation | 5,541 | 8,027 | 7,954 |
| Stock-based compensation | 5,671 | 10,158 | 6,201 |
| Reorganization costs | 2,252 | 10,481 | 9,796 |
| Loss on sale or disposal of assets | — | 7,776 | 18 |
| All other operating expenses ⁽³⁾ | 6,948 | 8,275 | 11,304 |
| Interest expense, net | 15,574 | 21,835 | 18,090 |
| Change in fair value of debt derivative liability | 1,573 | (409) | (39,500) |
| Other (income) expense, net | (256) | 3 | 3,052 |
| Income tax expense | 337 | 43 | 183 |
| Income from discontinued operations | — | — | (2,682) |
| Net (loss) income | <u>\$ (17,961)</u> | <u>\$ (38,717)</u> | <u>\$ 12,013</u> |

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

(2) Represents cost of sales, 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 transition period ended December 31, 2025, the Company earned revenue of approximately 70% in the United States, 15% in Belgium and 15% in all other countries combined. For the fiscal year ended May 25, 2025, the Company earned revenue of approximately 60% in the United States, 20% in Belgium, 10% in the 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

Two of the Company's customers had accounts receivable concentrations of 10% or greater as of December 31, 2025, with those customers comprising 48% and 10% of 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:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|-------------------|---|------------------------------------|------------------------------------|
| Beginning balance | \$ 1,351 | \$ 711 | \$ 485 |
| Provision | 240 | 658 | 263 |
| Charge-offs | (547) | (18) | (37) |
| Ending balance | <u>\$ 1,044</u> | <u>\$ 1,351</u> | <u>\$ 711</u> |

The primary factor that is currently influencing management's estimate of expected credit losses is its knowledge of the status of certain customers' development projects.

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, it 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 at that time.

As of May 25, 2025, the note receivable of \$10,000, net of discount of \$99, was classified on the balance sheet as follows: \$8,000 as a standalone current asset and \$1,901 as a component of other assets. Interest income for the transition period ended December 31, 2025 and the fiscal year ended May 25, 2025 was \$99 and \$205, respectively.

In June 2025, the note holder paid the note in full.

5. Inventory

The following table presents the components of inventory:

| | December 31, 2025 | May 25, 2025 | May 26, 2024 |
|-----------------|--------------------------|-------------------------|-------------------------|
| Finished goods | \$ 11,845 | \$ 13,379 | \$ 14,924 |
| Raw materials | 10,092 | 10,169 | 13,140 |
| Work in process | 7,148 | 8,743 | 11,915 |
| Inventory | <u>\$ 29,085</u> | <u>\$ 32,291</u> | <u>\$ 39,979</u> |

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:

| | December 31, 2025 | May 25, 2025 | May 26, 2024 |
|---------------------------------------|-------------------|-----------------|-----------------|
| Land and land improvements | \$ 3,491 | \$ 3,739 | \$ 3,739 |
| Buildings and building improvements | 82,021 | 63,732 | 62,874 |
| Machinery and equipment | 82,139 | 61,183 | 61,013 |
| Computer equipment and software | 7,852 | 8,373 | 8,290 |
| Furniture and fixtures | 1,422 | 1,635 | 1,631 |
| Construction in process | 4,545 | 42,231 | 39,151 |
| Idle construction in process | 4,994 | 5,525 | 22,801 |
| Property, plant, and equipment, gross | 186,464 | 186,418 | 199,499 |
| Less: accumulated depreciation | (59,160) | (57,412) | (50,334) |
| Property, plant, and equipment, net | \$ 127,304 | \$ 129,006 | \$ 149,165 |

During the transition period ended December 31, 2025, the Company completed its capacity expansion project which is expected to more than double its overall aseptic capacity. As a result of the completion of the capacity expansion project, depreciation expense is expected to increase by approximately \$1,600 per annum.

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 in loss on sale or disposal of assets, net of portion classified as cost of sales, within the statement of operations.

