

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

**FORM 10-K**

**Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
**For the Fiscal Year Ended September 30, 2022**

or

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
**For the transition period**

from \_\_\_\_\_ to \_\_\_\_\_  
**Commission File Number: 0-261**

**ALICO, INC.**

*(Exact name of registrant as specified in its charter)*

**Florida**

*(State or other jurisdiction of incorporation or organization)*

**10070 Daniels Interstate Court, Suite 200, Fort Myers, FL**

*(Address of principal executive offices)*

**59-0906081**

*(I.R.S. Employer Identification No.)*

**33913**

*(Zip Code)*

**(239) 226-2000**

*(Registrant's telephone number, including area code)*

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock	ALCO	NASDAQ Global Select Market

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 the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Emerging Growth Company  Accelerated Filer   
Non-accelerated filer  Smaller Reporting Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

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

The aggregate market value of the voting and nonvoting common equity held by non-affiliates based on the closing price, as quoted on the Nasdaq Global Select Market as of March 31, 2022 (the last business day of Alico's most recently completed second fiscal quarter) was \$262,558,748. Solely for the purposes of this calculation, the registrant has elected to treat all executives, officers and greater than 10% stockholders as affiliates of the registrant. There were 7,592,937 shares of common stock outstanding at December 9, 2022.

**Documents Incorporated by Reference:**

Portions of the Proxy Statement of Registrant for the 2023 Annual Meeting of Stockholders (to be filed with the SEC under Regulation 14A within 120 days after the end of the Registrant's fiscal year), are incorporated by reference in Part III of this report.

**ALICO, INC.**  
**FORM 10-K**  
**For the fiscal year ended September 30, 2022**

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### **Cautionary Statement**

This Annual Report on Form 10-K contains certain “forward-looking statements,” as such term is defined in Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). They are based on management’s current expectations and assumptions regarding our business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. These forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often include words such as “may,” “will,” “could,” “should,” “would,” “believes,” “expects,” “anticipates,” “estimates,” “projects,” “intends,” “plans” and other words and terms of similar substance in connection with discussions of future operating or financial performance. Such forward-looking statements include, but are not limited to, statements regarding future actions, business plans and prospects, prospective products, trends, future performance or results of current and anticipated products, sales efforts, expenses, interest rates, the outcome of contingencies, such as legal proceedings, plans relating to dividends, government regulations, the adequacy of our liquidity to meet our needs for the foreseeable future and our expectations regarding market conditions.

As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Our actual results may vary materially from those expressed or implied in our forward-looking statements. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements.

We undertake no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the U.S. Securities and Exchange Commission (“SEC”). We provide in Item 1A, “Risk Factors,” a cautionary discussion of certain risks and uncertainties related to our businesses. These are factors that we believe, individually or in the aggregate, could cause our actual results to differ materially from expected and historical results. We note these factors for investors as permitted by Section 21E of the Exchange Act. In addition, the operation and results of our business are subject to risks and uncertainties identified elsewhere in this Annual Report on Form 10-K as well as general risks and uncertainties such as those relating to general economic conditions. You should understand that it is not possible to predict or identify all such risks. Consequently, you should not consider such discussion to be a complete discussion of all potential risks or uncertainties.

### **Explanatory Note**

This Annual Report on Form 10-K for the year ended September 30, 2022 includes the restatements of our previously issued audited consolidated balance sheet, audited consolidated statements of changes in equity and related disclosures as of September 30, 2021 included in our Annual Report on Form 10-K for the year ended September 30, 2021 previously filed with the Securities and Exchange Commission (the “SEC”) (the “2021 10-K”) and our previously issued unaudited consolidated balance sheet, unaudited consolidated statements of changes in equity and related disclosures as of the end of each quarterly period ended June 30, 2022, March 31, 2022, December 31, 2021, June 30, 2021, March 31, 2021, and December 31, 2020 included in our respective Quarterly Report on Form 10-Q for each of the quarters then ended previously filed with the SEC (together with the 2021 10-K, the “Financial Statements”). The restatement had no impact on our Consolidated Statements of Operations or our Consolidated Statements of Cash Flows for any period after fiscal year 2019.

Except where specifically noted herein, all information set forth in this Annual Report on Form 10-K as of September 30, 2022 is reflected on a restated basis.

As disclosed in our Current Report on Form 8-K filed on the date hereof, on December 12, 2022, the audit committee of our board of directors (the “Audit Committee”) concluded that the Company’s previously issued Financial Statements can no longer be relied upon due to an error identified during the completion of this Annual Report on Form 10-K. The error that led to the Audit Committee’s conclusion relates to the calculation of deferred tax liabilities for the fiscal years 2015 through 2019, as more fully discussed in Note 2, “Restatement of Previously Issued Consolidated Financial Statements” in the notes to the consolidated financial statements included in this Annual Report on Form 10-K.

We have not filed and do not intend to file amendments to (1) the 2021 10-K or (2) our Quarterly Reports on Form 10-Q for any of the quarterly periods in the fiscal years 2021 and 2022. Accordingly, investors should rely only on the restated Financial Statements and related disclosures included in this Form 10-K for the applicable periods or in future filings with the SEC (as applicable), and not on any previously issued or filed reports, earnings releases or similar communications including the Financial Statements.

## PART I

### **Item 1. Business**

Alico, Inc. (“Alico”) was incorporated under the laws of the state of Florida in 1960. Collectively with its subsidiaries (the “Company”, “we”, “us” or “our”), our business and operations are described below. For detailed financial information with respect to our business and our operations, see Management’s Discussion and Analysis of Financial Condition and Results of Operations which is included in Item 7 in this Annual Report on Form 10-K, and the accompanying Consolidated Financial Statements and the related Notes, which are included in Item 8. In addition, general information concerning our Company can be found on our website, the internet address of which is <http://www.alicoinc.com>. All of our filings with the U.S. Securities and Exchange Commission (the “SEC”) including, but not limited to, the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments thereto, are available free of charge on our website as soon as reasonably practicable after such material is electronically filed or furnished with the SEC. Our recent press releases and information regarding corporate governance, including the charters of our audit, compensation, nominating and governance, and sustainability and corporate responsibility committees, as well as our code of business conduct and ethics are also available to be viewed or downloaded electronically at <http://www.alicoinc.com>. Unless explicitly stated herein, the information on our website is not incorporated by reference into this Annual Report on Form 10-K and the Company disclaims any such incorporation by reference.

#### **Overview**

Alico is an agribusiness with a legacy of achievement and innovation in citrus and conservation. The Company owns approximately 74,000 acres of land in eight Florida counties (Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Highlands and Polk), and approximately 90,000 acres of mineral rights throughout Florida. Alico holds these mineral rights on substantially all its owned acres, with additional mineral rights on other acres. Our principal lines of business are citrus groves and land management.

Alico is one of the largest citrus producers in the United States of America.

Alico, Inc. operates two divisions: Alico Citrus, a citrus producer on its own land and as a manager of citrus groves for third parties, and Land Management and Other Operations, which includes land conservation, encompassing environmental services, land leasing and related support operations.

The Company manages its land based upon its primary usage and reviews its performance based upon two primary classifications - Alico Citrus and Land Management and Other Operations. The Alico Citrus division includes the production, cultivation and sale of citrus on its owned lands and as a manager of citrus groves for third parties. Land Management and Other Operations include leases for grazing rights, hunting leases, a farm lease, a lease to a third party of an aggregate mine, leases of oil extraction rights to third parties, and other miscellaneous operations generating income. Alico presents its financial results and the related discussion based upon its two business segments: (i) Alico Citrus and (ii) Land Management and Other Operations.

#### **Recent Developments**

##### *Hurricane Ian*

On September 28, 2022, Hurricane Ian made landfall on the southwest coast of Florida and a majority of the Company’s groves were impacted by the storm. The full impact of Hurricane Ian on Alico’s operations is still being assessed at this time, but we believe the lessons learned over the past 124 years, especially since Hurricane Irma in 2017, allowed us to be better prepared prior to landfall and to begin recovery more rapidly after impact. The implementation of our disaster programs, our dedicated workforce, and experienced management appear to have limited the damage to our properties. Our approximately 48,900 gross acres of citrus groves, which are in Charlotte, Collier, DeSoto, Hardee, Hendry, Highlands and Polk Counties, sustained hurricane, or tropical storm force winds for varying durations of time. Based upon ongoing field assessment, the Company has identified significant fruit drop since the impact of the storm.

While we lost a small percentage of trees, the force and duration of the storm impacted the majority of the groves. Based upon prior experience with serious storms of this nature, we expect it will take up to two full seasons or more for the groves to recover to pre-hurricane production levels. We maintain crop insurance and are working closely with our insurers and adjusters to evaluate and determine the amount of insurance recovery we may be entitled to, if any. We are also working with Florida Citrus Mutual, the industry trade group, and government agencies on securing potential federal relief programs.

#### *Departure and Appointment of Chief Financial Officer*

On May 17, 2022, Richard Rallo notified the Company of his decision to resign from his role as the Company's Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) effective as of May 31, 2022. Mr. Rallo's decision to resign was for personal reasons to eliminate extensive travel and/or avoid relocation to Florida and was not related to any disagreement with the Company or its independent registered public accountants on any matter relating to the Company's financial or accounting operations, policies, or practices. Mr. Rallo has agreed to provide consulting services to the Company through December 31, 2022 and has been providing such services.

On September 6, 2022, the Company announced the appointment of Perry G. Del Vecchio, age 55, as the Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, effective as of September 6, 2022. Mr. Del Vecchio is responsible for all corporate finance, treasury and accounting functions of the Company and reports directly to John Kiernan, the Company's President and Chief Executive Officer.

#### *Employment and Bonus Agreement*

On April 1, 2022, the Company entered into an amended and restated employment agreement with John E. Kiernan (the "Employment Agreement"). At the same time, the Company and Mr. Kiernan entered into an annual performance and long-term bonus agreement (the "Bonus Agreement"). Pursuant to the Employment Agreement, Mr. Kiernan will remain President and Chief Executive Officer of the Company, for a term commencing on April 1, 2022, and ending on September 30, 2024, subject to extension and termination pursuant to the provisions of the Employment Agreement. The Bonus Agreement sets forth the terms under which Mr. Kiernan would be eligible and entitled to short-term and long-term incentive cash and equity bonuses. For further details of this Employment and Bonus Agreement, please see the Form 8-K filed by the Company on April 5, 2022.

#### *Termination of the Citrus Grove Management Agreement*

In June 2022, the Company was notified by a primary group of third-party grove owners, who are affiliated with each other (collectively, the "Grove Owners") and for which the Company was managing groves that the Grove Owners were terminating the management relationship under a certain property management agreement dated as of July 16, 2020 (the "Property Management Agreement") with the Company as the Grove Owners decided to exit the citrus business. As a result, all services relating to this caretaking management initiative and the accompanying management fee and reimbursed costs associated with performing caretaking management services have ceased as of June 10, 2022.

#### *The COVID-19 Pandemic*

On March 11, 2020, the World Health Organization declared the current novel coronavirus outbreak ("COVID-19") to be a global pandemic. In response to this declaration and the rapid spread of COVID-19 within the United States, federal, state and local governments throughout the country have imposed varying degrees of restrictions on social and commercial activity to promote social distancing in an effort to slow the spread of the illness. These measures have had a significant adverse impact upon many sectors of the economy, including certain agriculture businesses. While epidemiological conditions in the United States have improved as of September 30, 2022, and most of the restrictions on social and commercial activity have been relaxed, a resurgence of the virus could cause epidemiological and macroeconomic conditions to deteriorate and more severe restrictions to be put in place. It is not possible for the Company to predict the duration or magnitude of any adverse effects due to a resurgence at this time. We will continue to monitor the COVID-19 pandemic and its impacts on our business, financial condition and results of operations.

#### *Prepayment and Restructure of Fixed-Rate Term Loans*

On April 29, 2022, the Company made a prepayment on one of its Met Variable-Rate Term Loans in an amount of approximately \$15,625,000 and the loan, after also considering a final scheduled principal payment made on May 2, 2022, was fully satisfied.

#### *Sales of Land*

On May 31, 2022, the Company sold approximately 400 acres of Alico Ranch to a third party for approximately \$1,900,000 and recognized a gain of \$1,700,000.

During the month of April 2022, the Company sold approximately 788 acres from the Alico Ranch to third parties for approximately \$4,100,000 and recognized a gain of approximately \$3,900,000. One of these sales transactions, consisting of approximately 142 acres, was sold to an employee of the Company for approximately \$651,000.

On March 15, 2022, the Company sold approximately 6,286 acres of Alico Ranch to third parties at an average sales price of \$4,500 per acre, realizing approximately \$28,288,000 of gross proceeds.

On December 3, 2021, the State of Florida purchased, under the Florida Forever program, approximately 1,638 acres of the Alico Ranch for approximately \$5,675,000 pursuant to an option agreement entered into between the State of Florida and the Company. The Company recognized a gain of approximately \$5,570,000.

During November 2021, the Company sold approximately 302 acres from the Alico Ranch to various third parties for approximately \$1,458,000 and recognized a gain of approximately \$1,400,000.

*Federal Relief Program – Hurricane Ian*

It remains unclear whether there may be Hurricane Ian federal relief programs and, if available, the extent to which the Company will be eligible. The Company intends to take advantage of any such available programs as and when they become available. The Company is currently working with Florida Citrus Mutual, the industry trade group, and government agencies on federal relief programs.

*Federal Relief Program – Hurricane Irma*

The Company was eligible for Hurricane Irma federal relief programs for block grants that were being administered through the State of Florida. The Company has received a total of approximately \$25,600,000 in Hurricane Irma federal relief for the period ended September 30, 2019 through September 30, 2022. During the fiscal years ended September 30, 2022, 2021 and 2020, the Company received approximately \$1,123,000, \$4,299,000 and \$4,629,000, respectively, under the Florida Citrus Recovery Block Grant (“CRBG”) program. These federal relief proceeds are included as a reduction to operating expenses in the Consolidated Statements of Operations.

***The Land We Manage***

We regularly review our land-holdings to determine the best use of each parcel based upon our management expertise. Our total return profile is a combination of operating income potential and long-term appreciation. Land holdings not meeting our total return criteria are considered surplus to our operations and efforts are being made to sell such land holdings or to exchange such land holdings for land considered to be more compatible with our business objectives and total return profile, or to lease such land holdings.

Our land holdings and the operating activities in which we engage are categorized in the following table:

	<b>Gross Acreage</b>	<b>Operating Activities</b>
<b>Alico Citrus</b>		
Citrus Groves	48,845	Citrus Cultivation
Citrus Nursery	22	Citrus Tree Development
	48,867	
<b>Land Management and Other Operations</b>		
Ranch	24,161	Leasing and Conservation
Other Land	526	Mining Lease and Office
	24,687	
<b>Total</b>	<u>73,554</u>	

*Alico Citrus*

We own and manage citrus land in DeSoto, Polk, Collier, Hendry, Charlotte, Highlands, and Hardee Counties in the State of Florida and engage in the cultivation of citrus trees to produce citrus for delivery to the fresh and processed citrus markets. Alico citrus groves total 48,867 gross acres or 66.4% of our land holdings.

*Termination of the Citrus Grove Management Agreement*

In June 2022 the Company was notified by the Grove Owners, for which the Company was managing groves, that the Grove Owners were terminating the management relationship under the Property Management Agreement with the Company as the Grove Owners decided to exit the citrus business.

*Citrus Land Lease*

The Company signed three agreements to lease approximately 2,100 of these citrus acres from the Grove Owners and thus have the rights to citrus production on such leased acreage for a one-year term at a cost of approximately \$157,000. Additionally, on the same terms and conditions, the Company has the right to extend two of these leases representing approximately 1,600 acres for two one-year periods and has the right to extend the third lease with a one-year option. These leases expand the Company's citrus production acreage by approximately 6% to approximately 36,000 net citrus acres.

Our citrus acreage is further detailed in the following table:

	Net Plantable			Total Net Plantable	Support & Other	Gross
	Producing	Developing	Fallow			
DeSoto County	16,232	115	522	16,869	4,623	21,492
Polk County	4,870	—	—	4,870	2,237	7,107
Collier County	4,261	—	—	4,261	2,905	7,166
Hendry County	5,735	57	175	5,967	2,799	8,766
Charlotte County	1,724	—	138	1,862	676	2,538
Highlands County	1,063	—	—	1,063	161	1,224
Hardee County	403	—	—	403	171	574
Total	34,288	172	835	35,295	13,572	48,867

Of the 48,867 gross acres of citrus land we own and manage, 13,572 acres are classified as support and other acreage. Support and other acreage include acres used for roads, barns, water detention, water retention and drainage ditches integral to the cultivation of citrus trees, but which are not capable of directly producing fruit. In addition, we own a small citrus tree nursery consisting of approximately 22 acres and utilize the trees produced in this nursery in our own operations. The 35,295 remaining acres are classified as net plantable acres. Net plantable acres are those that are capable of directly producing fruit. These include acres that are currently producing, acres that are developing (i.e., acres that are planted with trees too young to commercially produce fruit) and acres that are fallow.

In an effort to increase the density of our citrus groves, Alico has planted approximately 1,900,000 new trees since 2017. This level of planting has been substantially higher than the normal level of tree attrition. We will continue to evaluate the density throughout our groves and determine the appropriate tree plantings moving forward. Typically, citrus trees become fruit bearing approximately four to five years after planting and peak around seven to eight years after planting.

Our Alico Citrus business segment cultivates citrus trees to produce citrus for delivery to the processed and fresh citrus markets. Our sales to the processed market were approximately 84.5%, 82.7%, and 91.0% of Alico Citrus revenues for the fiscal years ended September 30, 2022, 2021 and 2020, respectively. The overall decrease in sales to processed markets as a percentage of citrus revenues during the fiscal years ended September 30, 2022 and September 30, 2021 as compared to such percentage for the fiscal year ended September 30, 2020, was due to revenues generated under an agreement entered into on July 16, 2020 with a group of third-party grove owners ("Grove Owners"), who are affiliated with each other, to provide citrus grove caretaking and harvest and haul management services ("Grove Management Services") for approximately 7,000 acres owned by the Grove Owners. Under the terms of this agreement, the Company was reimbursed by the Grove Owners for all its costs incurred related to providing these Grove Management Services and received a management fee based on acres covered under this agreement. The Company recorded both an increase in revenues and expenses when the Company provided these Grove Management Services. In June 2022, the Company was notified by the Grove Owners that they were exiting the citrus business and the management relationship under the Property Management Agreement with the Company. As a result, all services relating to this caretaking management initiative and the accompanying management fee and reimbursed costs associated with performing caretaking management services ceased on June 10, 2022. The management fee was paid through June 30, 2022. For the fiscal year ended September 30, 2022, under this agreement, the Company recorded approximately \$10,598,000 of operating revenue relating to these Grove Management Services, including the management fee. Excluding these revenues for these citrus grove caretaking and harvest and haul management services, revenue to processed markets represents approximately 92.7% of total citrus revenues.

The average pound solids per box was 5.28, 5.66, and 5.96 for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

We generally use multi-year contracts with citrus processors that include pricing structures based on a floor and ceiling price. Therefore, if pricing in the market is favorable relative to our floor price, we benefit from the incremental difference between the floor and the final market price to the extent it does not exceed the ceiling price.

Our citrus produced for the processed citrus market in fiscal year 2022 under our largest agreement was subject to floor prices and ceiling prices. Under this agreement, if the market price was below the floor prices or exceeded the ceiling prices, then 50% of the shortfall or excess was

deducted from the floor price or added to the ceiling price. Under our next largest agreement, our citrus produced is subject to a minimum floor price and maximum ceiling price and is based on a cost-plus structure.

On each of May 18, 2020 and May 20, 2020, the Company entered into two new agreements to supply Tropicana, its largest customer, with citrus fruit. These new agreements were effective October 1, 2020, expire on July 31, 2024, and succeeded our existing largest agreement with this customer which expired at the end of September 2020.

Although we believe other markets and customers are available for our citrus products, we also believe that new arrangements in these other markets or with other customers may be less favorable than our current contracts.

Our sales to the fresh citrus market constituted approximately 1.4%, 0.6%, and 2.6% of our Alico Citrus revenues for the fiscal years ended September 30, 2022, 2021 and 2020, respectively. We produce numerous varieties for the fresh fruit market including grapefruit, navel and other fresh varieties. Generally, our fresh fruit is sold to packing houses by the box and the packing houses are responsible for the harvest and haul of these boxes. We produced approximately 91,000, 61,000, and 267,000 fresh fruit boxes for each of the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

On July 16, 2020, the Company executed a Property Management Agreement with the Grove Owners to provide citrus grove caretaking and harvest and haul management services ("Grove Management Services") for approximately 7,000 acres owned by such third parties. Under the terms of the Property Management Agreement, the Company was reimbursed by the Grove Owners for all of its costs incurred related to providing these services and also received a management fee based on acres covered under this Property Management Agreement. In August 2021, one of the affiliates from the Grove Owners purchased approximately 900 acres, which was in addition to the acres then receiving Grove Management Services. In June 2022, the Company was notified by the Grove Owners that they were exiting the citrus business and the management relationship under the Property Management Agreement with the Company. As a result, all services relating to this caretaking management initiative and the accompanying management fee and reimbursed costs associated with performing caretaking management services ceased on June 10, 2022. The management fee was paid through June 30, 2022. The Company, prior to this agreement, was already providing grove management services to several small third-party grove-owners on acres within the Company's groves and continues to provide such services. Revenues generated from our grove management services were approximately 13.3%, 16.1%, and 5.1% of our total citrus revenues for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

On October 30, 2020, the Company purchased approximately 3,280 gross acres located in Hendry County for a purchase price of \$18,230,000. This acquisition allows the Company to add additional scale to its then approximately 46,000 gross acres of citrus properties. Strategically, with these acquired groves neighboring existing Alico groves, Alico believes that this acquisition will help Alico with its operation designed to be a low-cost, high-producing citrus grower.

Revenues from our Alico Citrus operations were approximately 97.5%, 97.5%, and 96.6% of our total operating revenues for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

#### *Land Management and Other Operations*

We own and manage land in Collier, Glades, and Hendry Counties and are engaged in land leasing for recreational and grazing purposes, conservation, and mining activities. Our Land Management and Other Operations land holdings total 24,687 gross acres, or 33.6% of our total acreage.

Our Land Management and Other Operations acreage is detailed in the following table as of September 30, 2022:

	<b>Acreage</b>
Hendry County	20,139
Glades County	526
Collier County	4,022
Total	<u>24,687</u>

On May 31, 2022, the Company sold approximately 400 acres of Alico Ranch to a third party for approximately \$1,900,000 and recognized a gain of \$1,700,000.

During the month of April, the Company sold approximately 788 acres from the Alico Ranch to third parties for approximately \$4,100,000 and recognized a gain of approximately \$3,900,000. One of these sales transactions, consisting of approximately 142 acres, was sold to an employee of the Company for approximately \$651,000.

On March 15, 2022, the Company sold approximately 6,286 acres from the Alico Ranch to third parties for approximately \$28,288,000 and recognized a gain of approximately \$26,554,000.

On December 3, 2021, the State of Florida purchased, under the Florida Forever program, approximately 1,638 acres of the Alico Ranch for approximately \$5,675,000 pursuant to an option agreement entered into between the State of Florida and the Company. The Company recognized a gain of approximately \$5,570,000. This is the third sales transaction we have completed with the State of Florida within the last three years, aggregating over 18,000 acres, including the April 15, 2021 sale and the September 2020 sale described below.

During November 2021, the Company sold approximately 302 acres from the Alico Ranch to various third parties for approximately \$1,458,000 and recognized a gain of approximately \$1,400,000.

On June 3, 2021, the Company sold approximately 11,700 acres, which were encumbered by an easement, to a third-party for approximately \$12,219,000. In 2013, these acres were enrolled in the Wetlands Reserve Program (“WRP”), which calls for the restoration and maintenance of the property for the duration of the WRP easement. As part of that enrollment in 2013, Alico received approximately \$1,800 per acre.

On April 15, 2021, the State of Florida purchased, under the Florida Forever program, approximately 5,734 acres of Alico Ranch for approximately \$14,445,000, pursuant to an option agreement between the State of Florida and Alico dated December 15, 2020. Alico used most of the net sales proceeds to prepay a portion of its fixed-rate term debt.

On September 10, 2020, the Company sold approximately 10,700 acres on the western part of Alico Ranch to the State of Florida. Because the acres involved in the sale would have been critical to our planned dispersed water storage project, the Company has decided to no longer pursue permit approval activities for this project from that point forward. As a result of this decision to no longer pursue permit approval activities for this project, the Company has renamed this segment Land Management and Other Operations to better reflect the components of this segment. The Company did not ever get to the point where it was generating any revenue from the dispersed water storage project and incurred expenses of \$0, \$0, and \$1,346,000 for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

On March 27, 2020, the Company sold certain sections at the East Ranch for approximately \$2,980,000 and realized a gain of approximately \$2,748,000. The Company subsequently used substantially all of the net cash proceeds to purchase a like-kind asset in May 2020, which has allowed the Company to defer substantially all of the tax impact of the gain on sale of this ranch land.

Revenues from Land Management and Other Operations were approximately 2.5%, 2.5%, and 3.4% of total operating revenues for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

### ***Our Strategy***

Our core business strategy is to maximize stockholder value through continuously improving the return on our invested capital, either by holding and managing our existing land through skilled agricultural production, leasing, or other opportunistic means of monetization, disposing of under productive land or business units and acquiring new land or operations with appreciation potential.

Our objectives are to produce the highest quality agricultural products, create innovative land uses, opportunistically acquire and convert undervalued assets, sell under-productive land and other assets not meeting our total return profile, generate recurring and sustainable profit with the appropriate balance of risk and reward, and exceed the expectations of stockholder, customers, clients and partners.

Our strategy is based on best-management practices of our agricultural operations and the environmental and conservation stewardship of our land and natural resources. We try to manage our land in a sustainable manner and evaluate the effect of changing land uses while considering new opportunities. Our commitment to environmental stewardship is fundamental to the Company’s core beliefs.

### ***Intellectual Property***

While we consider our various intellectual property to be valued assets, we do not believe that our competitive position or our operations are dependent upon or would be materially impacted by any single piece of intellectual property or group of related intellectual property registrations or rights.

### **Seasonal Nature of Business**

As with any agribusiness enterprise, our agribusiness operations and revenues are predominantly seasonal in nature. The following table illustrates the seasonality of our agribusiness revenues:

	Fiscal Year											
	Q1 Ending 12/31			Q2 Ending 3/31			Q3 Ending 6/30			Q4 Ending 9/30		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Harvest Fresh and Early/Mid Varieties of Oranges		X	X	X	X							
Harvest Valencia Oranges						X	X	X	X			

### **Significant Customers**

Revenue from Tropicana represented approximately 79.7%, 77.5%, and 86.9% of our consolidated revenue for the fiscal years ended September 30, 2022, 2021 and 2020, respectively. The revenue in fiscal year 2022 from Tropicana was generated primarily from two separate contracts. This revenue was generated from the sale of our citrus product in the processed market. No other single customer provided more than 10% of our consolidated revenue in fiscal years 2022, 2021 or 2020.

The slight increase in the Tropicana revenue, as a percentage of sales, for the fiscal year ended September 30, 2022 is primarily due to the Grove Owners in June 2022 terminating the management relationship under the Property Management Agreement with the Company. The decrease in Tropicana revenue, as a percentage of sales, for the fiscal year ended September 30, 2021 was expected and attributable to an increase in overall sales generated from the agreement entered into in July 2020 with the Grove Owners to provide citrus grove caretaking and harvest and haul management services for approximately 7,000 acres owned by the Grove Owners. Under the terms of the Property Management Agreement, the Company was reimbursed by the third parties for all its costs incurred related to providing these services and received a management fee based on acres covered under this agreement. The Company recorded both an increase in sales revenue and an increase in expenses as and when the Company provided these citrus grove caretaking management services. Revenue from Tropicana represents approximately 90.1% of total revenues when excluding these grove caretaking services for the fiscal year ended September 30, 2022.

### **Competition**

The orange and specialty citrus markets are intensely competitive, but no single producer has any significant market power over any market segments, as is consistent with the production of most agricultural commodities. Citrus is grown domestically in several states including Florida, California, Arizona, and Texas, as well as foreign countries, most notably Brazil and Mexico. Competition is impacted by several factors including quality, production, demand, brand recognition, market prices, weather, disease, export/import restrictions and foreign currency exchange rates.

### **Environmental, Social and Governance (“ESG”)**

Alico is an agricultural company which, based upon its rich heritage and traditions, seeks not only to maximize value for its customers and stockholders, but also to enhance its legacy by employing sustainable practices in all aspects of operations including stewardship of both its natural and human resources. The Company recognizes the increased emphasis by stockholders, business partners and other key constituents in recent years on ESG programs that are embedded into day-to-day business policies and practices. The Company is proud of its commitment to doing the right thing for communities, the environment, and its employees.

### **Governmental Regulations**

Our operations are subject to various federal, state and local laws regulating the discharge of materials into the environment. Management believes we are in material compliance with all such rules including permitting and reporting requirements. Historically, compliance with environmental regulations has not had a material impact on our financial position, results of operations or cash flows.

Management monitors environmental legislation and requirements and makes every reasonable effort to remain in compliance with such regulations. In addition, we require in our leases that lessees of our property comply with environmental regulations as a condition of leasing.

We are subject to other laws of the United States and the rules and regulations of various governing bodies within the United States, which may differ among jurisdictions. Compliance with these laws, rules and regulations has not had, and is not expected to have, a material effect on our capital expenditures, results of operations and competitive position as compared to prior periods.

## ***Human Capital Management***

### *Purpose and Company Values*

Supporting our people is a fundamental value for Alico. We believe the Company's success depends on its ability to attract, develop and retain key personnel. The skills, experience and industry knowledge of our employees and the employees of our independent contractors significantly benefit our operations and performance. The Company's management oversees various employee initiatives and also monitors the effectiveness of the personnel provided by independent contractors with which we contract for certain harvesting and hauling services.

### *Employees*

We believe in a culture of equity, diversity and inclusion. We are also committed to advancing safe and respectful work environments where our employees are invited to bring their talents, backgrounds and expertise to bear on the success of our business and where every person has the opportunity to thrive personally and professionally.

### *Hiring, Development and Retention*

Employee levels are managed to align with the pace of business and consider the services that are provided for us by our independent contractors. We rely on our independent contractors to manage their respective employee levels so that the harvesting and hauling services they are obligated to perform for us are consistent with the contractual obligations of these independent contractors and enable us to satisfy our harvesting and hauling needs. Management believes that through its own employees, coupled with the human capital supplied by its independent contractors, it has sufficient human capital to operate its business successfully. Management believes that the Company's employee relations are favorable, that its relations with its independent contractors is favorable, and that the relations that the independent contractors and the Company have with the employees of the independent contractors is favorable.

### *Employee Safety and Well-Being*

Health and safety in the workplace for our employees and personnel provided by independent contractors with which we contract is one of the Company's core values. Hazards in the workplace are actively identified and management tracks incidents so remedial actions can be taken to improve workplace safety. In order to support and enhance health and safety practices, the Company routinely conducts safety training with employees to emphasize safety when conducting grove caretaking, general employee health, proper equipment operating techniques, office ergonomics and other important safety topics. The COVID-19 pandemic has underscored for us the importance of keeping our employees and the personnel provided by independent contractors safe and healthy. In response to the pandemic, the Company has taken actions aligned with the Centers for Disease Control and Prevention to protect its workforce so that its workforce can more safely and effectively perform their work.

### *Inclusion and Diversity*

People are critical to our efforts to drive growth and deliver value for stockholders. One of the ways we have put people at the center is by continuing to work toward a more inclusive and diverse workplace where each person feels respected, valued and seen and can be the best version of themselves – from women and ethnically diverse employees to veterans, among others. With employees, management and directors representing the diversity around the world, the Company can access stronger insights into different cultures and backgrounds, which ultimately helps the Company to better operate the business.

As of September 30, 2022, ethnically diverse employees represent 73% of the Company's Citrus operations, 32% of Corporate, General, Administrative and Other. Women made up 22% of the Company's Corporate, General, Administrative and Other and 22% of the Company's Citrus operations. On August 6, 2020, the Board of Directors of the Company increased the size of the Board to nine and appointed Ms. Katherine English as a director, Ms. English currently serves (i) on the Compensation Committee, (ii) on and as chair of the Nominating and Governance Committee, and (iii) on the Sustainability and Corporate Responsibility Committee. Ms. English's appointment is part of the Company's commitment to promote diversity and inclusion.

Based on our Inclusion and Diversity strategy, the Company promotes a greater sense of inclusion through a variety of initiatives, which includes a Company-wide women's group to promote mentoring, career advancement, training, comradery, and empowerment.

### *Compensation and Benefits*

Our compensation and benefits are designed to support the financial, mental, and physical well-being of our employees. We are committed to equal pay for equal work, regardless of gender, race, ethnicity, or other personal characteristics. We believe our base wages and salaries, which we review annually, are fair and competitive with the external labor markets in which our employees work. We also regularly review our compensation practices to promote fair and equitable pay. We also offer competitive benefit programs, in line with local practices and with the flexibility to accommodate the needs of a diverse workforce. The benefit programs include, among others, paid holidays, family leave, disability insurance, life insurance, healthcare, and a 401(k) plan with a company match. As of September 30, 2022, we had 206 full-time employees. Our employees work in the following divisions:

Alico Citrus	180
Land Management and Other Operations (1)	0
Corporate, General, Administrative and Other	26
Total employees	206

(1) There is one employee who is included in Corporate, General, Administrative and Other who oversees the Land Management and Other Operations.

None of our employees are subject to a collective bargaining agreement. We believe that our relations with our employees are good.

### *Workforce Housing*

We own and maintain 37 residential housing units located in various counties in Florida that we lease to employees and former employees. Our residential units provide affordable housing to many of our employees, including our agribusiness employees. Employees live close to their work, which reduces traffic and commuting times. This unique employment benefit helps us maintain a dependable, long-term employee base.

### *Capital Resources and Raw Materials*

Management believes that the Company will be able to meet its working capital requirements for at least the next 12 months, and over the long term, through internally generated funds, cash flows from operations, the sale of under-productive land and other assets, our existing lines of credit and access to capital markets. The Company has commitments providing for lines of revolving credit that are available for our general and corporate use.

Raw materials needed to cultivate the various crops grown by the Company consist primarily of fertilizers, herbicides, insecticides and fuel and are readily available from local suppliers.

### *Societal Well-Being*

The Company remains committed to a healthy and equitable society to ensure our collective well-being for future generations. In the past year, we provided cash grants and supporting donations to support our communities and promote health and safety, education, and justice.

### *Available Information*

We will provide electronic copies of our SEC filings free of charge upon request. Additionally, our reports, amendments thereto, proxy statements and other information are also made available, free of charge, on our investor relations website at [ir.alicoinc.com](http://ir.alicoinc.com) as soon as reasonably practicable after we electronically file or furnish such information with the SEC. Any information posted on or linked from our website is not incorporated by reference in this Annual Report on Form 10-K. The SEC also maintains a website at <http://www.sec.gov>, which contains annual, quarterly and current reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

## Item 1A. Risk Factors

*Our business and results of operations are subject to numerous risks and uncertainties, many of which are beyond our control. The following is a description of key known factors that we believe may materially affect our business, financial condition, results of operations or cash flows. They should be considered carefully, in addition to the information set forth elsewhere in this Annual Report on Form 10-K, including Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8, Financial Statements and Supplementary Data, including the related Notes to the Consolidated Financial Statements in making any investment decisions with respect to our securities. Additional risks or uncertainties that are not currently known to us that we currently deem to be immaterial or that could apply to any company could also materially adversely affect our business, financial condition, results of operations or cash flows.*

### **Risks Related to our Business**

***Adverse weather conditions, natural disasters and other natural conditions, including the effects of climate change, could impose significant costs and losses on our business.***

Fresh produce is vulnerable to adverse weather conditions, including windstorms, floods, drought and temperature extremes, which are quite common and may occur with higher frequency or be less predictable in the future due to the effects of climate change. Unfavorable growing conditions can reduce both crop size and crop quality. In extreme cases, entire harvests may be lost in some geographic areas. Citrus groves are subject to damage from frost and freezes, and this has happened periodically in the recent past, including most recently the impact from the freeze in the last week of January 2022. In some cases, the fruit is damaged or ruined; in the case of extended periods of cold, the trees can also be damaged or killed. These factors can increase costs, decrease revenues and lead to additional charges to earnings, which may have a material adverse effect on our business, results of operations, financial condition and cash flows.

***Our citrus groves are subject to damage and loss from disease including but not limited to citrus greening and citrus canker which could negatively impact our business, financial condition, results of operations and cash flows.***

Our citrus groves are subject to damage and loss from diseases such as citrus greening and citrus canker. Each of these diseases is widespread in Florida and exists in our citrus groves and in the areas where our citrus groves are located. The success of our citrus business is directly related to the viability and health of our citrus groves.

Citrus greening is one of the most serious citrus plant diseases in the world. Once a tree is infected, its productivity generally decreases. While the disease poses no threat to humans or animals, it has devastated citrus crops throughout the United States and abroad. Named for its green, misshapen fruit, citrus greening disease has now killed millions of citrus plants in the southeastern United States and has spread across the entire country. Infected trees produce fruits that are green, misshapen and bitter, unsuitable for sale as fresh fruit or for juice. Infected trees can die within a few years. At the present time, there is no known cure for citrus greening once trees have become infected. Primarily, as a result of citrus greening, orange production in the State of Florida has continued to drop.

Citrus canker is a disease affecting citrus species and is caused by a bacterium which is spread by contact with infected trees or by windblown transmission. There is no known cure for citrus canker at present although some management practices, including the use of copper-based bactericides, can mitigate its spread and lessen its effect on infected trees; however, there is no assurance that currently available technologies will control such disease effectively.

Both of these diseases pose a significant threat to the Florida citrus industry and to our citrus groves. While we try to use best management practices to attempt to control diseases and their spread, there can be no assurance that our mitigation efforts will be successful. These diseases can significantly increase our costs which could materially adversely affect our business, financial condition, results of operations and cash flows. Our citrus groves produce the significant majority of our annual operating revenues. A significant reduction in available citrus from our citrus groves could decrease our operating revenues and materially adversely affect our business, financial condition, results of operations and cash flows.

***Our citrus groves are geographically concentrated in Florida and the effects of adverse weather conditions including hurricanes and tropical storms could adversely affect our results of operations, financial position and cash flows.***

Our citrus operations are concentrated in central and south Florida with our groves located in parcels in DeSoto, Polk, Collier, Hendry, Charlotte, Highlands, and Hardee Counties. Because our groves are located in close proximity to each other, the impact of adverse weather conditions may be material to our results of operations, financial position and cash flows. Florida is particularly susceptible to the occurrence of hurricanes and tropical storms. Depending on where any particular hurricane or tropical storm makes landfall, our properties could experience significant, if not catastrophic damage. Hurricanes and tropical storms have the potential to destroy crops and impact citrus production through the loss of fruit and destruction of trees and/or plants either as a result of high winds or through the spread of windblown disease. Such damage could materially

affect our citrus operations and could result in a loss of operating revenues from those products for a multi-year period. For instance, recent Hurricane Ian is expected to have a material adverse effect on the fruit production from our trees for this current harvest season and, potentially to a lesser extent, the next season and future seasons. We seek to minimize hurricane risk by the purchase of insurance contracts, but the majority of our crops remain uninsured. In addition to hurricanes and tropical storms, the occurrence of other natural disasters and climate conditions in Florida, such as tornadoes, floods, freezes (such as the freeze in the last week of January 2022), unusually heavy or prolonged rain, droughts and heat waves, could have a material adverse effect on our operations and our ability to realize income from our crops or properties.

***A significant portion of our revenues are derived from our citrus business and any adverse event affecting such business could disproportionately harm our business.***

Our revenues from our citrus business were approximately 97.5%, 97.5%, and 96.6% of our operating revenues in fiscal years 2022, 2021 and 2020, respectively. Our citrus division is one of the largest citrus producers in the United States and because of the significance of the revenues derived from this business, we are more vulnerable to adverse events or market conditions affecting our citrus business, in particular, or the citrus business, generally, which could have a significant adverse impact on our overall results of operations, financial condition and cash flows.

***Our failure to effectively perform grove management functions or to effectively manage an expanded portfolio of groves could materially and adversely affect our business, financial condition, and results of operations.***

If we are unable to effectively perform grove management services for both our own groves and the groves owned by third parties at the level and/or the cost that we expect, or if we were to fail to allocate sufficient resources to meet the grove management of our own groves and the groves owned by these third parties, it could adversely affect our performance and reputation. Our ability to perform the grove management services will be affected by various factors, including, among other things, our ability to maintain sufficient personnel and retain key personnel, the ability of the independent contractors whom we engage to assist in providing these services to maintain sufficient personnel and retain key personnel, and the number of acres and groves that we will manage. Increases in the number of acres and groves we are managing have required us to hire a greater number of additional qualified personnel and have required the independent contractors whom we engage to assist in providing these services to maintain a greater number of additional qualified personnel to provide those services. No assurance can be made that we will continue to be successful in attracting and retaining skilled personnel or in integrating any new personnel into our organization or that the independent contractors whom we engage to assist in providing these services will continue to be successful in attracting and retaining skilled personnel or in integrating any new personnel into their respective organizations.

***Our business is highly competitive, and we cannot assure you that we will maintain our current market share.***

Many companies compete in our different businesses and offer products that are similar to our products or are direct competitors to our products. We face strong competition from these and other companies engaged in the agricultural product business.

Important factors with respect to our competitors include the following:

- Some of our competitors may have greater operating flexibility and, in certain cases, this may permit them to respond better or more quickly to changes in the industry.
- We cannot predict the pricing or promotional actions of our competitors or whether those actions will have a negative effect on us.
- Our competitors may have access to substantially greater financial resources, deeper management and agricultural resources, regional, national or global areas that offer agricultural advantages, and enhanced public visibility or reputations.

There can be no assurance that we will continue to compete effectively with our present and future competitors, and our ability to compete could be materially adversely affected by our debt levels and debt service requirements.

***We depend on our relationship with Tropicana and Tropicana's relationship with certain third parties for a significant portion of our business. Any disruption in these relationships could harm our revenue. Additionally, if certain criteria are not met under one of our contracts with Tropicana, we could experience a significant reduction in revenues and cash flows.***

The Company's contracts with Tropicana accounted for 79.7%, 77.5%, and 86.9% of the Company's revenues in fiscal years 2022, 2021 and 2020, respectively. The revenue for Tropicana is primarily generated from two contracts. Should there be any change in our current relationship structure, whereby they do not buy our oranges, we would need to find replacement buyers to purchase our remaining crop, which could take time and expense and may result in less favorable terms of sale. The loss of Tropicana as a customer or significant reduction in business with Tropicana may cause a material adverse impact to our financial position, results of operations and cash flows.

***With the sale of a majority of ownership of Tropicana to a French private equity firm, there is some heightened risk and uncertainty in our current relationship with Tropicana, which potentially could result in a significant reduction in revenues and cash flows if that relationship were to be changed as a result.***

With the sale of a majority ownership of Tropicana by PepsiCo to a French private equity firm (the “Firm”), there is some heightened risk and uncertainty in our current relationship with Tropicana, which potentially could result in a significant reduction in revenues and cash flows if that relationship were to be changed as a result. The Company currently has citrus supply contracts with Tropicana that expire in both 2023 and 2024, with the majority expiring in 2024. If the Firm caused Tropicana to reduce the volume of oranges purchased from us and/or purchased from owners of groves that we manage, we would need to find, and/or the owners of groves that we manage would need to find or work with us to find, replacement buyers to purchase any remaining crop of our and/or of the owners of the groves we manage, which could take time and expense and may result in less favorable terms of sale. The loss of Tropicana as a customer or significant reduction in business with Tropicana for us and/or for the owners of the groves we manage may cause a material adverse impact to our financial position, results of operations and cash flows.

***Our agricultural products are subject to supply and demand pricing which is not predictable.***

Agricultural operations traditionally provide almost all of our operating revenues with citrus being the largest portion and are subject to supply and demand pricing. Prior to the COVID-19 pandemic, according to Nielsen data, consumer demand for orange juice had decreased significantly to its lowest level in almost a decade; however, we have been able to offset the impact of such decline with higher prices based on a lower supply of available oranges. Although the demand for orange juice has increased during the COVID-19 pandemic, it is uncertain as to whether such increased demand can be maintained, whether we will see a return to a decline in the future and whether, if there were to be such a decline, the impact could be again offset by higher prices. Although our processed citrus is subject to minimum pricing, we are unable to predict with certainty the final price we will receive for our products. In some instances, the harvest and growth cycle will dictate when such products must be marketed which may or may not be advantageous in obtaining the best price. Excessive supplies tend to cause severe price competition and lower prices for the commodity affected. Limited supply of certain agricultural commodities due to world and domestic market conditions can cause commodity prices to rise in certain situations.

***If we are unable to successfully develop and execute our strategic growth initiatives, or if they do not adequately address the challenges or opportunities we face, our business, financial condition and prospects may be adversely affected.***

Our success is dependent, in part, on our ability to identify, develop and execute appropriate strategic growth initiatives that will enable us to achieve sustainable growth in the long term. The implementation of our strategic initiatives is subject to both the risks affecting our business generally and the inherent risks associated with implementing new strategies. These strategic initiatives may not be successful in generating revenues or improving operating profit and, if they are, it may take longer than anticipated. As a result, and depending on evolving conditions and opportunities, we may need to adjust our strategic initiatives and such changes could be substantial, including modifying or terminating one or more of such initiatives. Termination of such initiatives may require us to write down or write off the value of our investments in them. Transition and changes in our strategic initiatives may also create uncertainty in our employees, customers and partners that could adversely affect our business and revenues. In addition, we may incur higher than expected or unanticipated costs in implementing our strategic initiatives, attempting to attract revenue opportunities or changing our strategies. There can be no assurance that the implementation of any strategic growth initiative will be successful, and we may not realize anticipated benefits at levels we project or at all, which would adversely affect our business, financial condition and prospects.

***We are subject to the risk of product contamination and product liability claims.***

The sale of agricultural products for human consumption involves the risk of injury to consumers. Such injuries may result from tampering by unauthorized third parties, product contamination or spoilage, including the presence of foreign objects, substances, chemicals, other agents, or residues introduced during the growing, storage, handling or transportation phases. While we are subject to governmental inspection and regulations and believe our facilities comply in all material respects with all applicable laws and regulations, we cannot be sure that our agricultural products will not cause a health-related illness in the future or that we will not be subject to claims or lawsuits relating to such matters. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers and our corporate and brand image. Moreover, claims or liabilities of this sort might not be covered or fully covered by our insurance or by any rights of indemnity or contribution that we may have against others. We maintain product liability insurance; however, we cannot be sure that we will not incur claims or liabilities for which we are not insured or that exceed the amount of our insurance coverage.