Depreciation expense for property, plant, and equipment for the transition period ended December 31, 2025 and the fiscal years ended May 25, 2025 and May 26, 2024 was \$5,541, \$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:

| | December 31, 2025 | May 25, 2025 | May 26, 2024 |
|--|----------------------|------------------|------------------|
| Contract liabilities, related party | \$ 5,642 | \$ 2,731 | \$ 1,025 |
| Accrued compensation | 4,548 | 6,144 | 6,165 |
| Contract liabilities | 3,018 | 684 | 1,088 |
| Accrued professional fees | 1,444 | 321 | 822 |
| Current portion of debt, related party | 773 | 773 | 773 |
| Current portion of debt | 181 | 2,664 | 170 |
| Accrued customer pass-through expenditures | 258 | 1,911 | 3,509 |
| Accrued payable to Redeemable Convertible Preferred Stockholders | — | 4,499 | 3,471 |
| Current portion of operating lease liabilities | 372 | 387 | 3,963 |
| Other | 1,498 | 1,844 | 1,552 |
| Accrued expenses and other current liabilities | <u>\$ 17,734</u> | <u>\$ 21,958</u> | <u>\$ 22,538</u> |

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:

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

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 | <u>\$ 272</u> | <u>\$ 199</u> | <u>\$ 471</u> |

All remaining balances were paid during the transition period ended December 31, 2025.

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 | <u>\$ 471</u> | <u>\$ 4,771</u> |

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

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 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.

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, which the Company has since paid as discussed further below. 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 Securities and Exchange Commission (“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, which the Company has since satisfied as discussed further below.

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, and the Court held a hearing on the motions in early November 2025. The period for fact discovery has completed, and the parties are awaiting resolution of the Company’s motion to dismiss.

If the Company’s motion to dismiss is not granted, the Company intends to vigorously defend itself and its former officers and directors in this action. Any potential remaining loss arising from these claims is not currently probable or estimable. The Company paid the registration delay fees sought by 22NW in full in November 2025. 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. In November 2025, the Company and individual defendants entered into an agreement in principle with the plaintiffs to settle this matter, without any admission of wrongdoing, which is subject to court approval. On March 13, 2026, the Court granted preliminary approval of the proposed settlement. If final approval of the proposed settlement is granted by the court in its current form, this settlement is expected to be covered by the Company's insurance policies with no material loss incurred by the Company. The Company continues to believe that the claims are without merit and intends to vigorously defend against them if the settlement is not so approved.

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 cooperated with the SEC during its review of the matter. On March 9, 2026, the Company received notice from the SEC's Division of Enforcement that it had concluded its investigation with no action taken against the Company.

Yucatan litigation

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 owned a guacamole manufacturing plant in Mexico called Procesadora Tanok, S de RL de C.V. ("Tanok").

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 Company's indemnification claims to recover the cost of a portion of the liabilities that were incurred by the Company in connection with certain compliance matters arising from facts and circumstances prior to the closing of the Yucatan Acquisition. 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. The Company previously 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's motion to dismiss the new complaint on the grounds it is duplicative of the first lawsuit was denied by the trial court, but the Company appealed the trial court's decision on February 17, 2026.

The ultimate outcome of these matters or any other investigations, legal actions, or potential claims that may arise from these matters 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 December 31, 2025.

10. Debt

The following table presents the components of debt:

| | December 31, 2025 | May 25, 2025 | May 26, 2024 |
|---|-------------------|-----------------|-----------------|
| Debt principal: | | | |
| Term loan credit facility with related party | \$ 184,087 | \$ 173,508 | \$ 157,313 |
| Revolving credit facility | — | 2,500 | 19,691 |
| Leaseback liability with related party | 5,798 | 6,377 | 7,150 |
| Finance lease liability | 5,875 | 5,965 | 3,385 |
| Debt principal | 195,760 | 188,350 | 187,539 |
| Unamortized debt discount on term loan credit facility with related party | (53,524) | (57,914) | (62,871) |
| Total debt, net of discounts | \$ 142,236 | \$ 130,436 | \$ 124,668 |
| Classification on consolidated balance sheet: | | | |
| Accrued expenses and other current liabilities | \$ 954 | \$ 3,437 | \$ 943 |
| Debt, net of current portion | 5,694 | 5,801 | 22,906 |
| Debt, net of current portion, related party | 135,588 | 121,198 | 100,819 |
| Total debt, net of discounts | \$ 142,236 | \$ 130,436 | \$ 124,668 |

The following table presents future minimum principal payments at December 31, 2025:

| | |
|----------------|------------|
| 2026 | \$ 954 |
| 2027 | 986 |
| 2028 | 1,023 |
| 2029 | 185,136 |
| 2030 | 1,068 |
| Thereafter | 6,593 |
| Debt principal | \$ 195,760 |

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

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|--|---|------------------------------------|------------------------------------|
| Expensed in statement of operations | 15,847 | 22,168 | 18,148 |
| Capitalized to property, plant and equipment | 903 | 3,049 | 3,150 |
| Total interest incurred | \$ 16,750 | \$ 25,217 | \$ 21,298 |

As of December 31, 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 its subsidiaries under its prior term loan credit facility. This facility has been amended from time to time, including for the purpose of (i) enhancing and clarifying certain reporting requirements; (ii) providing limited waivers of potential events of default and permitting the Company to retain cash proceeds from the recent sale of certain excess equipment (see note 6); and (iii) most recently, on November 6, 2025, making certain changes to reporting requirements to correspond to the Fiscal Year Change and providing the Company with flexibility regarding the investment of excess cash and alignment on making certain third party payments.

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 May 22, 2026, 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 amount 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 the end of each quarter.

As of December 31, 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 from time to time, including 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, which was repaid in June 2025; (iv) extending the maturity date to November 26, 2027, reducing the applicable interest rates and making certain other changes to the financial and reporting covenants; and (v) most recently, on November 6, 2025, making certain changes to reporting requirements to correspond to the Fiscal Year Change and providing the Company with flexibility regarding the investment of excess cash and alignment on making certain third party payments.

The Company can borrow under 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 December 31, 2025, the Company's borrowing base was \$21,400, and the Company had no outstanding borrowings. These borrowings, when outstanding, bear interest based on an average daily SOFR rate plus a spread of 2.00% to 2.50% per annum based on average availability. The facility also bears a commitment fee on the unused portion of the maximum committed amount of 0.375% per annum.

Average borrowings under the facility were not material for the transition period ended December 31, 2025. For the fiscal year ended May 25, 2025, average borrowings were \$9,643 and the weighted average interest rate on those borrowings was 9.04%. For the fiscal year ended May 26, 2024, average borrowings were \$18,971 and the weighted average interest rate on those borrowings was 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, as defined below.

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 for cash and/or convertible into shares of Common Stock at the election of the holders, each as discussed further below (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 received proceeds of \$38,750 at issuance, 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 December 31, 2025, there were \$890 of dividends in arrears that had not yet been paid-in-kind in the form of additional shares of Redeemable Convertible Preferred Stock, representing \$18.75 per preferred share. As of December 31, 2025, May 25, 2025 and May 26, 2024, the aggregate liquidation preference of the Redeemable Convertible Preferred Stock was equal to the Conversion Amount (defined below) of \$48,356, \$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 an amount of fully paid and non-assessable shares of Common Stock equal to \$1,000 per share of Redeemable Convertible Preferred Stock, plus accrued and unpaid dividends in arrears (the "Conversion Amount"), divided by the conversion price. The initial conversion price was \$7.00 per share and thereafter 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 December 31, 2025, the Redeemable Convertible Preferred Stock was convertible into 7,401,682 shares of Common Stock.

The Company may also elect to convert the Redeemable Convertible Preferred Stock 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 and certain other conditions are satisfied.

Redemption

Holder s have the right to require the Company to redeem the Redeemable Convertible Preferred Stock 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. In the event that any holders exercise this right to redeem a portion or all of their holdings, the redemption date and payment date of the redemption price would be 180 days after providing such notice to the Company. On such date the Company would be required to pay in cash an amount equal to the Conversion Amount, which is \$1,000 per share of Redeemable Convertible Preferred Stock to be redeemed plus accrued and unpaid dividends on such shares through the date of redemption. If the Company does not redeem all of the Redeemable Convertible Preferred Shares submitted for redemption, the Company would also be subject to interest on the unpaid balance at the rate of 1% per month.