***Our agricultural operations are subject to water use regulations restricting our access to water.***

Our operations are dependent upon the availability of adequate surface and underground water. The availability of water is regulated by the state of Florida through water management districts which have jurisdiction over various geographic regions in which our lands are located. Currently,

we have permits in place for the next 15 to 20 years for the use of underground and surface water which are believed to be adequate for our agricultural needs.

Surface water in Hendry County, where much of our agricultural land is located, comes from Lake Okeechobee via the Caloosahatchee River and a system of canals used to irrigate such land. The Army Corps of Engineers controls the level of Lake Okeechobee and ultimately determines the availability of surface water even though the use of water has been permitted by the state of Florida through the water management district. The Army Corps of Engineers decided in 2010 to lower the permissible level of Lake Okeechobee in response to concerns about the ability of the levee surrounding the lake to restrain rising waters which could result from hurricanes. Changes in availability of surface water use may result during times of drought, because of lower lake levels and could materially adversely affect our agricultural operations, financial condition, results of operations and cash flows.

***Changes in immigration laws could impact our ability to harvest our crops.***

We engage third parties to provide personnel for our harvesting operations. The availability and number of such workers is subject to decrease if there are changes in the U.S. immigration laws. Immigration reform and enforcement has been attracting significant attention from the U.S. Government (particularly in the current U.S. administration and U.S. Congress), with enforcement operations taking place across the country, resulting in arrests and detentions of unauthorized workers. It remains unclear how the U.S. administration and U.S. Congress will approach immigration reform and enforcement. However, if new immigration legislation is enacted in the U.S. and/or if enforcement actions are taken against available personnel, such legislation and/or enforcement activities may contain provisions that could significantly reduce the number and availability of workers. Termination of a significant number of personnel who might be found to be unauthorized workers or the scarcity of other available personnel to harvest our agricultural products could cause harvesting costs to increase or could lead to the loss of product that is not timely harvested which could have a material adverse effect to our citrus grove business, financial condition, results of operations and cash flows.

***Our acquisition of additional agricultural assets and other businesses could pose risks.***

We seek to opportunistically acquire new agricultural assets from time to time that we believe would complement our business. For example, (i) in fiscal year 2015, we acquired three Florida citrus properties, including Orange-Co and Silver Nip Citrus, which resulted in our citrus division being one of the largest citrus producers in the United States, and (ii) in October 2020 we acquired another Florida citrus property. While we expect that our past and future acquisitions will successfully complement our business, we may fail to realize all of the anticipated benefits of these acquisitions, which could reduce our anticipated results. We cannot assure that we will be able to successfully identify suitable acquisition opportunities, negotiate appropriate acquisition terms, or obtain any financing that may be needed to consummate such acquisitions or complete proposed acquisitions. Acquisitions by us could result in accounting changes, potentially dilutive issuances of equity securities, increased debt and contingent liabilities, reduce the amount of cash available for dividends, debt service payments, integration issues and diversion of management's attention, any of which could adversely affect our business, results of operations, financial condition, and cash flows. We may be unable to successfully realize the financial, operational, and other benefits we anticipate from our acquisitions and our failure to do so could adversely affect our business, results of operations, financial condition and cash flows.

***Dispositions of our assets may adversely affect our future results of operations.***

We also routinely evaluate the benefits of disposing of certain of our assets which could include the exit from lines of business. For example, in November of 2014, we sold significant sugarcane assets and we are no longer involved in the sugarcane business and, in January of 2018, we sold our breeding herd and no longer engage in cattle operations. Most recently, we sold certain ranch acres to the State of Florida and because these acres would have been critically important for carrying out the Company's planned dispersed water storage project, the Company is no longer pursuing permit approval relating to this dispersed water storage project. While such dispositions increase the amount of cash available to us, it could also (i) result in a potential loss of significant operating revenues and income streams that we might not be able to replace, (ii) make our business less diversified and (iii) could ultimately have a negative impact on our results of operations, financial condition and cash flows.

***Harm to the Company's reputation could have an adverse effect on the business, financial condition and results of operations.***

Maintaining a strong reputation with fruit processors and third-party partners is critical to the success of the Company's business. The Company devotes significant time and resources to training programs, relating to, among other things, ethics, compliance and product safety and quality, as well as sustainability goals, and has published ESG goals (i.e., environmental, sustainability and governance), including relating to environmental impact and sustainability and inclusion and diversity, as part of its ESG Strategy. Despite these efforts, the Company may not be successful in achieving its goals, might provide materially inaccurate information, or might receive negative publicity about the Company, including relating to product safety, quality, efficacy, ESG or similar issues, whether real or perceived, and reputational damage could occur. In addition, the Company's products could face withdrawal, recall or other quality issues, which could lead to decreased demand for the Company's products or services and reputational damage.

Widespread use of social media and networking sites by consumers has greatly increased the accessibility and speed of dissemination of information. Negative publicity, posts or comments about the Company, whether accurate or inaccurate, or disclosure of non-public sensitive information about the Company, could be widely disseminated through the use of social media or in other formats.

***If a transaction intended to qualify as a Section 1031 Exchange is later determined to be taxable, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of properties in the future on a tax deferred basis.***

From time to time we dispose of properties in transactions that are intended to qualify as Section 1031 Exchanges under the federal income tax law. It is possible that the qualification of a transaction as a Section 1031 Exchange could be successfully challenged and determined to be currently taxable and we could also be required to pay interest and penalties. As a result, we may be required to borrow funds in order to pay additional income taxes, and the payment of such taxes could cause us to have less cash available. Moreover, it is possible that legislation could be enacted that could modify or repeal the laws with respect to Section 1031 Exchanges, which could make it more difficult or not possible for us to dispose of properties in the future on a tax deferred basis.

***We may undertake one or more significant corporate transactions that may not achieve their intended results, may adversely affect our financial condition and our results of operations or result in unforeseeable risks to our business.***

We continuously evaluate the acquisition or disposition of operating businesses and assets and may in the future undertake one or more significant transactions. Any such acquisitive transaction could be material to our business and could take any number of forms, including mergers, acquisitions, joint ventures and the purchase of equity interests. The consideration for such acquisitive transactions may include, among other things, cash, common stock or equity interests in the Company or our subsidiaries, or a contribution of property or equipment to obtain equity interests, and in conjunction with a transaction we might incur additional indebtedness. We also routinely evaluate the benefits of disposing of certain assets. Such dispositions could take the form of asset sales, mergers or sales of equity interests.

These transactions may present significant risks such as insufficient assets to offset liabilities assumed, potential loss of significant operating revenues and income streams, increased or unexpected expenses, inadequate return of capital, regulatory or compliance issues, the triggering of certain financial covenants in our debt instruments (including accelerated repayment) and unidentified issues not discovered in due diligence. In addition, such transactions could distract management from current operations. As a result of the risks inherent in such transactions, we cannot guarantee that any such transaction will ultimately result in the realization of its anticipated benefits or that it will not have a material adverse impact on our business, financial condition, results of operations or cash flows. If we were to complete such an acquisition, disposition, investment or other strategic transaction, we may require additional debt or equity financing that could result in a significant increase in our amount of debt and our debt service obligations or the number of outstanding shares of our common stock, thereby diluting holders of our common stock outstanding prior to such acquisition.

***Our citrus business is seasonal.***

Our citrus groves produce the majority of our annual operating revenues and the citrus business is seasonal because it is tied to the growing and picking seasons. Historically, the second and third quarters of our fiscal year generally produce the majority of our annual revenues, and our working capital requirements are typically greater in the first and fourth quarters of our fiscal year coinciding with our planting cycles. Because of the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year or in future quarters. If our operating revenues in the second and third quarters are lower than expected, it would have a disproportionately large adverse impact on our annual operating results.

***We face significant competition in our agricultural operations.***

We face significant competition in our agricultural operations both from domestic and foreign producers and do not have any branded products. Foreign growers generally have an equal or lower cost of production, less environmental regulation and in some instances, greater resources and market flexibility than us. Because foreign growers have greater flexibility as to when they enter the U.S. market, we cannot always predict the impact these competitors will have on our business and results of operations. The competition we face from certain foreign suppliers of orange juice is mitigated by a governmentally imposed tariff on orange imports. Accordingly, a reduction in the government's orange juice tariff could adversely impact our results of operations.

***Our earnings are sensitive to fluctuations in market supply and prices and demand for our products.***

Excess supplies often cause severe price competition in our industry. Growing conditions in various parts of the world, particularly weather conditions such as windstorms, floods, droughts and freezes, as well as diseases and pests, are primary factors affecting market prices because of their influence on the supply and quality of product.

Fresh produce is highly perishable and generally must be brought to market and sold soon after harvest. Many of the items involved in our business, such as oranges, must be sold more quickly than other produce our competitors may produce, such as lemons. As such, our competitors may be able to maintain certain items they produce in inventory for longer periods than we are able to maintain our inventory which may offer our competitors strategic advantages when they respond to fluctuations in market supply and demand that are not available to us.

In addition, general public perceptions regarding the quality, safety or health risks associated with particular food products could reduce demand and prices for some of our products. To the extent that consumer preferences evolve away from products that we produce for health or other reasons, and we are unable to modify our products or to develop products that satisfy new consumer preferences, there will be a decreased demand for our products. If excess supplies do exist, this could result in reduced pricing or unusable inventory which could adversely impact our results of operations.

***Climate change, or legal, regulatory, or market measures to address climate change, may negatively affect our business and operations.***

There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on the productivity of our citrus groves, it could have an adverse impact on our business and results of operations. The increasing concern over climate change also may result in more regional, federal, and/or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases or climate change. In the event that such regulation is enacted, we may experience significant increases in our costs of operations, including but not limited to increased energy, environmental, and other costs and capital expenditures. In particular, increasing regulation of fuel emissions could substantially increase the distribution and supply chain costs associated with our products. As a result, climate change could negatively affect our financial condition and results of operations.

***ESG issues, including those related to climate change and sustainability, may have an adverse effect on our business, financial condition, results of operations, and cash flows and damage our reputation.***

Companies across all industries are facing increasing scrutiny relating to their ESG policies. Increased focus and activism related to ESG may hinder the Company's access to capital, as investors may reconsider their capital investment as a result of their assessment of the Company's ESG practices. In particular, customers, investors and other stakeholders are increasingly focusing on environmental issues, including climate change, water use, deforestation, plastic waste, and other sustainability concerns. There have also been changing consumer preferences for natural or organic products and ingredients and increased consumer concerns or perceptions (whether accurate or inaccurate) regarding the effects of substances present in certain consumer products. Responding to and complying with these preferences, concerns and demands could cause us to incur additional costs or to make changes to our operations that could negatively affect our business, financial condition and results of operations.

If the Company does not adapt to or comply with new regulations or fails to meet its ESG goals or meet the evolving investor, industry or stakeholder expectations and standards, or if the Company is perceived to have not responded appropriately to the growing concern for ESG issues, fruit processors and consumers may choose to stop purchasing our products or purchase products from another company or a competitor, and the Company's reputation, business, financial condition, results of operations and cash flows may be adversely affected.

***Increases in labor, personnel and benefits costs could adversely affect our operating results.***

We primarily utilize labor contractors to harvest and deliver our fruit to outside packing facilities. Our employees and contractors are in demand by other agribusinesses and other industries. Shortages of labor, particularly as a result of the recent low unemployment rate in the United States and in Florida in particular, could delay our harvesting or orange processing activities or could result in increases in labor costs.

We and our labor contractors are subject to government mandated wage and benefit laws and regulations. In addition, current or future federal or state healthcare legislation and regulation, including the Affordable Care Act, may increase our medical costs or the medical costs of our labor contractors that could be passed on to us.

***Increases in commodity or raw product costs, such as fuel and chemical costs, could adversely affect our operating results.***

Many factors may affect the cost and supply of citrus, including external conditions, commodity market fluctuations, changes in governmental laws and regulations, tariffs, agricultural programs, severe and prolonged weather conditions and natural disasters. Increased costs for products, as we have experienced in this last year, can negatively impact our operating results and there can be no assurance that they will not adversely affect our operating results in the future.

***We are subject to transportation risks.***

We depend on third party providers of transportation and have no control over such third parties. An extended interruption in our ability to harvest and haul our products could have a material adverse effect on our business, financial condition and results of operations. Similarly, any extended disruption in the distribution of our products could have a material adverse effect on our business, financial condition and results of operations.

While we believe we are adequately insured and would attempt to transport our products by alternative means if we were to experience an interruption due to strike, natural disasters or otherwise, we cannot be sure that we would be able to do so or be successful in doing so in a timely and cost-effective manner.

***We benefit from reduced real estate taxes due to the agricultural classification of a majority of our land. Changes in the classification or valuation methods employed by county property appraisers could cause significant changes in our real estate property tax liabilities.***

For the fiscal years ended September 30, 2022, 2021 and 2020, we paid approximately \$2,679,000, \$2,570,000, and \$2,714,000 in real estate taxes, respectively. These taxes were based upon the agricultural use ("Green Belt") values determined by the county property appraisers in which counties we own land, of approximately \$85,159,000, \$82,790,000, and \$87,976,000 for the fiscal years ended September 30, 2022, 2021 and 2020, respectively, which differs significantly from the fair values determined by the county property appraisers of approximately \$391,049,000, \$467,948,000, and \$463,799,000, respectively. Changes in state law or county policy regarding the granting of agricultural classification or calculation of "Green Belt" values or average millage rates could significantly and adversely impact our results of operations, cash flows and/or financial position.

***If the real estate industry weakens or instability of the mortgage industry and commercial real estate financing exists, it could have an adverse effect on our Alico Ranch sales.***

If the residential real estate market weakens or instability of the mortgage industry and commercial real estate financing exists, our Alico Ranch sales could be adversely affected. A decrease in property demand might have a negative impact on our ability to sell our Alico Ranch.

***Liability for the use of fertilizers, pesticides, herbicides and other potentially hazardous substances could increase our costs.***

Our agricultural business involves the use of herbicides, fertilizers and pesticides, some of which may be considered hazardous or toxic substances. We may be deemed liable and have to pay for the costs or damages associated with the improper application, accidental release or the use or misuse of such substances. Our insurance may not be adequate to cover such costs or damages, or may not continue to be available at a price or under terms that are satisfactory to us. In such cases, if we are required to pay significant costs or damages, it could materially adversely affect our business, results of operations, financial condition and cash flows.

***Compliance with applicable environmental laws may substantially increase our costs of doing business which could reduce our profits.***

We are subject to various laws and regulations relating to the operation of our properties, which are administered by numerous federal, state and local governmental agencies. We face a potential for environmental liability by virtue of our ownership of real estate property. If hazardous substances (including herbicides and pesticides used by us or by any persons leasing our lands) are discovered emanating from any of our lands and the release of such substances presents a threat of harm to the public health or the environment, we may be held strictly liable for the cost of remediation of these hazardous substances. In addition, environmental laws that apply to a given site can vary greatly according to the site's location, its present and former uses, and other factors such as the presence of wetlands or endangered species on the site. Management monitors environmental legislation and requirements and makes every effort to remain in compliance with such regulations. Furthermore, we require lessees of our properties to comply with environmental regulations as a condition of leasing. We also purchase insurance for environmental liability when it is available; however, these insurance contracts may not be adequate to cover such costs or damages or may not continue to be available at prices and terms that would be satisfactory. It is possible that in some cases the cost of compliance with these environmental laws could exceed the value of a particular tract of land, make it unsuitable for use in what would otherwise be its highest and best use, and/or be significant enough that it would materially adversely affect us.

***Our business may be adversely affected if we lose key employees.***

We depend to a large extent on the services of certain key management personnel. These individuals have extensive experience and expertise in the business lines and segments in which they work. The loss of any of these individuals could have a material adverse effect on our businesses. We do not maintain key-man life insurance with respect to any of our employees. Our success will be dependent on our ability to continue to attract, employ and retain skilled personnel in our business lines and segments.

On May 17, 2022, Richard Rallo notified the Company of his decision to resign from his role as the Company's Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) effective as of May 31, 2022. Mr. Rallo's decision to resign was for personal reasons to eliminate extensive travel and/or avoid relocation to Florida and was not related to any disagreement with the Company or its independent registered public accountants on any matter relating to the Company's financial or accounting operations, policies, or practices. Mr. Rallo has agreed to provide consulting services to the Company through December 31, 2022.

On September 6, 2022, the Company announced the appointment of Perry G. Del Vecchio, age 55, as the Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, effective as of September 6, 2022. Mr. Del Vecchio is responsible for all corporate finance, treasury and accounting functions of the Company and reports directly to John Kiernan, the Company's President and Chief Executive Officer.

***Material weaknesses and other control deficiencies relating to our internal control over financial reporting could result in errors in our reported results and could have a material adverse effect on our operations, investor confidence in our business and the trading price of our securities.***

Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements.

Management's assessment of our internal control over financial reporting as of September 30, 2022 concluded that our internal control over financial reporting was not effective and that a material weakness existed. This material weakness resulted in the restatements of our consolidated balance sheets, consolidated statements of changes in equity and related disclosures as of September 30, 2021, and as of the end of each quarterly period ended June 30, 2022, March 31, 2022, December 31, 2021, June 30, 2021, March 31, 2021, and December 31, 2020 to correct errors relating to the calculation of deferred tax liabilities and make adjustments to the amounts of previously reported deferred tax liabilities and retained earnings. As described in "Part II—Item 9A—Controls and Procedures," we began the process of remediating our identified material weakness. Management's continuing evaluation and work to enhance our internal control over financial reporting has required and will continue to require the dedication of additional resources and management time and expense. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed, and we could fail to meet our financial reporting obligations, which in turn could affect the market price of our securities. In addition, perceptions of us among customers, lenders, investors, securities analysts and others could also be adversely affected. Current material weakness or any weaknesses or deficiencies identified in the future could also hurt confidence in our business and the accuracy and completeness of our financial statements, and adversely affect our ability to do business with these groups.

We can give no assurances that the remediation measures we have begun implementing, or any future measures we may take, will remediate the material weakness identified or that any additional material weaknesses will not arise in the future due to our failure to implement and maintain adequate internal control over financial reporting. In addition, even if we are successful in strengthening our controls and procedures, those controls and procedures may not be adequate to prevent or identify irregularities or ensure the fair and accurate presentation of our financial statements included in our periodic reports filed with the SEC.

***The restatements and any resulting investigations, legal or administrative proceedings could result in fines, injunctions, orders, and penalties which could materially adversely affect our business, financial condition, results of operations, and liquidity.***

The restatements, and any investigations, legal or administrative proceedings that could result therefrom, may divert our management's time and attention and cause us to incur substantial costs. Such investigations can also lead to fines or injunctions or orders with respect to future activities. At this point, we are unable to predict whether the SEC or any other regulatory agencies will commence any investigations or commence legal action. Any such investigations may result in us being subject to criminal and civil penalties and other remedial measures, which could have an adverse impact on our business, results of operations, financial condition and liquidity.

***Inflation can have a significant adverse effect on our operations.***

Inflation can have a major adverse impact on our citrus operations and there has been significant recent inflationary developments in the United States. It is uncertain as to whether these recent inflationary pressures will continue, will increase or will be brought under control. Our citrus operations are most affected by escalating costs and unpredictable revenues and high irrigation water costs. High fixed water costs related to our citrus lands will continue to adversely affect earnings. Prices received for many of our products are dependent upon prevailing market conditions and commodity prices. Therefore, in addition to making it difficult to accurately predict revenue, we are unable to pass on cost increases caused by general inflation, except to the extent reflected in market conditions and commodity prices. As a result, if market conditions and commodity prices do not enable us to pass along such cost increases, these recent and future inflationary pressures would likely negatively affect our results of operations, cash flows and/or financial position.

***Rising inflation and the deadly conflict in Ukraine could adversely affect the Company's business, financial condition, results of operations and cash flows.***

During the fiscal year ended September 30, 2022, we continued to experience inflationary pressure on transportation and commodity costs, which we expect to continue through 2023. A number of external factors, including the deadly conflict in Ukraine, the COVID-19 pandemic, adverse weather conditions, supply chain disruptions (including raw material shortages) and labor shortages, have impacted and may continue to impact

transportation and commodity costs. When prices increase, we may or may not pass on such increases to our customers without suffering reduced volume, revenue, margins and operating results.

***We incur increased costs as a result of being a publicly traded company.***

As a company with publicly traded securities, we have incurred, and will continue to incur, significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as well as rules promulgated by the SEC and Nasdaq, require us to adopt corporate governance practices applicable to U.S. public companies. These laws, rules and regulations may increase our legal and financial compliance costs, which could adversely affect the trading price of our common stock.

***System security risks, data protection breaches, cyber-attacks and systems integration issues could disrupt our internal operations or services provided to customers, and any such disruption could reduce our expected revenues, increase our expenses, damage our reputation and adversely affect our stock price.***

Computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of third parties, create system disruptions or cause shutdowns. Computer programmers and hackers also may be able to develop and deploy viruses, worms, and other malicious software programs that attack our systems and databases or otherwise exploit any security vulnerabilities of our systems and databases. In addition, sophisticated hardware and operating system software and applications that we develop internally or procure from third parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the operation of the system. The costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, distribution or other critical functions.

Portions of our information technology infrastructure also may experience interruptions, delays or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be more expensive, time consuming, disruptive and resource intensive. Such disruptions could adversely impact our ability to track sales and could interrupt other operational or financial processes, which in turn could adversely affect our financial results, stock price and reputation.

***The COVID-19 pandemic continues to create macroeconomic uncertainty and could adversely affect the Company’s business, financial condition, results of operations and cash flows.***

We are vulnerable to the general economic impacts of pandemics, such as the ongoing COVID-19 pandemic and any emergence of variants for which vaccines may not be effective. The COVID-19 pandemic continues to create significant macroeconomic uncertainty and supply chain constraints. The COVID-19 pandemic has also resulted in the implementation of numerous measures to contain the virus worldwide, which may continue to cause significant disruptions to the US and global economy. The extent to which COVID-19 and related challenges will continue to impact our results will depend on future developments, which are uncertain and cannot be predicted with confidence. Potential negative impacts of the pandemic could include, but are not limited to, the following:

- Reduction in customer demand for citrus products and decreased consumer spending levels, which could materially and adversely affect our results of operations;
- Potential disruption of services and deliveries of equipment and supplies on which we rely to produce and deliver our harvested citrus to producers and fulfilling deliveries to production plants, any of which could materially and adversely affect our business or reputation;
- We may be unable to obtain financing in the current economic environment on terms that are favorable or acceptable to us, or at all, which could impair our cash flows and restrict our ability to execute on our strategic initiatives and react to changes in our business or the environment;
- There could be increased volatility in our stock price related to the pandemic, which could result in the loss of some or all of the value of an investment in the Company;
- Our ability to maintain our workforce during these uncertain times, which could materially and adversely affect our results of operations;
- Increase in employee absenteeism of employees of the Company and of our independent contractor service providers (such as contracted field workers) due to fear of infection, which could materially and adversely affect our results of operations;
- Increase in possible lawsuits or regulatory actions due to COVID-19 spread in the workplace which could materially and adversely affect our results of operations;

- Spread of COVID-19 in our workplace, which could materially and adversely affect our business and reputation;
- Increase in the possibility of cybersecurity-related events such as COVID-19 themed phishing attacks and other security challenges, particularly as attributable to a substantial number of our employees and suppliers working remotely, which could materially and adversely affect our business and reputation; and
- Adverse impact on the productivity of management and our employees that are working remotely, including an impact on our ability to maintain our financial reporting processes and related controls and our ability to manage complex accounting issues presented by the COVID-19 pandemic which could materially and adversely affect our business and reputation.

***Our business operations could be significantly harmed by natural disasters or global epidemics.***

Our business could be adversely affected by natural disasters such as pandemics, epidemics, outbreaks or other health crises. An outbreak of avian flu or H1N1 flu in the human population, or another similar health crisis, such as the current COVID-19 pandemic referred to above, could adversely affect economies and financial markets, particularly those in the United States. Moreover, any related disruptions to transportation or the free movement of persons could hamper our operations and force us to close our offices temporarily.

The occurrence of any of the foregoing or other natural or man-made disasters could cause damage or disruption to us, our employees, operations, markets and customers, which could result in significant delays in deliveries or substantial shortages of our products and adversely affect our business results of operations, financial condition or prospects.

**Risks Related to Our Indebtedness**

***We maintain a significant amount of indebtedness which could adversely affect our financial condition, results of operations or cash flows and may limit our operational and financing flexibility and negatively impact our business.***

As of September 30, 2022, we had approximately \$106,696,000 in principal amount of indebtedness outstanding under our secured credit facilities and an additional availability of approximately \$89,762,000 is available under our working capital and revolving lines of credit. Our loan agreements, as well as other debt instruments we may enter into in the future, may have negative consequences to us and could limit our business because we will use a substantial portion of our cash flows from operations to pay debt service costs which will reduce the funds available to us for corporate and general expenses and it may make us more vulnerable to economic downturns and adverse developments in our business. Our loan agreements require us to comply with various restrictive covenants and some contain financial covenants that require us to comply with specified financial ratios and tests. Our failure to meet these covenants could result in default under these loan agreements and would result in a cross-default under other loan agreements. In the event of a default and our inability to obtain a waiver of the default, all amounts outstanding under loan agreements could be declared immediately due and payable. Our loan agreements also contain various covenants that limit our ability to engage in specified types of transactions. We expect that we will depend primarily upon our citrus operations to provide funds to pay our corporate and general expenses and to pay any amounts that may become due under any credit facilities and any other indebtedness we may incur. In addition, there are factors beyond our control that could negatively affect our citrus business revenue stream. Our ability to make these payments depends on our future performance, which will be affected by various financial, business, macroeconomic and other factors, many of which we cannot control.

***We may be unable to generate sufficient cash flow to service our debt obligations.***

To service our debt, we require a significant amount of cash. Our ability to generate cash, make scheduled payments or refinance our obligations depends on our successful financial and operating performance. Our financial and operating performance, cash flow and capital resources depend upon prevailing economic conditions and various financial, business, and other factors, many of which are beyond our control. These factors include among others:

- Economic and competitive conditions;
- Changes in laws and regulations;
- Operating difficulties, increased operating costs or pricing pressures we may experience; and
- Delays in implementing any strategic projects.

If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. If we are required to take any actions referred to above, it could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure investors

that we would be able to take any of these actions on terms acceptable to us, or at all, or that these actions would enable us to continue to satisfy our capital requirements or that these actions would be permitted under the terms of our various debt agreements.

*Some of our debt is based on variable rates of interest, which could result in higher interest expenses in the event of an increase in the interest rates.*

Our credit facility and certain of our term loans that we have currently bear interest at variable rates, which will generally change as interest rates change. Currently, we are experiencing, and are expecting to continue to experience increases in interest on our variable rate term loans. We bear the risk that the rates we are charged by our lenders will increase faster than the earnings and cash flow of our business, which could reduce profitability, adversely affect our ability to service our debt, cause us to breach covenants contained in our credit facility and term loans, any of which could materially adversely affect our business, financial condition, results of operations and cash flows.

#### **Risks Related to our Common Stock**

*We may not be able to continue to pay or maintain our cash dividends on our common stock and the failure to do so may negatively affect our share price.*

We have historically paid regular quarterly dividends to the holders of our common stock and in June 2021 announced an increase in our quarterly dividend to \$0.50 per common share, from \$0.18 per common share. Our ability to pay cash dividends depends on, among other things, our cash flows from operations, our cash requirements, our financial condition, the degree to which we are/or become leveraged, contractual restrictions binding on us, provisions of applicable law and other factors that our Board of Directors may deem relevant. There can be no assurance that we will generate sufficient cash from continuing operations in the future or have sufficient cash surplus or net profits to pay dividends on our common stock. Our dividend policy is based upon our directors' current assessment of our business and the environment in which we operate, and that assessment could change based on business developments (which could, for example, increase our need for capital expenditures) or new growth opportunities. Our Board of Directors may, in its discretion, decrease the level of cash dividends or entirely discontinue the payment of cash dividends. The reduction or elimination of cash dividends may negatively affect the market price of our common stock.

*There can be no assurance that we will resume the repurchase of shares of our common stock.*

In March 2017, our Board of Directors authorized the repurchase of up to \$5,000,000 of the Company's common stock beginning March 9, 2017 and continued through March 9, 2019. In May 2017, our Board of Directors authorized the repurchase of up to an additional \$2,000,000 of the Company's common stock beginning May 24, 2017 and continued through May 24, 2019. There can be no assurance that we will repurchase shares in the future in any particular amounts or at all. A reduction in, or elimination of, share repurchases could have a negative effect on our share price.

*If we were to conduct another tender offer or engage in an additional share repurchase program, holders of our securities would be subject to certain risks associated with a decrease in the outstanding number of shares of our common stock.*

In September 2018 the Company announced the commencement of the Tender Offer. During the Tender Offer the Company repurchased an aggregate of 752,234 shares at a price of \$34.00 per share aggregating \$25,575,956. These shares represented approximately 9.2% of the total number of shares of the Company's common stock issued and outstanding as of October 2, 2018. While we have no plans to conduct another tender offer at this time, we may conduct another tender offer or engage in the repurchase of our shares in the future. Stockholders could be adversely affected by a reduction in our "public float," that is, the number of shares owned by outside stockholders and available for trading in the securities markets, if the Company makes future tender offers or private or open market repurchases of its shares. Although the Company is not currently pursuing a tender offer or repurchase program, there are no assurances that our Board of Directors will not authorize the Company to do so in the future. Engaging in a tender offer or repurchase program in the future could have a negative effect on our share price.

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

As of September 30, 2022, Alico owned approximately 74,000 acres of land located in eight counties in Florida. Acreage in each county and the primary classification with respect to the present use of these properties is shown in the following table:

	Total	Hendry	Polk	Collier	DeSoto	Glades	Charlotte	Hardee	Highlands
Alico Citrus:									
Citrus Groves	48,845	8,766	7,107	7,166	21,470	—	2,538	574	1,224
Citrus Nursery	22	—	—	—	22	—	—	—	—
Total Citrus Groves	48,867	8,766	7,107	7,166	21,492	—	2,538	574	1,224
Land Management and Other Operations	24,161	20,139	—	4,022	—	—	—	—	—
Mining	526	—	—	—	—	526	—	—	—
Total	73,554	28,905	7,107	11,188	21,492	526	2,538	574	1,224

Approximately 54,600 acres of the properties listed are encumbered by credit agreements totaling approximately \$216,500,000, of which there was approximately \$106,696,000 outstanding at September 30, 2022. For a more detailed description of the credit agreements and collateral please see Note 6. "Long-Term Debt and Lines of Credit" to the Company's fiscal year 2022 consolidated financial statements.

Although the Company has mineral rights on approximately 90,000 acres, the Company currently collects mining royalties on only approximately 526 acres of the land included in the table above located in Glades County, Florida and on none of the non-owned lands with respect to which it holds mineral rights. These royalties do not represent a significant portion of operating revenues or gross profits.

**Item 3. Legal Proceedings**

From time to time, Alico may be involved in litigation relating to claims arising out of its operations in the normal course of business. There are no current legal proceedings to which the Company is a party or of which any of its property is subject that it believes will have a material adverse effect on its financial position, results of operations or cash flows.

**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**

***Common Stock***

Our common stock is traded on the Nasdaq Global Select Market under the symbol ALCO.

***Holder***

On December 2, 2022, our stock transfer records indicated there were 7,592,937 holders of record of our common stock. A greater number of holders of our common stock are "street name" or beneficial holders, whose shares are held by banks, brokers and other financial institutions.

***Dividend Policy***

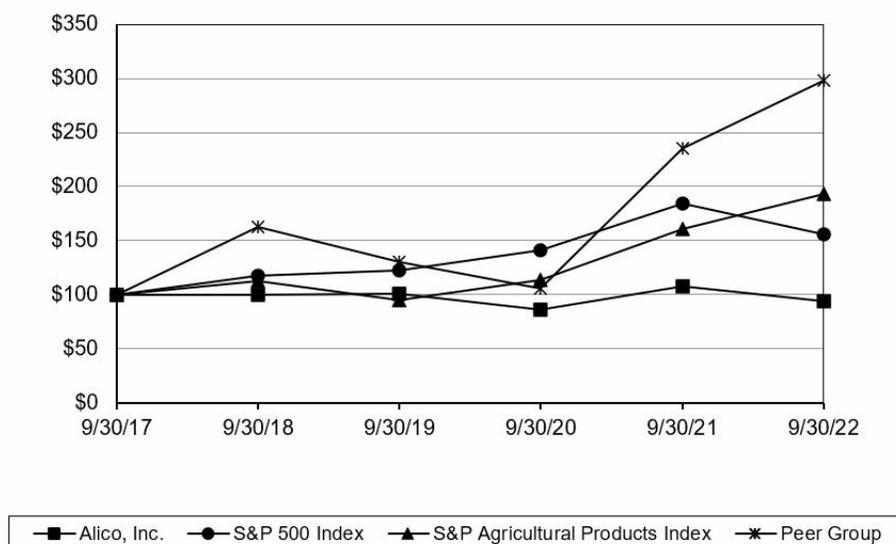
The declaration and amount of any actual cash dividend are in the sole discretion of our Board of Directors and are subject to numerous factors that ordinarily affect dividend policy, including the results of our operations and financial position, as well as general economic and business conditions.

- The Board of Directors approved a dividend of \$0.05 per common share for our first quarter fiscal year 2023 in December 2022.
- The Board of Directors approved the increase of our annual dividend to \$2.00 per common share in June 2021.
- The Board of Directors approved the increase of our annual dividend to \$0.72 per common share in December 2020.
- The Board of Directors approved the increase of our annual dividend to \$0.36 per common share in December 2019.

## Stock Performance Graph

The graph below represents our common stock performance, comparing the value of \$100 invested on September 30, 2017 in our common stock, the S&P 500 Index, the S&P Agricultural Products Index and a Company-constructed peer group, which includes Forestar Group, Inc., Limoneira Company, The St. Joe Company, Tejon Ranch Co. and Texas Pacific Land Trust.

**Comparison of Cumulative Five Year Total Return**



Company Name / Index	INDEXED RETURNS					
	Base Period Sept 17	Sept 18	Sept 19	Years Ending Sept 20	Sept 21	Sept 22
Alico, Inc.	100	99.75	101.21	86.15	107.35	93.70
S&P 500 Index	100	117.91	122.93	141.55	184.02	155.55
S&P Agricultural Products Index	100	112.67	95.30	113.30	160.33	193.24
Peer Group	100	163.18	129.83	106.17	235.39	297.94

*(Includes reinvestment of dividends)*

### Recent Sale of Unregistered Securities

None.

### Issuer Repurchases of Equity Securities

We adopted Rule 10b5-1 share repurchase plan under the Securities Exchange Act of 1934 (the "Plan") in connection with share repurchase authorizations. The Plan allows us to repurchase our shares of common stock at times when it otherwise might be prevented from doing so under insider trading laws or because of self-imposed trading blackout periods. Because repurchases under the Plan are subject to certain pricing parameters, there is no guarantee as to the exact number of common shares that will be repurchased under the Plan or that there will be any repurchases pursuant to the Plan. We did not repurchase any of our common stock under our Plan during the year ended September 30, 2022.

### Item 6. [Reserved]

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying Consolidated Financial Statements and related Notes thereto.

### **Cautionary Statement Regarding Forward-Looking Information**

*We provide forward-looking information in this Annual Report on Form 10-K, particularly in this Management's Discussion and Analysis of Financial Condition and Results of Operations, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any statements in this Annual Report on Form 10-K that are not historical facts are forward-looking statements. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on our current expectations, estimates and projections about our business based, in part, on assumptions made by our management and can be identified by terms such as "plans," "expect," "may," "anticipate," "intend," "should be," "will be" "is likely to," "believes," and similar expressions referring to future periods. Alico believes the expectations reflected in the forward-looking statements are reasonable but cannot guarantee future results, level of activity, performance or achievements. Actual results may differ materially from those expressed or implied in the forward-looking statements. Therefore, Alico cautions you against relying on any of these forward-looking statements. Factors which may cause future outcomes to differ materially from those foreseen in forward-looking statements include, but are not limited to: changes in laws, regulation and rules, including tax laws and tax rates; climate change; weather conditions that affect production, transportation, storage, demand, import and export of fresh product and their by-products, and that may result in impairment expense such as the freeze in the last week of January 2022 or Hurricane Ian in the last week of September 2022; increased pressure from diseases including citrus greening and citrus canker, as well as insects and other pests; disruption of water supplies or changes in water allocations; market pricing of citrus; pricing and supply of raw materials and products; market responses to industry volume pressures; pricing and supply of energy, including, but not limited to, changes due in part to the deadly conflict in Ukraine; changes in interest rates; availability of refinancing; availability of financing for land development activities and other growth and corporate opportunities; onetime events; acquisitions and divestitures; ability to make strategic acquisitions or divestitures; our ability to maintain effective internal control over financial reporting; the impact of, and costs related to, any investigations, legal or administrative actions that may result from the restatements described in this Annual Report on Form 10-K; ability to redeploy proceeds from divestitures; ability to consummate selected land acquisitions; ability to take advantage of tax deferral options; ability to retain executive officers and to replace departed executive officers; ability to replace the Company's primary third party grove management customer and even further expand the third party grove management program; ability to complete and implement land use planning activities, including adding to entitlements applicable to owned real estate; seasonality; labor disruptions; inability to pay debt obligations; inability to engage in certain transactions due to restrictive covenants in debt instruments; government restrictions on land use; changes in land values, agricultural or otherwise; the extent to which real estate value appreciates; impact of the COVID-19 outbreak and coronavirus pandemic on our agriculture operations, including without limitation demand for product, supply chain, health and availability of our labor force, the labor force of contractors we engage, and the labor force of our competitors; other risks related to the duration and severity of the COVID-19 outbreak and coronavirus pandemic and its impact on Alico's business; the impact of the COVID-19 outbreak and coronavirus pandemic on the U.S. and global economies and financial markets, including without limitation related legislative and regulatory initiatives; access to governmental loans and incentives; access to governmental relief programs; settlement of insurance claims; any reduction in the public float resulting from repurchases of common stock by Alico; changes in equity awards to employees; whether the Company's dividend policy, including its recent increased dividend amounts, is continued; expressed desire of certain of our stockholders to liquidate their shareholdings by virtue of past market sales of common stock, by sales of common stock or by way of future transactions designed to consummate such expressed desire; political changes and economic crises; ability to implement ESG initiatives; competitive actions by other companies; increased competition from international companies; changes in environmental regulations and their impact on farming practices; the land ownership policies of governments; changes in government farm programs and policies and international reaction to such programs; changes in pricing calculations with our customers; fluctuations in the value of the U.S. dollar, interest rates, inflation and deflation rates; length of terms of contracts with customers; impact of concentration of sales to one customer; and changes in and effects of crop insurance programs, global trade agreements, trade restrictions and tariffs; and soil conditions, harvest yields, prices for commodities, and crop production expenses. These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those Risks Factors included in Part I, Item 1A and elsewhere in this Annual Report on Form 10-K.*

### **Restatement of Previously Issued Consolidated Financial Statements**

As described in the Explanatory Note above, Note 2, "Restatement of Previously Issued Consolidated Financial Statements" of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K, and Exhibit 99.1, Select Balance Sheet Data (Restated) for each of the eight quarterly periods in fiscal 2022 and 2021 filed herewith, we have restated our audited consolidated balance sheet, statements of changes in equity and related disclosures as of September 30, 2021 to reflect adjustments in the amounts of previously reported deferred tax liabilities and retained earnings. The restatement also impacted the same line items in the audited consolidated balance sheet, statements of

changes in equity and related disclosures as of September 30, 2022 included in this Annual Report on Form 10-K. In addition, as reflected in Exhibit 99.1 to this Annual Report on Form 10-K, we have restated our unaudited consolidated balance sheet, statements of changes in equity and related disclosures as of the end of each quarterly period ended June 30, 2022, March 31, 2022, December 31, 2021, September 30, 2021, June 30, 2021, March 31, 2021, and December 30, 2020, in each case, to reflect adjustments in the amounts of previously reported deferred tax liabilities and retained earnings.

These adjustments did not impact any of the items in our results of operations or our liquidity discussed in this section or in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section in each of our Annual Report on Form 10-K for the year ended September 30, 2021 or our Quarterly Reports on Form 10-Q for each of the quarters ended June 30, 2022, March 31, 2022, December 31, 2021, June 30, 2021, March 31, 2021, and December 31, 2020.

## **Introduction**

Alico, Inc. (“Alico”), together with its subsidiaries (collectively, the “Company”, “we”, “us” or “our”), is a holding company with assets and related operations in agriculture, land management and natural resources. We are a Florida agribusiness and land management company with a legacy of achievement and innovation in citrus, cattle and resource conservation. We own approximately 74,000 gross acres of land and approximately 90,000 acres of mineral rights throughout Florida. Alico holds these mineral rights on substantially all its owned acres, with additional mineral rights on other acres. Our principal lines of business are now citrus groves and land management and other operations, which include land conservation, encompassing environmental services, land leasing and related support operations. Prior to the sale of certain ranch land to the State of Florida in September 2020, the Company’s business line also included Water Resources. Our mission is to create value for our customers and stockholders by managing existing lands to their optimal current income and total returns. Alico opportunistically acquires new agricultural assets and produces high quality agricultural products while exercising responsible environmental stewardship. Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help provide an understanding of results of operations, financial condition and changes in financial condition for the periods presented. This MD&A is organized as follows:

- Business Overview.** This section provides a general description of our business, as well as other matters that we believe are important in understanding our results of operations and financial condition.

- Consolidated Results of Operations.** This section provides an analysis of our results of operations for each of the three fiscal years in the period ended September 30, 2022. Our discussion is presented on a consolidated basis and includes certain discussions on future trends by segment.

- Liquidity and Capital Resources.** This section provides an analysis of our cash flows for each of the three fiscal years in the period ended September 30, 2022 and our outstanding debt, commitments and cash resources as of September 30, 2022.

- Critical Accounting Policies and Estimates.** This section identifies those accounting policies that we consider important to our results of operations and financial condition, require significant judgment and involve significant management estimates. Our significant accounting policies, including those considered to be critical accounting policies, are summarized in Note 2, “Summary of Significant Accounting Policies,” to the accompanying Consolidated Financial Statements.

## **Business Overview**

### **Business Description**

Alico, Inc., together with its subsidiaries (collectively, “Alico”, the “Company”, “we”, “us” or “our”) generates operating revenues primarily from the sale of its citrus products, caretaking management services, and grazing and hunting leasing. The Company operates as two business segments, and all of its operating revenues are generated in the United States. For the fiscal year ended September 30, 2022, the Company generated operating revenues of approximately \$91,947,000, loss from operations of approximately \$24,844,000, and net income attributable to common stockholders of approximately \$12,459,000. Cash provided by operating activities was approximately \$6,523,000 for the fiscal year ended September 30, 2022.

### **Fiscal Year Highlights and Other Developments**

#### *Hurricane Ian*

On September 28, 2022, Hurricane Ian made landfall in Florida and the majority of the Company’s groves were impacted by the storm. We believe the lessons learned over the past 125 years, especially since Hurricane Irma in 2017, allowed us to be better prepared prior to landfall and to more rapidly begin recovery after impact. The implementation of our disaster programs, our dedicated workforce, and our experienced

management appear to have limited the damage to our properties. Our approximately 48,900 gross acres of citrus groves, which are in Charlotte, Collier, DeSoto, Hardee, Hendry, Highlands and Polk Counties, sustained hurricane, or tropical storm force winds for varying durations of time. Field assessments identified significant drop of fruit from the trees and the estimated impact has been reflected in the casualty loss and inventory impairment charge in the fourth quarter ended September 30, 2022.

While we lost a small percentage of trees, the force and duration of the storm impacted the majority of the groves. Based upon prior experience with serious storms of this nature, we expect it will take up to two full seasons or more for the groves to recover to pre-hurricane production levels. We maintain crop insurance and are working closely with our insurers and adjusters to evaluate and determine the amount of insurance recovery we may be entitled to, if any. We are also working with Florida Citrus Mutual, the industry trade group, and government agencies on securing potential federal relief funds.

#### *Departure and Appointment of Chief Financial Officer*

On May 17, 2022, Richard Rallo notified the Company of his decision to resign from his role as the Company's Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) effective as of May 31, 2022. Mr. Rallo's decision to resign was for personal reasons to eliminate extensive travel and/or avoid relocation to Florida and was not related to any disagreement with the Company or its independent registered public accountants on any matter relating to the Company's financial or accounting operations, policies, or practices. Mr. Rallo agreed to provide consulting services to the Company through December 31, 2022 and has been providing such services.

On September 6, 2022, the Company announced the appointment of Perry G. Del Vecchio, age 55, as the Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, effective as of September 6, 2022. Mr. Del Vecchio is responsible for all corporate finance, treasury and accounting functions of the Company and reports directly to John Kiernan, the Company's President and Chief Executive Officer.

#### *Employment and Bonus Agreement*

On April 1, 2022, the Company entered into an amended and restated employment agreement with John E. Kiernan (the "Employment Agreement"). At the same time, the Company and Mr. Kiernan entered into an annual performance and long-term bonus agreement (the "Bonus Agreement"). Pursuant to the Employment Agreement, Mr. Kiernan will remain President and Chief Executive Officer of the Company, for a term commencing on April 1, 2022, and ending on September 30, 2024, subject to extension and termination pursuant to the provisions of the Employment Agreement. The Bonus Agreement sets forth the terms under which Mr. Kiernan would be eligible and entitled to short-term and long-term incentive cash and equity bonuses. For further details of this Employment and Bonus Agreement, please see the Form 8-K filed by the Company on April 5, 2022.

#### *Termination of the Citrus Grove Management Agreement*

In June 2022, the Company was notified by a primary group of third-party grove owners, who are affiliated with each other (collectively, the "Grove Owners") and for which the Company was managing groves, that the Grove Owners were terminating the management relationship under a certain property management agreement dated as of July 16, 2020 (the "Property Management Agreement") with the Company, as the Grove Owners decided to exit the citrus business. As a result, all services relating to this caretaking management initiative, and the accompanying management fee and reimbursed costs associated with performing caretaking management services, ceased as of June 10, 2022.

#### *Prepayment and Restructure of Fixed-Rate Term Loans*

On April 29, 2022, the Company made a prepayment on one of its Met Variable-Rate Term Loans in an amount of approximately \$15,625,000 and the loan, after also considering a final scheduled principal payment made on May 2, 2022, was fully satisfied.

In April 2021, the Company made a prepayment of \$10,312,500 on the Met Fixed-Rate Term Loans and, effective May 1, 2021, the Company modified its Met Fixed-Rate Term Loans, which in the aggregate, after the prepayment, had a balance of \$70,000,000, to be interest only with a balloon payment to be paid at maturity, which is November 1, 2029. As part of this modification, the interest rate on these Met Fixed-Rate Term Loans, which were bearing interest at 4.15%, has been adjusted to 3.85% and the Company no longer has the prepayment option previously allowed under the arrangement.

#### *Sales of Land*

During the fiscal year ended September 30, 2022, the Company sold approximately 1,187 acres from the Alico Ranch to third parties for approximately \$5,997,000 and recognized a gain of approximately \$5,616,000. One of these sales transactions, consisting of approximately 142 acres, was sold to an employee of the Company for approximately \$651,000.

On March 15, 2022, the Company sold approximately 6,286 acres of Alico Ranch to third parties at an average sales price of \$4,500 per acre, realizing approximately \$28,288,000 of gross proceeds.

*The COVID-19 Pandemic*

On March 11, 2020, the World Health Organization declared the current novel coronavirus outbreak (“COVID-19”) to be a global pandemic. In response to this declaration and the rapid spread of COVID-19 within the United States, federal, state and local governments throughout the country imposed varying degrees of restrictions on social and commercial activity to promote social distancing in an effort to slow the spread of the illness. These measures had a significant adverse impact upon many sectors of the economy, including certain agriculture businesses. While epidemiological conditions in the United States have improved as of September 30, 2022, and most of the restrictions on social and commercial activity have been relaxed, a resurgence of the virus could cause epidemiological and macroeconomic conditions to deteriorate and more severe restrictions to be put in place. It is not possible for the Company to predict the duration or magnitude of any adverse effects due to a resurgence at this time. We will continue to monitor the COVID-19 pandemic and its impacts on our business, financial condition, and results of operations.

To date, the Company has experienced no material adverse impacts from this pandemic.

*Federal Relief Program – Hurricane Ian*

It remains unclear whether there may be Hurricane Ian federal relief programs and, if available, the extent to which the Company will be eligible. The Company intends to take advantage of any such available programs as and when they become available. The Company is currently working with Florida Citrus Mutual, the industry trade group, and government agencies on federal relief programs.

*Federal Relief Program – Hurricane Irma*

The Company was eligible for Hurricane Irma federal relief programs for block grants that were being administered through the State of Florida. The Company received a total of approximately \$25,600,000 in Hurricane Irma federal relief for the period ended September 30, 2019 through September 30, 2022. During the fiscal years ended September 30, 2022, 2021 and 2020, the Company received approximately \$1,123,000, \$4,299,000 and \$4,629,000, respectively, under the Florida Citrus Recovery Block Grant (“CRBG”) program. These federal relief proceeds are included as a reduction to operating expenses in the Consolidated Statements of Operations.

## Consolidated Results of Operations

The following discussion provides an analysis of Alico's results of operations and should be read in conjunction with the accompanying Consolidated Statements of Operations for the fiscal years ended September 30, 2022, 2021 and 2020:

(in thousands)

	Fiscal Year Ended September 30,		Change		Fiscal Year Ended September 30,		Change	
	2022	2021	\$	%	2021	2020	\$	%
<b>Operating revenues:</b>								
Alico Citrus	\$ 89,681	\$ 105,796	\$ (16,115)	(15.2)%	\$ 105,796	\$ 89,369	\$ 16,427	18.4%
Land Management and Other Operations	2,266	2,768	(502)	(18.1)%	2,768	3,138	(370)	(11.8)%
Total operating revenues	91,947	108,564	(16,617)	(15.3)%	108,564	92,507	16,057	17.4%
<b>Gross (loss) profit:</b>								
Alico Citrus	(16,511)	21,903	(38,414)	NM	21,903	17,088	4,815	28.2%
Land Management and Other Operations	1,746	1,990	(244)	(12.3)%	1,990	831	1,159	139.5%
Total gross (loss) profit	(14,765)	23,893	(38,658)	NM	23,893	17,919	5,974	33.3%
General and administrative expenses	10,079	9,453	626	6.6%	9,453	10,998	(1,545)	(14.0)%
(Loss) income from operations	(24,844)	14,440	(39,284)	NM	14,440	6,921	7,519	108.6%
Total other income, net	37,799	31,947	5,852	18.3%	31,947	24,456	7,491	30.6%
Income before income taxes	12,955	46,387	(33,432)	(72.1)%	46,387	31,377	15,010	47.8%
Income tax provision	1,069	11,567	(10,498)	(90.8)%	11,567	7,663	3,904	50.9%
Net income	11,886	34,820	(22,934)	(65.9)%	34,820	23,714	11,106	46.8%
Net loss (income) attributable to noncontrolling interests	573	39	534	NM	39	(52)	91	NM
Net income attributable to Alico, Inc. common stockholders	<u>\$ 12,459</u>	<u>\$ 34,859</u>	<u>\$ (22,400)</u>	(64.3)%	<u>\$ 34,859</u>	<u>\$ 23,662</u>	<u>\$ 11,197</u>	47.3%

NM - Not Meaningful

The following table presents our operating revenues, by segment, as a percentage of total operating revenues for the fiscal years ended September 30, 2022, 2021 and 2020:

	Fiscal Year Ended September 30,		
	2022	2021	2020
<b>Operating revenues:</b>			
Alico Citrus	97.5%	97.5%	96.6%
Land Management and Other Operations	2.5%	2.5%	3.4%
Total operating revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

The following discussion provides an analysis of the Company's operating segments:

*Alico Citrus*

(in thousands, except per box and per pound solids data)

	Fiscal Year Ended September 30,		Change		Fiscal Year Ended September 30,		Change	
	2022	2021	Unit	%	2021	2020	Unit	%
<b>Operating Revenues:</b>								
Early and Mid-Season	\$ 28,287	\$ 31,525	\$ (3,238)	(10.3)%	\$ 31,525	\$ 31,303	\$ 222	0.7%
Valencias	47,529	55,918	(8,389)	(15.0)%	55,918	50,060	5,858	11.7%
Fresh Fruit	1,256	608	648	106.6%	608	2,321	(1,713)	(73.8)%
Grove Management Services	11,928	16,983	(5,055)	(29.8)%	16,983	4,599	12,384	NM
Purchase and Resale of Fruit	574	623	(49)	(7.9)%	623	850	(227)	(26.7)%
Other	107	139	(32)	(23.0)%	139	236	(97)	(41.1)%
Total	<u>\$ 89,681</u>	<u>\$ 105,796</u>	<u>\$ (16,115)</u>	<u>(15.2)%</u>	<u>\$ 105,796</u>	<u>\$ 89,369</u>	<u>\$ 16,427</u>	<u>18.4%</u>
<b>Boxes Harvested:</b>								
Early and Mid-Season	2,175	2,519	(344)	(13.7)%	2,519	3,146	(627)	(19.9)%
Valencias	3,274	3,779	(505)	(13.4)%	3,779	4,165	(386)	(9.3)%
Total Processed			)	)			)	)
	5,449	6,298	(849)	(13.5)%	6,298	7,311	(1,013)	(13.9)%
Fresh Fruit	91	61	30	49.2%	61	267	(206)	(77.2)%
Total	<u>5,540</u>	<u>6,359</u>	<u>(819)</u>	<u>(12.9)%</u>	<u>6,359</u>	<u>7,578</u>	<u>(1,219)</u>	<u>(16.1)%</u>
<b>Pound Solids Produced:</b>								
Early and Mid-Season	11,034	13,598	(2,564)	(18.9)%	13,598	17,947	(4,349)	(24.2)%
Valencias	17,756	22,042	(4,286)	(19.4)%	22,042	25,631	(3,589)	(14.0)%
Total	<u>28,790</u>	<u>35,640</u>	<u>(6,850)</u>	<u>(19.2)%</u>	<u>35,640</u>	<u>43,578</u>	<u>(7,938)</u>	<u>(18.2)%</u>
<b>Pound Solids per Box:</b>								
Early and Mid-Season	5.07	5.40	(0.33)	(6.1)%	5.40	5.70	(0.30)	(5.3)%
Valencias	5.42	5.83	(0.41)	(7.0)%	5.83	6.15	(0.32)	(5.2)%
<b>Price per Pound Solids:</b>								
Early and Mid-Season	\$ 2.56	\$ 2.32	\$ 0.24	10.3%	\$ 2.32	\$ 1.74	\$ 0.58	33.3%
Valencias	\$ 2.68	\$ 2.54	\$ 0.14	5.5%	\$ 2.54	\$ 1.95	\$ 0.59	30.3%
<b>Price per Box:</b>								
Fresh Fruit	\$ 13.80	\$ 9.97	\$ 3.83	38.4%	\$ 9.97	\$ 8.69	\$ 1.28	14.7%
<b>Operating Expenses:</b>								
Cost of Sales	\$ 81,944	\$ 55,660	\$ 26,284	47.2%	\$ 55,660	\$ 52,492	\$ 3,168	6.0%
Harvesting and Hauling	15,965	16,922	(957)	(5.7)%	16,922	19,897	(2,975)	(15.0)%
Grove Management Services	10,547	15,084	(4,537)	(30.1)%	15,084	3,817	11,267	NM
Purchase and Resale of Fruit	449	526	(77)	(14.6)%	526	704	(178)	(25.3)%
Other	(2,713)	(4,299)	1,586	(36.9)%	(4,299)	(4,629)	330	(7.1)%
Total	<u>\$ 106,192</u>	<u>\$ 83,893</u>	<u>\$ 22,299</u>	<u>26.6%</u>	<u>\$ 83,893</u>	<u>\$ 72,281</u>	<u>\$ 11,612</u>	<u>16.1%</u>
<b>Gross (Loss) Profit</b>	<u>\$ (16,511)</u>	<u>\$ 21,903</u>	<u>\$ (38,414)</u>	<u>NM</u>	<u>\$ 21,903</u>	<u>\$ 17,088</u>	<u>\$ 4,815</u>	<u>28.2%</u>

NM - Not Meaningful

Our citrus groves produce the majority of our annual operating revenues and the citrus grove business is seasonal because it is tied to the growing and harvest season. Historically, the second and third quarters of Alico's fiscal year produce the majority of the annual revenues and working capital requirements are typically greater in the first and fourth quarters of the fiscal year, coinciding with the growing cycles.

The Company sells its Early and Mid-Season and Valencia oranges to processors that convert the majority of the citrus crop into orange juice. The processors generally buy the citrus crop on a pound solids basis, which is the measure of the soluble solids (sugars and acids) contained in one box of fruit. The Company's fresh fruit is generally sold to packing houses that purchase the citrus on a per box basis. The Company also provides citrus grove caretaking and harvest and haul management services to third parties from which revenues are generated, including a management fee. Other revenues consist of the purchase and reselling of fruit.

Alico's operating expenses consist primarily of cost of sales, harvesting and hauling costs and grove management service costs. Cost of sales represents the cost of maintaining the citrus groves for the preceding calendar year and does not vary in relation to production. Harvesting and

hauling costs represent the costs of bringing citrus product to processors and varies based upon the number of boxes produced. Grove management services include those costs associated with citrus grove caretaking and harvest and haul management services provided to third parties. Other expenses include the period costs of reselling third-party fruit.

The decrease in revenue for the fiscal year ended September 30, 2022, compared to the fiscal year ended September 30, 2021 was primarily due to a decrease in both the Early and Mid-Season and Valencia fruit harvested and a decrease in grove management services revenue.

The decrease in Early and Mid-Season and Valencia fruit harvested was primarily driven by a decrease in processed box production and a decrease in pound solids per box. The processed box production for the fiscal year ended September 30, 2022 decreased by 13.5%, as compared to the same period in the prior fiscal year, primarily due to greater fruit drop, attributed to disease and weather conditions. In addition, as previously mentioned, in late January 2022, the Company's groves, along with many of the other groves in Florida, were impacted by a freeze event. Specifically, the Company's Valencia box production was negatively impacted by the freeze event. Because the Company's Early and Mid-Season harvest was substantially complete at the time of the freeze, there was no material impact to the Company's Early and Mid-Season box production because of this freeze event.

The aggregate decrease in pound solids per box of 6.6% during the fiscal year ended September 30, 2022, as compared to the prior fiscal year ended September 30, 2021, was mainly due to the internal quality of the fruit not being as strong as it had been in the previous year. This decrease in pound solids per box was also due in part to an acceleration of the harvesting of the Valencia crop in the fiscal year ended September 30, 2022, which acceleration was implemented in an effort to maximize the box production and avoid less damage due to the freeze event, but as a result led to the realization of lower pound solids per box.

Partially offsetting the decrease in processed box production and pound solids per box for the fiscal year ended September 30, 2022, compared to the fiscal year ended September 30, 2021, was an increase in the price per pound solid of 7.2%, the increase in large part was due to production being down in Florida as well as in Brazil and due to the continued strong consumption of Not from Concentrate Orange Juice ("NFC"), both of which have led to continued low inventory levels.

The Company, for the fiscal year ended September 30, 2022 compared to the fiscal year ended September 30, 2021, recorded a decrease in revenue from grove management services. The decrease is primarily due to the Grove Owners, to whom the Company was providing caretaking management services, deciding to exit the citrus business at the beginning of the three months ended June 30, 2022. This decision to exit the citrus business eliminated the need for caretaking management services. As a result, caretaking management services and the accompanying reimbursement of caretaking expenses decreased during the fiscal year ended September 30, 2022, when compared to the same period in the prior year. Additionally, all services relating to caretaking management services ceased on June 10, 2022 and the accompanying caretaking management fee ceased on June 30, 2022.

The Company recorded approximately \$10,598,000 and \$15,752,000 of operating revenue relating to these grove management services, including the management fee, in the fiscal years ended September 30, 2022 and 2021, respectively. The Company recorded approximately \$9,711,000 and \$14,342,000 of operating expenses relating to these grove management services in fiscal years ended September 30, 2022 and 2021, respectively.

The USDA, in its October 12, 2022 Citrus Crop Forecast for the 2021-22 harvest season, indicated the overall Florida orange crop decreased from approximately 52,950,000 boxes for the 2020-21 crop year to approximately 41,050,000 boxes for the 2021-22 crop year, a decrease of approximately 22.5%. The Company experienced a decline in total box production in the 2021-2022 harvest season crop of 12.9%. The Company believes this lower rate of decline, as compared to the state forecast, is due to the efficiencies of the Company's comprehensive grove management program, as well as certain precautionary measures the Company took to minimize the impact of the freeze event on its groves and production.

The increase in operating expenses for the fiscal year ended September 30, 2022, as compared to the fiscal year ended September 30, 2021, primarily relates to the Company recording adjustments to inventory as a result of Hurricane Ian. During the fourth quarter ended September 30, 2022, the Company recorded an inventory casualty loss adjustment of approximately \$14,900,000 and an inventory impairment adjustment of approximately \$6,676,000 to adjust the inventory to its estimated net realizable value as of September 30, 2022. Partially offsetting the increase was a reduction in expenses related to the grove management services as a result of the Grove Owners termination of the Property Management Agreement in June 2022.

The increase in revenue for the fiscal year ended September 30, 2021, compared to the fiscal year ended September 30, 2020 was primarily due to an increase in the revenue generated from grove management services and the Valencia fruit harvested.

On July 16, 2020, the Company executed an agreement with a group of third parties, who are affiliated with each other (collectively, the "Grove Owners"), to provide citrus grove caretaking and harvest and haul management services for approximately 7,000 acres at the time of executing the contract. Under the terms of this agreement, the Company was reimbursed by the Grove Owners for all its costs incurred related to providing these services and received a management fee based on acres. The Company recorded both an increase in revenues and expenses as the Company

provided these citrus grove caretaking management services. For the fiscal year ended September 30, 2021, the Company recorded approximately \$15,752,000 of operating revenue relating to these grove management services, including the management fee, as compared to approximately \$3,311,000 in the fiscal year ended September 30, 2020.

The increase from the Valencia fruit harvest was driven by an increase in the market price per pound solids as compared to the prior year. The increase in the price per pound solids was due to increased consumption of Not-from-Concentrate Orange Juice (“NFC”) as well as tighter supplies of citrus fruit from Florida, Brazil, and Mexico, which, in turn, led to reduced inventory levels. Largely offsetting this increase in pricing was the effect of fewer Valencia boxes harvested and lower pound solids per box for the fiscal year ended September 30, 2021, compared to the fiscal year ended September 30, 2020. The Company, along with the Florida industry in general, recorded a smaller number of boxes harvested as a result of greater fruit drop rate during the current harvest season as compared to the previous year. In addition, the internal quality of the fruit was not as strong as in the previous year resulting in lower pound solids per box during the fiscal year ended September 30, 2021.

Total processed boxes harvested in fiscal year 2021 decreased by approximately 13.9%, as compared to fiscal year 2020. Pound solids decreased by approximately 24.2% for the Early and Mid-Season crop and decreased by approximately 14.0% for the Valencia crop. The combination of these items resulted in approximately 7,938,000 fewer pound solids sold in fiscal year 2021, as compared to fiscal year 2020.

The increase in citrus cost of sales for the fiscal year ended September 30, 2022 was mainly due to recording inventory adjustments relating to the estimated casualty loss and inventory impairment as a result of Hurricane Ian of \$14,900,000 and \$6,676,000, respectively, as well as increases in fuel and fertilizer costs, when compared to the fiscal year ended September 30, 2021. Partially offsetting these increases was a decrease in the Company's caretaking expenses for the fiscal year ended September 30, 2022, as compared to the fiscal year ended September 30, 2021, due to the Grove Owners deciding to exit the citrus business during the quarter ended June 30, 2022. Additionally, a reduction in harvest and haul expenses was recognized due to a decrease in Early and Mid-Season and Valencia boxes harvested, as compared to the same period in the prior year, due to the termination of the management relationship under the Property Management Agreement with the Grove Owners during the quarter ended June 30, 2022.

The decrease in gross profit for fiscal year 2022, as compared to fiscal year 2021, related primarily to decreased revenues of approximately \$16,115,000 discussed above, and the recording of an inventory casualty loss of approximately \$14,900,000 and inventory impairment of approximately \$6,676,000 relating to fruit loss as a result of Hurricane Ian.

The increase in operating expenses for the fiscal year 2021, as compared to the fiscal year 2020, primarily relates to grove management services it provides to third parties. As mentioned above, the Company executed an agreement with the Grove Owners to provide citrus grove caretaking and harvest and haul management services for approximately 7,000 acres owned by such Grove Owners. Under this agreement, for the fiscal years ended September 30, 2021 and 2020, the Company recorded approximately \$14,342,000 and \$3,016,000, respectively, of operating expenses relating to these grove management services. Additionally, the increase in operating expenses was attributable to the Company purchasing additional citrus acres in May and October 2020, which resulted in cost of sales relating to these groves in the fiscal year ended September 30, 2021. Partially offsetting these increases was a reduction in harvest and haul expenses attributable to a decrease in Early and Mid-season and Valencia boxes harvested.

The credit amounts shown in “Other” in operating expenses above, for the most part, represent federal relief proceeds received under the CRBG program for the fiscal years ended September 30, 2022, 2021, and 2020.

### Land Management and Other Operations

The table below presents key operating measures for the fiscal years ended September 30, 2022, 2021 and 2020:

(in thousands)	Fiscal Year Ended September 30,				Fiscal Year Ended September 30,			
	2022	2021	Change		2021	2020	Change	
			\$	%			\$	%
<b>Revenue From:</b>								
Land and other leasing	\$ 1,655	\$ 2,404	\$ (749)	(31.2)%	\$ 2,404	\$ 2,683	\$ (279)	(10.4)%
Other	611	364	247	67.9%	364	455	(91)	(20.0)%
Total	<u>\$ 2,266</u>	<u>\$ 2,768</u>	<u>\$ (502)</u>	<u>(18.1)%</u>	<u>\$ 2,768</u>	<u>\$ 3,138</u>	<u>\$ (370)</u>	<u>(11.8)%</u>
<b>Operating Expenses:</b>								
Land and other leasing	\$ 516	\$ 762	\$ (246)	(32.3)%	\$ 762	\$ 955	\$ (193)	(20.2)%
Water conservation	—	—	—	—%	—	1,346	(1,346)	(100.0)%
Other	4	16	(12)	(75.0)%	16	6	10	166.7%
Total	<u>\$ 520</u>	<u>\$ 778</u>	<u>\$ (258)</u>	<u>(33.2)%</u>	<u>\$ 778</u>	<u>\$ 2,307</u>	<u>\$ (1,529)</u>	<u>(66.3)%</u>
<b>Gross Profit</b>	<u>\$ 1,746</u>	<u>\$ 1,990</u>	<u>\$ (244)</u>	<u>(12.3)%</u>	<u>\$ 1,990</u>	<u>\$ 831</u>	<u>\$ 1,159</u>	<u>139.5%</u>

Land and other leasing include lease income from leases for grazing rights, hunting leases, a farm lease, a lease to a third party of an aggregate mine, leases of oil extraction rights to third parties, and other miscellaneous income.

The decrease in revenues from Land Management and Other Operations for the fiscal year ended September 30, 2022, compared to the fiscal year ended September 30, 2021, was primarily due to a reduction in the leased acreage relating to grazing and hunting leases. The reduction in the leased acreage was due to the sale of certain acres in fiscal year 2022, which were previously included under these lease arrangements, thus resulting in fewer acres being leased under these grazing and hunting leases during fiscal year 2022.

The decrease in revenues from Land Management and Other Operations for the fiscal year ended September 30, 2021, compared to the fiscal year ended September 30, 2020, was primarily due to a reduction in the leased acreage relating to grazing and hunting leases. The reduction in the leased acreage was due to the sale of certain acres in fiscal year 2021, which were previously included under these lease arrangements, thus resulting in fewer acres now being leased under these grazing and hunting leases during fiscal year 2021.

Upon the Company selling approximately 10,700 acres on the western part of Alico Ranch to the State of Florida, as mentioned above, and deciding to no longer pursue permit approval activities for a previously proposed water management project, the Company wrote-down approximately \$598,000 of assets relating to this project during the fourth quarter of the fiscal year ended September 30, 2020.

### General and Administrative

General and administrative expenses for the fiscal year ended September 30, 2022 were approximately \$10,079,000, compared to approximately \$9,453,000 for the fiscal year ended September 30, 2021. The increase was attributable in large part to increases relating to (i) an increase in legal expense in the twelve months ended September 30, 2022, when compared to the twelve months ended September 30, 2021, with the fiscal year 2021 legal expense having been lower because of a reimbursement of approximately \$658,000 from insurers for a corporate legal matter from 2018 that was received during the twelve months ended September 30, 2021, (ii) a net increase in stock compensation expense of approximately \$188,000 relating to restricted stock awarded to certain executives, senior managers and employees, and (iii) an increase of approximately \$91,500 relating to a company-sponsored incentive for employees to obtain the COVID 19 vaccine. Partially offsetting these increases were reductions relating to (i) a decrease in payroll expenses of approximately \$268,000 primarily relating to the reduction in administrative personnel made during the fiscal year ended September 30, 2021 and during the twelve months ended September 30, 2022, and (ii) a reduction in Company's director fees of approximately \$183,000, relating to a modification of the compensation arrangement for the Board of Directors.

General and administrative expenses for the fiscal year ended September 30, 2021 were approximately \$9,453,000, compared to approximately \$10,998,000 for the fiscal year ended September 30, 2020. The decrease in general and administrative expenses for the fiscal year ended September 30, 2021, as compared to the fiscal year ended September 30, 2020, was attributable to (i) a reduction in legal expense of approximately \$805,000, primarily resulting from the receipt of insurance proceeds for the reimbursement of legal fees in the amount of approximately \$658,000 during the fiscal year ended September 30, 2021 relating to corporate legal matters, (ii) a reduction in stock compensation expense of approximately \$241,000 in light of the fact that in the prior fiscal year, in January 2020 certain stock options had vested, which in turn resulted in an acceleration of expense in that prior fiscal year, (iii) a reduction in payroll expenses for the fiscal year ended September 30, 2021 of approximately \$259,000 relating to the resignation of a senior manager in December 2019 and the reduction in other administrative personnel made during fiscal year ended September 30, 2021 and (iv) a reduction in pension expense related to the Company's deferred retirement benefit

plan of approximately \$207,000 as a result of the Company terminating such plan and paying out each of the plan participants in August 2020. Partially offsetting this decrease was the Company's incurring of approximately \$200,000 in corporate advisory fees in the fiscal year ended September 30, 2021.

#### ***Other Income, net***

Other income, net, for the fiscal years ended September 30, 2022 and 2021 was approximately \$37,799,000 and approximately \$31,947,000, respectively. The increase in other income, net was primarily due to the Company recognizing significant gains on sales of real estate, property and equipment and assets held for sale in both fiscal years. For the fiscal year ended September 30, 2022, the Company recorded gains on sale of real estate, property and equipment and assets held for sale of approximately \$41,102,000 relating primarily to the sale of approximately 9,400 acres from the Alico Ranch to several third parties. For the fiscal year ended September 30, 2021, the Company recognized a gain on sale of real estate, property and equipment and assets held for sale of approximately \$35,898,000. Additionally, a decrease in interest expense of approximately \$663,000 for the fiscal year ended September 30, 2022, as compared to the fiscal year ended September 30, 2021, was primarily due to the reduction of the Company's long-term debt from the making of mandatory principal payments and certain prepayments.

Other income, net, for the fiscal years ended September 30, 2021 and 2020 was approximately \$31,947,000 and approximately \$24,456,000, respectively. The increase in other income, net was primarily due to the Company recognizing significant gains on sales of real estate, property and equipment and assets held for sale in both fiscal years. For the fiscal year ended September 30, 2021, the Company recorded gains on sale of real estate, property and equipment and assets held for sale of approximately \$35,898,000 relating primarily to the sale of approximately 19,776 acres from the Alico Ranch to several third parties. For the fiscal year ended September 30, 2020, the Company recognized a gain on sale of real estate, property and equipment and assets held for sale of approximately \$30,424,000. Additionally, a decrease in interest expense of approximately \$1,994,000 for the fiscal year ended September 30, 2021, as compared to the fiscal year ended September 30, 2020, was primarily due to the reduction of the Company's long-term debt from the making of mandatory principal payments and certain prepayments. In addition, the Company maintained lower balances on both its working capital line of credit and revolving line of credit, which also resulted in reduced interest expense.

#### ***Income Taxes***

For the fiscal years ended September 30, 2022, 2021 and 2020, the provision for income taxes was approximately \$1,069,000, \$11,567,000 and \$7,663,000, respectively, and the related effective income tax rates were approximately 8.25%, 24.94% and 24.42%, respectively. The decrease in the dollar amount of the tax provision for the fiscal year ended September 30, 2022 is the result of the Company generating lower net income during the current fiscal year as compared to the prior fiscal year and recognizing a charitable deduction for tax purposes. During the fiscal year ended September 30, 2022, the Company sold 1,638 acres of land to the state of Florida at a price below market value, which resulted in a charitable contribution and a charitable deduction for tax purposes. The charitable contribution generated a tax benefit of \$6,300,000 of which approximately \$500,000 was utilized in the current fiscal year. The Company does not anticipate it will be able to recognize the entire charitable deduction carryover before it expires in 2027. A valuation allowance of \$4,300,000 was recorded to partially offset the charitable contribution carryover deferred tax asset, resulting in a net benefit of \$1,500,000. The increase in the dollar amount of the tax provision for the fiscal year ended September 30, 2021 is the result of the Company generating greater net income during the fiscal year 2021 as compared to the prior fiscal year.

#### ***Seasonality***

The Company is primarily engaged in the production of fruit for sale to citrus markets, which is of a seasonal nature, and subject to the influence of natural phenomena and wide price fluctuations. Historically, the second and third quarters of Alico's fiscal year produce the majority of the Company's annual revenue. Working capital requirements are typically greater in the first and fourth quarters of the fiscal year, coinciding with harvesting cycles. Because of the seasonality of the business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

## Liquidity and Capital Resources

A comparative balance sheet summary is presented in the following table:

(in thousands)

	September 30,		
	2022	2021	Change
Cash and cash equivalents	\$ 865	\$ 886	\$ (21)
Total current assets	\$ 31,616	\$ 54,913	\$ (23,297)
Total current liabilities	\$ 16,525	\$ 22,306	\$ (5,781)
Working capital	\$ 15,091	\$ 32,607	\$ (17,516)
Total assets	\$ 409,255	\$ 433,217	\$ (23,962)
Principal amount of term loans and lines of credit	\$ 111,624	\$ 126,294	\$ (14,670)
Current ratio	1.91 to 1	2.46 to 1	

## Sources and Uses of Liquidity and Capital

Alico's business has historically generated positive net cash flows from operating activities. Sources of cash primarily include cash flows from operations, sales of under-performing land and other assets, amounts available under the Company's credit facilities and access to capital markets. Access to additional borrowings under revolving lines of credit is subject to the satisfaction of customary borrowing conditions. As a public company, Alico may have access to other sources of capital. However, access to, and availability of, financing on acceptable terms in the future will be affected by many factors, including (i) financial condition, prospects, and credit rating, (ii) liquidity of the overall capital markets and (iii) the state of the economy. There can be no assurance that the Company will continue to have access to the capital markets on acceptable terms, or at all.

The principal uses of cash that affect Alico's liquidity position include the following: operating expenses including employee costs, the cost of maintaining the citrus groves, harvesting and hauling of citrus products, capital expenditures, stock repurchases, dividends, debt service costs including interest and principal payments on term loans and other credit facilities and acquisitions.

Management believes that a combination of cash-on-hand, cash generated from operations, asset sales and availability under the Company's lines of credit will provide sufficient liquidity to service the principal and interest payments on its indebtedness and will satisfy working capital requirements and capital expenditures for at least the next twelve months and over the long term.

## Borrowing Facilities and Long-term Debt

Alico has a \$70,000,000 working capital line of credit, which maturity was just extended to November 2025 on October 27, 2022, of which approximately \$64,762,000 is available for general use as of September 30, 2022, and a \$25,000,000 revolving line of credit, all of which is available for general use as of September 30, 2022 (see Note 6. "Long-Term Debt and Lines of Credit" to the accompanying Consolidated Financial Statements). Additionally, effective May 1, 2021, the Company converted its Met Fixed-Rate Term Loans into interest bearing only loans with a balloon payment of the balance due at maturity, which is November 1, 2029. Such conversion has increased available cash and can be expected to continue to increase the available cash for the foreseeable future. With the increase in available cash, the Company could utilize the available cash for other possible uses such as paying down indebtedness, citrus grove acquisitions, share repurchases, additional increased dividends, and funding operations under extenuating circumstances, like most recently, Hurricane Ian. If the Company chooses to pursue significant growth and other corporate opportunities, such as the transaction whereby it acquired 3,280 citrus grove acres on October 30, 2020 for \$18,230,000, pay down of indebtedness, engaging in share repurchases or paying increased dividends, these actions could have a material adverse impact on its cash balances and may require the Company to finance such activities by drawing down on its lines of credit or by obtaining additional debt or equity financing. There can be no assurance that additional financing will be available to the Company when needed or, if available, that it can be obtained on commercially reasonable terms. Any inability to obtain additional financing could adversely impact Alico's ability to pursue different growth and other corporate opportunities.

The level of debt could have important consequences on Alico's business, including, but not limited to, increasing its vulnerability to general adverse economic and industry conditions, limiting the availability of cash flow to fund future investments, capital expenditures, working capital, business activities and other general corporate requirements, and limiting flexibility in planning for, or reacting to, changes in its business and industry.

Alico's credit facilities are subject to various debt covenants including the following financial covenants: (i) minimum debt service coverage ratio of 1.10 to 1.00; (ii) tangible net worth of at least \$160,000,000 increased annually by 10% of consolidated net income for the preceding years, or approximately \$173,216,000 applicable for the year ended September 30, 2022; (iii) minimum current ratio of 1.50 to 1.00; (iv) debt to

total assets ratio not greater than .625 to 1.00; and (v) solely in the case of the WCLC, a limit on capital expenditures of \$30,000,000 per fiscal year. As of September 30, 2022, the Company was in compliance with all of the financial covenants.

### Cash Management Impacts

Cash and cash equivalents decreased from approximately \$886,000 as of September 30, 2021 to approximately \$865,000 as of September 30, 2022. Cash and cash equivalents and restricted cash decreased from approximately \$19,687,000 as of September 30, 2020 to approximately \$886,000 as of September 30, 2021. The components of these changes are discussed below.

### Consolidated Statements of Cash Flows

The following table details the items contributing to the changes in cash and cash equivalents and restricted cash for fiscal years ended September 30, 2022, 2021 and 2020:

(in thousands)

	Fiscal Year Ended September 30,		
	2022	2021	2020
Net cash provided by operating activities	\$ 6,523	\$ 16,504	\$ 1,049
Net cash provided by (used in) investing activities	22,468	(3,268)	9,489
Net cash used in financing activities	(29,012)	(32,037)	(14,689)
Net decrease in cash and cash equivalents and restricted cash	<u>\$ (21)</u>	<u>\$ (18,801)</u>	<u>\$ (4,151)</u>

### Net Cash Provided By Operating Activities

(in thousands)

	Fiscal Year Ended September 30,			Fiscal Year Ended September 30,		
	2022	2021	Change	2021	2020	Change
Net income	\$ 11,886	\$ 34,820	\$ (22,934)	\$ 34,820	\$ 23,714	\$ 11,106
Depreciation, depletion and amortization	15,229	15,122	107	15,122	14,282	840
Debt issue costs expense	255	179	76	179	238	(59)
Deferred income tax (benefit) expense	(3,876)	2,249	(6,125)	2,249	7,603	(5,354)
Cash surrender value	160	(14)	174	(14)	(10)	(4)
Deferred retirement benefits	—	—	—	—	(5,226)	5,226
Gain on sale of real estate, property and equipment and assets held for sale	(41,102)	(35,898)	(5,204)	(35,898)	(30,424)	(5,474)
Inventory net realizable value adjustment	6,676	—	6,676	—	—	—
Casualty loss - tree damage	1,258	—	1,258	—	—	—
Loss on disposal of property and equipment	3,251	2,338	913	2,338	1,382	956
Inventory casualty loss	14,900	—	14,900	—	—	—
Casualty loss - building	142	—	142	—	—	—
Impairment of long-lived assets	—	—	—	—	598	(598)
Impairment of right-of-use asset	—	—	—	—	87	(87)
Insurance proceeds received for damage to property and equipment	—	(103)	103	(103)	—	(103)
Stock-based compensation expense	1,235	1,230	5	1,230	1,306	(76)
Change in working capital	(3,491)	(3,419)	(72)	(3,419)	(12,501)	9,082
Net cash provided by operating activities	<u>\$ 6,523</u>	<u>\$ 16,504</u>	<u>\$ (9,981)</u>	<u>\$ 16,504</u>	<u>\$ 1,049</u>	<u>\$ 15,455</u>

The decrease in net cash provided by operating activities for the fiscal year ended September 30, 2022, as compared to the fiscal year ended September 30, 2021, was primarily due to a decrease in net income and deferred income tax expense and was partially offset by the Company recording an inventory casualty loss and inventory net realizable value adjustment which were the direct result of Hurricane Ian and other casualty losses on fixed assets (see Note 3. "Inventories" in the Notes to the Consolidated Financial Statements for further discussion on inventory casualty loss and net realizable adjustment).

The increase in net cash provided by operating activities for the fiscal year ended September 30, 2021, as compared to the fiscal year ended September 30, 2020, was primarily due to an increase in net income and an increase in working capital which was primarily driven by an increase in accounts payable and timing of income tax payments. The increase in accounts payable relates to the timing and billing of fertilizer and

chemical applications in the citrus groves. Offsetting a significant portion of this increase was the amount of gain on sale of real estate, property and equipment and assets held for sale being greater in the fiscal year ended September 30, 2021 as compared to the prior year, primarily resulting from a greater number of acres being sold in the fiscal year ended September 30, 2021.

Due to the seasonal nature of Alico's business, working capital requirements are typically greater in the first and fourth quarters of its fiscal year. Cash flows from operating activities typically improve in the second and third fiscal quarters, as sales of its harvested citrus are made.

Net Cash Provided By (Used In) Investing Activities

The following table details the items contributing to Net Cash Provided By (Used In) Investing Activities for the fiscal years ended September 30, 2022, 2021 and 2020:

<i>(in thousands)</i>	Fiscal Year Ended September 30,			Fiscal Year Ended September 30,		
	2022	2021	Change	2021	2020	Change
Purchases of property and equipment	\$ (20,731 )	\$ (22,258 )	\$ 1,527	\$ (22,258 )	\$ (18,785 )	\$ (3,473 )
Purchases of citrus groves	(136)	(18,527)	18,391	(18,527)	(2,920)	(15,607)
Net proceeds from sale of real estate, property and equipment and assets held for sale	43,159	37,266	5,893	37,266	31,541	5,725
Insurance proceeds received for damage to property and equipment	—	103	(103)	103	—	103
Change in deposits on purchase of citrus trees	176	217	(41)	217	(458)	675
Advances on notes receivables, net	—	371	(371)	371	136	235
Purchases of mineral rights	—	(453)	453	(453)	—	(453)
Other	—	13	(13)	13	(25)	38
Net cash provided by (used in) investing activities	<u>\$ 22,468</u>	<u>\$ (3,268)</u>	<u>\$ 25,736</u>	<u>\$ (3,268)</u>	<u>\$ 9,489</u>	<u>\$ (12,757)</u>

The shift from net cash used in investing activities for the fiscal year ended September 30, 2021 to net cash provided by investing activities for the fiscal year ended September 30, 2022 was primarily due to a reduction in the purchase of additional citrus groves in the fiscal year ended September 30, 2022. Additionally, net proceeds received for the sale of real estate, property and equipment and assets held for sale was greater in the fiscal year ended September 30, 2022, as compared to the same period in the prior year (see Note 4. "Assets Held for Sale" and Note 5. "Property and Equipment, Net" to the accompanying Consolidated Financial Statements), including the Company's receipt of approximately \$5,893,000 more in net proceeds from the sale of ranch land to various third parties in the fiscal year ended September 30, 2022, than the proceeds received in the fiscal year ended September 30, 2021.

The shift from net cash provided by investing activities for the fiscal year ended September 30, 2020 to net cash used in investing activities for the fiscal year ended September 30, 2021 was primarily due to the use of funds to purchase approximately 3,280 gross acres located in Hendry County for a purchase price of approximately \$18,230,000 in October 2020 and the acquisition of additional smaller citrus groves. Partially offsetting this shift was net proceeds received for the sale of real estate, property and equipment and assets held for sale being greater in the fiscal year ended September 30, 2021 as compared to the same period in the prior year (see Note 4. "Assets Held for Sale" and Note 5. "Property and Equipment, Net" to the accompanying Consolidated Financial Statements), including the Company's receipt of approximately \$5,725,000 more proceeds from the sale of ranch land to various third parties in the fiscal year ended September 30, 2021 than the proceeds received in the fiscal year ended September 30, 2020.

Net Cash Used In Financing Activities

The following table details the items contributing to Net Cash Used In Financing Activities for the fiscal years ended September 30, 2022, 2021 and 2020:

(in thousands)	Fiscal Year Ended September 30,			Fiscal Year Ended September 30,		
	2022	2021	Change	2021	2020	Change
Repayments on revolving lines of credit	\$ (52,227)	\$ (50,735)	\$ (1,492)	\$ (50,735)	\$ (114,581)	\$ 63,846
Borrowings on revolving lines of credit	57,155	47,793	9,362	47,793	117,523	(69,730)
Principal payments on term loans	(19,598)	(21,957)	2,359	(21,957)	(15,198)	(6,759)
Treasury stock purchases	—	—	—	—	(238)	238
Dividends paid	(15,101)	(7,138)	(7,963)	(7,138)	(2,466)	(4,672)
Exercise of stock options	465	—	465	—	—	—
Deferred financing costs	—	—	—	—	(23)	23
Capital contribution received from noncontrolling interest	294	—	294	—	294	(294)
Net cash used in financing activities	\$ (29,012)	\$ (32,037)	\$ 3,025	\$ (32,037)	\$ (14,689)	\$ (17,348)

The decrease in net cash used in financing activities for the fiscal year ended September 30, 2022, as compared to the fiscal year ended September 30, 2021, was primarily due to an increase in the net borrowings under the revolving line of credit, as well as lower principal payments on the term loans, partially offset by an increase in the dividends paid. During the fiscal year ended September 30, 2022, the company made a prepayment on one of its Met Variable-Rate Term Loans in an amount of approximately \$15,625,000 and during the fiscal year ended September 30, 2021, the Company prepaid approximately \$10,312,000 of principal on its fixed rate term loans with MetLife and also paid approximately \$4,070,000 of principal on one of its loans outstanding with Prudential, which matured in September 2021. Partially offsetting these changes in borrowings was the Company's payment of a greater amount of dividends to stockholders of the Company's common stock during the current fiscal year, as compared to the prior year, as a result of the Company increasing its annual dividend to \$2.00 per common share in June 2021. Additionally, the conversion of the Company's Met Fixed-Rate Term Loans into interest bearing only loans with a balloon payment of the balance due on November 1, 2029, further reduced the principal payments required.

The increase in net cash used in financing activities for the fiscal year ended September 30, 2021, as compared to the fiscal year ended September 30, 2020, was primarily due to the Company paying down a greater amount on its long-term debt during the fiscal year ended September 30, 2021, as compared to the prior year. During fiscal year ended September 30, 2021, the Company prepaid approximately \$10,312,000 of principal on its fixed rate term loans with MetLife and also paid approximately \$4,070,000 of principal on one of its loans outstanding with Prudential which matured in September 2021. Partially offsetting these increased payments was the effect of the conversion of the Company's Met Fixed-Rate Term Loans into interest bearing only loans with a balloon payment of the balance due on November 1, 2029. Additionally, the Company paid a greater amount of dividends to stockholders of the Company's common stock during the fiscal year ended September 30, 2021, as compared to the prior year, as a result of the Company increasing its annual dividend to \$2.00 per common share in June 2021. The Company also paid down, net of borrowings, its revolving line of credit during the fiscal year ended September 30, 2021 as compared to the prior fiscal year.

Alico had \$4,928,000 outstanding on its revolving lines of credit as of September 30, 2022 and approximately \$89,762,000 remaining availability.

The WCLC line of credit agreement provides for Rabo Agrifinance, Inc. to issue up to \$2,000,000 in letters of credit on the Company's behalf. As of September 30, 2022, there was approximately \$310,000 in outstanding letters of credit, which correspondingly reduced Alico's availability under the line of credit.

### Contractual Obligations

Alico has various contractual obligations which are fixed and determinable. The following table presents the Company's significant contractual obligations and commercial commitments on an undiscounted basis as of September 30, 2022 and the future periods in which such obligations are expected to be settled in cash.

(in thousands)

	Payments Due by Period				
	Total	<1 Year	1-3 Years	3-5 Years	5+ Years
Long-term debt	\$ 111,624	\$ 3,035	\$ 6,070	\$ 10,998	\$ 91,521
Interest on long-term debt	25,567	4,340	8,086	7,295	5,846
Operating leases	822	446	261	115	—
Tree purchase commitments	5,891	5,891	—	—	—
Total	<u>\$ 143,904</u>	<u>\$ 13,712</u>	<u>\$ 14,417</u>	<u>\$ 18,408</u>	<u>\$ 97,367</u>

### Purchase Commitments

The Company enters into contracts for the purchase of citrus trees during the normal course of its business. As of September 30, 2022, the Company had approximately \$5,891,000 relating to outstanding commitments for these purchases, which will be paid upon delivery.

### **Impact of Inflation and Changing Prices**

Our financial statements included in this Annual Report on Form 10-K have been prepared in accordance with U.S. GAAP, which requires us to measure financial position and operating results primarily in terms of historic dollars. Changes in the relative value of money due to inflation or recession generally are not considered. We are exposed to the impact of inflation on our cost of products sold. We use a number of strategies to mitigate the effects of cost inflation including commodity hedging and pursuing cost productivity initiatives. We experienced higher inflation in fiscal year 2022 and expect to experience increased inflation in fiscal year 2023. Pricing actions and supply chain productivity initiatives introduced at the end of fiscal year 2021 will mitigate a portion of this inflationary pressure, but we do not expect such benefits will fully offset the incremental costs in fiscal year 2023.

### **Critical Accounting Policies and Estimates**

Alico's Consolidated Financial Statements are prepared in accordance with U.S. GAAP, which requires management to make estimates, judgments and assumptions that affect the amounts reported in those financial statements and accompanying notes. Management considers an accounting policy to be critical if it is important to the Company's financial condition and results of operations and if it requires significant judgment and estimates on the part of management in its application. Management considers an accounting estimate to be critical if it is made in accordance with generally accepted accounting principles, involves a significant level of estimation uncertainty, and has had or is reasonably likely to have a material impact on the Company's financial condition or results of operations. Alico considers policies and estimates relating to the following matters to be critical accounting policies:

#### *Revenue Recognition*

The Company recognizes revenue at the amount it expects to be entitled to be paid, determined when control of the products or services is transferred to its customers, which occurs upon delivery of and acceptance of the fruit by the customer and the Company has a right to payment. For grove management services, the Company recognizes operating revenue, including a management fee, when services are rendered and consumed. Management reviews the reasonableness of the revenue accruals quarterly based on buyers' and processors' advances to growers, cash and futures markets and experience in the industry. Adjustments are made throughout the fiscal year to these estimates as more current relevant industry information becomes available. Differences between the estimates and the final realization of revenues can be significant and can be either positive or negative. During the periods presented in this Annual Report on Form 10-K, no material adjustments were made to the reported revenues from our crops.

#### *Inventories*

The costs of growing crops, including but not limited to labor, fertilization, fuel, crop nutrition and irrigation, are capitalized into inventory throughout the respective crop year. Such costs are expensed as cost of sales when the crops are harvested and are recorded as operating expenses in the Consolidated Statements of Operations. Inventories are stated at the lower of cost or net realizable value. The cost for unharvested citrus crops is based on accumulated production costs incurred during the period from January 1 through the balance sheet date. In the event that there is a casualty loss due to severe weather or other significant incident which negatively impacts inventory, the company will undertake a process to estimate the amount of casualty loss. The process includes a number of factors, including touring all of the citrus groves by operational personnel, to assess the estimated fruit drop by grove and estimate the amount of fruit the Company expects to produce for the respective harvest

season. As a result of this process, the Company would estimate the amount of casualty loss, if any, to reduce the carrying value of unharvested fruit crop on trees inventory.

#### *Property and Equipment*

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Major improvements are capitalized while maintenance and repairs are expensed in the period the cost is incurred. Costs related to the development of citrus groves, through planting of trees, are capitalized. Such costs include land clearing, excavation and construction of ditches, dikes, roads and reservoirs among other costs. After the planting, caretaking costs or pre-productive maintenance costs are capitalized for four years. After four years, a grove is considered to have reached maturity and the accumulated costs are depreciated over 25 years, except for land clearing and excavation, which are considered costs of land and not depreciated.

#### *Income Taxes*

The Company uses the asset and liability method of accounting for deferred income taxes. The provision for income taxes includes income taxes currently payable and those deferred as a result of temporary differences between the financial statements and the income tax basis of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in income tax rates on deferred income tax assets and liabilities is recognized in income or loss in the period that includes the enactment date. A valuation allowance is provided to reduce deferred tax assets to the amount of future tax benefit when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Projected future taxable income and ongoing tax planning strategies are considered and evaluated when assessing the need for a valuation allowance. Any increase or decrease in a valuation allowance could have a material adverse or beneficial impact on the Company's income tax provision and net income or loss in the period the determination is made. For the fiscal year ended September 30, 2022, the Company recorded a valuation allowance of approximately \$4,300,000, and for the fiscal years ended September 30, 2021 and 2020, the Company did not record any valuation allowances. The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which a change in judgment occurs. The Company records interest related to unrecognized tax benefits in income tax expense.