In addition, the Redeemable Convertible Preferred Stock is also 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.

Through November 2025, the Company had accumulated \$5,238 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 continued to accrue on the penalty amount at a rate of 1% percent per month until paid. Penalties are recorded in other income or expense, net, and interest is recorded in interest expense on the consolidated statements of operations. The Company initially paid \$535 of these monetary penalties in the fiscal year ended May 28, 2023, and in November 2025, the Company paid the remaining obligation in full.

12. Revenue recognition

The following tables present disaggregated revenues:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|--|---|------------------------------------|------------------------------------|
| CDMO | \$ 51,489 | \$ 90,095 | \$ 96,616 |
| HA manufacturing | 24,032 | 38,772 | 31,645 |
| Total | \$ 75,521 | \$ 128,867 | \$ 128,261 |
| Revenues recognized over time | \$ 14,232 | \$ 23,194 | \$ 29,361 |
| Revenues recognized at a point in time | 61,289 | 105,673 | 98,900 |
| Total | \$ 75,521 | \$ 128,867 | \$ 128,261 |

During the transition period ended December 31, 2025, the Company had revenue concentrations of 10% or greater from two customers, with those customers comprising 42% and 16% of revenue. During the fiscal year ended May 25, 2025, the Company had revenue 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.

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 balance recognized after beginning of 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) |
| Changes to the beginning balance arising from: | | | |
| Amounts billed as accounts receivable as the result of rights to consideration becoming unconditional | (6,333) | — | — |
| Recognition of revenue as the result of performance obligations satisfied | — | 921 | — |
| Reclassification of scheduled satisfaction of performance obligations from noncurrent to current due to passage of time | — | — | 2,991 |
| Net change to contract balances recognized after the comparative balance sheet date due to amounts billed, recognition of revenue, changes in estimate, reclassifications from noncurrent to current, and interest from significant financing component | 7,009 | (6,166) | 34 |
| Balance at December 31, 2025 | \$ 7,655 | \$ (8,660) | \$ — |

13. Stock-based compensation

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

- The 2019 Stock Incentive Plan became effective upon stockholder approval at the Company's 2019 Annual Meeting held 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 December 31, 2025, the Company had 1,798,895 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 December 31, 2025, the Company had 167,474 common shares reserved for new awards under the Equity Inducement Plan.

The following table presents information about stock options:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|--|---|------------------------------------|------------------------------------|
| Information about stock options granted: | | | |
| Weighted-average grant date fair value per share | \$ 4.56 | \$ 4.32 | \$ 3.91 |
| Weighted-average assumptions used to determine grant-date fair value: | | | |
| Expected life | 4.4 years | 4.4 years | 4.4 years |
| Risk-free interest rate | 3.6 % | 4.0 % | 4.3 % |
| Volatility | 88 % | 84 % | 58 % |
| Dividend yield | — % | — % | — % |
| Intrinsic value of stock options exercised | \$ 34 | \$ — | \$ 115 |
| Tax benefit of options exercised | \$ 7 | \$ — | \$ 35 |

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

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|--|---|------------------------------------|------------------------------------|
| Information about awards granted: | | | |
| Weighted-average grant date fair value per share | | | |
| RSUs granted | \$ 7.37 | \$ 5.50 | \$ 7.48 |
| PSUs granted | — | 3.85 | 4.66 |
| Weighted-average assumptions used to determine grant-date fair value of PSUs: | | | |
| Expected life | — | 5.0 years | 5.0 years |
| Risk-free interest rate | — | 3.7 % | 4.4 % |
| Volatility | — | 82 % | 78 % |
| Dividend yield | — | — % | — % |
| RSUs vested | 5.95 | 7.93 | 7.74 |
| PSUs vested | 5.24 | 4.24 | — |