#### *Impairment of Long-Lived Assets*

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. The Company records impairment losses on long-lived assets used in operations, other than goodwill, when events and circumstances indicate that the asset or asset group might be impaired and the estimated cash flows (undiscounted and without interest charges) to be generated by those assets or asset group over the remaining lives of the assets are less than the carrying amounts of those assets. In calculating impairments and the estimated cash flows, the Company assigns its asset groups by determining the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of the other Company assets. The net carrying values of assets or asset groups not recoverable are reduced to their fair values. Our cash flow estimates are based on historical results adjusted to reflect our best estimates of future market conditions and operating conditions. As of September 30, 2022 and 2021, long-lived assets were comprised of property and equipment.

#### *Fair Value Measurements*

The carrying amounts in the balance sheets for operating accounts receivable, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturity of these items. The carrying amounts reported for our long-term debt approximates fair value as our borrowings with commercial lenders are at interest rates that vary with market conditions and fixed rates that approximate market rates for comparable loans.

Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability (i.e., exit price) in an orderly transaction between market participants at the measurement date. Assets and liabilities measured at fair value are categorized into one of three

different levels depending on the assumptions (i.e., inputs) used in the valuation. Assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The fair value hierarchy is defined as follows:

Level 1- Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2- Valuations are based on quoted prices for similar assets or liabilities in active markets, or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.

Level 3- Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate of what market participants would use in valuing the asset or liability at the measurement date.

#### **Impact of Accounting Pronouncements**

See Item 8. "Financial Statements and Supplementary Data" - Note 1. "Description of Business and Basis of Presentation" for additional information about the impact of accounting pronouncements.

#### **Subsequent Events**

The working capital line of credit agreement was amended on October 27, 2022, and the primary terms of the amendment were an extension of the maturity to November 1, 2025, and the conversion of the interest rate from LIBOR plus a spread to SOFR plus a spread, which is adjusted quarterly, based on the Company's debt service coverage ratio for the preceding quarter and can vary from 175 to 250 basis points, effective October 1, 2022. There were no changes to the commitment amount.

#### **Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

Market Risk - Market risk represents the potential loss resulting from adverse changes in the value of financial instruments, either derivative or non-derivative, caused by fluctuations in interest rates, foreign exchange rates, commodity prices, and equity security prices. The Company handles market risks in accordance with its established policies; however, Alico does not enter into derivatives or other financial instruments for trading or speculative purposes. The Company does consider, on occasion, the need to enter into financial instruments to manage and reduce the impact of changes in interest rates; however, the Company entered into no such instruments during the three-year period ended September 30, 2022. The Company held various financial instruments as of September 30, 2022 and 2021, consisting of financial assets and liabilities reported in the Company's Consolidated Balance Sheets and off-balance sheet exposures resulting from letters of credit issued for the benefit of Alico.

Interest Rate Risk - The Company is subject to interest rate risk from the utilization of financial instruments such as term loan debt and other borrowings. The Company's primary long-term obligations are fixed rate debts subject to fair value risk due to interest rate fluctuations. The Company believes that the carrying value of our long-term debt approximates fair value given the stability of market interest rates.

The Company is also subject to interest rate risk on its variable rate debt. A one-percentage-point increase in prevailing interest rates would have increased interest expense on our variable rate debt obligations by approximately \$300,000 for the fiscal year ended September 30, 2022.

Foreign-Exchange Rate Risk - The Company currently has no exposure to foreign-exchange rate risk because all of its financial transactions are denominated in U.S. dollars.

Commodity Price Risk - The Company has no financial instruments subject to commodity price risk.

Equity Security Price Risk - None of the Company's financial instruments have potential exposure to equity security price risk.

#### **Item 8. Financial Statements and Supplementary Data**

**Index to Consolidated Financial Statements**

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*All schedules are omitted for the reason that they are not applicable or the required information is included in the financial statements or notes.*

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Alico, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Alico, Inc. and its subsidiaries (the Company) as of September 30, 2022 and 2021, the related consolidated statements of operations, changes in equity and cash flows for each of the three years in the period ended September 30, 2022, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2022, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's and subsidiaries' internal control over financial reporting as of September 30, 2022, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Our report dated December 13, 2022 expressed an opinion that the Company had not maintained effective internal control over financial reporting as of September 30, 2022, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

### Restatement of Previously Issued Financial Statements

As discussed in Note 2 to the financial statements, the 2021 and 2020 financial statements have been restated to correct a misstatement.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with 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 audits to obtain reasonable assurance about whether the 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 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

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

### Casualty Loss and Net Realizable Value of Unharvested Fruit Crop on the Trees

As described within Note 3 and 4 to the financial statements, the Company values inventory at the lower of cost or net realizable value, which can be impacted by many factors including when a significant weather event has impacted the Company's unharvested fruit crop on the trees. At September 30, 2022, the consolidated inventory balance included unharvested fruit crop on the trees of \$26,717,000, which was reduced by total losses of \$21,576,000 recorded during the year ended September 30, 2022 to record a casualty loss and reduce inventory to its net realizable value due to a significant weather event. The Company assesses the impact of a significant weather event on carrying value of unharvested fruit crop on the trees, including the determination of a casualty loss and adjustments to net realizable value, by applying judgment in developing estimates such as the expected future crop yield and future citrus pricing.

We identified the casualty loss and net realizable value of unharvested fruit crop on the trees as a critical audit matter because of the significant judgments utilized by management in developing the accounting estimate. Auditing management's estimates and assumptions required a high degree of auditor judgment and increased audit effort due to the impact these assumptions have on the casualty loss and net realizable value of unharvested fruit crop on the trees.

Our audit procedures related to the Company's estimates and assumptions of the casualty loss and the net realizable value of unharvested fruit crop on the trees included the following, among others:

- We obtained an understanding of the relevant controls related to management's evaluation of the casualty loss and net realizable value of unharvested fruit crop on the trees, and tested such controls for design and operating effectiveness, including controls around management's evaluation of the expected future crop yield and future citrus pricing.
- We tested the completeness of the population of unharvested fruit crop on the trees that were subject to casualty loss and net realizable value adjustments due to the significant weather event.
- We recalculated the mathematical accuracy of the casualty loss recorded by management and the adjustment of unharvested fruit crop on the trees to net realizable value.
- We performed a comparison of management's prior forecasts of future crop yield and future citrus pricing to actual results.

We performed site observations and obtained industry data to evaluate the reasonableness of management's estimates of future crop yield and future citrus pricing.

/s/ RSM US LLP

We have served as the Company's auditor since 2007.

Orlando, Florida

December 13, 2022

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Alico, Inc.

### Opinion on the Internal Control Over Financial Reporting

We have audited Alico Inc.'s (the Company) internal control over financial reporting as of September 30, 2022, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, because of the effect of the material weaknesses 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 September 30, 2022, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Alico, Inc. and its subsidiaries (the Company) as of September 30, 2022 and 2021, the related consolidated statements of operations, changes in equity and cash flows for each of the three years in the period ended September 30, 2022, and the related notes to the consolidated financial statements of the Company and our report dated December 13, 2022 expressed an unqualified opinion.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment arising from the following deficiencies:

- A deficiency in the controls around the completeness and accuracy of the information used in the preparation of the Company's income tax provision and the related evaluation of the impact of the misstatements to the financial statements for all periods presented.

This material weakness resulted in an identified misstatement in the consolidated financial statements.

This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 2022 financial statements, and this report does not affect our report dated December 13, 2022 on those 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 in the accompanying Management Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

### 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/ RSM US LLP

We have served as the Company's auditor since 2007.

Orlando, Florida

December 13, 2022

**ALICO, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share amounts)

	2022	September 30, 2021 (Restated)
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 865	\$ 886
Accounts receivable, net	324	6,105
Inventories	27,682	43,377
Income tax receivable	1,116	3,233
Assets held for sale	205	160
Prepaid expenses and other current assets	1,424	1,152
<b>Total current assets</b>	<b>31,616</b>	<b>54,913</b>
Property and equipment, net	372,479	373,231
Goodwill	2,246	2,246
Other non-current assets	2,914	2,827
<b>Total assets</b>	<b>\$ 409,255</b>	<b>\$ 433,217</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 3,366	\$ 7,274
Accrued liabilities	9,062	9,872
Long-term debt, current portion	3,035	4,285
Other current liabilities	1,062	875
<b>Total current liabilities</b>	<b>16,525</b>	<b>22,306</b>
Long-term debt:		
Principal amount, net of current portion	103,661	122,009
Less: deferred financing costs, net	(748 )	(986 )
Long-term debt less current portion and deferred financing costs, net	102,913	121,023
Lines of credit	4,928	—
Deferred income tax liabilities, net	35,589	39,465
Other liabilities	435	306
<b>Total liabilities</b>	<b>160,390</b>	<b>183,100</b>
Commitments and Contingencies (Note 16)		
<b>Stockholders' equity:</b>		
Preferred stock, no par value, 1,000,000 shares authorized; none issued	—	—
Common stock, \$1.00 par value, 15,000,000 shares authorized; 8,416,145 shares issued and 7,586,995 and 7,562,004 shares outstanding at September 30, 2022 and September 30, 2021, respectively	8,416	8,416
Additional paid in capital	19,784	19,989
Treasury stock, at cost, 829,150 and 890,141 shares held at September 30, 2022 and September 30, 2021, respectively	(27,948 )	(29,853 )
Retained earnings	243,490	246,163
<b>Total Alico stockholders' equity</b>	<b>243,742</b>	<b>244,715</b>
Noncontrolling interest	5,123	5,402
<b>Total stockholders' equity</b>	<b>248,865</b>	<b>250,117</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 409,255</b>	<b>\$ 433,217</b>

*See accompanying notes to the consolidated financial statements.*

**ALICO, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts)

	Fiscal Year Ended September 30,		
	2022	2021	2020
<b>Operating revenues:</b>			
Alico Citrus	\$ 89,681	\$ 105,796	\$ 89,369
Land Management and Other Operations	2,266	2,768	3,138
Total operating revenues	91,947	108,564	92,507
<b>Operating expenses:</b>			
Alico Citrus	106,192	83,893	72,281
Land Management and Other Operations	520	778	2,307
Total operating expenses	106,712	84,671	74,588
<b>Gross (loss) profit</b>	<b>(14,765 )</b>	<b>23,893</b>	<b>17,919</b>
General and administrative expenses	10,079	9,453	10,998
(Loss) income from operations	(24,844 )	14,440	6,921
<b>Other income (expense):</b>			
Investment and interest income, net	21	23	98
Interest expense	(3,324 )	(3,987 )	(5,981 )
Gains on sale of real estate, property and equipment and assets held for sale	41,102	35,898	30,424
Other income (expense), net	—	13	(85 )
Total other income, net	37,799	31,947	24,456
<b>Income before income taxes</b>	<b>12,955</b>	<b>46,387</b>	<b>31,377</b>
Income tax provision	1,069	11,567	7,663
<b>Net income</b>	<b>11,886</b>	<b>34,820</b>	<b>23,714</b>
Net loss (income) attributable to noncontrolling interests	573	39	(52 )
<b>Net income attributable to Alico, Inc. common stockholders</b>	<b>\$ 12,459</b>	<b>\$ 34,859</b>	<b>\$ 23,662</b>
<b>Per share information attributable to Alico, Inc. common stockholders:</b>			
<b>Earnings per common share:</b>			
Basic	\$ 1.65	\$ 4.64	\$ 3.16
Diluted	\$ 1.65	\$ 4.64	\$ 3.16
<b>Weighted-average number of common shares outstanding:</b>			
Basic	7,560	7,516	7,484
Diluted	7,568	7,519	7,496
<b>Cash dividends declared per common share</b>	<b>\$ 2.00</b>	<b>\$ 1.36</b>	<b>\$ 0.36</b>

*See accompanying notes to the consolidated financial statements.*

**ALICO, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(in thousands)**

	Common stock		Additional	Treasury	Retained	Total	Non-	Total
	Shares	Amount	Paid-In	Stock	Earnings	Alico,	controlling	Equity
			Capital			Inc.	Interest	
						Equity		Equity
September 30, 2019 (As originally reported)	8,416	\$ 8,416	\$ 19,781	\$ (31,943)	198,049	\$ 194,303	\$ 5,095	\$ 199,398
Restatement Adjustments	—	—	—	—	2,512	2,512	—	2,512
September 30, 2019 (Restated)	8,416	8,416	19,781	(31,943)	200,561	196,815	5,095	201,910
Net income	—	—	—	—	23,662	23,662	52	23,714
Dividends	—	—	—	—	(2,692)	(2,692)	—	(2,692)
Treasury stock purchases	—	—	—	(238)	—	(238)	—	(238)
Capital contribution received from noncontrolling interest	—	—	—	—	—	—	294	294
Stock-based compensation:								
Directors	—	—	(669)	1,402	—	733	—	733
Executives and managers	—	—	573	—	—	573	—	573
September 30, 2020 (Restated)	8,416	8,416	19,685	(30,779)	221,531	218,853	5,441	224,294
Net income (loss)	—	—	—	—	34,859	34,859	(39)	34,820
Dividends	—	—	—	—	(10,227)	(10,227)	—	(10,227)
Stock-based compensation:								
Directors	—	—	74	770	—	844	—	844
Executives and managers	—	—	230	156	—	386	—	386
September 30, 2021 (Restated)	8,416	8,416	19,989	(29,853)	246,163	244,715	5,402	250,117
Net income (loss)	—	—	—	—	12,459	12,459	(573)	11,886
Dividends	—	—	—	—	(15,132)	(15,132)	—	(15,132)
Capital contribution received from noncontrolling interest	—	—	—	—	—	—	294	294
Executives stock exercises	—	—	34	431	—	465	—	465
Stock-based compensation:								
Directors	—	—	104	557	—	661	—	661
Executives and managers	—	—	(291)	692	—	401	—	401
Employees	—	—	(52)	225	—	173	—	173
September 30, 2022	8,416	\$ 8,416	\$ 19,784	\$ (27,948)	243,490	\$ 243,742	\$ 5,123	\$ 248,865

*See accompanying notes to the consolidated financial statements.*

**ALICO, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Fiscal Year Ended September 30,		
	2022	2021	2020
<b>Net cash provided by operating activities:</b>			
Net income	\$ 11,886	\$ 34,820	\$ 23,714
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	15,229	15,122	14,282
Debt issue costs expense	255	179	238
Deferred income tax expense	(3,876)	2,249	7,603
Cash surrender value	160	(14)	(10)
Deferred retirement (expense) benefit	—	—	(5,226)
Gain on sale of real estate, property and equipment and assets held for sale	(41,102)	(35,898)	(30,424)
Inventory net realizable value adjustment	6,676	—	—
Casualty loss – tree damage	1,258	—	—
Loss on disposal of property and equipment	3,251	2,338	1,382
Inventory casualty loss	14,900	—	—
Casualty loss – building	142	—	—
Impairment of long-lived assets	—	—	598
Impairment of right-of-use-asset	—	—	87
Insurance proceeds received for damage to property and equipment	—	(103)	—
Stock-based compensation expense	1,235	1,230	1,306
<b>Changes in operating assets and liabilities:</b>			
Accounts receivable	5,781	(1,758)	(3,634)
Inventories	(5,881)	(2,522)	(712)
Prepaid expenses	(271)	(115)	(135)
Income tax receivable	2,117	(2,452)	(781)
Other assets	(450)	575	(839)
Accounts payable and accrued liabilities	(5,111)	3,429	(1,530)
Income tax payable	—	—	(5,536)
Other liabilities	324	(576)	666
Net cash provided by operating activities	6,523	16,504	1,049
<b>Cash flows from investing activities:</b>			
Purchases of property and equipment	(20,731)	(22,258)	(18,785)
Purchases of citrus groves	(136)	(18,527)	(2,920)
Net proceeds from sale of real estate, property and equipment and assets held for sale	43,159	37,266	31,541
Insurance proceeds received for damage to property and equipment	—	103	—
Change in deposits on purchase of citrus trees	176	217	(458)
Advances on notes receivables, net	—	371	136
Purchases of mineral rights	—	(453)	—
Other	—	13	(25)
Net cash provided by (used in) investing activities	22,468	(3,268)	9,489
<b>Cash flows from financing activities:</b>			
Repayments on revolving lines of credit	(52,227)	(50,735)	(114,581)
Borrowings on revolving lines of credit	57,155	47,793	117,523
Principal payments on term loans	(19,598)	(21,957)	(15,198)
Treasury stock purchases	—	—	(238)
Dividends paid	(15,101)	(7,138)	(2,466)
Exercise of stock options	465	—	—
Deferred financing costs	—	—	(23)
Capital contribution received from noncontrolling interest	294	—	294
Net cash used in financing activities	(29,012)	(32,037)	(14,689)
<b>Net decrease in cash and cash equivalents and restricted cash</b>	<b>(21)</b>	<b>(18,801)</b>	<b>(4,151)</b>
Cash and cash equivalents and restricted cash at beginning of the period	886	19,687	23,838
<b>Cash and cash equivalents and restricted cash at end of the period</b>	<b>\$ 865</b>	<b>\$ 886</b>	<b>\$ 19,687</b>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest, net of amount capitalized	\$ 3,192	\$ 3,940	\$ 5,832
Cash paid for income taxes	\$ 3,430	\$ 11,770	\$ 6,403
<b>Supplemental disclosure of non-cash investing and financing activities:</b>			
Dividends declared but unpaid	\$ 3,793	\$ 3,763	\$ 674

*See accompanying notes to the consolidated financial statements.*

**ALICO, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1. Description of Business and Basis of Presentation**

*Description of Business*

Alico, Inc., together with its subsidiaries (collectively, “Alico”, the “Company”, “we”, “us” or “our”), is a Florida agribusiness and land management company owning approximately 74,000 acres of land and approximately 90,000 acres of mineral rights throughout Florida. Alico holds these mineral rights on substantially all its owned acres, with additional mineral rights on other acres. The Company manages its land based upon its primary usage, and reviews its performance based upon two primary classifications: (i) Alico Citrus and (ii) Land Management and Other Operations. Financial results are presented based upon its two business segments (Alico Citrus and Land Management and Other Operations).

*Basis of Presentation*

The Company has prepared the accompanying financial statements on a consolidated basis. These accompanying Consolidated Financial Statements, which are referred to herein as the “Financial Statements”, have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). All significant intercompany transactions and account balances between the consolidated businesses have been eliminated.

*Segments*

Operating segments are defined in the criteria established under the Financial Accounting Standards Board – Accounting Standards Codification (“FASB ASC”) Topic 280 as components of public entities that engage in business activities from which they may earn revenues and incur expenses for which separate financial information is available and which is evaluated regularly by the Company’s chief operating decision maker (“CODM”) in deciding how to assess performance and allocate resources. The Company’s CODM assesses performance and allocates resources based on two operating segments: (i) Alico Citrus and (ii) Land Management and Other Operations.

*Principles of Consolidation*

The Financial Statements include the accounts of Alico and the accounts of all the subsidiaries in which a controlling interest is held by the Company. Under U.S. GAAP, consolidation is generally required for investments of more than 50% of the outstanding voting stock of an investee, except when control is not held by the majority owner. The Company’s subsidiaries include: Alico Land Development, Inc., Alico-Agri, Ltd., Alico Plant World, LLC, Alico Fruit Company, LLC, Alico Citrus Nursery, LLC, Alico Chemical Sales, LLC, 734 Citrus Holdings, LLC and subsidiaries, Alico Skink Mitigation, LLC and Citree Holdings 1, LLC (“Citree”). The Company considers the criteria established under FASB ASC Topic 810, “Consolidations” in its consolidation process. All significant intercompany balances and transactions have been eliminated in consolidation.

*Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as of the date of the accompanying Financial Statements, the disclosure of contingent assets and liabilities in the Financial Statements and the accompanying Notes, and the reported amounts of revenues and expenses and cash flows during the periods presented. Actual results could differ from those estimates. The Company evaluates estimates on an ongoing basis. The estimates are based on current and expected economic conditions, historical experience, the experience and judgment of the Company’s management and various other specific assumptions that the Company believes to be reasonable.

*Noncontrolling Interest in Consolidated Subsidiary*

The Financial Statements include all assets and liabilities of the less-than-100%-owned subsidiary the Company controls, Citree. Accordingly, the Company has recorded a noncontrolling interest in the equity of such entity. Citree had net loss of \$1,170,201 for the fiscal year ended September 30, 2022, net loss of \$79,479 for the fiscal year ended September 30, 2021, and net income of \$107,051 for the fiscal year ended September 30, 2020, respectively, of which a net loss of \$596,803, a net loss of \$40,535, and a net income of \$54,596 were attributable to the Company for the fiscal years ended September 30, 2022, 2021 and 2020, respectively. The increase in net loss for the fiscal year ended September 30, 2022 was primarily due to the inventory casualty loss and net realizable value adjustment as result of the fruit loss sustained from Hurricane Ian. The net income for the fiscal year ended September 30, 2020 was primarily due to the reimbursements received under the federal relief program relating to Hurricane Irma, aggregating approximately \$493,000.

### *Recent Accounting Pronouncements*

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides temporary optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships and other transactions affected by reference rate reform. The Company's floating rate notes and variable funding notes have historically borne interest at fluctuating interest rates based on LIBOR. Because LIBOR will cease to exist, the Company has recently renegotiated its variable rate loan agreements, to instead utilize fluctuating interest rates based on the 30 day Secured Overnight Financing Rate (SOFR), some with the change taking effect in late fiscal year 2022, and one with the change taking effect in early fiscal year 2023. ASU 2020-04 is currently effective on or before December 31, 2022, and upon adoption may be applied prospectively to contract modifications made. The Company is currently assessing the impact of adopting this standard and the impact on its consolidated financial statements.

The Company has reviewed other recently issued accounting standards which have not yet been adopted in order to determine their potential effect, if any, on the results of operations or financial condition. Based on the review of these other recently issued standards, the Company does not currently believe that any of those accounting pronouncements will have a significant effect on its current or future financial position, results of operations, cash flows or disclosures.

### *Recently Adopted Accounting Pronouncements*

In January 2017, the FASB issued Accounting Standards Update ("ASU") 2017-04, "Intangibles-Goodwill and Other" (Topic 350), which simplifies the accounting for goodwill impairment. The updated guidance eliminates Step 2 of the impairment test, which requires entities to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Instead, entities will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value, determined in Step 1. The Company adopted ASU 2017-04 effective October 1, 2020, using the prospective approach, and will apply this standard in future impairment tests.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurements" ("ASU 2018-13"), which aims to improve the overall usefulness of disclosures to financial statement users and reduce unnecessary costs to companies when preparing fair value measurement disclosures. ASU 2018-13 became effective for annual and interim periods in the fiscal years beginning after December 15, 2019. Retrospective adoption was required, except for certain disclosures, which will be required to be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. The Company adopted ASU 2018-13 effective October 1, 2020, and the adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In November 2018, the FASB issued ASU 2018-19, "Codification Improvements to Topic 326, Financial Instruments-Credit Losses." ASU 2018-19 clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Leases (Topic 842). The standard was effective for the Company on October 1, 2020. The Company adopted ASU 2018-19 effective October 1, 2020, and the adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"), which simplifies the accounting for income taxes by removing certain exceptions to the general principles in the existing guidance for income taxes and making other minor improvements. The Company adopted ASU 2019-12 effective October 1, 2021, and the adoption of this standard did not have a material impact on the Company's consolidated financial statements.

### *The COVID-19 Pandemic*

On March 11, 2020, the World Health Organization declared the current novel coronavirus outbreak ("COVID-19") to be a global pandemic. In response to this declaration and the rapid spread of COVID-19 within the United States, federal, state, and local governments throughout the country imposed varying degrees of restrictions on social and commercial activity to promote social distancing in an effort to slow the spread of the illness. These measures had a significant adverse impact upon many sectors of the economy, including certain agriculture businesses. While epidemiological conditions in the United States have improved as of September 30, 2022, and most of the restrictions on social and commercial activity have been relaxed, a resurgence of the virus, could cause epidemiological and macroeconomic conditions to deteriorate and more severe restrictions to be put in place. It is not possible for the Company to predict the duration or magnitude of any adverse effects due to a resurgence at this time. We will continue to monitor the COVID-19 pandemic and its impacts on our business, financial condition, and results of operations.

To date, the Company has experienced no material adverse impacts from this pandemic.

### *Reclassifications*

Certain prior year amounts have been reclassified in the accompanying Financial Statements for consistent presentation to the current period. These reclassifications had no impact on net income, equity, cash flows or working capital as previously reported.

### *Seasonality*

The Company is primarily engaged in the production of fruit for sale to citrus markets, which is of a seasonal nature, and subject to the influence of natural phenomena and wide price fluctuations. Historically, the second and third quarters of Alico's fiscal year produce most of the Company's annual revenue. Working capital requirements are typically greater in the first and fourth quarters of the fiscal year, coinciding with harvesting cycles. Because of the seasonality of the business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

### **Note 2. Restatement of Previously Issued Financial Statements**

During the audit of our financial statements for the period ending September 30, 2022, the Company discovered an error in the calculation of the deferred tax liabilities for the fiscal years 2015 through 2019, remaining present in the deferred tax liabilities previously reported in the financial statements in the fiscal year ended September 30, 2020 and 2019.

The Company has presented a restated consolidated balance sheet as of September 30, 2022 in this Form 10-K to reflect the changes in the amounts of previously reported deferred tax liabilities and retained earnings to reflect the correction of this error. The impact of the accounting errors was a cumulative reduction in the deferred tax liability of approximately \$2,512,000 and a cumulative increase in the Retained Earnings of approximately \$2,512,000, and it had no impact on our Consolidated Statements of Operations or our Consolidated Statements of Cash Flows for the periods presented.

The following is a summary of the effect of the restatement to correct an error in the September 30, 2021 financial statements on the Consolidated Balance Sheet for the year ended September 30, 2021:

**ALICO, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share amounts)

	September 30, 2021	
	Previously Reported	Restated
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 886	\$ 886
Accounts receivable, net		
	6,105	6,105
Inventories	43,377	43,377
Income tax receivable	3,233	3,233
Assets held for sale	160	160
Prepaid expenses and other current assets	1,152	1,152
<b>Total current assets</b>	<b>54,913</b>	<b>54,913</b>
Property and equipment, net	373,231	373,231
Goodwill	2,246	2,246
Other non-current assets	2,827	2,827
<b>Total assets</b>	<b>\$ 433,217</b>	<b>\$ 433,217</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 7,274	\$ 7,274
Accrued liabilities	9,872	9,872
Long-term debt, current portion	4,285	4,285
Other current liabilities	875	875
<b>Total current liabilities</b>	<b>22,306</b>	<b>22,306</b>
Long-term debt:		
Principal amount, net of current portion	122,009	122,009
Less: deferred financing costs, net	(986 )	(986 )
Long-term debt less current portion and deferred financing costs, net	121,023	121,023
Lines of credit	—	—
Deferred income tax liabilities, net	41,977	39,465
Other liabilities	306	306
<b>Total liabilities</b>	<b>185,612</b>	<b>183,100</b>
Commitments and Contingencies (Note 16)		
<b>Stockholders' equity:</b>		
Preferred stock, no par value, 1,000,000 shares authorized; none issued	—	—
Common stock, \$1.00 par value, 15,000,000 shares authorized; 8,416,145 shares issued and 7,586,995 and 7,562,004 shares outstanding at September 30, 2022 and September 30, 2021, respectively	8,416	8,416
Additional paid in capital	19,989	19,989
Treasury stock, at cost, 829,150 and 890,141 shares held at September 30, 2022 and September 30, 2021, respectively	(29,853 )	(29,853 )
Retained earnings	243,651	246,163
<b>Total Alico stockholders' equity</b>	<b>242,203</b>	<b>244,715</b>
Noncontrolling interest	5,402	5,402
<b>Total stockholders' equity</b>	<b>247,605</b>	<b>250,117</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 433,217</b>	<b>\$ 433,217</b>

### Note 3. Summary of Significant Accounting Policies

#### *Revenue Recognition*

Revenues are derived from the sale of processed fruit, fresh fruit, other citrus revenue, revenues from grove management services, leasing revenue and other resource revenues. Most of the revenue is generated from the sale of citrus fruit to processing facilities, fresh fruit sales and grove management services.

For fruit sales, the Company recognizes revenue in the amount it expects to be entitled to be paid, determined when control of the products or services is transferred to its customers, which occurs upon delivery of and acceptance of the fruit by the customer and when the Company has a right to payment.

For the sale of fruit, the Company has identified one performance obligation, which is the delivery of fruit to the processing facility of the customer (or harvesting of the citrus in the case of fresh fruit) for each separate variety of fruit identified in the respective contract with the respective customer. The Company initially recognizes revenue in an amount which is estimated based on contractual and market prices, if such market price falls within the range (known as "floor" and "ceiling" prices) identified in the specific respective contracts. Additionally, the Company also has a contractual agreement whereby revenue is determined based on applying a cost-plus structure methodology. As such, since all these contracts contain elements of variable consideration, the Company recognizes this variable consideration by using the expected value method. On a quarterly basis, management reviews the reasonableness of the revenues accrued based on buyers' and processors' advances to growers, cash and futures markets and experience in the industry. Adjustments are made throughout the year to these estimates as more current relevant industry information becomes available. Differences between the estimates and the final realization of revenues at the close of the harvesting season can result in either an increase or decrease to reported revenues.

Receivables under contracts, whereby pricing is based on contractual and market prices, are primarily paid at the floor amount and are collected within seven days after the harvest week. Any adjustments to pricing as a result of changes in market prices are generally collected or paid thirty to sixty days after final market pricing is published. Receivables under those contracts where pricing is based off a cost-plus structure methodology are paid at the final prior year rate. Any adjustments to pricing because of the cost-plus calculation are collected or paid upon finalization of the calculation and agreement by both parties. As of September 30, 2022, and September 30, 2021, the Company had total receivables relating to sales of citrus of approximately \$171,000 and \$3,161,000, respectively, recorded in Accounts Receivable, net, in the Consolidated Balance Sheets.

For grove management services, the Company has identified one performance obligation, which is the management of the third party's groves. Grove management services include caretaking of the citrus groves, harvesting and hauling of citrus, management and coordination of citrus sales and other related activities. The Company is reimbursed for expenses incurred in the execution of its management duties and the Company receives a per acre management fee. The Company recognizes operating revenue, including a management fee, and corresponding operating expenses when such services are rendered and consumed.

In June 2022, the Company was notified by a group of third-party grove owners, who are affiliated with each other, for which the Company was managing groves that such third-party grove owners were terminating the property management agreement dated as of July 16, 2020 with the Company as such third-party grove owners decided to exit the citrus business. As a result, all services relating to this caretaking management initiative and the accompanying management fee and reimbursed costs associated with performing caretaking management services have ceased as of June 10, 2022.

The Company recorded approximately \$10,598,000 and \$15,752,000 of operating revenue relating to these grove management services, including the management fee, during the fiscal years ended September 30, 2022 and 2021, respectively. The Company recorded approximately \$9,711,000 and \$14,342,000 of operating expenses relating to these grove management services during the fiscal years ended September 30, 2022 and 2021, respectively.

## Disaggregated Revenue

Revenues disaggregated by significant products and services for the fiscal years ended September 30, 2022, 2021 and 2020 are as follows:

(in thousands)

	Fiscal Year Ended September 30,		
	2022	2021	2020
<b>Alico Citrus</b>			
Early and Mid-Season	\$ 28,287	\$ 31,525	\$ 31,303
Valencias	47,529	55,918	50,060
Fresh fruit	1,256	608	2,321
Grove management services	11,928	16,983	4,599
Other	681	762	1,086
Total	<u>\$ 89,681</u>	<u>\$ 105,796</u>	<u>\$ 89,369</u>
<b>Land Management and Other Operations</b>			
Land and other leasing	\$ 1,655	\$ 2,404	\$ 2,683
Other	611	364	455
Total	<u>\$ 2,266</u>	<u>\$ 2,768</u>	<u>\$ 3,138</u>
Total Revenues	<u>\$ 91,947</u>	<u>\$ 108,564</u>	<u>\$ 92,507</u>

## Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short term and immediate nature of these financial instruments. The carrying amounts of the Company's debt approximates fair value as the debt is with commercial lenders at interest rates that vary with market conditions or have fixed rates that approximate market rates for obligations with similar terms and maturities (see Note 8. "Fair Value Measurements").

## Cash and Cash Equivalents

The Company considers cash in banks and highly liquid instruments with an original maturity of three months or less to be cash and cash equivalents. At various times throughout the fiscal year, and as of September 30, 2022, some accounts held at financial institutions were in excess of the federally insured limit of \$250,000. The Company has not experienced any losses on these accounts and believes credit risk to be minimal.

## Accounts receivable

Accounts receivable from customers are generated from revenues based on the sale of citrus, grove management, leasing and other transactions. The Company grants credit in the course of its operations to third party customers. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. The Company provides an allowance for doubtful accounts for amounts which are not probable of collection. The estimate, evaluated quarterly by the Company, is based on historical collection experience, current macroeconomic climate and market conditions and a review of the current status of each customer's account. Changes in the financial viability of significant customers and worsening of economic conditions may require changes to its estimate of the recoverability of the receivables. Such changes in estimates are recorded in the period in which these changes become known. The bad debt expense is included in general and administrative expenses in the Consolidated Statements of Operations.

The following table presents accounts receivable, net, as of September 30, 2022 and 2021:

(in thousands)

	September 30,	
	2022	2021
Accounts receivable	\$ 338	\$ 6,118
Allowance for doubtful accounts	(14 )	(13 )
Accounts receivable, net	<u>\$ 324</u>	<u>\$ 6,105</u>

### Concentrations

Accounts receivable from the Company's major customer as of September 30, 2022 and 2021 and revenue from such customer for the fiscal years ended September 30, 2022, 2021 and 2020, are as follows:

(in thousands)	Accounts Receivable			Revenue			% of Total Revenue		
	2022	2021	2022	2021	2020	2022	2021	2020	
Tropicana	\$ —	\$ 3,066	\$ 73,791	\$ 84,136	\$ 80,388	79.7 %	77.5 %	86.9 %	

The citrus industry is subject to various factors over which growers have limited or no control, including weather conditions, disease, pestilence, water supply and market price fluctuations. Market prices are highly sensitive to aggregate domestic and foreign crop sizes, as well as factors including, but not limited to, weather and competition from foreign countries.

The overall increase in Tropicana revenue as a percentage of sales was primarily due to lower caretaking revenue due to the termination in June 2022 of the agreement entered into in July 2020 with a group of third-party grove owners, who were affiliated with each other, to provide citrus grove caretaking and harvest and haul management services for approximately 7,000 acres owned by such third parties. Under the terms of this agreement, the Company was reimbursed by the third parties for all its costs incurred related to providing these services and received a management fee based on acres covered under this agreement. The Company records both an increase in revenues and expenses as and when the Company provides these citrus grove caretaking management services. For the fiscal year ended September 30, 2022, under this agreement, the Company recorded approximately \$10,598,000 of operating revenue relating to these grove management services, including the management fee. Excluding these revenues for these citrus grove caretaking and harvest and haul management services, revenue from Tropicana represents approximately 90.1% of total revenues for the fiscal year ended September 30, 2022.

### Real Estate

In February 2017, the FASB issued ASU 2017-05, "Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets" (ASC 610-20): This standard clarified the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets and clarified the scope and application of ASC 610-20 on the sale, transfer, and derecognition of nonfinancial assets and in substance nonfinancial assets to non-customers, including partial sales. The standard provided guidance on how gains and losses on transfers of nonfinancial assets and in substance nonfinancial assets to non-customers are recognized. The Company recognizes a gain on the sale of real estate as outlined by ASC 610-20.

### Inventories

The costs of growing crops, including but not limited to labor, fertilization, fuel, crop nutrition, irrigation, and depreciation, are capitalized into inventory throughout the respective crop year. Such costs are expensed as cost of sales when the crops are harvested and are recorded as operating expenses in the Consolidated Statements of Operations. Inventories are stated at the lower of cost or net realizable value. The cost for unharvested citrus crops is based on accumulated production costs incurred during the period from January 1 through the balance sheet date.

### Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation, depletion and amortization. Major improvements are capitalized while expenditures for maintenance and repairs are expensed when incurred. Costs related to the development of citrus groves through planting of trees are capitalized. Such costs include land clearing, excavation and construction of ditches, dikes, roads, and reservoirs, among other costs. After the planting, caretaking costs or pre-productive maintenance costs are capitalized for 4 years. After 4 years, a planting is considered to have reached maturity and the accumulated costs are depreciated over 25 years, except for land clearing and excavation, which are considered costs of land and not depreciated.

Real estate costs incurred for the acquisition, development and construction of real estate projects are capitalized.

Depreciation is provided on a straight-line basis over the estimated useful lives of the depreciable assets, with the exception of leasehold improvements and assets acquired through capital leases, which are depreciated over their estimated useful lives if the lease transfers ownership or contains a bargain purchase option, otherwise the term of the lease.

The estimated useful lives for property and equipment are primarily as follows:

Citrus trees	25 years
Equipment and other facilities	3-20 years
Buildings and improvements	25-39 years

Changes in circumstances, such as technological advances or changes to our business model or capital strategy could result in the actual useful lives differing from the original estimates. In those cases where the Company determines that the useful life of property and equipment should be shortened, Alico depreciates the asset over its revised estimated remaining useful life, thereby increasing depreciation expense (see Note 5. "Property and Equipment, Net").

#### ***Impairment of Long-Lived Assets***

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. The Company records impairment losses on long-lived assets used in operations, or asset group, when events and circumstances indicate that the assets might be impaired and the estimated cash flows (undiscounted and without interest charges) to be generated by those assets or asset group over the remaining lives of the assets or asset group are less than the carrying amounts of those assets. In calculating impairments and the estimated cash flows, the Company assigns its asset groups by determining the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of the other Company assets. The net carrying values of assets or asset group not recoverable are reduced to their fair values. Alico's cash flow estimates are based on historical results adjusted to reflect best estimates of future market conditions and operating conditions. For the fiscal years ended September 30, 2022 and September 30, 2021, the Company did not record impairments of its long-lived assets. For the fiscal year ended September 30, 2020, the Company recorded impairments of its long-lived assets (see Note 5. "Property and Equipment, Net"). As of September 30, 2022 and 2021, long-lived assets were comprised of property and equipment.

#### ***Goodwill and Intangible Assets***

Goodwill represents the excess of the purchase price of acquired businesses over the fair value of the assets acquired less liabilities assumed in connection with such acquisition. In accordance with the provisions of ASC 350, Intangibles-Goodwill and Other, goodwill and intangible assets with indefinite useful lives acquired in an acquisition are not amortized, but instead are tested for impairment at least annually, on the same date, or more frequently, should an event occur or circumstances indicate that the carrying amount may be impaired. Such events or circumstances may be a significant change in business climate, economic and industry trends, legal factors, negative operating performance indicators, significant competition, changes in strategy or disposition of a reporting unit or a portion thereof.

The carrying value of goodwill is tested for impairment annually as of September 30, and, additionally on an interim basis, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The accounting standards for goodwill allow for the assessment of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company does not utilize a qualitative assessment approach, then the quantitative goodwill impairment test is utilized to identify potential impairments. The Company identifies any potential impairment by comparing the carrying value of a reporting unit to its fair value. The Company typically determines the fair value of its reporting units using a discounted cash flow valuation approach. If a potential impairment is identified, the Company will determine the amount of goodwill impairment by comparing the fair value of a reporting unit with its carrying amount. As of September 30, 2022 and 2021, no impairment was required.

#### ***Other Non-Current Assets***

Other non-current assets primarily include intangible assets relating to mineral rights, water permits, right-of-use assets relating to lease obligations, investments owned in agricultural cooperatives, cash surrender value on life insurance, and deposits on the purchase of citrus trees. Investments in stock related to agricultural cooperatives are carried at cost.

## Income Taxes

The Company uses the asset and liability method of accounting for deferred income taxes. The provision for income taxes includes income taxes currently payable and those deferred as a result of temporary differences between the financial statements and the income tax basis of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in income tax rates on deferred income tax assets and liabilities is recognized in income or loss in the period that includes the enactment date. A valuation allowance is provided to reduce deferred tax assets to the amount of future tax benefit when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Projected future taxable income and ongoing tax planning strategies are considered and evaluated when assessing the need for a valuation allowance. Any increase or decrease in a valuation allowance could have a material adverse or beneficial impact on the Company's income tax provision and net income or loss in the period the determination is made. For the fiscal year ended September 30, 2022, the Company recorded a valuation allowance of \$4,300,000, and for the fiscal years ended September 30, 2021 and 2020, the Company did not record any valuation allowances. The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which a change in judgment occurs. The Company records interest related to unrecognized tax benefits in income tax expense.

## Earnings per Share

Basic earnings per share for the Company's common stock is calculated by dividing net income attributable to Alico common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted earnings per common share is similarly calculated, except that the calculation includes the dilutive effect of the assumed issuance of shares of common stock issuable under equity-based compensation plans in accordance with the treasury stock method, or any other type of securities convertible into common stock, except where the inclusion of such common shares would have an anti-dilutive effect.

The following table presents a reconciliation of basic to diluted weighted average common shares outstanding for fiscal years ended September 30, 2022, 2021 and 2020:

	Fiscal Year Ended September 30,		
	2022	2021	2020
Weighted Average Common Shares Outstanding – Basic	7,560	7,516	7,484
Effect of dilutive securities – stock options and unrestricted stock	8	3	12
Weighted Average Common Shares Outstanding – Diluted	<u>7,568</u>	<u>7,519</u>	<u>7,496</u>

For the fiscal years ended September 30, 2022, 2021 and 2020, respectively, the Company issued 0, 0, and 118,000 stock options to certain executives and managers of the Company. Non-vested restricted shares of common stock entitle the holder to receive non-forfeitable dividends upon issuance and are included in the calculation of diluted earnings per common share.

## Stock-Based Compensation

Stock-based compensation is measured based on the fair value of the equity award at the grant date and is typically expensed on a straight-line basis over the vesting period. Upon the vesting of restricted stock, the Company issues common stock from common shares held in treasury.

Total stock-based compensation expense for the three years ended September 30, 2022, 2021 and 2020 in general and administrative expense was as follows:

	Fiscal Year Ended September 30,		
	2022	2021	2020
<b>Stock-based compensation expense:</b>			
Executives	\$ 330	\$ 349	\$ 497
Management and other employees	267	37	76
Forfeitures	(23)	—	—
Board of Directors	661	844	733
Total stock-based compensation expense	<u>\$ 1,235</u>	<u>\$ 1,230</u>	<u>\$ 1,306</u>

#### Note 4. Inventories

Inventories consist of the following at September 30, 2022 and 2021:

(in thousands)

	September 30,	
	2022	2021
Unharvested fruit crop on the trees	\$ 26,717	\$ 42,117
Other	965	1,260
Total inventories	<u>\$ 27,682</u>	<u>\$ 43,377</u>

The Company records its inventory at the lower of cost or net realizable value.

In September 2022, the State of Florida's citrus business, including the Company's unharvested citrus crop, was significantly impacted by Hurricane Ian. The impact of Hurricane Ian resulted in the premature drop of unharvested fruit. Accordingly, for the fiscal years ended September 30, 2022, the Company recorded approximately \$6,676,000 for adjustments to reduce inventory to net realizable value, as a result of the impact of Hurricane Ian, which impacted the Company's unharvested citrus crop for the fiscal year ended September 30, 2022. We anticipate future fruit production to be impacted in the 2022-2023 harvest season and, potentially, the 2023-2024 harvest season. The Company undertook a process to estimate the amount of inventory casualty loss as of the date of Hurricane Ian. Such process included a number of factors including touring all of the citrus groves by operational personnel to assess the estimated fruit drop by grove and the impact of damage to the citrus trees, and an estimate of fruit the Company expects to produce for the 2022-2023 harvest season after Hurricane Ian. As a result, the Company recorded a casualty loss to reduce the carrying value of unharvested fruit crop on trees inventory by approximately \$14,900,000. While the Company believes the recorded loss to be its best estimate at this time, additional impairment could result based on the actual results of the 2022-2023 harvest season. The Company maintains crop insurance and is working closely with its insurers and adjusters to evaluate and determine the amount of insurance recoveries, if any, to which the Company may be entitled. The amount of insurance recoveries, if any, will be recorded in the period in which such recoveries are both probable and reasonably able to be estimated.

The Company was eligible for Hurricane Irma federal relief programs for block grants that were being administered through the State of Florida. During the fiscal years ended September 30, 2022, September 30, 2021 and 2020, the Company received approximately \$1,123,000, \$4,299,000 and \$4,629,000, respectively, under the Florida Citrus Recovery Block Grant ("CRBG") program. The Company anticipates receiving the remaining portion during fiscal year 2023. These federal relief proceeds are included as a reduction to operating expenses in the Consolidated Statements of Operations.

#### Note 5. Assets Held for Sale

In accordance with its strategy to dispose of non-core and under-performing assets, the following assets have been classified as assets held for sale as of September 30, 2022 and September 30, 2021:

(in thousands)

	Carrying Value	
	Fiscal Year Ended September 30,	
	2022	2021
Ranch	\$ 205	\$ 160
Total Assets Held for Sale	<u>\$ 205</u>	<u>\$ 160</u>

On May 31, 2022, the Company sold approximately 400 acres of Alico Ranch to a third party for approximately \$1,900,000 and recognized a gain of \$1,700,000.

During April 2022, the Company sold approximately 788 acres from the Alico Ranch to third parties for approximately \$4,100,000 and recognized a gain of approximately \$3,900,000. One of these sales transactions, consisting of approximately 142 acres, was sold to an employee of the Company for approximately \$651,000.

On March 15, 2022, the Company sold approximately 6,286 acres from the Alico Ranch to third parties for approximately \$28,288,000 and recognized a gain of approximately \$26,554,000.

On December 3, 2021, the State of Florida purchased, under the Florida Forever program, approximately 1,638 acres of the Alico Ranch for approximately \$5,675,000 pursuant to an option agreement entered into between the State of Florida and the Company. The Company recognized a gain of approximately \$5,570,000.

During November 2021, the Company sold approximately 302 acres from the Alico Ranch to various third parties for approximately \$1,458,000 and recognized a gain of approximately \$1,400,000.

On June 3, 2021, the Company sold approximately 11,700 acres of the Alico Ranch, which were encumbered by an easement, to a third-party for approximately \$12,219,000. The Company recognized a gain of approximately \$11,351,000. In 2013, these acres were enrolled in the Wetlands Reserve Program (“WRP”), which called for the restoration and maintenance of the property for the duration of the WRP easement. As part of that enrollment in 2013, Alico received approximately \$1,800 per acre.