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 25, 2025 | 1,260,299 | \$ 8.57 | | |
| Granted | 376,991 | 6.81 | | |
| Exercised | (10,737) | 4.63 | | |
| Forfeited | (31,294) | 7.07 | | |
| Expired | (218,205) | 10.62 | | |
| Outstanding at December 31, 2025 | 1,377,054 | 7.83 | 5.3 years | \$ 1,424 |
| Exercisable at December 31, 2025 | 525,196 | 9.68 | 3.5 years | 155 |

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 25, 2025 | 1,519,287 | \$ 6.23 | 2,545,000 | \$ 4.32 |
| Granted | 262,511 | 7.37 | — | — |
| Vested | (314,216) | 5.95 | (262,000) | 5.24 |
| Forfeited | (27,163) | 8.10 | — | — |
| Outstanding at December 31, 2025 | 1,440,419 | 6.46 | 2,283,000 | 4.25 |

Stock-based compensation expense

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

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|---|---|----------------------------|----------------------------|
| Cost of sales | \$ 402 | \$ 856 | \$ 582 |
| Research and development expense | 267 | (122) | 168 |
| Selling, general and administrative expense | 5,002 | 9,424 | 5,451 |
| Stock-based compensation expense | \$ 5,671 | \$ 10,158 | \$ 6,201 |

Most of the stock-based compensation expense arises from awards to the Company's named executive officers under the Equity Inducement Plan and, to a lesser extent, to the Company's directors. 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 December 31, 2025, there was \$11,572 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 1.9 years.

14. Income taxes

All of the Company's income or loss 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:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|-----------------------------|---|------------------------------------|------------------------------------|
| Current: | | | |
| Federal | \$ (26) | \$ 14 | \$ (10) |
| State | 208 | 148 | 37 |
| Total | <u>182</u> | <u>162</u> | <u>27</u> |
| Deferred: | | | |
| Federal | 160 | (124) | 173 |
| State | (5) | 5 | (17) |
| Total | <u>155</u> | <u>(119)</u> | <u>156</u> |
| Income tax provision | <u>\$ 337</u> | <u>\$ 43</u> | <u>\$ 183</u> |

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

| | May 26, 2025 through December 31, 2025 | |
|--|---|----------------------|
| | Amount | % |
| Tax at U.S. statutory rate | \$ (3,701) | 21.0 % |
| State and local income taxes, net of federal income tax effect | 160 | (0.9)% |
| Research & development tax credits | (188) | 1.1 % |
| Changes in federal valuation allowances | 2,723 | (15.5)% |
| Nontaxable or nondeductible items | 210 | (1.2)% |
| Changes in unrecognized tax benefits | 34 | (0.2)% |
| Deferred tax write-offs | 664 | (3.8)% |
| Return to provision | 59 | (0.3)% |
| Capital loss expiration | 376 | (2.1)% |
| Income tax expense | <u>\$ 337</u> | <u>(1.9)%</u> |

| | 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 | <u>\$ 43</u> | <u>\$ 183</u> |

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

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|---|---|----------------------------|----------------------------|
| | Deferred tax assets: | | |
| Net operating loss carryforwards | \$ 42,091 | \$ 40,677 | \$ 40,806 |
| Limitations on business interest expense | 17,831 | 15,573 | 11,783 |
| Research credit carryforwards | 7,344 | 7,116 | 6,700 |
| Capitalized research and development | 1,874 | 3,767 | 2,916 |
| Other | 5,000 | 6,338 | 4,609 |
| Deferred tax assets before valuation allowance | <u>74,140</u> | <u>73,471</u> | <u>66,814</u> |
| Less: valuation allowance | (57,538) | (54,714) | (46,173) |
| Deferred tax assets | <u>16,602</u> | <u>18,757</u> | <u>20,641</u> |
| Deferred tax liabilities: | | | |
| Depreciation | (10,007) | (10,735) | (11,809) |
| Debt derivative liability and related debt discount | (5,799) | (7,026) | (7,911) |
| Other | (1,374) | (1,419) | (1,464) |
| Deferred tax liabilities | <u>(17,180)</u> | <u>(19,180)</u> | <u>(21,184)</u> |
| Net deferred tax liability | <u>\$ (578)</u> | <u>\$ (423)</u> | <u>\$ (543)</u> |

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 stand-alone entity.