On April 15, 2021, the State of Florida purchased, under the Florida Forever program, approximately 5,734 acres of the Alico Ranch for approximately \$14,445,000 pursuant to an option agreement entered between the State of Florida and the Company. The Company recognized a gain of approximately \$13,921,000.

On December 18, 2020, the Company sold approximately 600 acres of the Alico Ranch for approximately \$2,630,000 and recognized a gain of approximately \$2,550,000.

Additionally, during fiscal year 2021, the Company sold an aggregate of approximately 1,742 acres of the Alico Ranch to various third parties for approximately \$8,286,000 and recognized a gain of approximately \$7,697,000. One of these sales transactions, consisting of approximately 97 acres, was sold to an employee of the Company for approximately \$392,000.

On September 10, 2020, the State of Florida purchased, under the Florida Forever program, approximately 10,700 acres of the Alico Ranch for approximately \$28,500,000 pursuant to an option agreement entered between the State of Florida and the Company. The Company recognized a gain of approximately \$27,470,000, which is included in Gain on sale of real estate, property and equipment and assets held for sale in the Consolidated Statements of Operations. The Company subsequently used a portion of the net cash proceeds to purchase a like-kind asset in October 2020, which allowed the Company to defer a portion of the tax impact of the gain on sale of the ranch lands.

On March 27, 2020, the Company sold certain sections at the East Ranch for approximately \$2,980,000 and realized a gain of approximately \$2,748,000. The Company subsequently used substantially all of the net cash proceeds to purchase a like-kind asset in May 2020, which will allow the Company to defer substantially all of the tax impact of the gain on sale of the ranch land.

The Company recorded no impairment loss during the fiscal year ended September 30, 2022 and 2021.

The Company has used a portion of the proceeds from these various asset sales to pay down debt (see Note 6. “Long-Term Debt and Lines of Credit”), purchase citrus groves and fund the increased dividend and plans to use the remaining cash proceeds from the sale of these assets to purchase other citrus groves, pay down other debt and to fund future working capital requirements and for other corporate purposes.

#### Note 6. Property and Equipment, Net

Property and equipment, net consists of the following at September 30, 2022 and September 30, 2021:

(in thousands)

	September 30,	
	2022	2021
Citrus trees	\$ 329,582	\$ 320,245
Equipment and other facilities	58,021	57,584
Buildings and improvements	7,374	8,494
Total depreciable properties	394,977	386,323
Less: accumulated depreciation and depletion	(135,990 )	(127,046 )
Net depreciable properties	258,987	259,277
Land and land improvements	113,492	113,954
Property and equipment, net	<u>\$ 372,479</u>	<u>\$ 373,231</u>

For the fiscal year ended September 30, 2022, the Company recorded a casualty loss of approximately \$1,400,000 with respect to one of its groves, which grove sustained tree loss of approximately \$1,300,000, and damage to one of its buildings of approximately \$100,000, as a direct result of Hurricane Ian.

For the fiscal years ended September 30, 2022, and 2021, the Company did not record any property and equipment impairments and, for the fiscal year ended September 30, 2020, recorded approximately \$598,000 of impairments on property and equipment. This impairment resulted from the sale of a portion of the Alico Ranch to the State of Florida comprising approximately 10,700 acres on the western part of the ranch (see

Note 4. Assets Held For Sale) and because the sale of those acres affected the proposed dispersed water management project, the Company decided to suspend all permit approval activities for its dispersed water management project and the Company wrote-down the assets relating to this project during the fourth quarter of the fiscal year ended September 30, 2020. This impairment related to the Company's Land Management and Other Operations segment and was recorded in Operating Expenses in the Consolidated Statement of Operations.

In connection with the State of Florida's condemnation of a certain portion of Alico's property in October 2021, the Company received approximately \$1,450,000, all of which was recognized as a gain.

On June 1, 2020, the Company sold approximately 30 ranch acres to an employee for approximately \$122,000 and recognized a gain of approximately \$83,000.

On May 4, 2020, the Company purchased 334 citrus acres for approximately \$2,850,000. This acquisition complements the Company's existing citrus acres as these acres are located adjacent to existing groves in the Frostproof area. Additionally, this purchase was part of a like-kind exchange transaction, which allowed the Company to defer taxes relating to the sale of certain sections of the Alico Ranch.

#### Note 7. Long-Term Debt and Lines of Credit

The following table summarizes long-term debt and related deferred financing costs, net of accumulated amortization at September 30, 2022 and September 30, 2021:

<i>(in thousands)</i>	September 30, 2022		September 30, 2021	
	Principal	Deferred Financing Costs, Net	Principal	Deferred Financing Costs, Net
<b>Long-term debt, net of current portion:</b>				
Met Fixed-Rate Term Loans	\$ 70,000	\$ 435	\$ 70,000	\$ 524
Met Variable-Rate Term Loans	19,906	113	38,094	241
Met Citree Term Loan	4,013	27	4,263	31
Pru Loans A & B	12,777	173	13,937	190
	106,696	748	126,294	986
Less current portion	3,035	—	4,285	—
Long-term debt	<u>\$ 103,661</u>	<u>\$ 748</u>	<u>\$ 122,009</u>	<u>\$ 986</u>

The following table summarizes amounts outstanding under lines of credit and related deferred financing costs, net of accumulated amortization at September 30, 2022 and September 30, 2021:

<i>(in thousands)</i>	September 30, 2022		September 30, 2021	
	Principal	Deferred Financing Costs, Net	Principal	Deferred Financing Costs, Net
<b>Lines of Credit:</b>				
RLOC	\$ —	\$ 110	\$ —	\$ 126
WCLC	4,928	—	—	—
Lines of Credit	<u>\$ 4,928</u>	<u>\$ 110</u>	<u>\$ —</u>	<u>\$ 126</u>

Future maturities of long-term debt and lines of credit as of September 30, 2022 are as follows:

<i>(in thousands)</i>	September 30, 2022
Due within one year	\$ 3,035
Due between one and two years	3,035
Due between two and three years	7,963
Due between three and four years	3,035
Due between four and five years	3,035
Due beyond five years	91,521
Total future maturities	<u>\$ 111,624</u>

Interest costs expensed and capitalized were as follows:

(in thousands)

	Fiscal Year Ended September 30,		
	2022	2021	2020
Interest expense	\$ 3,324	\$ 3,987	\$ 5,981
Interest capitalized	1,493	1,431	1,228
Total	<u>\$ 4,817</u>	<u>\$ 5,418</u>	<u>\$ 7,209</u>

#### Debt

The Company's credit facilities consist of fixed interest rate term loans originally in the amount of \$125,000,000 ("Met Fixed-Rate Term Loans"), variable interest rate term loans originally in the amount of, \$57,500,000 ("Met Variable-Rate Term Loans"), a \$25,000,000 revolving line of credit ("RLOC") with Metropolitan Life Insurance Company and New England Life Insurance Company (collectively "Met"), and a \$70,000,000 working capital line of credit ("WCLC") with Rabo Agrifinance, Inc. ("Rabo").

The term loans and RLOC are secured by real property. The security for the term loans and RLOC consists of approximately 38,200 gross acres of citrus groves and originally included 5,800 gross acres of ranch land. In April 2021, the 5,800 gross acres of ranch land was released as security against the term loans and RLOC and only the 38,200 gross acres of citrus groves remain as security for the term loans and RLOC. The WCLC is collateralized by the Company's current assets and certain other personal property owned by the Company.

Initially, the Met Fixed-Rate Term Loans were subject to quarterly principal payments of \$1,562,500 and bore interest at 4.15% per annum. Effective May 1, 2021, the Company modified its Met Fixed-Rate Term Loans, which, in the aggregate have a balance of \$70,000,000 after the prepayment of \$10,312,500 made in April 2021, have a balance of \$70,000,000 to be interest only with a balloon payment to be paid at maturity on November 1, 2029. The interest rate on these Met Fixed-Rate Term Loans, which were bearing interest at 4.15%, was adjusted to 3.85%. As part of this modification, the Company no longer has the prepayment option previously allowed under the arrangement.

The Met Variable-Rate Term Loans are subject to quarterly principal payments of \$718,750 and historically bear an interest rate equal to 90-day LIBOR plus 165 basis points (the "LIBOR spread"). For the fiscal year ended September 30, 2022, the LIBOR rate was effective from October 1, 2021 through July 31, 2022. The LIBOR spread was subject to adjustment by Met beginning May 1, 2017 and was subject to further adjustment every two years thereafter until maturity. No adjustment was made at May 1, 2019, or at May 1, 2021. Effective August 1, 2022, the interest rate was renegotiated to the One Month Term Secured Overnight Financing Rate (SOFR) plus 175 basis points (the SOFR spread). The SOFR spread is subject to adjustment by Met every 2 years beginning May 1, 2023, until maturity. Interest on the term loans is payable quarterly. The interest rates on the Met Variable-Rate Term Loans were 4.27% per annum (representing the rate based on SOFR) and 1.78% per annum (representing the rate based on LIBOR), as of September 30, 2022 and September 30, 2021, respectively. The Met Variable-Rate Term Loans mature on November 1, 2029.

With respect to the RLOC, for the fiscal year ended September 30, 2022, the LIBOR-based rate was effective from October 1, 2021 through July 31, 2022 and bears interest at a floating rate equal to 90-day LIBOR plus 165 basis points, payable quarterly. Effective August 1, 2022, the LIBOR-based rate was renegotiated to SOFR plus 175 basis points. The SOFR spread is subject to adjustment by lender every 2 years beginning May 1, 2023, until maturity. The LIBOR spread was adjusted by Met on May 1, 2017 and was subject to further adjustment every two years thereafter. No adjustment was made on May 1, 2019 or on May 1, 2021. In October 2019, the RLOC agreement was modified to extend the maturity to November 1, 2029. The RLOC is subject to an annual commitment fee of 25 basis points on the unused portion of the line of credit. The RLOC is available for funding general corporate needs. The variable interest rate was 4.27% per annum and 1.78% per annum as of September 30, 2022 and September 30, 2021, respectively. Availability under the RLOC was \$25,000,000 as of September 30, 2022 and September 30, 2021, respectively.

The WCLC is a revolving credit facility and is available for funding working capital and general corporate requirements. The interest rate on the WCLC was based on the one-month LIBOR, plus a spread, which is adjusted quarterly, based on the Company's debt service coverage ratio for the preceding quarter and can vary from 175 to 250 basis points. The rate at September 30, 2022 was LIBOR plus 175 basis points. The variable interest rate was 4.31% per annum and 1.83% per annum as of September 30, 2022 and September 30, 2021, respectively. The WCLC agreement was amended on October 27, 2022, and the primary terms of the amendment were an extension of the maturity to November 1, 2025, and the conversion of the interest rate from LIBOR plus a spread to SOFR plus a spread, which spread is adjusted quarterly, based on the Company's debt service coverage ratio for the preceding quarter and can vary from 175 to 250 basis points. There were no changes to the commitment amount. The WCLC agreement provides for Rabo to issue up to \$2,000,000 in letters of credit on the Company's behalf, of which \$310,000 was issued as of September 30, 2022. Availability under the WCLC was approximately \$64,762,000 and \$69,664,000 as of September 30, 2022 and September 30, 2021, respectively.

The WCLC is subject to a quarterly commitment fee on the daily unused availability under the line computed as the commitment amount less the aggregate of the outstanding loans and outstanding letters of credit. The commitment fee is adjusted quarterly based on Alico's debt service

coverage ratio for the preceding quarter and can vary from a minimum of 20 basis points to a maximum of 30 basis points. Commitment fees to date have been charged at 20 basis points.

There was approximately \$4,928,000 outstanding on the WCLC on September 30, 2022 no amount outstanding at September 30, 2021.

In 2014, the Company capitalized approximately \$2,834,000 of debt financing costs related to the refinancing and approximately \$339,000 of costs related to the retired debt. Additionally, financing costs of approximately \$23,000 were incurred for the fiscal year ended September 30, 2020 in connection with letters of credit. All costs are included in deferred financing costs and being amortized to interest expense over the applicable terms of the obligations. The unamortized balance of deferred financing costs related to the financing above was approximately \$658,000 and approximately \$891,000 at September 30, 2022 and September 30, 2021, respectively.

These credit facilities noted above are subject to various covenants including the following financial covenants: (i) minimum debt service coverage ratio of 1.10 to 1.00, (ii) tangible net worth of at least \$160,000,000 increased annually by 10% of consolidated net income for the preceding years, or approximately \$173,216,000 applicable for the year ended September 30, 2022, (iii) minimum current ratio of 1.50 to 1.00, (iv) debt to total assets ratio not greater than .625 to 1.00, and, (v) solely in the case of the WCLC, a limit on capital expenditures of \$30,000,000 per fiscal year. As of September 30, 2022, the Company was in compliance with all of the financial covenants.

Credit facilities also include a Met Life term loan collateralized by 1,200 gross acres of citrus grove owned by Citree ("Met Citree Loan"). This is a \$5,000,000 credit facility that bears interest at a fixed rate of 5.28% per annum. Principal and interest payments are made on a quarterly basis. On September 30, 2022 and 2021, there was an outstanding balance of \$4,013,000 and \$4,263,000, respectively. The loan matures in February 2029. The unamortized balance of deferred financing costs related to this loan was approximately \$27,000 and \$31,000 on September 30, 2022 and 2021, respectively.

#### *Transition from LIBOR*

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced that it intended to phase out LIBOR. On November 30, 2020, ICE Benchmark Administration ("IBA"), the administrator of LIBOR, with the support of the United States Federal Reserve and the Financial Conduct Authority of the United Kingdom, announced plans to consult on ceasing publication of LIBOR on December 31, 2021 for only the one week and two-month LIBOR tenors, and on June 30, 2023 for all other LIBOR tenors. On March 5, 2021, the FCA confirmed that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case of the one week and two-month U.S. dollar settings; and (b) immediately after June 30, 2023, in the case of the remaining U.S. dollar settings. The Alternative Reference Rate Committee, a committee convened by the Federal Reserve that includes major market participants, has proposed an alternative rate to replace U.S. Dollar LIBOR: the Secured Overnight Financing Rate (SOFR). On March 15, 2022, President Biden signed the Consolidated Appropriations Act, 2022, which contains as part of its many provisions the Adjustable Interest Rate (LIBOR) Act providing for a transition from LIBOR to a SOFR based rate for certain legacy contracts which lack adequate fallback provisions. However, the LIBOR Act does not affect the Company because the Company has amended its LIBOR based loan documents to include benchmark replacement provisions (i.e., provisions based on SOFR).

#### *Silver Nip Citrus Debt*

There are two fixed-rate term loans, with an original combined balance of \$27,550,000, bearing interest at 5.35% per annum ("Pru Loans A & B"). Principal of \$290,000 is payable quarterly, together with accrued interest. On February 15, 2015, 734 Citrus Holdings, LLC d/b/a Silver Nip Citrus ("Silver Nip Citrus") made a prepayment of \$750,000. In addition, the Company made prepayments of approximately \$4,453,000 in the second fiscal quarter of 2018 with proceeds from the sale of certain properties, which were collateralized under these loans. The Company may prepay up to \$5,000,000 of principal without penalty. As such, the Company exceeded the allowed \$5,000,000 prepayment by approximately \$203,000 and was required to make a premium payment of approximately \$22,000. The loans are collateralized by approximately 5,700 of citrus groves in Collier, Hardee, Highlands and Polk Counties, Florida and mature on June 1, 2029 and June 1, 2033, respectively.

Silver Nip Citrus entered into two additional fixed-rate term loans with Prudential to finance the acquisition of a 1,500 acre citrus grove on September 4, 2014. Each loan was in the original amount of \$5,500,000 with principal of \$55,000 per loan being payable quarterly, together with accrued interest. In November 2019, the Company prepaid Pru Loan F in full in the amount of \$4,455,000. As a result of this prepayment, the Company's required annual principal payments on its Pru Loans were reduced by \$220,000 per annum. Pru Loan E, which matured September 1, 2021, was satisfied in full. After this payment, the two additional loans have been paid and the Company has no further obligation under either of these loans. The loans were collateralized by approximately 1,500 gross acres of citrus groves in Charlotte County, Florida.

The remaining Silver Nip Citrus fixed-rate term loans are subject to a financial covenant whereby the consolidated current ratio requirement is 1.00 to 1.00. Silver Nip Citrus was in compliance with the current ratio covenant as of September 30, 2022.

The unamortized balance of deferred financing costs related to the Silver Nip Citrus debt was approximately \$173,000 and \$190,000 at September 30, 2022 and 2021, respectively.

#### Note 8. Accrued Liabilities

Accrued liabilities consist of the following at September 30, 2022 and September 30, 2021:

(in thousands)

	2022	September 30,	
		2021	
Ad valorem taxes	\$	2,024	\$ 2,018
Accrued interest		764	888
Accrued employee wages and benefits		1,713	2,105
Accrued dividends		3,793	3,763
Accrued insurance		345	618
Professional fees		303	348
Other accrued liabilities		120	132
Total accrued liabilities	\$	<u>9,062</u>	<u>\$ 9,872</u>

#### Note 9. Fair Value Measurements

The Company complies with the provisions of FASB ASC 820 “Fair Value Measurements” for its financial and non-financial assets and liabilities. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis.

ASC 820 clarifies that fair value is an exit price representing the amount that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1- Observable inputs such as quoted prices in active markets;
- Level 2- Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3- Unobservable inputs in which there is little or no market data, such as internally developed valuation models which require the reporting entity to develop its own assumptions.

As of September 30, 2022 and 2021, the Company did not have any assets held for sale that had been measured at fair value on a non-recurring basis.

#### Management Security Plan

During August 2020, the Company paid out a lump sum of approximately \$5,175,000 to all beneficiaries in the Management Security Plan, following the equivalent annuity approach. The Company used a third-party service provider to assist in the evaluation of investments in this plan. For prior year investment valuations, the Company used current market interest rates, quality estimates by rating agencies and valuation estimates by active market participants in order to determine values. As of September 30, 2022, due to the lump sum payment made in August 2020, the deferred retirements benefit was zero.

#### Note 10. Common Stock and Options

Effective January 27, 2015, the Company’s Board of Directors adopted the 2015 Stock Incentive Plan (the “2015 Plan”) which provides for up to 1,250,000 common shares available for issuance to provide a long-term incentive plan for officers, employees, directors and/or consultants to directly link incentives to stockholder value. The 2015 Plan was approved by the Company’s stockholders in February 2015. The Company’s 2015 Plan provides for grants to executives in various forms including restricted shares of the Company’s common stock and stock options.

Awards are discretionary and are determined by the Compensation Committee of the Board of Directors. Awards vest based upon service conditions. Non-vested restricted shares generally vest over requisite service periods of one to six years from the date of grant.

*Stock Compensation – Board of Directors*

The Board of Directors can either elect to receive stock compensation or cash for their fees for services provided. Stock-based compensation expense relating to the Board of Directors fees was approximately \$661,000, \$844,000 and \$733,000 for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

*Restricted Stock*

On September 6, 2022, the Company awarded 747 restricted shares of the Company's common stock to the newly appointed Chief Financial Officer of the Company under the 2015 Plan at a fair value of \$33.50 per common share, with all shares scheduled to vest on January 1, 2024.

On May 18, 2022, the Company awarded 12,500 restricted shares of the Company's common stock to the President and CEO under the 2015 Plan at a weighted average fair value of \$40.17 per common share, with one half of the shares scheduled to vest on January 1, 2025 and the remaining shares scheduled to vest on January 1, 2026.

On April 1, 2022, the Company awarded 5,000 restricted shares of the Company's common stock to the President and CEO under the 2015 Plan at a weighted average fair value of \$37.98 per common share, with one half of the shares scheduled to vest on January 1, 2025 and the remaining shares scheduled to vest on January 1, 2026.

On January 26, 2022, the Company awarded 7,256 restricted shares of the Company's common stock to employees, with more than one year of service, under the 2015 plan at a weighted average fair value of \$35.50 per common share, vesting on January 1, 2023. During the third quarter of fiscal year 2022, several employees were dismissed in connection with the wind down of a certain Property Management Agreement dated as of July 16, 2020, with third-party grove owners (the "Property Management Agreement") As part of the wind down, 1,144 shares of the 7,256 restricted shares referenced above vested upon the dates such employees were terminated, which resulted in the recognition of the remaining unrecognized stock expense in the Consolidated Statement of Operations as of September 30, 2022.

On November 5, 2021, the Company awarded 2,224 restricted shares of the Company's common stock to certain executives and senior managers under the 2015 Plan at a weighted average fair value of \$37.13 per common share, vesting on January 1, 2023. On May 31, 2022, due to the resignation of an executive officer, 674 shares of the 2,224 restricted shares referenced above were forfeited and the stock compensation expense already recognized was reversed in the Consolidated Statement of Operations as of September 30, 2022.

On October 15, 2021, the Company awarded 2,500 restricted shares of the Company's common stock to the President and CEO under the 2015 Plan at a weighted average fair value of \$34.41 per common share. These shares vested on January 1, 2022.

On November 10, 2020, the Company awarded 5,885 restricted shares of the Company's common stock to certain other executives and senior managers under the 2015 Plan at a weighted average fair value of \$31.20 per common share. These shares vested on January 1, 2022.

The following table represents a summary of the status of the Company's non-vested shares:

Nonvested Shares	Shares	Weighted-Average Grant Date Fair Value
Nonvested Shares at September 30, 2019	5,666	\$ 44.26
Vested during fiscal year 2020	(5,666 )	44.26
Nonvested Shares at September 30, 2020	—	—
Granted during fiscal year 2021	5,885	31.20
Nonvested Shares at September 30, 2021	5,885	31.20
Granted during fiscal year 2022	30,227	37.82
Vested during fiscal year 2022	(6,740 )	31.75
Forfeited during fiscal year 2022	(826 )	36.86
Nonvested Shares at September 30, 2022	<u>28,546</u>	<u>\$ 37.82</u>

Stock compensation expense related to the Restricted Stock totaled approximately \$459,000, \$144,000 and \$69,000 for the fiscal years ended September 30, 2022, 2021 and 2020, respectively. There was approximately \$692,000 and \$40,000 of total unrecognized stock compensation costs related to unvested stock compensation for the Restricted Stock grants at September 30, 2022 and September 30, 2021, respectively.

For the fiscal year ended September 30, 2022, 6,740 shares vested and 826 shares were forfeited.

For the fiscal year ended September 30, 2021, no shares vested.

For the fiscal year ended September 30, 2020, 5,666 shares with a grant date fair value of approximately \$251,000 became fully vested.

#### *Stock Option Grant*

Stock option grants of 118,000 options to certain Officers and Managers of the Company (collectively the "2020 Option Grants") were granted on October 11, 2019. The option exercise price was set at \$33.96, the closing price on October 11, 2019. The 2020 Option Grants will vest as follows: (i) 25% of the options will vest if the price of the Company's common stock during a consecutive 20-trading day period exceeds \$35.00; (ii) 25% of the options will vest if the price of the Company's common stock during a consecutive 20-trading day period exceeds \$40.00; (iii) 25% of the options will vest if the price of the Company's common stock during a consecutive 20-trading day period exceeds \$45.00; and (iv) 25% of the options will vest if the price of the Company's common stock during a consecutive 20-trading day period exceeds \$50.00. If the applicable stock price hurdles have not been achieved by (A) the date that is 18 months following the termination of employment, if the employment is terminated due to death or disability, (B) the date that is 12 months following the termination of employment, if the employment is terminated by the Company without cause, by the employee with good reason, or due to the employee's retirement, or (C) the date of the termination of employment for any other reason, then any unvested options will be forfeited. In addition, if the applicable stock price hurdles had not been achieved by December 31, 2022, then any unvested options will be forfeited. The 2020 Option Grants will also become vested to the extent that the applicable stock price hurdles are satisfied in connection with a change in control of the Company. During the fiscal year ended September 30, 2022, the stock did not trade above \$40.00 per share for twenty consecutive days (the \$35.00 per share threshold was met during fiscal year 2020 and thus 25% was previously vested); accordingly, no additional amounts of the 2020 Option Grants vested at September 30, 2022.

Stock option grants of 10,000 options to Mr. John Kiernan (the "2019 Option Grants") were granted on October 25, 2018. The option exercise price for these options was set at \$33.34, the closing price on October 25, 2018. The 2019 Option Grants will vest as follows: (i) 3,333 of the options will vest if the price of the Company's common stock during a consecutive 20-trading day period exceeds \$40.00; (ii) 3,333 of the options will vest if the price of the Company's common stock during a consecutive 20-trading day period exceeds \$45.00; and (iii) 3,334 of the options will vest if the price of the Company's common stock during a consecutive 20-trading day period exceeds \$50.00. If the applicable stock price hurdles have not been achieved by (A) the date that is 18 months following Mr. Kiernan's termination of employment, if Mr. Kiernan's employment is terminated due to death or disability, (B) the date that is 12 months following Mr. Kiernan's termination of employment, if Mr. Kiernan's employment is terminated by the Company without cause, by Mr. Kiernan with good reason, or due to Mr. Kiernan's retirement, or (C) the date of the termination of Mr. Kiernan's employment for any other reason, then any unvested options will be forfeited. In addition, if the applicable stock price hurdles had not been achieved by December 31, 2021, then any unvested options will be forfeited. The 2019 Option Grants will also become vested to the extent that the applicable stock price hurdles are satisfied in connection with a change in control of the Company. Since the date of grant the stock did not trade above \$40.00 per share for twenty consecutive days; accordingly, none of the 2019 Option Grants are vested at September 30, 2022.

Stock option grants of 210,000 options to Mr. Remy Trafelet and 90,000 options to Mr. John Kiernan (collectively, the “2018 Option Grants”) were granted on September 7, 2018. The option exercise price for these options was set at \$33.60, the closing price on September 7, 2018. The 2018 Option Grants will vest as follows: (i) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds \$35.00; (ii) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds \$40.00; (iii) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds \$45.00; and (iv) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds \$50.00. If the applicable stock price hurdles have not been achieved by (A) the date that is 18 months following the respective Executive’s termination of employment, if the respective Executive’s employment is terminated due to death or disability, (B) the date that is 12 months following the respective Executive’s termination of employment, if the respective Executive’s employment is terminated by the Company without cause, by the respective Executive with good reason, or due to the respective Executive’s retirement, or (C) the date of the termination of the respective Executive’s employment for any other reason, then any unvested options will be forfeited. In addition, if the applicable stock price hurdles had not been achieved by December 31, 2021, then any unvested options will be forfeited. The 2018 Option Grants will also become vested to the extent that the applicable stock price hurdles are satisfied in connection with a change in control of the Company. During the fiscal year ended September 30, 2022, the stock did not trade above \$40.00 per share for a consecutive twenty days (the \$35.00 per share threshold was met during fiscal year 2020 and thus 25% was previously vested); accordingly, no additional stock options of Mr. Kiernan’s 2018 Option Grants vested at September 30, 2022. As set forth below, more than a majority of the 2018 Option Grants issued to Mr. Trafelet were forfeited, vesting conditions of the remainder were modified, all pursuant to the Alico Settlement Agreement, and as noted below, such Option Grants issued to Mr. Trafelet have subsequently all been forfeited.

A stock option grant of 300,000 options in the case of Mr. Trafelet and 225,000 options in the case of each of Mr. Henry Slack and Mr. George Brokaw (collectively, the “2016 Option Grants”) were granted on December 31, 2016. The option price was set at \$27.15, the closing price on December 31, 2016. The 2016 Option Grants will vest as follows: (i) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds \$60.00; (ii) 25% of the options will vest if such price during a consecutive 20-trading day period exceeds \$75.00; (iii) 25% of the options will vest if such price during a consecutive 20-trading day period exceeds \$90.00; and (iv) 25% of the options will vest if such price during a consecutive 20-trading day period exceeds \$105.00. If the applicable stock price hurdles have not been achieved by (A) the second anniversary of the Executive’s termination of employment, if the Executive’s employment is terminated due to death or disability, (B) the date that is 18 months following the Executive’s termination of employment, if the Executive’s employment is terminated by the Company without cause, by the Executive with good reason, or due to the Executive’s retirement, or (C) the date of the termination of the Executive’s employment for any other reason, then any unvested options will be forfeited. In addition, if the applicable stock price hurdles have not been achieved by the fifth anniversary of the grant date (or the fourth anniversary of the grant date, in the case of the tranche described in clause (i) above), then any unvested options will be forfeited. The 2016 Option Grants will also become vested to the extent that the applicable stock price hurdles are satisfied in connection with a change in control of the Company. Since the date of grant the stock did not trade above \$60.00 per share for twenty consecutive days; accordingly, none of the 2016 Option Grants are vested at September 30, 2022. All the 2016 Option Grants issued to Mr. Trafelet were forfeited pursuant to the Alico Settlement Agreement, as defined below.

Pursuant to an Alico Settlement Agreement dated February 11, 2019 (described in Note 15. “Related Party Transactions”), which was unanimously approved by the Board of Directors, Mr. Trafelet agreed to voluntarily resign from his roles as President and Chief Executive Officer and a director of the Company. Under the Settlement Agreement, Mr. Trafelet forfeited (i) all of the 2016 Option Grants granted to him and (ii) all of the 2018 Option Grants granted to him in September 2018, other than 26,250 stock options that were to vest if the minimum price of Alico’s common stock over 20 consecutive trading days exceeded \$35.00 per share and 26,250 stock options that were to vest if the minimum price of Alico’s common stock over 20 consecutive trading days exceeded \$40.00 per share (“2019 Modified Option Grant”), in each case, by the first anniversary of the date of the Alico Settlement Agreement (collectively, the “Retained Options”). Any Retained Options that vest in accordance with their terms were to expire on the date that is six months following the date on which the Retained Option vests, and any Retained Options that do not vest by the first anniversary of the Alico Settlement Agreement were to be forfeited as of such first anniversary. Although, by the first anniversary of the Alico Settlement Agreement, the Company’s common stock traded above \$35.00 per share for a consecutive twenty days and thus 26,250 stock options from the 2019 Modified Options Grant vested, such Retained Options were not exercised within six months following the date on which such Retained Options vested, and accordingly they were forfeited. Additionally, since the stock did not trade above \$40.00 per share for a consecutive twenty days by the first anniversary of the date of the Alico Settlement Agreement, the other 26,250 stock options from the 2019 Modified Option Grants never vested and were forfeited.

Forfeitures of all stock options were recognized as incurred.

The following table represents a summary of the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Balance – September 30, 2020	293,000	\$ 32.09	1.79	—
Forfeitures/expired during fiscal year 2021	(75,000 )	27.15	—	—
Balance – September 30, 2021	218,000	33.78	0.79	—
Exercised during fiscal year 2022	(14,000 )	33.80	—	—
Forfeitures/expired during fiscal year 2022	(77,500 )	33.80	—	—
Balance – September 30, 2022	126,500	\$ 33.78	0.25	—

Stock compensation expense related to the options totaled approximately \$115,000, \$242,000 and \$504,000 for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

At September 30, 2022 and September 30, 2021, there was approximately \$18,000 and \$134,000, respectively, of total unrecognized stock compensation costs related to unvested share-based compensation for the option grants. The total unrecognized compensation cost as of September 30, 2022 is expected to be recognized over a weighted-average period of 0.25 years.

The fair value of the 2020, 2019, and 2018 Option Grants was estimated on the date of grant using a Monte Carlo valuation model that uses the assumptions noted in the following table. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding; the range given below results from different timeframes for the various market conditions being met.

#### 2020 Option Grant

Expected Volatility	26.0 %
Expected Term (in years)	3.61
Risk Free Rate	1.60 %

The weighted-average grant-date fair value of the 2020 Option Grant was \$3.20.

#### 2019 Modified Option Grant

Expected Volatility	25.0 %
Expected Term (in years)	1.50
Risk Free Rate	2.52 %

The weighted-average grant-date fair value of the 2019 Modified Option Grant was \$1.40.

#### 2019 Option Grants

Expected Volatility	30.0 %
Expected Term (in years)	4.09
Risk Free Rate	2.95 %

The weighted-average grant-date fair value of the 2019 Option Grants was \$7.10.

As of September 30, 2022, there remained 1,092,000 common shares available for issuance under the 2015 Plan.

## Note 11. Treasury Stock

The following table illustrates the Company's treasury stock purchases for the fiscal years ended September 30, 2022, 2021 and 2020:

<i>(in thousands, except share amounts)</i>	Total Number of Shares Purchased	Average Price Paid Per Share	Total Shares Purchased as Part of Publicly Announced Plan or Program	Total Dollar Value of Shares Purchased
Fiscal Year Ended September 30,:				
2022	—	\$ —	—	\$ —
2021	—	\$ —	—	\$ —
2020	7,000	\$ 33.95	1,481,640	\$ 238

The following table outlines the Company's treasury stock transactions during the past three fiscal years:

<i>(in thousands, except share amounts)</i>	Shares	Cost
Balance at September 30, 2019	939,632	\$ 31,943
Purchased	7,000	238
Issued to Employees and Directors	(23,011)	(1,402)
Balance at September 30, 2020	923,621	30,779
Purchased	—	—
Issued to Employees and Directors	(33,480)	(926)
Balance at September 30, 2021	890,141	29,853
Purchased	—	—
Issued to Employees and Directors	(60,991)	(1,905)
Balance at September 30, 2022	<u>829,150</u>	<u>\$ 27,948</u>

## Note 12. Income Taxes

On December 22, 2017, the U.S. Tax Cuts and Jobs Act (the "Act") was signed into law. The Act contains significant changes to corporate taxes, including a permanent reduction of the U.S. corporate tax rate from 35% to 21% effective January 1, 2018. The 21% U.S. corporate tax rate is fully applicable to the fiscal year ended September 30, 2019 and each year thereafter.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (H.R. 748) (the "CARES Act"). Among the changes to the U.S. federal income tax rules, the CARES Act restored net operating loss carryback rules that were eliminated by the 2017 Tax Cuts and Jobs Act, modified the limit on the deduction for net interest expense, and accelerated the timeframe for refunds of AMT credit carryovers. From a federal tax reporting standpoint, the Company had a federal tax net operating loss ("NOL") in the amount of \$2,390,415 for the fiscal year ended September 30, 2020 and, pursuant to the provisions of the CARES Act, Form 1139 was filed for the NOL carryback during fiscal year ended September 30, 2021, resulting in a refund due of \$580,314.

In October 2019, the Internal Revenue Service concluded their audit of the September 30, 2015 tax year with no changes. The Federal and State filings remain subject to examination by tax authorities for tax periods ending after September 30, 2017.

The income tax provision for the years ended September 30, 2022, 2021 and 2020 consists of the following:

(in thousands)

	Fiscal Year Ended September 30,		
	2022	2021	2020
<b>Current:</b>			
Federal income tax	\$ 3,884	\$ 7,347	\$ 131
State income tax	1,061	1,971	(71 )
Total current	4,945	9,318	60
<b>Deferred:</b>			
Federal income tax	(5,943 )	2,144	6,151
State income tax	(2,242 )	105	1,452
Valuation allowance	4,309	—	—
Total deferred	(3,876 )	2,249	7,603
<b>Income tax provision</b>	<u>\$ 1,069</u>	<u>\$ 11,567</u>	<u>\$ 7,663</u>

Income tax provision attributable to income before income taxes differed from the amount computed by applying the statutory federal income tax rate of 21% to income before income taxes for each of the fiscal years ended September 30, 2022, September 30, 2021 and September 30, 2020, respectively, as a result of the following:

(in thousands)

	Fiscal Year Ended September 30,		
	2022	2021	2020
Income tax at the statutory federal rate	\$ 2,560	\$ 9,741	\$ 6,568
Increase (decrease) resulting from:			
State income taxes, net of federal benefit	120	1,645	1,217
Permanent and other reconciling items, net	44	41	170
State rate change	—	—	(156 )
Land Donation – Bargain Sale	(6,279 )	—	—
Valuation allowance	4,309	—	—
Other	315	140	(136 )
<b>Income tax provision</b>	<u>\$ 1,069</u>	<u>\$ 11,567</u>	<u>\$ 7,663</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of September 30, 2022, and 2021 are presented below:

(in thousands)

	September 30,	
	2022	2021 Restated
<b>Deferred tax assets:</b>		
Goodwill	\$ 12,623	\$ 14,463
Inventories	5,577	744
Stock compensation	198	212
Intangibles	399	454
Charitable contribution carryforward	5,776	146
Other	108	—
Total deferred tax assets	24,681	16,019
<b>Deferred tax liabilities:</b>		
Property and equipment	55,007	54,330
Investment in Citree	740	968
Prepaid insurance	214	186
Total deferred tax liabilities	55,961	55,484
Valuation allowance	4,309	—
<b>Net deferred income tax liabilities</b>	<u>\$ (35,589 )</u>	<u>\$ (39,465 )</u>

### Note 13. Segment Information

#### Segments

Operating segments are defined in the criteria established under the FASB ASC Topic 280 as components of public entities that engage in business activities from which they may earn revenues and incur expenses for which separate financial information is available and which is evaluated regularly by the Company's chief operating decision maker ("CODM") in deciding how to assess performance and allocate resources. The Company's CODM assesses performance and allocates resources based on two operating segments: Alico Citrus and Land Management and Other Operations.

Total revenues represent sales to unaffiliated customers, as reported in the Consolidated Statements of Operations. Goods and services produced by these segments are sold to wholesalers and processors in the United States who prepare the products for consumption. The Company evaluates the segments' performance based on direct margins (gross profit) from operations before general and administrative expenses, interest expense, other income (expense) and income taxes, not including nonrecurring gains and losses.

Information by operating segment is as follows:

(in thousands)

	Fiscal Year Ended September 30,		
	2022	2021	2020
<b>Revenues:</b>			
Alico Citrus	\$ 89,681	\$ 105,796	\$ 89,369
Land Management and Other Operations	2,266	2,768	3,138
Total revenues	91,947	108,564	92,507
<b>Operating expenses:</b>			
Alico Citrus	106,192	83,893	72,281
Land Management and Other Operations	520	778	2,307
Total operating expenses	106,712	84,671	74,588
<b>Gross profit:</b>			
Alico Citrus	(16,511)	21,903	17,088
Land Management and Other Operations	1,746	1,990	831
Total gross profit	(14,765)	23,893	17,919
<b>Capital expenditures:</b>			
Alico Citrus	20,867	41,785	21,705
Total capital expenditures	20,867	41,785	21,705
<b>Depreciation, depletion and amortization:</b>			
Alico Citrus	14,697	14,523	13,584
Land Management and Other Operations	98	147	185
Other Depreciation, Depletion and Amortization	434	452	513
Total depreciation, depletion and amortization	\$ 15,229	\$ 15,122	\$ 14,282

(in thousands)

	September 30,	
	2022	2021
<b>Assets:</b>		
Alico Citrus	\$ 396,266	\$ 418,633
Land Management and Other Operations	11,326	13,230
Other Corporate Assets	1,663	1,354
Total Assets	\$ 409,255	\$ 433,217

### Note 14. Leases

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." This guidance requires entities that sign leases as a lessee to recognize right-of-use assets and lease liabilities for those leases classified as operating leases under previous U.S. GAAP. The accounting applied by a lessor is largely unchanged from that applied under previous U.S. GAAP. The Company adopted ASU 2016-02 on October 1, 2019.

The Company determines whether an arrangement is a lease at inception. The Company's leases consist of operating lease arrangements for certain office space, tractor leases and IT facilities. When these lease arrangements include lease and non-lease components, the Company accounts for lease components and non-lease components (e.g., common area maintenance) separately based on their relative standalone prices.

Any lease arrangements with an initial term of 12 months or less are not recorded on the Company's Consolidated Balance Sheets, and it recognizes lease cost for these lease arrangements on a straight-line basis over the applicable lease term. Many lease arrangements provide the options to exercise one or more renewal terms or to terminate the lease arrangement. When the options are reasonably certain to be exercised the Company includes these options when it will be reasonably certain to exercise them in the lease term used to establish the right-of-use assets and lease liabilities. Generally, lease agreements do not include an option to purchase the leased asset, residual value guarantees or material restrictive covenants.

As most of our lease arrangements do not provide an implicit interest rate, the Company applies an incremental borrowing rate based on the information available at the commencement date of the lease arrangement to determine the present value of lease payments.

No lease costs associated with finance leases and sale-leaseback transactions occurred and our lease income associated with lessor and sublease arrangements are not material to our Consolidated Financial Statements.

Our operating leases are reported in our Consolidated Balance Sheets as follows:

(in thousands)

Operating lease components	Classification	September 30,		September 30,	
		2022		2021	
Right-of-use assets – non-current	Other non-current assets	\$	755	\$	288
Current lease liabilities	Other current liabilities	\$	415	\$	323
Non-current lease liabilities	Other liabilities	\$	386	\$	42

Our operating leases cost components are reported in our Consolidated Statements of Operations as follows:

(in thousands)

Operating lease components	Classification	September 30,		September 30,	
		2022		2021	
Grove management services revenue	Operating revenue	\$	116	\$	306
Grove management services cost-of-sales	Operating expenses	\$	116	\$	306
Operating lease costs	General and administrative expenses	\$	85	\$	198

Future maturities of our operating lease obligations as of September 30, 2022 by fiscal year are as follows:

(in thousands)

2023	\$	446
2024		164
2025		97
2026		100
2027		15
Total noncancelable future lease obligations	\$	822
Less: Interest		(21 )
Present value of lease obligations	\$	801

	September 30, 2022
Weighted-average remaining lease term	1.94 years
Weighted-average discount rate	1.81 %

Cash flow information related to leases consists of the following:

(in thousands)

	September 30, 2022	September 30, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 302	\$ 519
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ —	\$ —

## Note 15. Employee Benefits Plans

### Management Security Plan

The management security plan (“MSP”) was a nonqualified, noncontributory defined supplemental deferred retirement benefit plan for a select group of management personnel. The MSP was set up to provide a fixed supplemental retirement benefit for 180 months. The MSP was frozen as of September 30, 2017. As a result, no new participants were being added to the MSP and no further benefits were accumulating. The MSP was fully settled in fiscal year 2020.

The MSP benefit expense and the projected management security plan benefit obligation were determined using assumptions as of the end of the respective year. The weighted-average discount rate used to compute the obligation was 4.08% in fiscal year 2019.

Actuarial gains or losses were recognized when incurred; therefore, the end of year benefit obligation was the same as the accrued benefit costs recognized in the Consolidated Balance Sheets.

The amount of MSP benefit expense charged to costs and expenses was as follows:

(in thousands)

	Fiscal Year Ended September 30,	
	2020	2019
Service cost	\$ —	\$ —
Interest cost	195	171
MSP termination adjustments	—	985
Recognized actuarial gain adjustment	12	13
<b>Total</b>	<b>\$ 207</b>	<b>\$ 1,169</b>

The following provides a roll-forward of the MSP benefit obligation for the fiscal year ended September 30, 2020, the year in which all termination benefits were paid:

(in thousands)

	September 30, 2020
Change in projected benefit obligation:	
Benefit obligation at beginning of year	\$ 5,226
Interest cost	195
Benefits paid	(258 )
MSP termination benefits payment	(5,175 )
Recognized actuarial gain adjustment	12
Benefit obligation at end of year	<u>\$ —</u>
Funded status at end of year	<u>\$ —</u>

Effective September 30, 2018, the Company terminated the MSP. Under the MSP termination, payout for benefits covered utilizing the applicable Internal Revenue Code regulations were not able to be commenced until at least twelve months following plan termination decision and needed to be fully paid out within twenty-four (24) months following plan termination. During August 2020, the Company caused the MSP to pay the lump sum termination benefits of approximately \$5,175,000 to all MSP beneficiaries.

During the fiscal year ended September 30, 2019, the Company determined to pay out a lump sum under the equivalent annuity approach, whereby the payout under this approach was designed to mitigate participants tax burden. Under this approach, the Company would cover the amount needed to purchase an annuity providing the same after-tax benefit as if the plan was never terminated. As a result, the Company recorded an additional liability of approximately \$720,000.

The Company had established a “Rabbi Trust” to provide for the potential funding of accrued benefits under the MSP. According to the terms of the Rabbi Trust, funding was voluntary until a change of control of the Company as defined in the Management Security Plan Trust Agreement occurs. Upon a change of control, funding would be triggered. As of September 30, 2018, date the Company terminated the MSP, the Rabbi Trust had no assets, and no change of control had occurred, and no funding had been triggered.

#### *Profit Sharing and 401(k) Plans*

The Company maintains a 401(k) employee savings plan for eligible employees, which provides up to a 4% matching contribution payable on employee payroll deferrals. The Company’s matching funds vest to the employee immediately, pursuant to a safe harbor election effective in October 2012. The Company’s contributions to the plan were approximately \$398,000, \$401,000 and \$397,000 for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

The Company also maintains a Profit Sharing Plan (“Plan”) that is fully funded by contributions from the Company. Contributions to the Plan are discretionary and determined annually by the Company’s Board of Directors. Contributions to employee accounts are based on the participant’s compensation. The Company did not contribute to the Plan for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

#### **Note 16. Related Party Transactions**

##### *Remy W. Trafelet*

As described above, on February 11, 2019 and as contemplated by the Alico Settlement Agreement, Mr. Trafelet submitted to the Board his resignation as President and Chief Executive Officer of the Company and a member of the Board, effective upon the execution of the Alico Settlement Agreement. Also, on February 11, 2019, as contemplated by the Settlement Agreement, the Company entered into a consulting agreement (the “Consulting Agreement”) with Mr. Trafelet and 3584 Inc., an entity controlled by Mr. Trafelet (the “Consultant”). Pursuant to the Consulting Agreement, Mr. Trafelet made himself available to provide consulting services to the Company through the Consultant for up to 24 months. In exchange for the consulting services, the Consultant received an annual consulting fee of \$400,000. The Company recorded an expense of \$800,000, representing the full amount due under the agreement, in fiscal year 2019 upon the execution of the agreement. As of September 30, 2021, the Company had paid \$800,000 in consulting fees and no further payments are due under this Consulting Agreement.

##### *Capital Contribution*

On September 6, 2022, all operating partners of Citree received a funding notice relating to an additional Cash Capital Contribution (“Contribution”) requirement of approximately \$600,000 as a result of trees producing limited revenue because they are still in early-stage development, a freeze event occurred in January 2022 which negatively impacted both the box production and pounds solids, and the increased cost of fertilizer, other chemicals and fuel. The Company’s portion of the Contribution was approximately \$306,000 and was funded on September 22, 2022. The remaining portion of the Contribution of \$294,000 was funded by the noncontrolling parties.

On September 10, 2020, all operating partners of Citree received a funding notice relating to an additional Cash Capital Contribution (“Contribution”) requirement of approximately \$600,000 as a result of trees producing limited revenue because they are still in early-stage development, a reduction in market price for citrus fruit for the 2019/20 harvest season due to excess inventories and the adoption of a more extensive caretaking plan focused on limiting the impact of citrus greening. The Company’s portion of the Contribution was approximately \$306,000 and was funded on September 24, 2020. The remaining portion of the Contribution of \$294,000 was funded by the noncontrolling parties.