The following table presents the amounts and expiration dates of net operating loss and tax credit carryforwards as of December 31, 2025:

| | Net operating loss carryforwards | | Research and development credits | | |
|---|----------------------------------|-----------------|----------------------------------|-----------|-----------------|
| | Amount | Begin to expire | Amount | Life | Begin to expire |
| Federal, not subject to §382 limitation | \$ 174,674 | no expiration | \$ 4,001 | 20 years | 2033 |
| Federal, subject to §382 limitation | 3,867 | 2032 | — | — | — |
| California | 52,636 | 2038 | 2,058 | unlimited | none |
| All other states | 16,907 | 2029 | 2,132 | 15 years | 2029 |

The Company estimated no utilization of Federal net operating loss carryforwards and no material state operating loss carryforwards for the transition period ended December 31, 2025. 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 December 31, 2025, the total amount of net unrecognized tax benefits is \$1,461, which is fully offset by valuation allowances. 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 2013 forward for U.S. tax purposes. The Company was also subject to examination in various state jurisdictions for tax years 2012 forward.

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 various 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 income or 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 the lender exercises its option to require payment of the term loans upon a qualifying change in control or that the debt is held to maturity and refinanced. As of December 31, 2025, the fair value of the term loan, excluding the value of the embedded debt derivative liability, was \$149,400 with a carrying value of \$130,563; the fair value of the debt derivative liability was \$26,564, which was the same as its carrying value. 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 | December 31, 2025 | — | — | 26,564 |
| 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:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|---|---|----------------------------|----------------------------|
| Balance at beginning of period | \$ 24,991 | \$ 25,400 | \$ 64,900 |
| Change in fair value recorded in earnings | 1,573 | (409) | (39,500) |
| Balance at end of period | \$ 26,564 | \$ 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 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.

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

| | December 31, 2025 | May 25, 2025 | May 26, 2024 |
|--|-------------------|-----------------|-----------------|
| Probability of change in control event | 80.0 % | 80.0 % | 80.0 % |
| Weighted average discount rate | 17.6 % | 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

Cash and outstanding borrowings under the Company's Revolving Credit Facility, if any, 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, the Company presents 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 5.1%, 5.8% and 6.3% as of December 31, 2025, May 25, 2025 and May 26, 2024, respectively. As of December 31, 2025, May 25, 2025 and May 26, 2024, the fair value of the leaseback liability approximated its carrying value of \$5,798, \$6,377 and \$7,150, respectively.

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 the Company. 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 or automatically in one-year increments each December 31 provided no termination notice is received from the customer by such date. The commercial supply agreement was most recently extended automatically on December 31, 2025 for a period of one additional year to December 31, 2027.

In accordance with U.S. GAAP, the Company presents 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 6.0%, 6.6% and 7.3% as of December 31, 2025, May 25, 2025 and May 26, 2024, respectively. The fair value assumes repayment in 2.0 years, 1.6 years and 2.6 years as of December 31, 2025, May 25, 2025 and May 26, 2024, respectively, which was the remaining contractual term of the agreement as of each measurement date. As of December 31, 2025, May 25, 2025 and May 26, 2024, the fair value of the deposit approximated its carrying value of \$4,515, \$4,247 and \$4,576, respectively.

Conversion ratio improvement provided to preferred stockholders

During the fiscal year ended May 25, 2025, the Company 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 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 Company's former Curation Foods businesses in Santa Maria, California was settled with the landlord in 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 purchase option equal to the balance of the lessor's mortgage loan, valued at \$3,100 as of December 31, 2025; and (iii) to provide a \$2,400 cash payment to the Company in October 2024 in exchange for an increased rent payment schedule and the 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 expires in March 2028 with an option to extend through March 2033 that the Company is reasonably certain to exercise. 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:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|-------------------------------|---|------------------------------------|------------------------------------|
| Finance lease cost: | | | |
| Amortization of leased assets | \$ 93 | \$ 160 | \$ 137 |
| Interest on lease liabilities | 304 | 456 | 373 |
| Operating lease cost | 172 | 336 | 344 |
| Variable lease cost | — | — | 306 |
| Sublease income | — | — | (148) |
| Total lease cost | \$ 569 | \$ 952 | \$ 1,012 |

The Company's maturity analysis of operating and finance lease liabilities as of December 31, 2025 are as follows:

| | Operating leases | Finance leases |
|---|-----------------------------|---------------------------|
| 2026 | \$ 410 | \$ 691 |
| 2027 | 414 | 707 |
| 2028 | 144 | 725 |
| 2029 | 148 | 729 |
| 2030 | 153 | 724 |
| Thereafter | 348 | 5,975 |
| Total lease payments | 1,617 | 9,551 |
| Less: interest | (125) | (3,676) |
| Present value of lease liabilities | \$ 1,492 | \$ 5,875 |
| Classification on consolidated balance sheet: | | |
| Accrued expenses and other current liabilities (see note 7) | \$ 372 | \$ 181 |
| Debt, net of current portion | — | 5,694 |
| Other liabilities | 1,120 | — |
| Present value of lease liabilities | \$ 1,492 | \$ 5,875 |

Supplemental cash flow information related to leases are as follows:

| | May 26, 2025 through December 31, 2025 | Year ended May 25, 2025 | Year ended May 26, 2024 |
|---|---|------------------------------------|------------------------------------|
| Cash paid (received) for amounts included in the measurement of lease liabilities: | | | |
| Operating cash flows from operating leases | \$ 237 | \$ 445 | \$ 761 |
| Operating cash flows from finance leases | 304 | 443 | 373 |
| Financing cash flows from finance leases | 90 | (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 the Company's largest customer, comprising 42%, 44% and 39% of its revenues for the transition period ended December 31, 2025 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 the Company's largest customer, 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 through the present.

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 and liabilities, and revenue, each as presented in the consolidated balance sheets and statements of operations and the notes thereto. 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 May 2024 of \$5,500. The prepayment was accounted for as a contract liability and initially discounted to present value due to the existence of a significant financing component. The discount is being amortized over the life of the contract liability via charges to interest expense, related party. This contract liability is being realized beginning January 2026 by delivering goods to Alcon at a discount equal to twelve monthly credit memos totaling \$5,500. As of December 31, 2025, the entire contract liability balance of \$5,286 which is net of the unamortized discount, is included in accrued expenses and other current liabilities on the consolidated 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 \$184,087 through December 31, 2025 as a result of 10% interest paid-in-kind. See note 10 for additional information;
- 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 \$858, \$1,185 and \$970 for the transition period months ended December 31, 2025 and the fiscal years ended May 25, 2025 and May 26, 2024, respectively. See note 10 for additional information;

- Interest expense incurred from the Alcon instruments noted above, net of capitalized interest, was \$14,621, \$18,879 and \$14,662 for the transition period ended December 31, 2025 and the fiscal years ended May 25, 2025 and May 26, 2024, respectively. Included in those amounts was non-cash interest expense of \$14,407, \$18,473 and \$14,186 for the transition period ended December 31, 2025 and the fiscal years ended May 25, 2025 and May 26, 2024, respectively; and
- Contract assets of \$850 and \$110 as of December 31, 2025 and May 25, 2025, respectively, for the recognition of revenue as the result of performance obligations satisfied.

18. Transition period information

This Annual Report on Form 10-KT includes financial information for the transition period ended December 31, 2025 and the fiscal year ended May 25, 2025. The consolidated statements of operations for the approximately one-month period from May 26, 2025 through June 30, 2025, the approximately seven-month transition period ended December 31, 2025 and the approximately seven-month period ended December 31, 2024, are summarized below.