##### *Departure and Appointment of Chief Financial Officer*

On May 17, 2022, Richard Rallo notified the Company of his decision to resign from his role as the Company’s Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) effective as of May 31, 2022. Mr. Rallo’s decision to resign was for personal reasons to eliminate extensive travel and/or avoid relocation to Florida and was not related to any disagreement with the Company or its independent registered public accountants on any matter relating to the Company’s financial or accounting operations, policies, or practices. Mr. Rallo has agreed to provide consulting services to the Company through December 31, 2022.

On September 6, 2022, the Company announced the appointment of Perry G. Del Vecchio, age 55, as the Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, effective as of September 6, 2022. Mr. Del Vecchio is responsible for all corporate finance, treasury and accounting functions of the Company and reports directly to John Kiernan, the Company's President and Chief Executive Officer.

#### *Employment and Bonus Agreement*

On April 1, 2022, the Company entered into an amended and restated employment agreement with John E. Kiernan (the "Employment Agreement"). At the same time, the Company and Mr. Kiernan entered into an annual performance and long-term bonus agreement (the "Bonus Agreement"). Pursuant to the Employment Agreement, Mr. Kiernan will remain President and Chief Executive Officer of the Company, for a term commencing on April 1, 2022, and ending on September 30, 2024, subject to extension and termination pursuant to the provisions of the Employment Agreement. The Bonus Agreement sets forth the terms under which Mr. Kiernan would be eligible and entitled to short-term and long-term incentive cash and equity bonuses. For further details of this Employment Agreement and the Bonus Agreement, please see the Form 8-K filed by the Company with the SEC on April 5, 2022.

#### *Lease Agreement*

On January 1, 2022, Mr. Kiernan, the Company's President and CEO, entered into a Hunting Lease Agreement and Real Estate Purchase and Sale Option Agreement, with the Company (the "Kiernan Lease Agreement"). Under the Kiernan Lease Agreement, the Company leased approximately 93 acres of Company owned, largely unimproved land (the "Land") to Mr. Kiernan for a three-year term commencing on January 1, 2022, and ending on January 1, 2025, and with a yearly rent of \$1,860. Additionally, under the terms of the Kiernan Lease Agreement, the Company granted to Mr. Kiernan an option to purchase the Land from the Company, exercisable only during the one-year period January 1, 2022, through January 1, 2023, and at a price of \$480,000 (\$5,161 per acre), which price was based on an independent appraisal obtained by the Company. On January 5, 2022, Mr. Kiernan exercised his option to purchase the land. Pursuant to exercise of the option, the Company sold approximately 85 acres to Mr. Kiernan on October 20, 2022 for approximately \$438,900 (\$5,161 per acre).

### **Note 17. Commitments and Contingencies**

#### *Operating Leases*

The Company has obligations under various non-cancelable long-term operating leases primarily for office space and equipment. In addition, the Company has various obligations under other equipment leases of less than one year.

Total rent expense was approximately \$271,000, \$304,000 and \$308,000 for the fiscal years ended September 30, 2022, 2021 and 2020, respectively.

The future minimum annual rental payments under non-cancelable operating leases are as follows:

*(in thousands)*

2023	\$	446
2024		164
2025		97
2026		100
2027		15
Total	\$	<u>822</u>

#### *Purchase Commitments*

The Company enters into contracts for the purchase of citrus trees during the normal course of its business. As of September 30, 2022, the Company had approximately \$5,891,000 relating to outstanding commitments for these purchases that will be paid upon delivery of the remaining citrus trees.

#### *Letters of Credit*

The Company had outstanding standby letters of credit in the total amount of approximately \$310,000 and \$336,000 at September 30, 2022 and September 30, 2021, respectively, to secure its various contractual obligations.

#### *Legal Proceedings*

From time to time, Alico may be involved in litigation relating to claims arising out of its operations in the normal course of business. There are no current legal proceedings to which the Company is a party or of which any of its property is subject that it believes will have a material adverse effect on its financial position, results of operations or cash flows.

**Note 18. Selected Quarterly Financial Data (unaudited)**

Summarized quarterly financial data for the fiscal years ended September 30, 2022, and 2021 are computed independently each quarter, therefore, the sum of the quarter amounts may not equal the total amount for the respective year due to rounding as follows:

(in thousands, except per share amounts)

	Fiscal Quarter Ended							
	December 31,		March 31,		June 30,		September 30,	
	2021	2020	2022	2021	2022	2021	2022	2021
Total operating revenues	\$ 15,337	\$ 13,732	\$ 49,641	\$ 55,944	\$ 25,938	\$ 34,888	\$ 1,031	\$ 4,000
Total operating expenses	13,526	8,335	45,642	45,718	24,627	26,378	22,917	4,240
Gross profit (loss)	1,811	5,397	3,999	10,226	1,311	8,510	(21,886)	(240)
General and administrative expenses	2,584	2,528	2,538	2,653	2,557	1,911	2,400	2,361
Other income (expense), net	7,553	2,185	25,735	(1,104)	4,910	29,387	(399)	1,479
Income (loss) before income taxes	6,780	5,054	27,196	6,469	3,664	35,986	(24,685)	(1,122)
Income tax (benefit) expense	(3,300)	1,250	6,579	1,579	1,002	8,853	(3,212)	(115)
Net income (loss)	10,080	3,804	20,617	4,890	2,662	27,133	(21,473)	(1,007)
Net loss (income) attributable to noncontrolling interests	51	41	85	(23)	44	(14)	393	35
Net income (loss) attributable to Alico Inc. common stockholders	\$ 10,131	\$ 3,845	\$ 20,702	\$ 4,867	\$ 2,706	\$ 27,119	\$ (21,080)	\$ (972)
Earnings (loss) per share:								
Basic	\$ 1.34	\$ 0.51	\$ 2.74	\$ 0.65	\$ 0.36	\$ 3.61	\$ (2.78)	\$ (0.13)
Diluted	\$ 1.34	\$ 0.51	\$ 2.74	\$ 0.65	\$ 0.36	\$ 3.61	\$ (2.78)	\$ (0.13)

Operating revenues and operating expenses for the fiscal quarter ended September 30, 2021 include approximately \$3,083,000 and approximately \$3,015,000, respectively, relating to the grove management services being provided to a group of third-party grove owners. The operating revenues and operating expenses for the fiscal quarter ended December 31, 2021 include approximately \$3,128,000 and approximately \$2,902,000 respectively, relating to the grove management services being provided to a group of third-party grove owners. Other income for the fiscal quarter ended December 31, 2021 includes a gain on sale of assets of approximately \$8,445,000 (see Note 4. "Assets Held for Sale" and Note 5. "Property and Equipment, Net" for further information). Operating revenues and operating expenses for the fiscal quarter ended March 31, 2022 include approximately \$4,057,000 and approximately \$3,795,000, respectively, relating to the grove management services being provided to a third-party. Other income for the fiscal quarter ended March 31, 2022 includes a gain on sale of assets of approximately \$26,554,000 (see Note 4. "Assets Held for Sale" and Note 5. "Property and Equipment, Net" for further information). The operating revenues and operating expenses for the fiscal quarter ended June 30, 2022 include approximately \$3,367,000 and approximately \$2,966,000, respectively, relating to the grove management services being provided to a group of third-party grove owners. Other income for the fiscal quarter ended June 30, 2022 includes a gain on sale of assets of approximately \$5,616,000 (see Note 4. "Assets Held for Sale" and Note 5. "Property and Equipment, Net" for further information). During the fourth quarter ended September 30, 2022, the Company recorded an inventory casualty loss adjustment of approximately \$14,900,000 and an inventory impairment adjustment of approximately \$6,676,000 to adjust the inventory to its estimated net realizable value as of September 30, 2022. The operating revenues and operating expenses for the fiscal quarter ended September 30, 2022 do not include any caretaking revenue or expenses, as the group of third-party grove owners terminated the grove management agreement in June 2022.

**Note 19. Subsequent Events**

On December 12, 2022, the Board of Directors of Alico, Inc. declared a first quarter of fiscal year 2023 cash dividend of \$0.05 per share on its outstanding common stock to be paid to shareholders of record as of December 30, 2022, with payment expected on January 13, 2023.

## Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

### Item 9A. Controls and Procedures

#### (a) Evaluation of Disclosure Controls and Procedures.

Management, with the participation of our principal executive officer and principal financial officer, have evaluated the effectiveness of our disclosure controls and procedures as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective at the reasonable assurance level solely as a result of the material weakness management identified in our internal control over financial reporting described below.

#### (b) Changes in Internal Control over Financial Reporting.

During the fourth fiscal quarter ended September 30, 2022, there were no changes in our internal controls over financial reporting that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

#### (c) Management Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is 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. The Company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) 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
- (iii) 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.

Management assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2022. In making this assessment, management used the criteria described in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on our assessment and those criteria, management concluded that our internal control over financial reporting was not effective as of September 30, 2022 due to the material weakness in the Company's internal control over financial reporting identified below. Management reviewed the results of this assessment with our Audit Committee.

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 the annual or interim financial statements will not be prevented or detected on a timely basis.

Management identified the following material weakness in internal control over financial reporting as of September 30, 2022 arising from the following control deficiencies:

- The Company identified a deficiency as it related to controls around the completeness and accuracy of the information used in the preparation of its income tax provision.
- The Company did not design effective controls surrounding the evaluation of misstatements and the impact to the financial statements for all periods presented.

Management has concluded that these deficiencies together constitute a material weakness that resulted in misstatements of our previously reported consolidated audited and unaudited balance sheets, statements of changes in equity and related disclosures and resulted in the restatements described under “Explanatory Note” and “Restatement of Previously Issued Consolidated Financial Statements” in Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Annual Report on Form 10-K.

The conclusion regarding the effectiveness of our internal control over financial reporting as of September 30, 2022, has been audited by RSM US LLP, an independent registered public accounting firm, as stated in their attestation report which is included herein.

*Remediation Plan*

Management, with oversight by our Audit Committee, has begun implementing remediation steps to address the material weakness described above and to improve our internal control over financial reporting. We have begun implementing additional internal controls related to the completeness and accuracy of the information used in the preparation of our income tax provisions and the evaluation of the impact of errors in our financial statements. While we believe that these actions will remediate the identified material weakness, we have not completed all the corrective processes, procedures and related evaluation or remediation that we believe are necessary. As we continue to evaluate and work to remediate the material weakness, we may take additional measures to address the control deficiencies.

**Item 9B. Other Information**

None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

### **PART III**

Certain information required by Part III is omitted from this Annual Report on Form 10-K because we will file a definitive Proxy Statement for the 2023 Annual Meeting of Stockholders pursuant to Regulation 14A of the Securities Exchange Act of 1934, (the "Proxy Statement"), not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K, and the applicable information included in the Proxy Statement is incorporated herein by reference.

#### **Item 10. Directors, Executive Officers and Corporate Governance**

Information concerning our directors and nominees and other information as required by this Item 10 are hereby incorporated by reference from our Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

#### **Code of Ethics**

We have adopted a Code of Business Conduct and Ethics that is intended to serve as a code of ethics for purposes of Item 406 of Regulation S-K. Our Code of Business Conduct and Ethics is posted on our website <http://www.alicoinc.com> (at the Investor homepage under "Corporate Governance") and we intend to disclose on our website any amendments to, or waivers from, such code.

#### **Item 11. Executive Compensation**

The information required by Item 11 regarding executive compensation is included under the headings "Compensation Discussion and Analysis," "Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation" in the Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

Information concerning the ownership of certain beneficial owners and management and related stockholder matters as required by this Item 12 is hereby incorporated by reference to the Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

#### ***Equity Compensation Arrangements***

Effective January 27, 2015, the Board of Directors adopted the 2015 Stock Incentive Plan (the "2015 Plan") which provides for up to 1,250,000 shares of the Company's common stock to be available for issuance to provide a long-term incentive plan for officers, employees, directors and/or consultants to directly link incentives to stockholders' value. The 2015 Plan was approved by stockholders in February 2015.

The following table illustrates the common shares remaining available for future issuance under the 2015 Plan as of September 30, 2022:

<b>Plan Category:</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity plans</b>
Equity compensation plans approved by security holders	218,000	\$ 33.78	1,092,000
Equity compensation plans not approved by security holders	—	N/A	—
<b>Total</b>	<b>218,000</b>	<b>\$ 33.78</b>	<b>1,092,000</b>

In October 2018, the Company awarded 10,000 stock options to one senior executive under the 2015 Plan.

In October 2019, the Company awarded 118,000 stock options to senior managers and certain other managers under the 2015 Plan. Additionally, in each of February 2020 and August 2020, one former senior executive forfeited 26,250 stock options, aggregating 52,500 in total, which were originally issued under the 2015 Plan and no replacement options were granted.

In February 2019, pursuant to a settlement agreement, a senior executive of the Company forfeited an aggregate of 457,500 stock options, which were originally issued under the 2015 Plan and no replacement options were granted.

On November 10, 2020, the Company awarded 5,885 restricted shares of the Company's common stock to certain executives and senior managers under the 2015 Plan at a weighted average fair value of \$31.20 per common share, vesting on January 1, 2022.

On October 15 and November 5, 2021, the Company awarded 2,500 and 2,224 restricted shares of the Company's common stock to certain executives and senior managers under the 2015 Plan at a weighted average fair value of \$35.77 per common share, with 2,500 vesting on January 1, 2022 and the remaining shares vesting on January 1, 2023.

On December 31, 2021, one senior executive forfeited 77,500 stock options, which were originally issued under the 2015 Plan, and no replacement options were granted.

On January 26, 2022, the Company awarded 7,256 restricted shares of the Company's common stock to certain non-executive employees, with more than one year of service, under the 2015 Plan at a weighted average fair value of \$35.50 per common share, vesting on January 1, 2023.

During the third quarter of fiscal year 2022, several employees were dismissed in connection with the wind down of a certain property management agreement dated as of July 16, 2020, with third-party grove owners. As part of the wind down, 1,144 shares of the 7,256 restricted shares referenced above vested upon the dates such employees were terminated.

On April 1, 2022 and May 18, 2022 the Company awarded 5,000 restricted shares and 12,500 restricted shares, respectively, of the Company's common stock under the 2015 Plan to one senior executive. The weighted average fair value was \$37.98 for the April 1, 2022 award and \$40.17 for the May 18, 2022 award, with one half of each award scheduled to vest on January 1, 2025, and the remaining shares of each award are scheduled to vest on January 1, 2026.

On September 6, 2022 the Company awarded 747 restricted shares of the Company's common stock to one senior executive under the 2015 Plan at a fair value of \$33.50 per common share, with all shares scheduled to vest on January 1, 2024.

### **Item 13. Certain Relationships and Related Transactions and Director Independence**

The information concerning relationships and related transactions as required by this Item 13 is hereby incorporated by reference to our Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

### **Item 14. Principal Accountants Fees and Services**

Information concerning principal accounting fees and services as required by this Item 14 is hereby incorporated by reference to the Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules

(a) Documents filed as part of this report

(1) Financial Statements:

Our Consolidated Financial Statements are included in Part II, Item 8 of this Annual Report on Form 10-K.

(2) Financial Statement Schedules:

Financial statement schedules are omitted as the required information is either inapplicable or the information is presented in our Consolidated Financial Statements or notes thereto.

(3) Exhibits

The exhibits listed in the Exhibit Index in (b) below are filed or incorporated by reference as part of this Annual Report on Form 10-K.

(b) Exhibit Index

Exhibit Number	Exhibit Index
2.1***	<a href="#">Asset Purchase Agreement, dated as of December 1, 2014, by and among Alico, Inc., Orange-Co, LP, and, solely with respect to certain sections thereof, Orange-Co, LLC and Tamiami Citrus, LLC. (incorporated by reference to Exhibit 2.1 of Alico's filing on Form 8-K dated December 5, 2014)</a>
2.2***	<a href="#">Agreement and Plan of Merger, dated as of December 2, 2014, by and among Alico, Inc., 734 Sub, LLC, 734 Citrus Holdings, LLC, and, solely with respect to certain sections thereof, 734 Agriculture, LLC, Rio Verde Ventures, LLC and Clayton G. Wilson (incorporated by reference to Exhibit 2.2 of Alico's filing on Form 8-K dated December 5, 2014)</a>
3.1	<a href="#">Restated Certificate of Incorporation, dated February 17, 1972 (incorporated by reference to Exhibit 3.1 of Alico's filing on Form 10-K dated December 11, 2017)</a>
3.2	<a href="#">Certificate of Amendment to Certificate of Incorporation, dated January 14, 1974 (incorporated by reference to Alico's Registration Statement on Form S-8, dated December 21, 2005, Registration No. 333-130575)</a>
3.3	<a href="#">Amendment to Articles of Incorporation, dated January 14, 1987 (incorporated by reference to Alico's Registration Statement on Form S-8, dated December 21, 2005, Registration No. 333-130575)</a>
3.4	<a href="#">Amendment to Articles of Incorporation, dated December 27, 1988 (incorporated by reference to Alico's Registration Statement on Form S-8, dated December 21, 2005, Registration No. 333-130575)</a>
3.5	<a href="#">Second Amended By-Laws of Alico, Inc., amended and restated (incorporated by reference to Exhibit 3.6 of Alico's filing on Form 8-K dated January 15, 2021)</a>
4.1	<a href="#">Description of Securities (incorporated by reference to Exhibit 4.1 of Alico's filing on Form 10-K dated December 7, 2021)</a>
10.1	<a href="#">Credit Agreement dated as of December 1, 2014, by and between Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, L.L.C., Alico Land Development, Inc., and Alico Citrus Nursery, L.L.C., as Borrowers and Rabo Agrifinance, Inc., as Lender (incorporated by reference to Exhibit 10.2 of Alico's filing on Form 8-K dated December 5, 2014)</a>
10.2	<a href="#">Purchase and Sale Agreement dated August 7, 2014 (incorporated by reference to Exhibit 10.10 of Alico's filing on Form 10-K dated December 12, 2014)</a>
10.3*	<a href="#">Form of Indemnification Agreement (incorporated by reference to Exhibit 10.5 of the Company's quarterly report on Form 10-Q filed with the SEC on May 6, 2013)</a>
10.4*	<a href="#">Management Security Plan(s) Trust Agreement (incorporated by reference to Exhibit 10.6 of the Company's quarterly report on Form 10-Q filed with the SEC on May 6, 2013)</a>
10.5	<a href="#">Agricultural Lease Agreement dated May 19, 2014 between Alico, Inc. and United States Sugar Corporation. (incorporated by reference to Exhibit 10.1 of the Company's quarterly report on Form 10-Q filed with the SEC on August 11, 2014)</a>
10.6***	<a href="#">First Amended and Restated Credit Agreement, dated as of December 1, 2014, by and among Alico, Inc., Alico Land Development, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Metropolitan Life Insurance Company, and New England Life Insurance Company (incorporated by reference to Exhibit 10.1 of Alico's filing on Form 8-K dated December 5, 2014)</a>
10.7***	<a href="#">Credit Agreement dated as of December 1, 2014, by and between Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development, Inc., and Alico Citrus Nursery, LLC, as Borrowers and Rabo Agrifinance, Inc., as Lender (incorporated by reference to Exhibit 10.2 of Alico's filing on Form 8-K dated December 5, 2014)</a>

- 10.8 [Index Rate Change Letter Agreement, dated October 3, 2022, by and among Metropolitan Life Insurance Company, Alico, Inc., Alico Land Development, Inc., and Alico Fruit Company, LLC](#)
- 10.9 [Loan Agreement, dated December 31, 2012, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC \(the "Prudential Loan Agreement"\) \(incorporated by reference to Exhibit 10.16 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.10 [Promissory Note A, dated December 31, 2012, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC \(incorporated by reference to Exhibit 10.17 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.11 [Promissory Note B, dated December 31, 2012, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC \(incorporated by reference to Exhibit 10.18 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.12 [Promissory Note C, dated December 31, 2012, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC \(incorporated by reference to Exhibit 10.19 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.13 [First Amendment to Loan Agreement, dated March 26, 2013 \(Prudential Loan Agreement\) \(incorporated by reference to Exhibit 10.20 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.14 [Promissory Note D, dated March 26, 2013, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC \(incorporated by reference to Exhibit 10.21 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.15 [Loan Agreement, dated September 4, 2014, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC \("Loan E and F"\) \(incorporated by reference to Exhibit 10.22 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.16 [Promissory Note E, dated September 4, 2014, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC \(incorporated by reference to Exhibit 10.23 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.17 [Promissory Note F, dated September 4, 2014, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC \(incorporated by reference to Exhibit 10.24 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.18 [First Amendment to Loan Agreement, dated April 23, 2015 \(Loan E and F\) \(incorporated by reference to Exhibit 10.25 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.19 [Second Amendment to the Loan Agreement, dated September 4, 2014 \(Prudential Loan Agreement\) \(incorporated by reference to Exhibit 10.26 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.20 [Third Amendment to the Loan Agreement, dated April 23, 2015 \(Prudential Loan Agreement\) \(incorporated by reference to Exhibit 10.27 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.21 [Cancellation and Termination of Note D, dated April 23, 2015, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC \(incorporated by reference to Exhibit 10.28 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.22 [First Amendment to Credit Agreement and Consent with Rabo Agrifinance, Inc. dated February 26, 2015 \(incorporated by reference to Exhibit 10.29 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.23 [Second Amendment to Credit Agreement with Rabo Agrifinance, Inc. dated July 16, 2015 \(incorporated by reference to Exhibit 10.30 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.24 [Amendment to First Amended and Restated Credit Agreement with Metropolitan Life Insurance Company and New England Life Insurance Company, dated February 1, 2015 \(incorporated by reference to Exhibit 10.31 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.25 [Second Amendment to First Amended and Restated Credit Agreement with Metropolitan Life Insurance Company and New England Life Insurance Company dated August 12, 2015 \(incorporated by reference to Exhibit 10.32 of Alico's filing on Form 10-K dated December 10, 2015\)](#)
- 10.26\*\*\* [Third Amendment to First Amended and Restated Credit Agreement with Metropolitan Life Insurance Company and New England Life Insurance Company dated November 4, 2019 \(incorporated by reference to Exhibit 10.26 of Alico's filing on Form 10-K dated December 5, 2019\)](#)
- 10.27 [Fourth Amendment to First Amended and Restated Credit Agreement with Metropolitan Life Insurance Company and New England Life Insurance Company dated October 2, 2019 \(incorporated by reference to Exhibit 10.27 of Alico's filing on Form 10-K dated December 5, 2019\)](#)
- 10.28 [Fifth Amendment to Amended and Restated Credit Agreement and Amended and Restated Notes. \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed with the SEC on May 5, 2021\)](#)
- 10.29 [Renewal Promissory Note by Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., and Alico Citrus Nursery, LLC in favor of Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated September 30, 2016 \(incorporated by reference to Exhibit 10.34 of Alico's filing on Form 10-K dated December 6, 2016\)](#)

- 10.30 [Second Renewal Promissory Note by Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., and Alico Citrus Nursery, LLC in favor of Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated September 6, 2017 \(incorporated by reference to Exhibit 10.39 of Alico's filing on Form 10-K dated December 11, 2017\)](#)
- 10.31 [Third Renewal Promissory Note by Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., and Alico Citrus Nursery, LLC in favor of Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated September 26, 2018 \(incorporated by reference to Exhibit 10.40 of Alico's filing on Form 10-K dated December 6, 2018\)](#)
- 10.32 [Fourth Renewal Promissory Note by Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., and Alico Citrus Nursery, LLC in favor of Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated August 25, 2020](#)
- 10.33 [Fifth Renewal Promissory Note by Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., and Alico Citrus Nursery, LLC in favor of Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated October 27, 2022](#)
- 10.34\* [Amended and Restated Employment Agreement between Alico, Inc. and Mr. Kiernan, dated as of April 1, 2022 \(incorporated by reference to Exhibit 10.1 of Alico's filing on Form 8-K dated April 5, 2022\)](#)
- 10.35\* [Annual Performance and Long-Term Bonus Agreement between Alico, Inc., and Mr. Kiernan, dated as of April 1, 2022 \(incorporated by reference to Exhibit 10.2 of Alico's filing on Form 8-K dated April 5, 2022\)](#)
- 10.36\* [Employment Agreement dated December 2, 2019 between Alico, Inc. and Richard Rallo \(incorporated by reference to Exhibit 10.37 of Alico's filing on Form 10-K dated December 5, 2019\)](#)
- 10.37 [Supplement No. 1 dated as of September 30, 2016, to the Security Agreement dated as of December 1, 2014 by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) \(incorporated by reference to Exhibit 10.35 of Alico's filing on Form 10-K dated December 6, 2016\)](#)
- 10.38 [Third Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated September 30, 2016 \(incorporated by reference to Exhibit 10.33 of Alico's filing on Form 10-K dated December 6, 2016\)](#)
- 10.39 [Fourth Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated September 6, 2017 \(incorporated by reference to Exhibit 10.38 of Alico's filing on Form 10-K dated December 11, 2017\)](#)
- 10.40 [Fifth Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated October 30, 2017 \(incorporated by reference to Exhibit 10.37 of Alico's filing on Form 10-K dated December 6, 2018\)](#)
- 10.41 [Sixth Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated July 18, 2018 \(incorporated by reference to Exhibit 10.38 of Alico's filing on Form 10-K dated December 6, 2018\)](#)
- 10.42 [Seventh Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated September 26, 2018 \(incorporated by reference to Exhibit 10.39 of Alico's filing on Form 10-K dated December 6, 2018\)](#)
- 10.43 [Eighth Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated August 29, 2019 \(incorporated by reference to Exhibit 10.44 of Alico's filing on Form 10-K dated December 5, 2019\)](#)
- 10.44 [Ninth Amendment and Waiver to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated June 26, 2020 \(incorporated by reference to Exhibit 10.1 of Alico's filing on Form 10-Q dated August 6, 2020\)](#)
- 10.45 [Tenth Amendment and Waiver to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC \(f/k/a Rabo Agrifinance, Inc.\) dated August 25, 2020 \(incorporated by reference to Exhibit 10.45 of Alico's filing on Form 10-K dated December 7, 2021\)](#)
- 10.46 [Eleventh Amendment and Waiver to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance LLC \(f/k/a Rabo Agrifinance, Inc.\) dated January 7, 2021 \(incorporated by reference to Exhibit 10.1 of Alico's filing on Form 10-Q dated February 4, 2021\)](#)
- 10.47 [Twelfth Amendment and Waiver to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance LLC \(f/k/a Rabo Agrifinance, Inc.\) dated November 17, 2021 \(incorporated by reference to Exhibit 10.47 of Alico's filing on Form 10-K dated December 7, 2021\)](#)

10.48	<a href="#">Thirteenth Amendment and Waiver to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance LLC (f/k/a Rabo Agrifinance, Inc.) dated October 27, 2022</a>
10.49	<a href="#">Settlement Agreement and Release, dated as of February 11, 2019, by and among Alico, Inc., George R. Brokaw, R. Greg Eisner, Benjamin D. Fishman, W. Andrew Krusen, Henry R. Slack, Remy W. Trafelet, 734 Agriculture, LLC, RCF 2014 Legacy LLC and Delta Offshore Master II, LTD (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on February 11, 2019.)</a>
10.50	<a href="#">Registration Rights Agreement, dated as of February 11, 2019, by and between Alico, Inc. and Remy W. Trafelet (incorporated by reference from Exhibit C to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on February 11, 2019)</a>
10.51	<a href="#">Consulting Agreement, dated as of February 11, 2019, by and among Alico, Inc., 3584 Inc., and Remy W. Trafelet (incorporated by reference from Exhibit B to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on February 11, 2019)</a>
10.52*	<a href="#">Alico, Inc. Stock Incentive Plan of 2015 (incorporated by reference from Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on January 28, 2015)</a>
10.53*	<a href="#">Form of Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.52 to Form 10-K filed with the SEC on December 7, 2021)</a>
10.54*	<a href="#">Form of Incentive Stock Option Agreement incorporated by reference to Exhibit 10.53 to Form 10-K filed with the SEC on December 7, 2021)</a>
10.55*	<a href="#">Form of Restricted Stock Agreement incorporated by reference to Exhibit 10.54 to Form 10-K filed with the SEC on December 7, 2021)</a>
10.56+	<a href="#">Alico, Inc. Orange Purchase Agreement R512 - May 20, 2020 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on May 21, 2019)</a>
10.57+	<a href="#">Alico, Inc. Orange Purchase Agreement R514 - May 18, 2020 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on May 21, 2019)</a>
10.58	<a href="#">Option Agreement for Sale and Purchase (incorporated by reference to Exhibit 10.4 of Alico's filing on Form 10-Q dated August 6, 2020)</a>
10.59	<a href="#">Option Agreement for Sale and Purchase (incorporated by reference to Alico's Current Report on Form 8-K filed with the SEC on April 15, 2021)</a>
10.60	<a href="#">First Amendment to Option Agreement for Sale and Purchase (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on April 15, 2021)</a>
10.61	<a href="#">Purchase Option Agreement dated August 13, 2021, between Alico, Inc., and 734 LMC Groves LLC (incorporated by reference to Exhibit 10.60 of Alico's filing on Form 10-K dated December 7, 2021)</a>
10.62	<a href="#">Option Agreement for Sale and Purchase dated September 21, 2021, between Alico, Inc., and the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (incorporated by reference to Exhibit 10.61 of Alico's filing on Form 10-K dated December 7, 2021)</a>
10.63	<a href="#">Termination of Property Management Agreement effective as of June 10, 2022, by and between Alico, Inc., and Barron Collier Partnership LLLP, Silver Strand III Partnership, Oak Hammock Groves, Ltd., and Serenoa Investments, LLC</a>
10.64	<a href="#">Hunting Lease Agreement and Real Estate Purchase and Sale Option Agreement between Alico, Inc., and Mr. Kiernan, dated January 1, 2022 (incorporated by reference to Exhibit 10.2 of Alico's filing on Form 10-Q dated February 3, 2022)</a>
10.65	<a href="#">Consulting Agreement by and between Alico, Inc., and Richard Rallo, effective June 1, 2022 (incorporated by reference to Exhibit 10.5 of Alico's filing on Form 10-Q dated August 3, 2022)</a>
10.66*	<a href="#">Employment Agreement by and between Alico, Inc., and Perry Del Vecchio, effective September 6, 2022 (incorporated by reference to Exhibit 10.1 of Alico's filing on Form 8-K dated September 6, 2022)</a>
21.0	<a href="#">Subsidiaries of the Registrant</a>
23.0	<a href="#">Consent of Independent Registered Public Accounting Firm</a>
31.1	<a href="#">Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Rule 13a-14(a) certification</a>
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Rule 13a-14(a) certification</a>
32.1	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350</a>
32.2	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350</a>
99.1	<a href="#">Select Balance Sheet Data (Restated) for the eight quarters in fiscal year 2022 and 2021</a>
101.INS**	Inline XBRL Instance Document
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page for the Company's Annual Report on Form 10-K for the year ended September 30, 2022, has been formatted in Inline XBRL

\* Denotes a management contract or compensatory plan, contract or arrangement.

\*\* In accordance with Rule 406T of Regulation S-T, these XBRL (eXtensible Business Reporting Language) documents are furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability under these sections.

\*\*\* Certain schedules and exhibits have been omitted from this filing pursuant to Item 601(b) (2) of Regulation S-K. The Company will furnish supplemental copies of any such schedules or exhibits to the SEC upon request.

+ Pursuant to Item 601(b)(10)(iv) of Regulation S-K promulgated by the SEC, certain portions of this exhibit have been redacted. The Company hereby agrees to furnish, supplementally to the SEC, upon its request, an unredacted copy of this exhibit.

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

Not applicable.





# MetLife Investment Management

Agricultural Finance Southern Regional Office  
6750 Poplar Avenue, Suite 109  
Germantown, TN 38138

**Jonathan B. Dressler**

Managing Director Phone 559-457-8685  
Email [jdressler@methfe.com](mailto:jdressler@methfe.com)

**Josh Gervase**

Assistant Regional Director Phone 209-380-7947  
Email [jgervase@methfe.com](mailto:jgervase@methfe.com)

October 3, 2022

Alico, Inc.  
Alico Fruit Company, LLC Alico Land Development, Inc.  
ATTN: Mr. Perry Del Vecchio  
10070 Daniels Interstate Court, Ste 200  
Ft Myers, FL 33913  
Re: Metropolitan Life Insurance Company ("**Lender**")

Loan No. 197236 and 200122 (collectively, the "**Loan**")

ALICO, INC., a Florida corporation, ALICO LAND DEVELOPMENT, INC., a Florida corporation, and ALICO FRUIT COMPANY, LLC, a Florida limited liability company (individually and collectively, the "**Borrowers**") Index Rate Change Letter Agreement ("**Letter Agreement**")

Dear Mr. Del Vecchio:

As you are aware, the London Interbank Offered Rate is set to expire in 2023. In anticipation of this change, you have requested, and we have agreed to transition your loan now to an alternate rate. Specifically, we have agreed to transition your loan to the United States One (1) Month Term Secured Overnight Financing Rate.

In consideration of good and valuable consideration, the undersigned hereby agree to amend the Secured Promissory Note, in the original principal amount of \$32,500,000.00, dated December 1, 2014 (the "Note 197236") and the Second Amended and Restated Line of Credit Note, in the original principal amount of \$25,000,000.00, dated October 2, 2019 (the "Note 200122"), by Borrowers in favor of Lender effective as of August 1, 2022 (the "**Effective Date**"), as set forth below. Note 197236 and Note 200122 shall hereinafter collectively referred to as the "Note".

- 1.All references in the Note to "LIBOR" shall be replaced in their entirety with the term "SOFR".
- 2.All references in the Note to "LIBOR Credit Spread" shall be replaced in their entirety with the term "SOFR Credit Spread".
- 3.All references in the Note to "LIBOR Rate Adjustment Date" shall be replaced in their entirety with the term "SOFR Rate Adjustment Date".
- 4.The following section of the second (2<sup>nd</sup>) paragraph of the Note which states:

(ii) the U.S. 90-day London Interbank Offer Rate, as published by an online reporting service acceptable to Lender as of the third (3<sup>rd</sup>) Business Day (as defined in the Loan Agreement) immediately preceding each LIBOR Rate Adjustment Date,

is hereby replaced, in its entirety, with the following language:

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(ii) the United States One (1) Month Term Secured Overnight Financing Rate (rounded upwards to the nearest one one-hundredth (1/100<sup>th</sup>) of one percent) for the date two (2) Business Days prior to such SOFR Rate Adjustment Date (the "**Rate Determination Date**"), appearing on the appropriate Bloomberg Financial Markets Services Screen (the "**Service**"), as SRIM, effective at 6:00 a.m. (New York time) (provided, that if

such rate does not so appear at approximately 6:00 a.m. New York time on such date, the SOFR Rate Determination Date shall be the first preceding Business Day on which such rate appears) on such Rate Determination Date (or on any successor or substitute page of the Service, or any successor to or substitute for the Service providing rate quotations comparable to those currently provided on such page of the Service, selected by Lender from time to time for purposes of reporting the United States One (1) Month Term Secured Overnight Financing Rate published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate)).

5. The following language is hereby added as new section to the Note:

In the event that SOFR is no longer available, or if Lender determines that SOFR is no longer the industry standard, then it shall be replaced by a benchmark rate (with an appropriate one-time permanent SOFR Credit Spread adjustment to address the change in benchmark so as to approximate the Interest Rate agreed to herein) that Lender then commonly utilizes as a SOFR index replacement on floating rate loans secured by agricultural real estate where it holds a similar right to declare a replacement. Lender's determinations under the preceding sentence shall be conclusive absent manifest error. In the event that SOFR or any replacement benchmark rate is below zero, SOFR or such replacement benchmark rate, as applicable, will be deemed to be zero.

6. The "**SOFR Credit Spread**" shall mean 175 basis points until May 1, 2023, and subject to adjustment by Lender upon written notice to Borrower on May 1, 2023, and on the 1<sup>st</sup> day of May every two (2) years thereafter until the Maturity Date.

7. "**SOFR Rate Adjustment Date**" shall mean August 1, 2022, and the first (1<sup>st</sup>) day of each month thereafter.

8. The "**Minimum Coupon**" shall at no time be less than 2.15% based on Actual/360.

All terms and provisions contained in this Letter Agreement shall be incorporated into and made a part of Note, and all terms and conditions set forth in the Note shall remain in full force and effect except as may be modified by this Letter Agreement. This Letter Agreement may be executed in counterparts, each of which will be an original and all of which together are deemed one and the same instrument.

**Please confirm your agreement by signing and returning the enclosed copy of this letter. For your convenience, a self-addressed envelope has been enclosed.**

Please feel free to call if you have any questions regarding this letter or if we can assist you in any other manner.

Very truly yours,

**METROPOLITAN LIFE INSURANCE COMPANY**, a New York corporation

By: Metlife Investment Management, LLC, its investment manager

By:

Name: Nina L. Krause

Its: Authorized Signatory and Director

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As of the Effective Date, the above set forth Letter Agreement is hereby acknowledged, accepted and agreed to by:

**BORROWER:**

ALICO, INC., a Florida corporation

By: John E. Kiernan  
Name: John E. Kiernan  
Title: President

ALICO LAND DEVELOPMENT, INC., a Florida corporation

By: John E. Kiernan  
Name: John E. Kiernan  
Title: President

ALICO FRUIT COMPANY, LLC, a Florida limited liability company

By: Alico Inc., its Managing Member  
By: John E. Kiernan  
Name: John E. Kiernan  
Title: President

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**FOURTH RENEWAL PROMISSORY NOTE**

PURSUANT TO F.S. 201.08, THIS FOURTH RENEWAL PROMISSORY NOTE (THIS "NOTE") IS A RENEWAL OF THAT CERTAIN THIRD RENEWAL PROMISSORY NOTE DATED AS OF SEPTEMBER 26, 2018 (THE "THIRD RENEWAL NOTE"), AS SUCH THIRD RENEWAL NOTE RENEWED THAT CERTAIN SECOND RENEWAL PROMISSORY NOTE DATED AS OF SEPTEMBER 6, 2017 (THE "SECOND RENEWAL NOTE"), RENEWED THAT CERTAIN RENEWAL PROMISSORY NOTE DATED AS OF SEPTEMBER 30, 2016 (THE "FIRST RENEWAL NOTE"), AS SUCH FIRST RENEWAL NOTE RENEWED THAT CERTAIN PROMISSORY NOTE DATED AS OF DECEMBER 1, 2014, PAYABLE TO BANK BY THE UNDERSIGNED OBLIGORS IN THE ORIGINAL PRINCIPAL AMOUNT OF \$70,000,000 (THE "ORIGINAL NOTE"). FLORIDA DOCUMENTARY STAMP TAXES IN THE AMOUNT OF \$2,450 WERE REMITTED TO THE FLORIDA DEPARTMENT OF REVENUE BY BANK OR ON BEHALF OF BANK AS REQUIRED BY LAW IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE ORIGINAL NOTE, WHICH IS NOT SECURED BY FLORIDA REAL PROPERTY. NO ADDITIONAL SUMS ARE BEING ADVANCED HEREUNDER, NOR WERE ANY ADDITIONAL SUMS ADVANCED UNDER THE FIRST RENEWAL NOTE OR THE SECOND RENEWAL NOTE OR THE THIRD RENEWAL NOTE AND NO PERSONS HAVE BEEN ADDED AS ADDITIONAL OBLIGORS PURSUANT TO THE TERMS HEREOF. ACCORDINGLY, NO ADDITIONAL DOCUMENTARY STAMP TAXES ARE DUE AND PAYABLE IN CONNECTION WITH THIS NOTE. THE ORIGINAL NOTE, THE FIRST RENEWAL NOTE, THE SECOND RENEWAL NOTE AND THE THIRD RENEWAL NOTE ARE ATTACHED HERETO.

**FOURTH RENEWAL PROMISSORY NOTE**

\$70,000,000.00

August 25, 2020

FOR VALUE RECEIVED, the undersigned ALICO, INC., a Florida corporation ("Alico"); ALICO-AGRI, LTD., a Florida limited partnership ("Alico-Agri"); ALICO PLANT WORLD, L.L.C., a Florida limited liability company ("Plant World"); ALICO FRUIT COMPANY, LLC, a Florida limited liability company ("Fruit Company"); ALICO LAND DEVELOPMENT INC., a Florida corporation ("Land Development"); ALICO CITRUS NURSERY, LLC, a Florida limited liability company ("Citrus Nursery", and together with Alico, Alico-Agri, Plant World, Fruit Company and Land Development, each a "Borrower" and collectively the "Borrowers") hereby, jointly and severally, promise to pay to the order of RABO AGRIFINANCE LLC, a Delaware limited liability company (together with its successors and assigns, hereinafter "Bank"), on or before the Revolving Credit Maturity Date, the aggregate principal amount of SEVENTY MILLION AND 00/100 DOLLARS (US\$70,000,000.00) or, if less, the aggregate unpaid principal amount of all Loans made by Bank to the undersigned, in immediately available funds as provided in the Credit Agreement (defined below), together with interest thereon, until such principal amount is paid in full, at such interest rates, and payable at such times, as provided in the Credit Agreement. All payments shall be made to Bank in lawful money of the United States of America at 14767 N Outer 40 Road, Suite 400, Chesterfield, MO 63017.

This Note is one of the Notes referred to in, and is entitled to the benefits of, that certain Credit Agreement dated as of December 1, 2014, as amended by that certain First Amendment to Credit Agreement and Consent dated as of February 26, 2015, that certain Second Amendment to Credit Agreement dated as of July 16, 2015, that certain Third Amendment to Credit Agreement dated as of September 30, 2016, that certain Consent and Waiver Agreement dated as of December 20, 2016, that certain Fourth Amendment to Credit Agreement dated September 6, 2018, that certain Fifth Amendment to Credit Agreement dated as of October 30, 2017, that certain Sixth Amendment, Consent and Waiver to Credit Agreement dated as of July 18, 2018, that certain

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Seventh Amendment to Credit Agreement dated as of September 26, 2018, that certain Eighth Amendment and Waiver to Credit Agreement dated as of August 29, 2019, that certain Ninth Amendment and Waiver to Credit Agreement dated as of June 26, 2020 and that certain Tenth Amendment to Credit Agreement dated as of the date hereof (as may be further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") by and among the Borrowers and Bank. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. This Note evidences the Loans made by Bank under the Credit Agreement.

Bank may endorse and attach a schedule to reflect borrowings evidenced by this Note and all payments and prepayments thereon; provided that any failure to endorse such information (or an error contained in such information) shall not affect the obligation of the Borrowers to pay amounts evidenced hereby.

Upon the occurrence of an Event of Default, all amounts evidenced by this Note may, or shall, become immediately due and payable as provided in the Credit Agreement without presentment, demand, protest or notice of any kind, all of which are waived by the Borrowers. In the event payment of amounts evidenced by this Note is not made at any stated or accelerated maturity, the Borrowers agree, jointly and severally, to pay, in addition to principal and interest, all costs of collection in connection therewith, including reasonable attorneys' fees.

This Note and the Loans and amounts evidenced hereby may be transferred only as provided in the Credit Agreement.

This Note shall be governed by, construed and interpreted in accordance with, the laws of the State of Florida applicable to contracts made and to be performed within the State of Florida, without reference to the conflicts of law principles thereof.

Time is of the essence of this Note.

[Remainder of Page Intentionally Left Blank]

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IN WITNESS WHEREOF, the Borrowers have caused this Note to be duly executed under seal as of the date first above written.

**ALICO, INC.,**  
a Florida corporation

By:  
Name: John E. Kiernan  
Title: Chief Financial Officer

**ALICO-AGRI, LTD.,**  
a Florida limited partnership

By: Alico, Inc., a Florida corporation, its General Partner

By:  
Name: John E. Kiernan  
Title: Chief Financial Officer

**ALICO PLANT WORLD, L.L.C.,**  
a Florida limited liability company

By: Alico-Agri, Ltd., a Florida limited partnership, its Sole Member

By: Alico, Inc., a Florida corporation, its General Partner

By:  
Name: John E. Kiernan  
Title: Chief Financial Officer

**ALICO FRUIT COMPANY, LLC,**  
a Florida limited liability company

By: Alice, Inc., a Florida corporation, its Managing Member

By:  
Name: John E. Kiernan  
Title: Chief Financial Officer

**ALICO LAND DEVELOPMENT INC.,**  
a Florida corporation

By:  
Name: John E. Kiernan  
Title: Chief Financial Officer

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**ALICO CITRUS NURSERY, LLC,**  
a Florida limited liability company

By: Alice, Inc., a Florida corporation, its Managing Member

By:

Name: John E. Kiernan

Title: Chief Financial Officer

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**FIFTH RENEWAL PROMISSORY NOTE**

PURSUANT TO F.S. 201.08, THIS FIFTH RENEWAL PROMISSORY NOTE (THIS “*NOTE*”) IS A RENEWAL OF THAT CERTAIN FOURTH RENEWAL PROMISSORY NOTE DATED AS OF AUGUST 25, 2020 (THE “*FOURTH RENEWAL NOTE*”), AS SUCH FOURTH RENEWAL NOTE RENEWED THAT CERTAIN THIRD RENEWAL PROMISSORY NOTE DATED AS OF SEPTEMBER 26, 2018 (THE “*THIRD RENEWAL NOTE*”), AS SUCH THIRD RENEWAL NOTE RENEWED THAT CERTAIN SECOND RENEWAL PROMISSORY NOTE DATED AS OF SEPTEMBER 6, 2017 (THE “*SECOND RENEWAL NOTE*”), RENEWED THAT CERTAIN RENEWAL PROMISSORY NOTE DATED AS OF SEPTEMBER 30, 2016 (THE “*FIRST RENEWAL NOTE*”), AS SUCH FIRST RENEWAL NOTE RENEWED THAT CERTAIN PROMISSORY NOTE DATED AS OF DECEMBER 1, 2014, PAYABLE TO BANK BY THE UNDERSIGNED OBLIGORS IN THE ORIGINAL PRINCIPAL AMOUNT OF \$70,000,000 (THE “*ORIGINAL NOTE*”). FLORIDA DOCUMENTARY STAMP TAXES IN THE AMOUNT OF \$2,450 WERE REMITTED TO THE FLORIDA DEPARTMENT OF REVENUE BY BANK OR ON BEHALF OF BANK AS REQUIRED BY LAW IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE ORIGINAL NOTE, WHICH IS NOT SECURED BY FLORIDA REAL PROPERTY. NO ADDITIONAL SUMS ARE BEING ADVANCED HEREUNDER, NOR WERE ANY ADDITIONAL SUMS ADVANCED UNDER THE FIRST RENEWAL NOTE OR THE SECOND RENEWAL NOTE OR THE THIRD RENEWAL NOTE OR THE FOURTH RENEWAL NOTE AND NO PERSONS HAVE BEEN ADDED AS ADDITIONAL OBLIGORS PURSUANT TO THE TERMS HEREOF. ACCORDINGLY, NO ADDITIONAL DOCUMENTARY STAMP TAXES ARE DUE AND PAYABLE IN CONNECTION WITH THIS NOTE. THE ORIGINAL NOTE, THE FIRST RENEWAL NOTE, THE SECOND RENEWAL NOTE, THE THIRD RENEWAL NOTE AND THE FOURTH RENEWAL NOTE ARE ATTACHED HERETO.