The preparation of the unaudited results presented below required the Company to make estimates and judgments that affected certain of the amounts set forth below, including revenue and expense. These estimates and judgments were based on methodologies and assumptions that the Company believes to be reasonable under the circumstances.

| | May 26, 2025 through June 30, 2025 | May 26, 2025 through December 31, 2025 | May 27, 2024 through December 31, 2024 |
|--|---|---|---|
| <i>(in thousands, except share and per share amounts)</i> | (unaudited) | | (unaudited) |
| Revenues | \$ 4,756 | \$ 43,796 | \$ 39,016 |
| Revenues, related party | 3,909 | 31,725 | 23,940 |
| Total revenues | 8,665 | 75,521 | 62,956 |
| Cost of sales | 5,529 | 51,832 | 46,629 |
| Gross profit | 3,136 | 23,689 | 16,327 |
| Research and development expenses | 705 | 4,965 | 4,720 |
| Selling, general, and administrative expenses | 3,021 | 19,457 | 30,846 |
| Operating loss | (590) | (733) | (19,239) |
| Interest income | 102 | 273 | 21 |
| Interest expense | (179) | (1,226) | (2,301) |
| Interest expense, related party | (2,108) | (14,621) | (10,786) |
| Change in fair value of debt derivative liability, related party | (125) | (1,573) | 1,900 |
| Other income (expense), net | 37 | 256 | (215) |
| Loss before income taxes | (2,863) | (17,624) | (30,620) |
| Income tax expense | — | (337) | (18) |
| Net loss | (2,863) | (17,961) | (30,638) |
| Preferred stock dividends | (286) | (2,049) | (1,903) |
| Accretion of preferred stock to redemption value | (20) | (117) | (117) |
| Fair value of conversion ratio improvement to preferred stockholders | — | — | (2,132) |
| Loss available to common stockholders | \$ (3,169) | \$ (20,127) | \$ (34,790) |
| Loss per share, basic and diluted | \$ (0.09) | \$ (0.54) | \$ (1.06) |
| Weighted average shares outstanding, basic and diluted | 37,026,234 | 37,369,709 | 32,877,532 |

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: March 16, 2026

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-KT, 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-KT.

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

| <u>Signature</u> | <u>Title</u> | <u>Date</u> |
|---|--|----------------|
| <u>/s/ Paul Josephs</u> Paul Josephs | President and Chief Executive Officer (Principal Executive Officer) and Director | March 16, 2026 |
| <u>/s/ Ryan D. Lake</u> Ryan D. Lake | Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) | March 16, 2026 |
| <u>/s/ Katrina L. Houde</u> Katrina L. Houde | Director | March 16, 2026 |
| <u>/s/ Humberto C. Antunes</u> Humberto C. Antunes | Director | March 16, 2026 |
| <u>/s/ Jason Aryeh</u> Jason Aryeh | Director | March 16, 2026 |
| <u>/s/ Paul H. Johnson</u> Paul H. Johnson | Director | March 16, 2026 |
| <u>/s/ Christopher Kiper</u> Christopher Kiper | Director | March 16, 2026 |
| <u>/s/ Matthew Korenberg</u> Matthew Korenberg | Director | March 16, 2026 |
| <u>/s/ Nelson Obus</u> Nelson Obus | Director | March 16, 2026 |
| <u>/s/ Joshua E. Schechter</u> Joshua E. Schechter | Director | March 16, 2026 |

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 |

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-271176 and 333-282583) on Form S-1, (Nos. 333-193213, 333-234229, 333-271175, 333-282585, 333-282586 and 333-289381) on Form S-8 and (No. 333-290460) on Form S-3 of our reports dated March 16, 2026, with respect to the consolidated financial statements of Lifecore Biomedical, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP
Philadelphia, Pennsylvania
March 16, 2026

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-1 (Nos. 333-271176 and 333-282583), Form S-3 (No. 333-290460) and Form S-8 (Nos. 333-193213, 333-234229, 333-271175, 333-282585, 333-282586 and 333-289381) of Lifecore Biomedical, Inc. (the Company) of our report dated August 7, 2025, relating to the consolidated financial statements, which appears in this Annual Report on Form 10-KT.

/s/ BDO USA, P.C.
Minneapolis, Minnesota
March 16, 2026

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-KT 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: March 16, 2026

/s/ Paul Josephs

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

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-KT 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: March 16, 2026

/s/ Ryan D. Lake

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

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-KT of Lifecore Biomedical, Inc. (the “Company”) for the period ended December 31, 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: March 16, 2026

/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.

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-KT of Lifecore Biomedical, Inc. (the “Company”) for the period ended December 31, 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: March 16, 2026

/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.