**FIFTH RENEWAL PROMISSORY NOTE**

\$70,000,000.00 October 27, 2022

FOR VALUE RECEIVED, the undersigned **ALICO, INC.**, a Florida corporation (“*Alico*”); **ALICO-AGRI, LTD.**, a Florida limited partnership (“*Alico-Agri*”); **ALICO PLANT WORLD, L.L.C.**, a Florida limited liability company (“*Plant World*”); **ALICO FRUIT COMPANY, LLC**, a Florida limited liability company (“*Fruit Company*”); **ALICO LAND DEVELOPMENT INC.**, a Florida corporation (“*Land Development*”); **ALICO CITRUS NURSERY, LLC**, a Florida limited liability company (“*Citrus Nursery*”, and together with Alico, Alico-Agri, Plant World, Fruit Company and Land Development, each a “*Borrower*” and collectively the “*Borrowers*”) hereby, jointly and severally, promise to pay to the order of **RABO AGRIFINANCE LLC**, a Delaware limited liability company (together with its successors and assigns, hereinafter “*Bank*”), on or before the Revolving Credit Maturity Date, the aggregate principal amount of SEVENTY MILLION AND 00/100 DOLLARS (US\$70,000,000.00) or, if less, the aggregate unpaid principal amount of all Loans made by Bank to the undersigned, in immediately available funds as provided in the Credit Agreement (defined below), together with interest thereon, until such principal amount is paid in full, at such interest rates, and payable at such times, as provided in the Credit Agreement. All payments shall be made to Bank in lawful money of the United States of America at 14767 N Outer 40 Road, Suite 400, Chesterfield, MO 63017.

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This Note is one of the Notes referred to in, and is entitled to the benefits of, that certain Credit Agreement dated as of December 1, 2014, as amended by that certain First Amendment to Credit Agreement and Consent dated as of February 26, 2015, that certain Second Amendment to Credit Agreement dated as of July 16, 2015, that certain Third Amendment to Credit Agreement dated as of September 30, 2016, that certain Consent and Waiver Agreement dated as of December 20, 2016, that certain Fourth Amendment to Credit Agreement dated September 6, 2018, that certain Fifth Amendment to Credit Agreement dated as of October 30, 2017, that certain Sixth Amendment, Consent and Waiver to Credit Agreement dated as of July 18, 2018, that certain Seventh Amendment to Credit Agreement dated as of September 26, 2018, that certain Eighth Amendment and Waiver to Credit Agreement dated as of August 29, 2019, that certain Ninth Amendment and Waiver to Credit Agreement dated as of June 26, 2020, that certain Tenth Amendment to Credit Agreement dated as of August 25, 2020, that certain Eleventh Amendment to Credit Agreement and Consent dated as of January 7, 2021, that certain Twelfth Amendment to Credit Agreement dated as of November 19, 2021 and that certain Thirteenth Amendment to the Credit Agreement dated as of the date hereof (as may be further amended, restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”) by and among the Borrowers and Bank. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. This Note evidences the Loans made by Bank under the Credit Agreement.

Bank may endorse and attach a schedule to reflect borrowings evidenced by this Note and all payments and prepayments thereon; provided that any failure to endorse such information (or an error contained in such information) shall not affect the obligation of the Borrowers to pay amounts evidenced hereby.

Upon the occurrence of an Event of Default, all amounts evidenced by this Note may, or shall, become immediately due and payable as provided in the Credit Agreement without presentment, demand, protest or notice of any kind, all of which are waived by the Borrowers. In the event payment of amounts evidenced by this Note is not made at any stated or accelerated maturity, the Borrowers agree, jointly and severally, to pay, in addition to principal and interest, all costs of collection in connection therewith, including reasonable attorneys’ fees.

This Note and the Loans and amounts evidenced hereby may be transferred only as provided in the Credit Agreement.

This Note shall be governed by, construed and interpreted in accordance with, the laws of the State of Florida applicable to contracts made and to be performed within the State of Florida, without reference to the conflicts of law principles thereof.

Time is of the essence of this Note.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the Borrowers have caused this Note to be duly executed under seal as of the date first above written.

**ALICO, INC.,**  
a Florida corporation

By: John E. Kiernan  
Name: John E. Kiernan  
Title: President and Chief Executive Officer

**ALICO-AGRI, LTD.,**  
a Florida limited partnership

By: Alico Inc., a Florida corporation, its General Partner  
By: John E. Kiernan  
Name: John E. Kiernan  
Title: President and Chief Executive Officer

FIFTH RENEWAL PROMISSORY NOTE

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**ALICO PLANT WORLD, L.L.C.,**  
a Florida limited liability company

By: Alico-Agri, Ltd., a Florida limited partnership, its Sole Member

By: Alico, Inc., a Florida corporation, its General Partner

By: John E. Kiernan  
Name: John E. Kiernan  
Title: President and Chief Executive Officer

**ALICO FRUIT COMPANY, LLC,**  
a Florida limited liability company

By: Alico Inc., a Florida corporation, its Managing Member

By: John E. Kiernan  
Name: John E. Kiernan  
Title: President and Chief Executive Officer

**ALICO LAND DEVELOPMENT INC.,**  
a Florida corporation

By: John E. Kiernan  
Name: John E. Kiernan  
Title: President and Chief Executive Officer

**ALICO CITRUS NURSERY, LLC,**  
a Florida limited liability company

By: Alico, Inc., a Florida corporation, its Managing Member

By: Name: John E. Kiernan  
Title: Chief Executive Officer



## THIRTEENTH AMENDMENT TO CREDIT AGREEMENT

This **THIRTEENTH AMENDMENT TO CREDIT AGREEMENT** (this "**Amendment**"), is dated as of October 27, 2022, by and among **ALICO, INC.**, a Florida corporation ("**Alico**"), **ALICO-AGRI, LTD.**, a Florida limited partnership ("**Alico-Agri**"), **ALICO PLANT WORLD, L.L.C.**, a Florida limited liability company ("**Plant World**"), **ALICO FRUIT COMPANY, LLC**, a Florida limited liability company ("**Fruit Company**"), **ALICO LAND DEVELOPMENT INC.**, a Florida corporation ("**Land Development**"), **ALICO CITRUS NURSERY, LLC**, a Florida limited liability company ("**Citrus Nursery**"), and together with Alico, Alico-Agri, Plant World, Fruit Company and Land Development, each a "**Borrower**" and collectively the "**Borrowers**", the Guarantors party hereto and **RABO AGRIFINANCE LLC** (formerly known as Rabo Agrifinance, Inc.), a Delaware limited liability company ("**Lender**").

WITNESSETH:

WHEREAS, Borrowers and Lender are parties to that certain Credit Agreement dated as of December 1, 2014, as amended by that certain First Amendment to Credit Agreement and Consent dated as of February 26, 2015, that certain Second Amendment to Credit Agreement dated as of July 16, 2015, that certain Third Amendment to Credit Agreement dated as of September 30, 2016, that certain Consent and Waiver Agreement dated as of December 20, 2016, that certain Fourth Amendment to Credit Agreement dated as of September 6, 2017, that certain Fifth Amendment to Credit Agreement dated as of October 30, 2017, that certain Sixth Amendment, Consent and Waiver to Credit Agreement dated as of July 18, 2018, that certain Seventh Amendment to Credit Agreement dated as of September 26, 2018, that certain Eighth Amendment and Waiver to Credit Agreement dated as of August 29, 2019, that certain Ninth Amendment and Waiver to Credit Agreement dated as of June 26, 2020, that certain Tenth Amendment to Credit Agreement dated as of August 25, 2020, that certain Eleventh Amendment to Credit Agreement and Consent dated as of January 7, 2021, and that certain Twelfth Amendment to Credit Agreement dated as of November 19, 2021 (as may be further amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"); and

WHEREAS, Borrowers have requested that Lender amend the Credit Agreement as more fully set forth herein, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement, and further agree as follows:

1. Amendment to Credit Agreement.

(a) Effective on the Amendment Effective Date, the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same

manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.

ACTIVE 66047430v3

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(b) The Credit Agreement is hereby further modified and amended by replacing Schedules 3.10, 3.14, 3.19, 6.1, and 6.5 thereto with Schedules 3.10, 3.14, 3.19, 6.1, and 6.5, respectively, as set forth in Schedule I hereto.

**2. No Other Amendments.** Except as expressly set forth above, the execution, delivery and effectiveness of this Amendment shall not operate as an amendment, modification or waiver of any right, power or remedy of Lender under the Credit Agreement or any of the other Loan Documents, nor constitute a waiver of any provision of the Credit Agreement or any of the other Loan Documents. Except for the amendments set forth above, the text of the Credit Agreement and all other Loan Documents shall remain unchanged and in full force and effect and each Borrower and each Guarantor hereby ratifies and confirms its obligations thereunder. This Amendment shall not constitute a modification of the Credit Agreement or any of the other Loan Documents or a course of dealing with Lender at variance with the Credit Agreement or the other Loan Documents such as to require further notice by Lender to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future. Each Borrower and each Guarantor acknowledges and expressly agrees that Lender reserves the right to, and does in fact, require strict compliance with all terms and provisions of the Credit Agreement and the other Loan Documents, as amended herein.

**3. Representations and Warranties.** In consideration of the execution and delivery of this Amendment by Lender, each Borrower and each Guarantor hereby represents and warrants in favor of Lender as follows:

(c) The execution, delivery and performance by each Borrower and each Guarantor of this Amendment (i) are all within such Borrower's corporate, limited liability company or other similar powers, as applicable, (ii) have been duly authorized, (iii) do not require any consent, authorization or approval of, registration or filing with, notice to, or any other action by, any Governmental Authority or any other Person, except for such as have been obtained or made and are in full force and effect, (iv) will not violate any applicable law or regulation or the Organizational Documents of such Borrower or Guarantor, (v) will not violate or result in a default under any material agreement binding upon such Borrower or Guarantor, (vi) will not conflict with or result in a breach or contravention of, any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Borrower or Guarantor is a party or affecting such Borrower or Guarantor or their respective properties, and (vii) except for the Liens created pursuant to the Security Documents, will not result in the creation or imposition of any Lien on any asset of such Borrower or Guarantor or any of their respective properties;

(d) This Amendment has been duly executed and delivered by each Borrower and each Guarantor, and constitutes the legal, valid and binding obligations of each such Borrower or Guarantor enforceable against each Borrower and each Guarantor in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(e)As of the date hereof and after giving effect to this Amendment, the representations and warranties made by or with respect to any Borrower or Guarantor under the Credit Agreement (as amended by this Amendment) and the other Loan Documents, are true and correct in all material respects (unless any such representation or warranty is qualified as to materiality or as to Material Adverse Effect, in which case such representation and warranty shall be true and correct in all respects) on and as of the date hereof, both before and immediately after giving effect to this Amendment, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (unless any such representation or warranty is qualified as to materiality or as to Material Adverse Effect, in which case such representation and warranty shall be true and correct in all respects) as of such earlier date;

(d) Immediately after giving effect hereto, no event has occurred and is continuing which constitutes a Default or an Event of Default or would constitute a Default or an Event of Default but for the requirement that notice be given or time elapse or both; and

(e) No Borrower or Guarantor has knowledge of any challenge to Lender's claims arising under the Loan Documents, or to the effectiveness of the Loan Documents.

4. Effectiveness. This Amendment shall become effective as of the date set forth above (the "*Amendment Effective Date*") upon Lender's receipt of each of the following, in each case in form and substance satisfactory to Lender:

(e) this Amendment duly executed by each Borrower, Guarantor and Lender;

(f) the Fifth Renewal Promissory Note in the form attached hereto;

(g) the written consent of each of MetLife and New England Life Insurance Company to the extension of the Revolving Credit Maturity Date;

(h) the results of a recent Lien search in each of the jurisdictions and offices where each Obligor is located or recorded, and such searches shall reveal no Liens on any of its assets except for Liens permitted under the Credit Agreement;

(i) such documents and certificates as Lender may reasonably request relating to the organization, existence and good standing of each Obligor, the authorization of this Amendment, the identity, authority and capacity of each Responsible Officer authorized to act on behalf of an Obligor in connection with this Amendment and the other Loan Documents and any other legal matters relating to a Borrower, this Agreement or the other Loan Documents;

(j) payment to Lender of a renewal fee in the amount of \$15,000;

(k) the payment of all reasonably estimated fees, charges and disbursements required to be paid pursuant to this Amendment or Section 9.3 of the Credit

Agreement to Lender to the extent invoiced on or prior to the Amendment Effective Date; and

(h) all other documents, certificates, reports, statements, instruments or other documents as Lender may reasonably request.

5. Costs and Expenses. Each Borrower agrees to pay on demand all costs and expenses of Lender in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the fees and out-of-pocket expenses of counsel for Lender with respect thereto).

6. Affirmation of Guaranty/Loan Documents. Each Obligor hereby acknowledges that as of the date hereof, the security interests and liens granted to Lender under the Loan Documents are in full force and effect and are enforceable in accordance with the terms of the applicable Loan Documents and will continue to secure the Obligations. Additionally, by executing this Amendment, each Guarantor hereby acknowledges, consents and agrees that all of its obligations and liability under the Guaranty Agreement and all other Loan Documents to which such Guarantor is a party remain in full force and effect, and that the execution and delivery of this Amendment and any and all documents executed in connection therewith shall not alter, amend, reduce or modify its obligations and liability under such Guaranty Agreement and all other Loan Documents.

7. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of a signature page hereto by facsimile transmission or by other electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

8. Reference to and Effect on the Loan Documents. Upon the effectiveness of this Amendment, on and after the date hereof, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to “the Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby.

9. Governing Law. This Amendment shall be deemed to be made pursuant to the laws of the State of Florida with respect to agreements made and to be performed wholly in the State of Florida and shall be construed, interpreted, performed and enforced in accordance therewith.

10. Final Agreement. This Amendment represents the final agreement between Borrowers, Guarantors and Lender as to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

11. Loan Document. This Amendment shall be deemed to be a Loan Document for all purposes.

[Remainder of this page intentionally left blank.]

ACTIVE 66047430v3

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized officers or representatives to execute and deliver this Amendment as of the day and year first above written.

**BORROWERS:**

**ALICO, INC.,** a Florida corporation

By: John E. Kiernan

Name: John E. Kiernan

Title: Chief Executive Officer and President

**ALICO-AGRI, LTD.,** a Florida limited partnership

By: Alico, Inc., a Florida corporation, its General Partner

By: John E. Kiernan

Name: John E. Kiernan

Title: Chief Executive Officer and President

**ALICO PLANT WORLD, L.L.C.,** a Florida  
limited liability company

By: Alico-Agri, Ltd., a Florida limited partnership, its Sole Member

By: Alico, Inc., a Florida corporation, its General Partner

By: John E. Kiernan

Name: John E. Kiernan

Title: Chief Executive Officer and President

**ALICO FRUIT COMPANY, LLC**, a Florida  
limited liability company

By: Alico, Inc., a Florida corporation, its Managing Member

By: John E. Kiernan

Name: John E. Kiernan

Title: Chief Executive Officer and President

**ALICO LAND DEVELOPMENT INC.**, a  
Florida corporation

By: John E. Kiernan

Name: John E. Kiernan

Title: Chief Executive Officer and President

**ALICO CITRUS NURSERY, LLC**, a Florida  
limited liability company

By: Alico, Inc., a Florida corporation, its Managing Member

By: John E. Kiernan

Name: John E. Kiernan

Title: Chief Executive Officer and President

**GUARANTORS:**

**734 CITRUS HOLDINGS, LLC**

By: Alico, Inc., as its sole Member

By: John E. Kiernan  
Name: John E. Kiernan

Title: Chief Executive Officer and President

**734 HARVEST, LLC**

By: John E. Kiernan  
Name: John E. Kiernan  
Title: Chief Executive Officer and President

**734 CO-OP GROVES, LLC**

Name: John E. Kiernan

By: John E. Kiernan  
Title: Chief Executive Officer and President

**734 LMC GROVES, LLC**

Name: John E. Kiernan

By: John E. Kiernan  
Title: Chief Executive Officer and President

**734 BLP GROVES, LLC,**

Name: John E. Kiernan

By: John E. Kiernan  
Title: Chief Executive Officer and President

ALICO CHEMICAL SALES, LLC

Name: John E. Kiernan

By: John E. Kiernan

Title: Chief Executive Officer and President

THIRTEENTH AMENDMENT TO CREDIT AGREEMENT

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**ALICO SKINK MITIGATION, LLC**

By: Alico, Inc., its Manager

Name: John E. Kiernan

Name: John E. Kiernan

Title: Chief Executive Officer and President

THIRTEENTH AMENDMENT TO CREDIT AGREEMENT

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**LENDER:**

**RABO AGRIFINANCE LLC,**  
a Delaware limited liability company

By: S. Siebert  
Name: S. Siebert  
Title: Vice President



**Schedule I**

**Updated Schedules (See attached.)**

ACTIVE 66047430v3

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**Schedule 3.10 ERISA Plans**

1. Alico, Inc. 401(k) Profit Sharing Plan

2. Alico, Inc. Employee Benefit Plan (includes medical, dental, vision and life insurance programs)

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**Schedule 3.14 Subsidiaries**

<b>Name</b>	<b>Ownership</b>
1. Alico-Agri, Ltd.	99% owned by Alico Land Development Inc.; 1% owned by Alico, Inc.
2. Alico Citrus Nursery, LLC.	100% owned by Alico, Inc.
3. Alico Fruit Company, LLC.	100% owned by Alico, Inc.
4. Alico Land Development Inc.	100% owned by Alico, Inc.
5. Alico Plant World, L.L.C.	100% owned by Alico-Agri, Ltd.
6. Citree Holdings 1, LLC	51% owned by Alico, Inc.
7. 734 Citrus Holdings, LLC	100% owned by Alico, Inc.
8. 734 Harvest, LLC	100% owned by 734 Citrus Holdings, LLC
9. 734 Co-op Groves, LLC	100% owned by 734 Citrus Holdings, LLC
10. 734 LMC Groves, LLC	100% owned by 734 Citrus Holdings, LLC
11. 734 BLP Groves, LLC	100% owned by 734 Citrus Holdings, LLC
12. Alico Chemical Sales, LLC	100% owned by Alico, Inc.
13. Alico Skink Mitigation, LLC	100% owned by Alico, Inc.

**Schedule 3.19 Labor Matters**

None.

### **Schedule 6.1 Indebtednes**

1.Loan Guaranty Agreement, dated as of December 1, 2014, by among Alico Land Devel- opment Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, and Alico Citrus Nursery, LLC, as substitute guarantors, and Metropolitan Life Insurance Company, as lender.

2.Loan Agreement, dated as of March 1, 2014 (as amended, restated, consolidated, spread or otherwise modified from time to time) among Citree Holdings 1, LLC, a Florida lim- ited liability company and Metropolitan Life Insurance Company, as lender.

**Schedule 6.5 Investments**

1. Joint venture interests in Graham Road Partners, LLC.

ACTIVE 681932124v3

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**Exhibit A**

**(See attached)**

ACTIVE 65850631v4

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Conformed through: (i) First Amendment to Credit Agreement dated as of February 26, 2015, (ii) Second Amendment to Credit Agreement dated as of July 16, 2015, (iii) Third Amendment to Credit Agreement dated as of September 30, 2016, (iv) Fourth Amendment to Credit Agreement dated as of September 6, 2017, (v) Fifth Amendment to Credit Agreement dated as of October 30, 2017, (vi) Sixth Amendment, Consent and Waiver to Credit Agreement dated as of July 18, 2018, (vii) Seventh Amendment to Credit Agreement dated as of September 26, 2018, (viii) Eighth Amendment and Waiver to Credit Agreement dated as of August 29, 2019, (ix) Ninth Amendment and Waiver to Credit Agreement dated as of June 26, 2020, (x) Tenth Amendment to Credit Agreement dated as of August 25, 2020, (xi) Eleventh Amendment to Credit Agreement and Consent dated as of January 7, 2021, (xii) Twelfth Amendment to Credit Agreement dated as of November 19, 2021, and (xiii) Thirteenth Amendment to Credit Agreement dated as of October 27, 2022

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**~~COMPOSITE~~ CREDIT AGREEMENT**

by and between

ALICO, INC.,  
ALICO-AGRI, LTD.,  
ALICO PLANT WORLD, L.L.C.,  
ALICO FRUIT COMPANY, LLC,  
ALICO LAND DEVELOPMENT INC.,

and

ALICO CITRUS NURSERY, LLC,  
*as Borrowers*

and

RABO AGRIFINANCE, INC.,  
*as Lender*

Dated as of December 1, 2014

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## CREDIT AGREEMENT

This CREDIT AGREEMENT (this “*Agreement*”) dated as of December 1, 2014, is by and between **ALICO, INC.**, a Florida corporation (“*Alico*”); **ALICO-AGRI, LTD.**, a Florida limited partnership (“*Alico-Agri*”); **ALICO PLANT WORLD, L.L.C.**, a Florida limited liability company (“*Plant World*”); **ALICO FRUIT COMPANY, LLC**, a Florida limited liability company (“*Fruit Company*”); **ALICO LAND DEVELOPMENT INC.**, a Florida corporation (“*Land Development*”); **ALICO CITRUS NURSERY, LLC**, a Florida limited liability company (“*Citrus Nursery*”, and together with Alico, Alico-Agri, Plant World, Fruit Company and Land Development, each a “*Borrower*” and collectively the “*Borrowers*”), and **RABO AGRIFINANCE, INC.**, a Delaware corporation (“*Lender*”).

### WITNESSETH:

WHEREAS, Borrowers have requested that Lender make available for the purposes specified in this Agreement a revolving credit and letter of credit facility; and

WHEREAS, Lender is willing to make available to Borrowers such revolving credit and letter of credit facility upon the terms and subject to the conditions set forth herein;

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

## 1. DEFINITIONS

### 1.1 Defined Terms

. As used in this Agreement (including the foregoing preamble and recitals), the following terms have the meanings specified below:

“*734 Citrus*” means 734 Citrus Holdings, LLC, a Florida limited liability company.

“*734 Sub*” means 734 Sub, LLC, a Florida limited liability company and wholly owned subsidiary of Alico.

“*Accounts Receivable*” means, with respect to any Person, all of such Person’s “accounts” (as such term is defined in the UCC).

“*Acquired Entity or Business*” means any Person or business unit acquired pursuant to a Permitted Acquisition.

“*Acquisition*” means the acquisition of the “Purchased Assets” (as such term is defined in the Orange-Co Acquisition Agreement) pursuant to the Orange-Co Acquisition Agreement.

~~“*Adjust*” means to increase or decrease; “*Adjusted*” means increased or decreased; and “*Adjustment*” means an increase or decrease.~~

“*Adjustment Date*” means each date, on or after the last day of the Fiscal Quarter ended at least 3 months after the Effective Date, that is the third Business Day following the later of (a) receipt by Lender of both (i) the financial statements required to be delivered pursuant to [Section 5.1\(a\)](#) or [5.1\(b\)](#), as applicable, for the most recently completed fiscal period and (ii) the related Compliance Certificate required to be delivered pursuant to [Section 5.1\(c\)](#) with respect to such fiscal period, and (b) the latest date on which such financial statements are permitted to be delivered pursuant to [Section 5.1](#) hereof for such fiscal period.

“*Administrative Borrower*” has the meaning assigned to such term in [Section 9.14](#).

“*Affected Financial Institution*” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“*Affiliate*” means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of

a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of the Board of Directors of such Person, or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise; **provided, however**, that, for purposes of Section 6.66.7, the term “Affiliate” shall also include any individual that is an officer or director of the Person specified.

“**Agreement**” has the meaning set forth in the preamble to this Agreement.

“**Alico**” has the meaning set forth in the preamble to this Agreement.

“**Alico-Agri**” has the meaning set forth in the preamble to this Agreement.

“**Alico Prudential Limited Guaranty**” means that certain guaranty agreement to be entered into by Alico in favor of PRUDENTIAL MORTGAGE CAPITAL COMPANY, LLC, a Delaware limited liability company, in the maximum amount of \$8,000,000, in form and substance reasonably acceptable to Lender.

“**Amendment Effective Date**” means October 27, 2022.

“**Anti-Corruption Laws**” means the laws, rules, and regulations of the jurisdictions applicable to any Obligor or its Subsidiaries from time to time concerning or relating to bribery or corruption, including the U.S. Foreign Corrupt Practices Act of 1977, as amended.

“**Anti-Terrorism Laws**” means any laws, regulations, or orders of any Governmental Authority of the United States, the United Nations, United Kingdom, European Union, or the Netherlands relating to terrorism financing or money laundering, including, but not limited to, the International Emergency Economic Powers Act (50 U.S.C. § 1701 et seq.), the Trading With the Enemy Act (50 U.S.C. § 5 et seq.), the International Security Development and Cooperation Act (22 U.S.C. § 2349aa-9 et seq.), the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “**Executive Order**”), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (the “**USA Patriot Act**”), and any rules or regulations promulgated pursuant to or under the authority of any of the foregoing.

“**Applicable Margin**” means, for any day, with respect to any Loan or Letter of Credit, or with respect to the commitment fees payable hereunder, as the case may be, the applicable margin per annum set forth below under the heading “**ApplicableSOFR Loan Margin**”, “**Base Rate Loan Margin**”, “**Letter of Credit Fee**” or “**Commitment Fee**”, respectively, which corresponds to the Debt Service Coverage Ratio determined from the financial statements and Compliance Certificate relating to the Fiscal Quarter or Fiscal Year end immediately preceding such Adjustment Date; **provided** that the “Applicable Margin” shall be the applicable rate per annum set forth in Category 1 below until the first Adjustment Date to occur after the Effective Date:

Category	Debt Service Coverage Ratio	<b>ApplicableSOFR Loan Margin</b>	<b>Base Rate Loan Margin</b>	Letter of Credit Fee	Commitment Fee
<b>Category-1</b>	Greater than or equal to 1.75 to 1.00	1.75%	<u>0.75%</u>	1.25%	0.20%
<b>Category-2</b>	Greater than or equal to 1.15 to 1.00 but less than 1.75 to 1.00	2.125%	<u>1.125%</u>	1.625%	0.25%
<b>Category-3</b>	Less than 1.15 to 1.00	2.50%	<u>1.50%</u>	2%	0.30%

In the event that the information contained in any financial statement or Compliance Certificate delivered pursuant to Section 5.1 is shown to be inaccurate, and such inaccuracy, if corrected, would have

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led to the application of a higher Applicable Margin for any period (an “Applicable Period”) than the Applicable Margin actually applied for such Applicable Period, then (i) Borrowers shall immediately deliver to Lender a correct Compliance Certificate for such Applicable Period, (ii) such higher Applicable Margin shall be deemed to have been in effect for such Applicable Period, and (iii) Borrowers shall immediately deliver to Lender full payment in respect of the accrued additional interest on the Loans and the additional amount of the fees pursuant to [Section 2.9](#) as a result of such increased Applicable Margin for such Applicable Period (it being understood that this definition shall in no way limit the rights of Lender to exercise its rights under [Section 8.1](#)).

“**Assignment and Assumption**” means an assignment and assumption entered into by Lender and an assignee (with the consent of each party whose consent is required by [Section 9.4](#)), substantially in the form of [Exhibit A](#) or any other form approved by Lender.

“**Assignment of Crop Insurance**” means, with respect to any effective crop year and each Crop Insurance Policy, an Assignment of Indemnity covering such effective crop year under such Crop Insurance Policy, among the Obligor, a provider of such Crop Insurance Policy acceptable to Lender in its sole discretion, and Lender.

“**Availability**” means, as of any date of determination, the amount that Borrowers are entitled to borrow as Loans under [Section 2.1](#) (after giving effect to the then outstanding Revolving Credit Exposure).

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an Interest Period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to [Section 2.17](#).

“**Avoidance Provisions**” has the meaning assigned to such term in [Section 9.15\(c\)\(iii\)](#).

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“**Bail-In Legislation**” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“**Bank Product Agreements**” means (a) any Hedging Agreement between a Borrower and a Bank Product Provider, and (b) those agreements entered into from time to time by Borrowers with a Bank Product Provider in connection with the obtaining of any of the Cash Management Services.

“**Bank Product Obligations**” means all obligations, liabilities, reimbursement obligations, fees, or expenses owing by Borrowers to any Bank Product Provider pursuant to or evidenced by a Bank Product Agreement and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

“**Bank Product Provider**” means Lender or any of its Affiliates.

“**Bankruptcy Code**” means the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded, or replaced from time to time.

“**Base Rate**” means, at any time, the greatest of (a) the Prime Rate at such time, (b) 1/2 of 1.0% in excess of the Federal Funds Effective Rate at such time, and (c) Term SOFR for a one-month tenor in effect at such time plus 1.0%; **provided** that in no event shall the Base Rate as so determined be less than

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1.0%. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate, or Term SOFR, as applicable, shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or Term SOFR, respectively. “Base Rate”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Base Rate.

“Base Rate Term SOFR Determination Day” has the meaning specified in the definition of “Term SOFR”.

“Benchmark” means, initially, the Term SOFR Reference Rate; **provided** that if a Benchmark Transition Event<sup>22</sup> ~~means~~ and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (a) of Section 2.17.

“Benchmark Cessation Changes” means any replacement of a Benchmark hereunder and all documents, instruments, and amendments executed, delivered or otherwise implemented or effected (automatically or otherwise) after the date hereof in accordance with or in furtherance of Section 2.17 (including any Conforming Changes).

“Benchmark Replacement” means with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by Lender and Administrative Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; **provided** that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Lender and Administrative Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; **provided** that such non-representativeness,

non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to the then-current Benchmark, the occurrence of one or more of the following events with respect to ~~the LIBO Rate~~such Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of ~~the LIBO Rate~~such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide ~~the LIBO Rate~~all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, **provided** that, at the time of such statement or publication, there is no successor administrator that will continue to provide ~~the LIBO Rate~~any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of ~~the LIBO Rate, the U.S.~~such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for ~~the LIBO Rate~~such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for ~~the LIBO Rate~~such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for ~~the LIBO Rate~~such Benchmark (or such component), which states that the administrator of ~~the LIBO Rate~~such Benchmark (or such component) has ceased or will cease to provide ~~the LIBO Rate~~all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, **provided** that, at the time of such statement or publication, there is no successor administrator that will continue to provide ~~the LIBO Rate~~any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of ~~the LIBO Rate~~such Benchmark (or such component thereof) announcing that ~~the LIBO Rate is no longer representative~~all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Start Date” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“Benchmark Unavailability Period” means, with respect to the then current Benchmark, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.17 and (b) ending at the time that a Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.17.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Board” means the Board of Governors of the Federal Reserve System of the United States.

“Board of Directors” means, with respect to any Person, (a) in the case of any corporation, the board of directors of such Person, (b) in the case of any limited liability company, the board of managers or managing member or members of such Person, (c) in the case of any partnership, the Board of Directors of the general partner of such Person, and (d) in any other case, the functional equivalent of the foregoing.

“Borrower” and “Borrowers” have the meanings set forth in the preamble to this Agreement.

“Borrowing” means Loans of the same Type made, converted or continued on the same date.

“Borrowing Request” means a request by Borrowers for a Borrowing in accordance with Section 2.3.

“Business Day” means any day that is not a Saturday, Sunday, or other day on which commercial banks in St. Louis, Missouri or New York City are authorized or required by law to remain closed; provided that, ~~when used in connection with a Loan, the term “Business Day”~~ shall also exclude ~~any~~ day on which ~~banks are not open for dealings in Dollar deposits in the London interbank market~~ the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“Capital Expenditure Exclusion” means expenditures in connection with any purchase of any citrus grove during Fiscal Years 2021 and 2022, solely to the extent such expenditures are made with the proceeds of non-citrus ranch land sales completed during Fiscal Years 2021 and 2022 to the extent permitted by Section 6.4.

“Capital Expenditures” means for any period, with respect to any Person, the aggregate of all expenditures by such Person for the acquisition or leasing (pursuant to a Capital Lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period but excluding normal maintenance which is properly charged to operation) which are required to be capitalized under GAAP on a balance sheet of such Person.

“Capital Lease” means a lease with respect to which the lessee is required concurrently to recognize the acquisition of a fixed asset and the incurrence of a liability in accordance with GAAP.

“Capital Lease Obligations” means with respect to any Person, the obligations of such Person to pay rent or other amounts under any Capital Lease.

“Cash Collateralize” means to deposit in a Controlled Account or to pledge and deposit with or deliver to Lender, for the benefit of Lender, as collateral for the LC Exposure or obligations of Lender to fund participations in respect of the LC Exposure, cash or Deposit Account balances or, if Lender shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to Lender.

“Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means, as at any date of determination, any of the following: (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States government or (ii) issued by any agency of the United States the obligations of which are backed

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by the full faith and credit of the United States, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's (or if at such time neither is issuing ratings, then a comparable rating of another nationally recognized rating agency); (b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's (or if at such time neither is issuing ratings, then a comparable rating of another nationally recognized rating agency); (c) certificates of deposit or bankers' acceptances maturing within three months after such date and issued or accepted by Lender or by any commercial bank organized under the laws of the United States or any state thereof or the District of Columbia that (i) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator), (ii) has Tier 1 capital (as defined in such regulations) of not less than \$1,000,000,000, and (iii) has a rating of at least AA- from S&P and Aa3 from Moody's (or if at such time neither is issuing ratings, then a comparable rating of another nationally recognized rating agency); (d) shares of any money market mutual fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clauses (a) and (b) above, (ii) has net assets of not less than \$5,000,000,000, and (iii) has the highest rating obtainable from either S&P or Moody's (or if at such time neither is issuing ratings, then a comparable rating of another nationally recognized rating agency); and (e) other short term liquid investments approved in writing by Lender.

**"Cash Management Services"** means cash management, treasury, or related services (including the Automated Clearing House processing of electronic fund transfers through the direct Federal Reserve Fedline system, and controlled disbursement accounts or services) provided by a depository bank to its customers in the Ordinary Course of Business.

**"Change in Law"** means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, or treaty, (b) any change in any law, rule or regulation or treaty or in the administration, interpretation, implementation, or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline, or directive (whether or not having the force of law) by any Governmental Authority; **provided** that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

**"Change of Control"** means the occurrence of any of the following events: (a) during any period of twelve (12) consecutive months, a majority of the members of the Board of Directors of Alico cease to be composed of individuals (i) who were members of that board on the first day of such period, (ii) whose election or nomination to that board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board, or (iii) whose election or nomination to that board was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board; (b) Alico shall cease to own and control, of record and beneficially, directly or indirectly, 100% of each class of outstanding Equity Interests of each other Borrower, (c) any Subsidiary of Borrowers shall cease to be a Wholly-Owned Subsidiary of Borrowers, except in connection with a transaction permitted by Section 6.3 or 6.4; or (d) a "change of control" or similar event shall occur as provided in the MetLife Facility or any Refinancing Indebtedness of the foregoing.

**"Charges"** has the meaning assigned to such term in Section 9.12.

**"Citree"** means Citree Holdings 1, LLC, a Delaware limited liability company.

**"Citree Facility"** means the credit facility established for Citree pursuant to that certain Loan Agreement, dated as of March 4, 2014, with MetLife, as the same may be amended, restated, supplemented or otherwise modified from time to time.

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“*Citrus Nursery*” has the meaning set forth in the preamble to this Agreement.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time.

“*Collateral*” means the property over which a Lien has been or is intended to be granted to Lender pursuant to the Security Documents.

“*Collateral Access Agreement*” means a landlord waiver, bailee letter, or acknowledgement agreement of any lessor, warehouseman, processor, grower, consignee, or other Person in possession of, having a Lien upon, or having rights or interests in any Obligor’s books, records, equipment, or Inventory, in each case, in form and substance reasonably satisfactory to Lender.

“*Collateral Account*” means a blocked, non-interest-bearing Cash Collateral account opened by Lender and constituting Collateral.

“*Commitment*” means at any time the commitment, if any, of Lender to make Loans and to issue Letters of Credit hereunder in an amount reflected on Lender’s signature page to this Agreement, as such commitment may be adjusted pursuant to (a) an Assignment and Assumption, or (b) the provisions contained in [Section 2.6](#). The initial amount of Lender’s Commitment is \$70,000,000.

“*Commodity Exchange Act*” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“*Communications*” has the meaning assigned to such term in [Section 9.1\(a\)](#).

“*Company*” or “*Companies*” means Alico and each Subsidiary of Alico.

“*Compliance Certificate*” has the meaning assigned to such term in [Section 5.1\(c\)](#).

“*Conforming Changes*” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“*Connection Income Taxes*” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“*Consolidated Current Assets*” means, as of the date of determination thereof, the aggregate of all assets which in accordance with GAAP would be so classified and appear as current assets on the consolidated balance sheet of the Consolidated Group; **provided, however**, Citree shall be deemed to not be part of the Consolidated Group for purposes of this calculation.

“*Consolidated Current Liabilities*” means, as of the date of determination thereof, the aggregate of all liabilities which in accordance with GAAP would be so classified and appear as current liabilities on the consolidated balance sheet of the Consolidated Group; **provided** that, for the purposes hereof, Consolidated Current Liabilities shall not include any deferred gains realized in connection with the Sugarcane Sale.

“*Consolidated Current Ratio*” means, as of any date of determination, the ratio of (a) Consolidated Current Assets, to (b) Consolidated Current Liabilities.

“*Consolidated Debt to Total Asset Ratio*” means, as of any date, the ratio of (a) Consolidated Total Liabilities as of such date, to (b) the Consolidated Total Assets as of such date.

“*Consolidated EBITDA*” means, for any period, the total of the following, each calculated without duplication for the Consolidated Group for such period: (a) net income; plus (b) any provision for (or less any benefit from) income taxes included in determining such net income; plus (c) interest expense

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deducted in determining such net income; plus (d) amortization and depreciation expenses deducted in determining such net income; minus (e) Restricted Payments made in cash; minus (f) extraordinary income; minus (g) gains from the sale of assets (excluding any gains from the sale of assets in the Ordinary Course of Business); plus (h) cash proceeds from sale of assets; plus (i) collections of mortgages and notes receivable; plus (j) any non-cash extraordinary losses; **provided, however**, Citree shall be deemed to not be part of the Consolidated Group for purposes of this calculation.

“**Consolidated Group**” means, collectively, Alico and its Subsidiaries (including the other Borrowers).

“**Consolidated Intangible Assets**” means, at any time, goodwill (including, without limitation, any amounts, however designated, representing the excess of the purchase price paid for assets or stock acquired subsequent to the date of this Agreement over the value assigned thereto on the books of the Consolidated Group), patents, trademarks, trade names, copyrights, and all other intangible assets of the Consolidated Group calculated on a consolidated basis as of such time.

“**Consolidated Net Income**” means the net income of the Consolidated Group for a Fiscal Year, after eliminating inter-company items, all as consolidated and determined in accordance with GAAP.

“**Consolidated Tangible Assets**” means, as of the date of determination thereof, the total of all assets of the Consolidated Group which would appear on the asset side of the consolidated balance sheet of Alico prepared in accordance with GAAP, less (without duplication of deductions) the sum of the following:

~~(a)~~ (a) the amount at which intangible assets (such as patents, patent rights, trademarks, trademark rights, trade names, copyrights, licenses, goodwill, or other items treated as intangible under GAAP) are carried on such balance sheet;

~~(b)~~ (b) deferred income taxes and other deferred credits or items appearing on said balance sheet as non-current liabilities and not otherwise deducted from such assets;

~~(c)~~ (c) depreciation and asset valuation reserves;

~~(d)~~ (d) the amount, if any, at which any of the ownership interests of Alico and its Subsidiaries appear on the asset side of such balance sheet; and

~~(e)~~ (e) any amounts due from shareholders, Affiliates, officers, or employees of the Consolidated Group and other restricted investments of the Consolidated Group;

**provided, however**, Citree shall be deemed to not be part of the Consolidated Group for purposes of this calculation.

“**Consolidated Tangible Net Worth**” means, at any time, the total of Consolidated Tangible Assets less Consolidated Total Liabilities.

“**Consolidated Total Assets**” means the aggregate of, as of the date of determination thereof, the amount of “total assets” (or any like caption) shown on the consolidated balance sheet of the Consolidated Group in conformity with GAAP; **provided, however**, Citree shall be deemed to not be part of the Consolidated Group for purposes of this calculation.

“**Consolidated Total Liabilities**” means, as of the date of determination thereof, the aggregate of all liabilities which in accordance with GAAP would be so classified and appear as liabilities on the consolidated balance sheet of the Consolidated Group; **provided** that, for the purposes hereof, Consolidated Total Liabilities shall not include any deferred gains realized in connection with the Sugarcane Sale.

“**Contributing Borrower**” has the meaning assigned to such term in [Section 9.15\(f\)](#).

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“**Control Agreements**” means, collectively, those control agreements in form and substance reasonably acceptable to Lender entered into among (a) the depository institution maintaining any deposit account, the securities intermediary maintaining any securities account, or commodity intermediary maintaining any commodity account, (b) any Borrower, and (c) Lender, pursuant to which Lender obtains control (within the meaning of the applicable provision of the UCC) over such deposit account, securities account or commodity account.

“**Credit Extension**” means the making of a Loan or the issuing, extending, renewing, or amending of a Letter of Credit.

“**Crop Insurance Policy**” means a crop insurance policy obtained by or for the benefit of any Obligor which is the owner of any growing crops, which policy has been issued by an insurance company acceptable to Lender.

“**Debt Service Coverage Ratio**” means, as of any date of determination for the four Fiscal Quarter period then ended, the ratio of (a) Consolidated EBITDA for such period, to (b) Interest Expense of the Consolidated Group calculated without duplication for such period, plus the current portion of any long-term debt, excluding any amounts due upon the final maturity of such long-term debt, of the Consolidated Group calculated without duplication, as of the last day of such period.

“**Debtor Relief Laws**” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“**Default**” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“**Default Rate**” means a per annum interest rate equal to the lesser of (a) the Maximum Rate or (b) 10% plus the rate otherwise applicable to such Loan.

“**Deposit Account**” means a demand, time, savings, passbook, or similar account maintained with an organization engaged in the business of banking, including savings banks, savings and loan associations, credit unions, and trust companies.

“**Designated Account**” means a demand deposit account of a Borrower maintained at a bank approved by Lender and set forth in a notice in form and substance satisfactory to Lender delivered by a Borrower to Lender.

“**Disposition**” means any sale, assignment, lease, license, transfer, division or other disposition of any property or assets (whether now owned or hereafter acquired) by any Borrower to any other Person. The term “**Dispose**” as a verb has a corresponding meaning.

“**Disqualified Equity Interests**” means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event are be subject to the prior Full Satisfaction of the Obligations), (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 180 days after the Revolving Credit Maturity Date.

“**Dollars**” or “**\$**” refers to lawful money of the United States.

“**Domestic Subsidiary**” means any Subsidiary that is not a Foreign Subsidiary.

“**EEA Financial Institution**” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

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**“EEA Member Country”** means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**“EEA Resolution Authority”** means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

**“Effective Date”** means the date on which the conditions set forth in [Section 4.1](#) are satisfied (or waived in accordance with [Section 4.1](#)).

**“Environmental Laws”** means all laws, rules, regulations, codes, ordinances, permits, orders, decrees, judgments, injunctions, notices, or binding agreements issued, promulgated, or entered into by any Governmental Authority, regulating, relating to, or imposing liability or standards of conduct concerning pollution or protection of the environment, natural resources, or the generation, use, treatment, storage, handling, transportation, or release of, or exposure to, Hazardous Materials, as has been, is now, or may at any time hereafter be, in effect.

**“Equity Interest”** means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations, or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited), if such Person is a limited liability company, membership interests and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued on or after the Effective Date, but excluding debt securities convertible or exchangeable into such equity.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder and any successor thereto.

**“ERISA Affiliate”** means, with respect to any Company, any corporation or other trade or business (whether or not incorporated) that, together with such Company or any of its Subsidiaries, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 or 303 of ERISA and Section 412 or 430 of the Code, is treated as a single employer under Section 414 of the Code.

**“ERISA Event”** means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived), (b) the failure to make sufficient contributions to a Plan for any plan year to satisfy the minimum required contribution determined under Section 412 of the Code, Section 430 of the Code, or Section 303 of ERISA for the Plan for the plan year, (c) the existence with respect to any Multiemployer Plan of an “accumulated funding deficiency” (as defined in Section 431 of the Code or Section 304 of ERISA), whether or not waived, (d) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (e) the incurrence by any Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (f) the receipt by any Company, or any of its ERISA Affiliates, of any notice from the PBGC relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (g) the incurrence by any Company or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, or (h) the receipt by any Company or any of its ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from any Company or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

**“Event of Default”** has the meaning assigned to such term in [Section 8.1](#).

**“Event of Loss”** means with respect to any asset of any Company, any of the following: (a) any loss, destruction or damage of such asset; (b) any pending or threatened institution of any proceedings for the condemnation or seizure of such asset or of any right of eminent domain; or (c) any actual condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, of such asset, or confiscation of such asset or requisition of the use of such asset.

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**“Executive Order”** has the meaning assigned to such term in the definition of “Anti-Terrorism Laws”.

**“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.**

**“Excluded Swap Obligation”** means, with respect to any Obligor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Obligor of, or the grant by such Obligor of a security interest to secure, such Swap Obligation (or a Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Obligor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Obligor or the grant of such security interests becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interests is or becomes illegal.

**“Excluded Taxes”** means any of the following Taxes imposed on or with respect to Lender or required to be withheld or deducted from a payment to Lender: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of Lender being organized under the laws of, or having its principal office or its lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.13, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Lender’s failure to comply with Section 2.13(f), and (d) any U.S. federal withholding Taxes imposed under FATCA.

**“Existing Credit Agreements”** means (a) (i) that certain Loan Agreement, dated as of June 22, 2007, by and between Orange-Co, as borrower, and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., “Rabobank Nederland”, New York Branch, as administrative agent, as amended, restated, supplemented or otherwise modified from time to time, and (ii) the other agreements referred to in clauses (a), (b) and (c) of the definition of Partnership Credit Facilities (as defined in the Orange-Co Acquisition Agreement), and (b) that certain Credit Agreement, dated as of September 8, 2010, by and between Alico, Alico-Agri, Land Development, Plant World, and Bowen Brothers Fruit, LLC, a Florida limited liability company (now known as Fruit Company), and Rabo, as amended, restated, supplemented or otherwise modified from time to time.

**“Farm Products”** means all “farm products” as such term is defined in the UCC.

**“FATCA”** means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

**“Federal Funds Effective Rate”** means, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by Lender from three federal funds brokers of recognized standing selected by it; **provided that in no event shall the Federal Funds Effective Rate be less than zero.**

**“Fee Letter”** means that certain fee letter, dated as of the Effective Date, executed by Borrowers setting forth the applicable fees relating to this Agreement to be paid to Lender.

**“Fiscal Period”** means each calendar month.

**“Fiscal Quarter”** means each calendar quarter.

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“**Fiscal Year**” means Borrowers’ fiscal year for accounting purposes, being a period of four Fiscal Quarters ending on each September 30.

“**Floor**” means a rate of interest equal to 0.00%.

“**Food Security Act**” means the Food Security Act of 1985, as amended by Sec. 662 of the Federal Agriculture Improvement and Reform Act of 1996, Sec. 10604 of the Farm Security and Rural Investment Act of 2002, and Sec. 776 of the Consolidated Appropriations Act, 2005, and as further amended from time to time.

“**Foreign Subsidiary**” means any Subsidiary of a Borrower that is (a) not a U.S. Person and (b) a controlled foreign corporation (within the meaning of Section 957(a) of the Code) with respect to which a Borrower (or any corporation which in addition to a Borrower is a member of an affiliated group, within the meaning of Section 1504(a) of the Code, for which a consolidated return is filed pursuant to Section 1501 of the Code) is a United States shareholder within the meaning of Section 951(b) of the Code.

“**Fruit Company**” has the meaning set forth in the preamble to this Agreement.

“**Fruit Production Contracts**” means any fruit sale contractor participation contract for citrus fruit crops of any Obligor, now existing or hereafter contracted, including but not limited to the Minute Maid Contract.

“**Fully Satisfied**” or “**Full Satisfaction**” means, as of any date, that on or before such date:

~~(a)~~(a) with respect to the Loans and Letters of Credit: (i) the principal of and interest accrued to such date on the Loans (other than the contingent LC Exposure) shall have been paid in full in cash, (ii) all fees, expenses, and other amounts then due and payable (other than the contingent LC Exposure and other contingent amounts for which a claim has not been made) shall have been paid in full in cash, (iii) the Commitment shall have expired or irrevocably been terminated, and (iv) the contingent LC Exposure, if any, shall have been secured by: (A) the grant of a first-priority, perfected Lien on Cash Collateral in an amount at least equal to 105% of the amount of such LC Exposure or other collateral which is acceptable to Lender in its sole discretion or (B) the issuance of a “back-to-back” letter of credit in form and substance acceptable to Lender with an original face amount at least equal to 105% of the amount of such LC Exposure and issued by an issuing bank satisfactory to Lender in its sole discretion; and

~~(b)~~(b) with respect to the Bank Product Obligations: (i) all termination payments, fees, expenses, and other amounts then due and payable under the related Bank Product Agreements shall have been paid in full in cash, and (ii) all contingent amounts which could be payable under the related Bank Product Agreements shall have been secured by: (A) the grant of a first-priority, perfected Lien on cash or Cash Equivalents in an amount at least equal to 105% of the amount of such contingent amounts or other collateral which is acceptable to the applicable Bank Product Provider or (B) the issuance of a letter of credit in form and substance acceptable to the applicable Bank Product Provider and in an amount at least equal to 105% of the amount of such contingent obligations and issued by an issuing bank reasonably satisfactory to such applicable Bank Product Provider.

“**Funding Borrower**” has the meaning assigned to such term in Section 9.15(f).

“**GAAP**” means generally accepted accounting principles and practices set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the US accounting profession).

“**Governmental Authority**” means the government of the United States or any other nation, or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory

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body, court, central bank, or other entity exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government including any supra-national bodies (such as the European Union or the European Central Bank).

“**Guarantee**” of or by any Person (the “**guarantor**”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “**primary obligor**”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation, or (e) entered into for the purpose of assuring in any other manner the holder of such Indebtedness or other obligation of the payment or performance thereof or to protect such holder against loss in respect thereof (in whole or in part). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as reasonably determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning. Notwithstanding the foregoing, the term Guarantee shall not include endorsements for collection or deposit in the Ordinary Course of Business.

“**Guarantor**” means each Subsidiary Guarantor, and any other Person executing a Guaranty Agreement.

“**Guaranty Agreement**” means a guaranty agreement delivered to Lender from time to time by any Person providing a Guarantee of any of the Obligations, in form and substance reasonably acceptable to Lender.

“**Hazardous Materials**” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes, or other pollutants or contaminants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious, or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“**Hedging Agreement**” means any interest rate protection agreement, foreign currency exchange agreement, currency options, spot contracts, collar transactions, commodity price protection agreement, rate swap transactions, basis swaps, forward rate transactions, or other interest rate, currency exchange rate, or commodity price hedging arrangement, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), designed to provide protection against fluctuations in interest rates, currency exchange rates, or commodity prices, whether or not any such transaction is governed by or subject to any master agreement.

“**Indebtedness**” means, at any time, with respect to any Person, without duplication:

~~(a)~~ (a) all obligations of such Person for borrowed money (including, without limitation, all obligations of such Person evidenced by any debenture, bond, note, commercial paper or security, but also including all such obligations for borrowed money not so evidenced);

~~(b)~~ (b) all obligations of such Person, to pay the deferred purchase price of property or services, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreements; provided that trade or accounts payable incurred in the ordinary course of business of such Person shall be excluded from this clause (b);

~~(e)~~(c) all Capital Lease Obligations of such Person;

~~(d)~~(d) all obligations for borrowed money secured by any Lien existing on Property owned by such Person (whether or not such obligations have been assumed by such Person or recourse in respect thereof is available against such Person);

~~(e)~~(e) all reimbursement obligations under any letter of credit or instruments serving a similar function issued or affected for its account;

~~(f)~~(f) all obligations of such person pursuant to any judgment or order issued by a court of any settlement of any litigation;  
and

~~(g)~~(g) all Synthetic Lease Obligations and Disqualified Equity Interests.

Indebtedness of a Person shall include all obligations of such Person of the character described in clause (a) through clause (g) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

“**Indemnified Taxes**” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Borrower under any Loan Document and (b) to the extent not otherwise described in clause (a) of this definition, Other Taxes.

“**Indemnitee**” has the meaning assigned to such term in [Section 9.3\(b\)](#).

“**Information**” has the meaning assigned to such term in [Section 9.11\(b\)](#).

“**Intercreditor Agreement**” means, individually and collectively, as the context may require, the Met Life Intercreditor Agreement and the Prudential Intercreditor Agreement.

“**Interest Expense**” means, of any Person for any period, total interest expense (including that attributable to Capital Lease Obligations) of such Person and its Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Subsidiaries (including, without limitation, all commissions, discounts and other fees and charges owed by such Person with respect to letters of credit and bankers’ acceptance financing and net costs of such Person under Hedging Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), in each case, calculated in accordance with GAAP.

“**Interest Period**” means, as to any SOFR Loan or SOFR Borrowing, the period commencing on the date of such Loan or Borrowing and ending on the numerically corresponding day in the calendar month that is one month thereafter; **provided** that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (c) no Interest Period shall extend beyond the Revolving Credit Maturity Date and (d) no tenor that has been removed from this definition pursuant to [Section 2.17\(d\)](#) shall be available for specification in such Borrowing Request. For purposes hereof, the date of a Loan or Borrowing initially shall be the date on which such Loan or Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Loan or Borrowing.

“**Inventory**” means, with respect to any Person, all of the “inventory” (as such term is defined in the UCC) of such Person.

“**Investment**” means, for any Person: (a) the acquisition (whether for cash, property, services, or securities or otherwise) of bonds, notes, debentures, or Equity Interests or other securities or substantially all the assets of, or any line of business or division of, any other Person, or the acquisition of assets of

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another Person that constitute a business unit, whether direct or indirect or in one transaction or series of transactions; (b) the making of any advance, loan or other extension of credit or capital contribution to, any other Person; (c) the entering into of any Guarantee or assumption of debt of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person; or (d) the entering into of any joint venture. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested (which, in the case of any Investment constituting the contribution of an asset or property, shall be based on the fair market value of such asset or property at the original time such Investment is made) plus the cost of all additions thereto, without adjustment for subsequent increases or decreases in the value of such Investment (other than adjustments for the repayment of, or the refund of capital with respect to, or the payment of interest or dividends on, the original principal amount of any such Investment).

“*Investment Company Act*” has the meaning assigned to such term in Section 3.8.

“*ISP*” means “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“*LC Disbursement*” means a payment made by Lender pursuant to a Letter of Credit.

“*LC Exposure*” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not been reimbursed by or on behalf of Borrowers at such time.

“*Land Development*” has the meaning set forth in the preamble to this Agreement.

“*Lender*” has the meaning set forth in the preamble to this Agreement.

“*Letter of Credit*” means any standby letter of credit issued pursuant to this Agreement.

“*Letter of Credit Documents*” means, with respect to any Letter of Credit, collectively, any application therefor and any other agreements, instruments or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (a) the rights and obligations of the parties concerned or at the risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations, each as the same may be modified and supplemented and in effect from time to time.

~~“*LIBO Rate*” means the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) and published in the “Money Rates” section of The Wall Street Journal (or if The Wall Street Journal is not available or does not publish that rate, any other authoritative source of that rate, selected by Lender from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in an amount equal to the Loans in the London interbank market at approximately 11:00 a.m., London time) on the Business Day immediately preceding the date of such determination, as the rate for dollar deposits with a one month maturity; provided, that (a) the LIBO Rate may be Adjusted from time to time in Lender’s discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs, and (b) in no event shall the LIBO Rate be less than zero.~~

“*Lien*” means any mortgage, deed of trust, lien, pledge, security interest, encumbrance or charge of any kind, whether or not consensual, any conditional sale or other title retention agreement or any Capital Lease.

“*Loan Documents*” means, collectively, this Agreement, the Fee Letter, Letter of Credit Documents, any Guaranty Agreements, the Intercreditor Agreement, the Note, the Security Documents, the Assignment of Crop Insurance, all Borrowing Requests, all requests for the issuance of Letters of Credit, all Collateral Access Agreements and all other documents, instruments, certificates, and agreements executed, delivered, or acknowledged by an Obligor (other than Organizational Documents and any Bank Product Agreements) in connection with or contemplated by this Agreement.

“*Loans*” mean the loans made by Lender to Borrowers pursuant to Section 2.1.

“*Margin Stock*” means “margin stock” within the meaning of Regulations U and X of the Board.

“*Material Adverse Effect*” means a material adverse change in, or a material adverse effect upon (a) the business, assets, results of operations, liabilities, or financial condition of Alico and its Subsidiaries,

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taken as a whole, (b) the ability of the Obligor to pay the Obligations and to perform any of their obligations under this Agreement or any of the other Loan Documents, (c) the validity or enforceability of this Agreement or any other Loan Document, or (d) the rights and remedies of or benefits available to Lender under this Agreement or any of the other Loan Documents.

“**Material Contract**” means with respect to any Obligor, (a) each Fruit Production Contract and (b) each other contract to which such Obligor is now or at any time hereafter a party the termination of which would be reasonably likely to have a Material Adverse Effect.

“**Material Indebtedness**” means Indebtedness (other than the Loans and Letters of Credit), of any Obligor in an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) exceeding \$5,000,000. For purposes of determining Material Indebtedness, the principal amount of the obligations of any Person in respect of any Hedging Agreement at any time shall be the Termination Value thereof.

“**Maximum Rate**” has the meaning assigned to such term in [Section 9.12](#).

“**MetLife**” means Metropolitan Life Insurance Company, a New York corporation.

“**MetLife Facility**” means the credit facility established for Alico, Alico-Agri, Plant World, Fruit Company and Land Development pursuant to that certain First Amended and Restated Credit Agreement, dated as of December 1, 2014, by and among Metropolitan Life Insurance Company, a New York corporation, and New England Life Insurance Company, a Massachusetts corporation, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“**Met Life Intercreditor Agreement**” means that certain Intercreditor Agreement, dated as of even date herewith, by and among Metropolitan Life Insurance Company, a New York corporation, Rabo, and New England Life Insurance Company, a Massachusetts corporation, and acknowledged by Borrowers, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“**Minute Maid Contract**” means that certain Fruit Purchase Agreement, dated as of October 5, 2011, by and between The Minute Maid Company, a Division of the Coca Cola Company and Orange-Co, as the same may be amended or supplemented from time to time and as the same has been assumed by the Borrowers.

“**Moody’s**” means Moody’s Investor Services, Inc.

“**Multiemployer Plan**” means a multiemployer plan as defined in Section 3(37) or 4001(a)(3) of ERISA to which any Company or any ERISA Affiliate contributes or is required to contribute.

“**Note**” means the promissory note of Borrowers in favor of Lender in substantially the form attached as [Exhibit N](#), as such promissory note may be amended, modified, supplemented, extended, renewed or replaced from time to time.

“**Obligations**” means (a) all of the obligations, indebtedness and liabilities of any Obligor to Lender under this Agreement or any of the other Loan Documents, including principal, interest, fees, prepayment premiums (if any), expenses, reimbursements and indemnification obligations and other amounts, (b) any other obligations, indebtedness and liabilities of any Obligor to Lender or any Affiliate of Lender, including principal, interest, fees, prepayment premiums (if any), expenses, reimbursements and indemnification obligations and other amounts, and (c) all of the Bank Product Obligations, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees, and expenses that accrue after the commencement by or against any Obligor of any proceeding under any Debtor Relief Law, regardless of whether such interest, fees, and expenses are allowed or allowable in whole or in part as a claim in such proceeding.

“**Obligor**” means each Borrower and each Guarantor.

“**OFAC**” has the meaning assigned to such term in the definition of “Sanctions”.

“**Orange-Co**” means Orange-Co, LP, a Delaware limited partnership.

“**Orange-Co Acquisition Agreement**” means that certain Asset Purchase Agreement, dated as of December 1, 2014, by and among Orange-Co, Alico, Orange-Co, LLC, a Florida limited liability company, and Tamiami Citrus, LLC, a Florida limited liability company.

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“**Ordinary Course of Business**” means, in respect of any transaction involving any Person, the ordinary course of such Person’s business, as applicable, undertaken by it in good faith and not for purposes of evading any covenant, condition, or restriction in any Loan Document.

“**Organizational Documents**” means, with respect to any Person (a) in the case of any corporation, the certificate of incorporation and by-laws (or similar documents) of such Person, (b) in the case of any limited liability company, the certificate or articles of formation and operating agreement (or similar documents) of such Person, (c) in the case of any limited partnership, the certificate of formation and limited partnership agreement (or similar documents) of such Person, (d) in the case of any general partnership, the partnership agreement (or similar document) of such Person, (e) in any other case, the functional equivalent of the foregoing, and (f) any shareholder, voting trust, or similar agreement between or among any holders of Equity Interests of such Person.

“**Other Connection Taxes**” means Taxes imposed as a result of a present or former connection between Lender and the jurisdiction imposing such Tax (other than connections arising from Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“**Other Debtor Relief Law**” has the meaning assigned to such term in [Section 9.15\(c\)\(iii\)](#).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing, or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“**Participant**” has the meaning assigned to such term in [Section 9.4\(c\)](#).

“**PBGC**” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

“**Periodic Term SOFR Determination Day**” has the meaning specified in the definition of “**Term SOFR**”.

“**Permitted Acquisition**” means an acquisition by a Borrower or any of its Wholly-Owned Domestic Subsidiaries of all or substantially all the assets of, or any line of business or division or business unit of, any other Person, or all or a majority of the Equity Interests of any Person; **provided** (a) all assets acquired (other than immaterial assets) are usable in, and the assets (other than immaterial assets) of such Person will be operated or used in a line of business permitted under [Section 6.3\(b\)](#), (b) Lender shall have received in accordance with the requirements of [Sections 5.8](#) and [5.9](#) all documents reasonably required by Lender to have a first-priority perfected security interest (subject to Permitted Encumbrances) in the Acquired Entity or Business acquired or created in such acquisition, together with all opinions of counsel, certificates, resolutions and other documents required by [Sections 5.8](#) and [5.9](#), in each case in form and substance reasonably acceptable to Lender, (c) the aggregate amount of the consideration (or, in the case of consideration consisting of assets, the fair market value of the assets) paid by Borrowers and their Subsidiaries shall not exceed \$5,000,000 for any single acquisition or series of related acquisitions or \$10,000,000 on a cumulative basis for all such acquisitions or purchases after the Effective Date, (d) any Person acquired (but excluding any of its Subsidiaries) will be a Wholly-Owned Domestic Subsidiary of a Borrower immediately after such acquisition and the assets being acquired are located within the United States, (e) such acquisition shall not be hostile and shall have been approved by the Board of Directors and shareholders of the target, (f) not later than 5 Business Days prior to the anticipated closing date of such acquisition, Borrowers shall provide to Lender with its due diligence package regarding the Acquired Entity or Business and such other information as Lender may reasonably request, which may include the total amount of such acquisition and other terms and conditions of the acquisitions, the full name and jurisdiction of organization of any new Subsidiary created or acquired for the purpose of effecting such acquisition, copies of historical and projected financial statements of the Acquired Entity or Business, a detailed description of assets to be acquired, copies of material agreements of the Acquired Entity or Business, and copies of any agreements, schedules or due diligence delivered in connection with the consummation of such acquisition, and (g) Borrowers shall have provided to Lender a certificate of a

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Responsible Officer of Administrative Borrower certifying that no Event of Default then exists or would be caused by such acquisition.

“**Permitted Amount**” means \$30,000,000 for each Fiscal Year.

“**Permitted Encumbrances**” means: (a) Liens, charges, or other encumbrances for taxes and assessments which are not yet due and payable or are being contested as provided in clause (c) below; (b) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which a Borrower shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall have been secured; (c) Liens, charges or other encumbrances for or priority claims incidental to the conduct of business or the ownership of properties and assets (including mechanic’s, warehousemen’s and attorney’s liens and statutory landlord’s liens and other statutory liens, and with respect to mechanic’s liens in existence on the date of this Agreement only, but only to the extent that such existing mechanic’s liens are affirmatively insured over in a policy of Borrower’s title issuance issued to Borrower) and deposits, pledges or Liens to secure statutory obligations, surety or appeal bonds or other Liens of like general nature incurred in the Ordinary Course of Business and not in connection with the borrowing of money; **provided**, in each case, that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate actions or proceedings; (d) pledges or deposits made in the Ordinary Course of Business in connection with worker’s compensation insurance, unemployment insurance, pensions or social security or other insurance programs; (e) Liens arising from good faith deposits in connection with or to secure performance of utilities, statutory obligations, leases, and other similar obligations (other than obligations in respect of the payment of borrowed money) in each case incurred in the Ordinary Course of Business; (f) zoning, land use, building and other governmental restrictions, regulations and ordinances, easements, survey exceptions, minor encroachments by and on the property of Borrowers or any of their Subsidiaries, railroad trackage rights, sidings and spur tracks, leases (including any precautionary UCC financing statements filed in connection with operating leases), subleases, special assessments, rights-of-way, covenants, conditions, restrictions and declarations on or with respect to the use of the property of Borrowers or any of their Subsidiaries, reservations, restrictions and other encumbrances (other than in connection with Indebtedness), and leases of or with respect to oil, gas, mineral, riparian and water rights and water usage, servicing agreements, development agreements, site plan agreements and other similar encumbrances incurred in the ordinary course of business and title defects or irregularities that are of a minor nature and that, in the aggregate, do not interfere in any material respect with the ordinary conduct of the business of the Obligors taken as a whole; (g) any interest or title of a ground lessor or any other lessor, sublessor or licensor under any ground leases or any other leases, subleases or licenses entered into by the Borrowers or any of their Subsidiaries in the Ordinary Course of Business, and all Liens suffered or created by any such ground lessor or any other lessor, sublessor or licensor (or any predecessor in interest) with respect to any such interest or title in the real property which is subject thereof; (h) leases or subleases, and licenses or sublicenses (including with respect to any fixtures, furnishings, equipment, vehicles or other personal property, or intellectual property), granted to others in the Ordinary Course of Business not interfering in any material respect with the business of the Borrowers taken as a whole; (i) (1) Liens securing the MetLife Facility as in existence on the date hereof or Liens securing any Refinancing Indebtedness thereof, **provided**, that in the case of a Lien securing (x) Refinancing Indebtedness, such Lien shall be limited to all or part of the same property that was secured by the original Lien (plus improvements on such property), and (y) the MetLife Facility or Refinancing Indebtedness thereof, such Lien shall be subject to the Met Life Intercreditor Agreement, and (2) Liens on certain real property (and related assets) of the Silver Nip Entities securing the Prudential Facility as in existence on the date of the Silver Nip Merger or Liens securing any Refinancing Indebtedness thereof, **provided**, that in the case of a Lien securing (x) Refinancing Indebtedness, such Lien shall be limited to all or part of the same property that was secured by the original Lien (plus improvements on such property), (y) the Prudential Facility or Refinancing Indebtedness thereof, commencing on March 30, 2015 or such later date as the Lender shall consent to in writing (with any such consent not to be unreasonably withheld) and at all times thereafter,

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such Lien shall be subject to the Prudential Intercreditor Agreement and the Silver Nip Conditions shall have been satisfied, and (z) the Prudential Facility or Refinancing Indebtedness thereof, if the property subject to such Lien has been sold or otherwise transferred and such Lien has been released, the Silver Nip entities may grant a Lien on additional real property and related assets as security for the Prudential Facility to replace the Lien that was released, but only to the extent that (A) the value of the assets on which such replacement Lien is granted is not greater than the value of the real property and related assets on which the original Lien was released, (B) such replacement Lien is not broader in scope than the Lien on real property and related assets that it is meant to replace and (C) such replacement Lien shall at all times be subject to the Prudential Intercreditor Agreement; (k) customary Liens (including the right of set-off) in favor of banking institutions encumbering deposits held by such banking institutions or in favor of collecting banks incurred in the Ordinary Course of Business; (l) Liens in favor of Lender or any Affiliate of Lender; (m) Liens in favor of Lender granted pursuant to Security Documents; (n) Liens securing any Indebtedness incurred under Section 6.1(e) or any Refinancing Indebtedness thereof, **provided**, that in the case of a Lien securing Refinancing Indebtedness, such Lien shall be limited to all or part of the same property that was secured by the original Lien (plus improvements on such property) and (o) Liens on certain assets of Citree securing the Citree Facility as in existence on the date hereof or Liens securing any Refinancing Indebtedness thereof, **provided**, that in the case of a Lien securing Refinancing Indebtedness, such Lien shall be limited to all or part of the same property that was secured by the original Lien (plus improvements on such property).

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority, or other entity.

“**Plan**” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which a Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“**Plant World**” has the meaning set forth in the preamble to this Agreement.

“**Prime Rate**” means the rate of interest per annum published in the Wall Street Journal as the U.S. dollar “prime rate” for such day and if the Wall Street Journal does not publish such rate on such day then such rate as most recently published prior to such day; **provided that in no event shall the Prime Rate be less than zero.**

“**Prudential Facility**” means, collectively, (a) the credit and term loan facility established for the Silver Nip Entities pursuant to that certain Loan Agreement, dated as of December 31, 2012 by and among Prudential Mortgage Capital Company, LLC, a Delaware limited liability company, and each of the Silver Nip Entities, together with the First Amendment to Loan Agreement dated March 26, 2013 and the Second Amendment to Loan Agreement dated September 4, 2014, and (b) the term loan facility established for the Silver Nip Entities pursuant to that certain Loan Agreement dated as of September 4, 2014 by and among Prudential Mortgage Capital Company, LLC, a Delaware limited liability company, and each of the Silver Nip Entities, in each case as the same may be further amended, restated, supplemented or otherwise modified from time to time to the extent permitted herein or in the Prudential Intercreditor Agreement.

“**Prudential Intercreditor Agreement**” means that certain Intercreditor Agreement by and among Prudential Mortgage Capital Company, LLC, a Delaware limited liability company, and Lender, and acknowledged by Borrowers and the Silver Nip Entities, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“**Qualified ECP Guarantor**” means, in respect of any Swap Obligation, each Obligor that has total assets exceeding USD\$10,000,000 at the time the relevant Guarantee or grant of the relevant security interests becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

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**“Qualified Equity Interest”** means and refers to any Equity Interest issued by a Borrower that is not a Disqualified Equity Interest.

**“Quarterly Date”** means the first day of February, May, August, and November of each year through the Revolving Credit Maturity Date.

**“Rabo”** means Rabo Agrifinance, Inc., a Delaware corporation.

**“Refinancing Indebtedness”** means refinancings, renewals, or extensions of Indebtedness so long as: (a) such refinancings, renewals, or extensions do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, or extended, other than by the amount of premiums paid thereon and the fees and expenses incurred in connection therewith, (b) such refinancings, renewals, or extensions do not result in a shortening of the average weighted maturity (measured as of the refinancing, renewal, or extension) of the Indebtedness so refinanced, renewed, or extended, nor are they on terms or conditions that, taken as a whole, are or could reasonably be expected to be materially adverse to the interests of Lender, (c) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension must include subordination terms and conditions that are at least as favorable to Lender as those that were applicable to the refinanced, renewed, or extended Indebtedness, and (d) the Indebtedness that is refinanced, renewed, or extended is not recourse to any Obligor other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended or secured by any property other than property that secured the Indebtedness that was refinanced, renewed, or extended.

**“Regulation U”** means Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

**“Related Parties”** means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, attorneys-in-fact, and representatives of such Person and of such Person’s Affiliates.

**“Relevant Governmental Body”** means [the Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board or the Federal Reserve Bank of New York, or any successor thereto.](#)

**“Resolution Authority”** means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

**“Responsible Officer”** means the manager, member, Authorized Person (as defined in the Organizational Documents), chief executive officer, president, chief financial officer, principal accounting officer, treasurer, or controller of any Person, or any person duly and validly authorized by such Person to perform any similar function. Any document delivered hereunder that is signed by a Responsible Officer of any Person shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Person and such Responsible Officer shall be presumed to have acted on behalf of such Person.

**“Restricted Payment”** means any direct or indirect dividend or other distribution (in cash, stock or in any other form of property) or any repurchase or redemption of Equity Interests or other applicable ownership interest.

**“Revolving Credit Availability Period”** means the period from and including the Effective Date and ending on the earlier of the Business Day immediately preceding the Revolving Credit Maturity Date and the date of termination of the Commitment pursuant to the terms hereof.

**“Revolving Credit Exposure”** means the sum of (a) the outstanding principal amount of Loans plus (b) the LC Exposure.

**“Revolving Credit Maturity Date”** means November 1, ~~2023~~2025.

**“S&P”** means Standard & Poor’s, a Division of The McGraw-Hill Companies, Inc.

**“Sanctioned Person”** has the meaning assigned to such term in [Section 3.17](#).

**“Sanctions”** means any sanctions administered by or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”), the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury, the Netherlands, or other relevant sanctions authority.

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“**SEC**” means the U.S. Securities and Exchange Commission, or its successor.

“**Security Agreement**” means the Security Agreement dated as of the Effective Date, by and between Obligor and Lender, in form and substance reasonably acceptable to Lender.

“**Security Documents**” means, collectively, the Security Agreement, the Control Agreements, and each other agreement, instrument, or document that creates or purports to create a Lien in favor of Lender and all UCC financing statements and fixture filings required by the Security Agreement, or such other agreement, instrument, or document to be filed with respect to the Liens on personal property (including Farm Products) and fixtures created pursuant thereto and each other security agreement or other document executed and delivered after the Effective Date to secure any of the Obligations.

“**Silver Nip Conditions**” means, collectively, each of the following, in each case in form and substance satisfactory to Lender: (i) a Guaranty Agreement, a joinder to the Security Agreement, Control Agreements, Assignments of Crop Insurance, and a collateral assignment of any Material Contract, including but not limited to, the Fruit Production Contracts, signed and delivered on behalf of each Silver Nip Entity; (ii) favorable written opinions addressed to Lender from counsel to each Silver Nip Entity; (iii) copies of such documents and certificates as Lender may reasonably request relating to the organization, existence and good standing of each Silver Nip Entity, the authorization of the execution, delivery and performance of the Loan Documents to which it is a party, and the identity, authority and capacity of each Responsible Officer authorized to act on behalf of Silver Nip Entity in connection with the Loan Documents; (iv) the results, dated as of a recent date, of searches conducted in the UCC filing records in the governmental office in the jurisdiction in which each Silver Nip Entity is organized, which shall have revealed no Liens with respect to any of the Collateral of the Silver Nip Entities except Permitted Encumbrances or Liens as to which Lender shall have received (and is authorized to file) termination statements or documents (Form UCC-3 or such other termination statements or documents as shall be required by applicable law) fully executed for filing; (v) evidence that all filings, registrations and recordings have been made in the appropriate governmental offices, and all other action has been taken, that Lender deems necessary or desirable in order to create, in favor of Lender, a perfected first-priority Lien on the Collateral of each Silver Nip Entity, subject to no other Liens except for Permitted Encumbrances; (vi) the Prudential Intercreditor Agreement duly executed by the parties thereto, together with evidence that the Silver Nip Entities have no rights to borrow additional loans under any Prudential Facility; and (vii) any “Know Your Customer” information requested by Lender pursuant to Section 9.13

“**Silver Nip Entities**” means 734 Citrus, 734 Co-op Groves, LLC, 734 LMC Groves, LLC, 734 BLP Groves, LLC, and 734 Harvest, LLC.

“**Silver Nip Merger**” means the merger in accordance with the Silver Nip Merger Agreement of 734 Sub with and into 734 Citrus, with 734 Citrus surviving the merger as a wholly owned subsidiary of Alico.

“**Silver Nip Merger Agreement**” means that certain Agreement and Plan of Merger dated as of December 2, 2014, by and among Alico, 734 Citrus, 734 Sub, and the other parties thereto.

“**SOFR**” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“**SOFR Borrowing**” means, as to any Borrowing, the SOFR Loans comprising such Borrowing.

“**SOFR Loan**” means a Loan that bears interest at a rate based on Term SOFR, other than pursuant to clause (c) of the definition of “Base Rate”.

“**Solvent**” means, with respect to any Person, that as of the date of determination, (a) the sum of such Person’s debt (including contingent liabilities) does not exceed the present fair saleable value of such Person’s present assets; (b) such Person’s capital is not unreasonably small in relation to its business as contemplated on such date of determination; (c) such Person has not incurred and does not intend to incur, or believe that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (d) such Person is “solvent” within the meaning given that term and similar

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terms under the Bankruptcy Code and applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, (i) the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5), (ii) “debt” means liability on a “claim,” and (iii) “claim” means any (A) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (B) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

“**State of Florida Land Sale**” means the sale by Alico of approximately 5,534 acres of real property located in Hendry County, Florida to the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida for approximately \$14,775,000.

“**State of Florida Land Sale 2020**” means the sale by Alico of certain parcels of real property located in Hendry County, Florida to the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida for approximately \$28,500,000.

“**Subsidiary**” means, with respect to any Person (the “**parent**”) at any date, any other Person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other Person of which more than 50% of the Equity Interests or more than 50% of the ordinary voting power, are as of such date, owned, controlled or held by the parent (either directly or through one or more intermediaries or both). Unless otherwise specified, “**Subsidiary**” means a Subsidiary of Alico.

“**Subsidiary Guarantor**” means each Subsidiary of Alico that shall be required to execute and deliver and become a party to and become bound by the Guaranty Agreement pursuant to [Section 5.8](#).

“**Sugarcane Sale**” means the sale by Borrowers of approximately 36,000 acres of real property to Global Ag Properties, LLC that closed on or about November 21, 2014.

“**Swap Obligation**” means, with respect to any Obligor, any obligation to pay or perform under any agreement, contract, or transaction, that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“**Sweep Depository**” has the meaning assigned to such term in the definition of “Sweep to Loan Arrangement”.

“**Sweep to Loan Arrangement**” means a cash management arrangement established by Borrowers with Lender or an Affiliate of Lender, as depository (in such capacity, the “Sweep Depository”), pursuant to which Lender is authorized (a) to make advances of Loans hereunder, the proceeds of which are deposited by Lender into a designated account of a Borrower maintained at the Sweep Depository, and (b) to accept as prepayments of the Loans hereunder proceeds of excess targeted balances held in such designated account at the Sweep Depository, which cash management arrangement is subject to such agreement(s) and on such terms acceptable to the Sweep Depository and Lender.

“**Synthetic Lease Obligation**” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including sale and leaseback transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“**Tax Affiliate**” means (a) any Borrower and its Subsidiaries and (b) any Affiliate of a Borrower with which such Borrower files or is eligible to file consolidated, combined, or unitary tax returns.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any Governmental Authority, including any interest, additions to tax, or penalties applicable thereto.

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“Term SOFR” means, (a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “*Periodic Term SOFR Determination Day*”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; **provided, however,** that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and (b) for any calculation with respect to an Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “*Base Rate Term SOFR Determination Day*”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; **provided, however,** that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day;

**provided, further,** that if Term SOFR determined as provided above (including pursuant to the proviso under clause (a) or clause (b) above) shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“*Term SOFR Administrator*” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Lender in its reasonable discretion).

“*Term SOFR Reference Rate*” means the forward-looking term rate based on SOFR.

“*Termination Value*” means, in respect of any Hedging Agreement, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Agreement, (a) for any date on or after the date such Hedging Agreement has been closed out and termination value determined in accordance therewith, such termination value, and (b) for any date prior to the date referenced in clause (a) of this definition the amount determined as the mark-to-market value for such Hedging Agreement, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Agreement (which may include any Lender or any Affiliate of any Lender).

“*Transaction Documents*” means, collectively, the Orange-Co Acquisition Agreement and the Loan Documents.

“*Transactions*” means (a) the consummation of the Acquisition, (b) the execution, delivery and performance by each Obligor of this Agreement and the other Loan Documents to which such Obligor is intended to be a party and the consummation of the transactions contemplated thereby, (c) the borrowing of Loans, (d) the use of the proceeds thereof, (e) the issuance of Letters of Credit hereunder, (f) the grant by each Obligor of the Liens granted by it pursuant to the Security Documents, (g) the payment of all obligations under the Existing Credit Agreements, and (h) the payment of all fees and expenses to be paid on or prior to the Effective Date and owing in connection with the foregoing.

“*Type*”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to (a) Term SOFR or (b) the Base Rate.

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“**UCC**” means the Uniform Commercial Code as adopted in the State of Florida; **provided**, in connection with any Lien granted under any Security Document, if the laws of any other jurisdiction would govern the perfection or enforcement of such Lien, “**UCC**” means the Uniform Commercial Code as in effect in such jurisdiction with respect to such Lien.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**United States**” and “**U.S.**” mean the United States of America.

“**U.S. Government Securities Business Day**” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“**U.S. Person**” means any Person that is a “**United States Person**” as defined in Section 7701(a)(30) of the Code.

“**USA Patriot Act**” has the meaning assigned to such term in the definition of “Anti-Terrorism Laws”.

“**Wholly-Owned**” means a Person in which (other than directors’ qualifying shares required by law) 100% of the Equity Interests, at the time as of which any determination is being made, is owned, beneficially and of record, by a Borrower, or by one or more of the other Wholly-Owned Subsidiaries of a Borrower, or both.

“**Withdrawal Liability**” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“**Withholding Agent**” means any Obligor and Lender.

“**Write-Down and Conversion Powers**” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

## 1.2 Interpretation

. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other

document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's permitted successors and assigns, (iii) the words "herein", "hereof", and "hereunder", and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) unless otherwise specified, all references in any Loan Document to Sections, Exhibits, and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and shall in each case include the rules and regulations promulgated thereunder, (vi) any table of contents, captions and headings are for convenience of reference only and shall not affect the construction of this Agreement or any other Loan Document, and (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts, and contract rights.

(a) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(b) To the extent applicable, if, in connection with any division or plan of division of a Company under Delaware law (or any comparable event under a different jurisdiction's law), any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time, and Borrowers or any Subsidiary shall be deemed to have made an Investment in the amount of the fair market value of the assets transferred by Borrowers or any such Subsidiary to such resulting Person (less the cash consideration received) in each case on the date of such Person's formation.

### 1.3 Accounting Terms; GAAP

. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed, and all accounting determinations and computations required under the Loan Documents shall be made, in accordance with GAAP, as in effect from time to time, consistently applied; **provided** that, (a) if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrowers or Lender shall so request, Lender and Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; **provided** that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein, and (ii) Borrowers shall provide to Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP, and (b) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to in Section 7 shall be made,

without giving effect to any election under Accounting Standards Codification 825-10 (or any other financial accounting standard having a similar result or effect) to value any Indebtedness or other liabilities of any Obligor or any Subsidiary of any Obligor at “fair value” (and such Indebtedness shall be deemed to be carried at 100% of the principal amount thereof).

#### **1.4 Letter of Credit Amounts**

. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; **provided, however**, that with respect to any Letter of Credit that, by its terms or the terms of any Letter of Credit Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

#### **1.1 Disclaimer**

. The Lender does not warrant or accept any responsibility for, and shall not have any liability with respect to, the continuation of, administration of, submission of, calculation of, or any other matter related to the “Base Rate”, “SOFR”, “Term SOFR”, and the “Term SOFR Reference Rate” any component definition thereof or rates referenced in the definition thereof or any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (a) any then-current Benchmark or any Benchmark Replacement, (b) any alternative, successor or replacement rate implemented pursuant to Section 2.17, whether upon the occurrence of a Benchmark Transition Event, and (c) the effect, implementation or composition of any Conforming Changes, including without limitation, (i) whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as the Base Rate, the existing Benchmark or any subsequent Replacement Benchmark prior to its discontinuance or unavailability, and (ii) the impact or effect of any alternative, successor or replacement reference rate or Conforming Changes on any other financial products or agreements in effect or offered by or to any Obligor or any of their Affiliates, including, without limitation, any Swap Obligation or Hedging Agreement. The Lender may select information sources or services in its reasonable discretion to ascertain the Base Rate or any Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service. The Lender and its affiliates or other related entities may engage in transactions that affect the calculation of the Base Rate, a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrowers.

## **2. THE CREDIT**

### **2.1 The Commitment**

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. Subject to the terms and conditions set forth herein, Lender agrees to make Loans to Borrowers from time to time during the Revolving Credit Availability Period in an aggregate principal amount at any time outstanding that will not result in the sum of the total Revolving Credit Exposures exceeding the total Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, Borrowers may borrow, prepay, and reborrow Loans.

## **2.2**~~Minimum Amounts~~**Loans and Borrowings**

(a)Subject to Sections 2.11 and 2.17, each Borrowing shall be a SOFR Loan with an Interest Period of one month. Lender at its option may make any SOFR Loan by causing any domestic or foreign branch or Affiliate of Lender to make such Loan; provided that (i) any exercise of such option shall not affect the obligation of Borrowers to repay such Loan in accordance with the terms of this Agreement and (ii) the non-performance of Lender's obligations by any domestic or foreign branch or Affiliate of Lender so nominated by it shall not relieve Lender from its obligations under this Agreement.

(b)Each Borrowing shall be in an aggregate amount of not less than \$100,000; **provided, however**, that to the extent Availability is less than \$100,000, the Borrowing shall be in the amount of the Availability.

## **2.3**Requests for Borrowings

. To request a Borrowing, Borrowers shall notify Lender of such request in writing, which request must be received by Lender not later than 12:00 noon, St. Louis, Missouri time, ~~one~~three U.S. Government Securities Business Day~~Days~~ before the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and shall be in the form of Exhibit 2.3 and signed by Administrative Borrower. Each Borrowing Request shall specify the following information:

- (a)the aggregate amount of the requested Borrowing; and
- (b)the date of such Borrowing, which shall be a Business Day.

## **2.4**Letters of Credit

(a)General. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 2.1, Borrowers may request Lender to issue, at any time and from time to time during the Revolving Credit Availability Period, Letters of Credit for its own account or for the account of one or more of its Subsidiaries, and to amend, renew or extend Letters of Credit previously issued by it, in each case, in such form as is acceptable to Lender. Letters of Credit issued, amended, renewed, or extended hereunder shall constitute utilization of the Commitment.

(c) Notice of Issuance, Amendment, Renewal, or Extension. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), Borrowers shall at least 5 Business Days (or such lesser period of time as may be acceptable to Lender) prior to the issuance, amendment, renewal or extension hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by Lender) to Lender a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire, the amount of such Letter of Credit, the name and address of the beneficiary thereof, the intended purpose of such Letter of Credit, the nature of the proposed amendment (if applicable), the account party, if other than a Borrower, and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by Lender, Borrowers also shall submit a letter of credit application on Lender's standard form in connection with any request for a Letter of Credit and such other Letter of Credit Documents as Lender may require. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any Letter of Credit Document submitted by any Borrower to, or entered into by any Borrower with, Lender relating to any Letter of Credit (other than the Letter of Credit), the terms and conditions of this Agreement shall control. Except as set forth in the immediately preceding sentence, this Section 2.4(b) shall not apply to the automatic extension of any Letter of Credit pursuant to Section 2.4(o).

(b) Limitations on Amounts. Subject to the terms and conditions set forth herein, Lender agrees to issue, amend, renew, or extend any Letter of Credit at any time and from time to time during the Revolving Credit Availability Period if (and upon issuance, amendment, renewal, or extension of each Letter of Credit Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal, or extension (i) the aggregate LC Exposures of Lender shall not exceed \$2,000,000, and (ii) the sum of the total Revolving Credit Exposures shall not exceed the total Commitment.

(d) Expiration Date. Unless otherwise agreed to by Lender in its sole discretion, each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date 12 months after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, 12 months after the then-current expiration date of such Letter of Credit), and (ii) the date that is 5 Business Days prior to the Revolving Credit Maturity Date; **provided**, Borrowers may request issuance or renewal of a Letter of Credit with an expiry date after the Revolving Credit Maturity Date if, no later than 30 days (or such shorter period to which Lender may agree in its sole discretion) prior to the Revolving Credit Maturity Date, Borrowers deposit into the Collateral Account an amount in immediately available funds equal to 105% of the face amount of such Letter of Credit. No Letter of Credit expiry shall be deemed to have occurred after such earlier date due to the effectiveness of the ISP.

(c) Letters of Credit under the Existing Credit Agreements. On the Effective Date, subject to the satisfaction of the conditions to effectiveness of the obligations of Lender hereunder set forth in Section 4.1, each of such "Letters of Credit" issued by Lender and outstanding under an Existing Credit Agreement and listed on Schedule 2.4(e) shall automatically, and without any action on the part of any Person, become outstanding Letters of Credit hereunder and entitled to the benefits of this Agreement and the other Loan Documents, and shall be governed

by the agreements pertaining thereto (which shall be deemed Letter of Credit Documents) and by this Agreement (which shall control in the event of a conflict). For purposes of Section 2.4(c), such Letters of Credit shall be deemed to utilize the Commitment.

(e)Reimbursement. If Lender shall make any LC Disbursement in respect of a Letter of Credit, Borrowers shall reimburse Lender in respect of such LC Disbursement by paying to Lender an amount equal to such LC Disbursement not later than 2:00 p.m., St. Louis, Missouri time, on (A) the Business Day that Borrowers receive notice of such LC Disbursement, if such notice is received prior to 12:00 noon, St. Louis, Missouri time, or (B) the Business Day immediately following the day that Borrowers receive such notice, if such notice is not received prior to such time.

(d)Obligations Absolute. Borrowers' obligation to reimburse LC Disbursements as provided in this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any other Letter of Credit Document or any Loan Document, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect, or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit, (iii) payment by Lender under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, or any payment by Lender under any Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law, (iv) the existence of any claim, counterclaim, set-off, defense or other right that Borrowers or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), Lender or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction, (v) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of or defense to Borrowers' obligations hereunder, (vi) any amendment or waiver of or consent to any departure from any or all of the Loan Documents, (vii) any improper use which may be made of any Letter of Credit or any improper acts or omissions of any beneficiary or transferee of any Letter of Credit in connection therewith, (viii) the existence of any claim, set-off, defense or any right which any Borrower may have at any time against any beneficiary or any transferee of any Letter of Credit (or Persons for whom any such beneficiary or any such transferee may be acting), any Lender or any other Person, whether in connection with any Letter of Credit, any transaction contemplated by any Letter of Credit, this Agreement, or any other Loan Document, or any unrelated transaction, (ix) the insolvency of any Person issuing any documents in connection with any Letter of Credit, (x) any breach of any agreement between any Borrower and any beneficiary or transferee of any Letter of Credit, (xi) any irregularity in the transaction with respect to which any Letter of Credit is issued, including any fraud by the beneficiary or any transferee of such Letter of Credit, (xii) any errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, wireless, or otherwise, whether or not they are in code,

(xiii) any act, error, neglect or default, omission, insolvency, or failure of business of any of the correspondents of Lender, and (xiv) any other circumstances arising from causes beyond the control of Lender. Nothing in this Agreement shall impact the rights of any Obligor to bring action against the beneficiary of any Letter of Credit.

(f)Exculpation. Neither Lender, any of their respective Related Parties nor any correspondent bank of Lender, shall have any liability or responsibility by reason of or in connection with the issuance (or the amendment, renewal or extension) or transfer of any Letter of Credit by Lender or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in Section 2.4(g)), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of Lender; **provided** that the foregoing shall not be construed to excuse Lender from liability to Borrowers to the extent of any direct damages (as opposed to indirect, punitive, exemplary or consequential or exemplary damages, claims in respect of which are hereby waived by Borrowers to the extent permitted by applicable law) suffered by Borrowers that are caused by Lender's gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction) when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. In furtherance and not in limitation of the foregoing, the parties hereto expressly agree that:

(i)Lender may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit;

(i)Lender shall have the right, in its sole discretion, to decline to accept such documents and to decline to make payment upon presentation of such documents if such documents are not in strict compliance with the terms of the related Letter of Credit; and

(ii)clauses (i) and (ii) of Section 2.4(h) establish the standard of care to be exercised by Lender when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

(e)Disbursement Procedures. The Lender for any Letter of Credit shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. The Lender shall promptly after such examination notify Lender and Borrowers by telephone (confirmed by telecopy) of such demand for payment and whether Lender has made or will make an LC Disbursement thereunder; **provided** that any failure to give or delay in giving such notice shall not relieve any Borrower of its obligation to reimburse Lender with respect to any such LC Disbursement.

(g)Interim Interest. If Lender for any Letter of Credit shall make any LC Disbursement, then, unless Borrowers shall reimburse such LC Disbursement in full on the date

such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that Borrowers reimburse such LC Disbursement, at the rate per annum then applicable to the Loans; **provided** that, if Borrowers fail to reimburse such LC Disbursement when due pursuant to Section 2.4(f), then Section 2.10(b) shall apply. Interest accrued pursuant to this Section 2.4(j) shall be for the account of Lender.

(f)[Intentionally Omitted].

(h)Cash Collateralization. If (i) an Event of Default shall occur and be continuing and Borrowers receive notice from Lender demanding the deposit of Cash Collateral pursuant to this Section 2.4(l), or (ii) Borrowers shall be required to provide Cash Collateral for LC Exposure pursuant to Section 8.1, Borrowers shall immediately (or within any such longer time period as may be set forth in such Sections) deposit into the Collateral Account an amount in cash equal to, in the case of an Event of Default, the LC Exposure as of such date plus any accrued and unpaid interest thereon; **provided** that the obligation to deposit such Cash Collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in clauses (h) or (i) of Section 8.1. Such deposit shall be held by Lender in such Collateral Account as collateral in the first instance for the LC Exposure under this Agreement and thereafter for the payment of the Obligations. Each Borrower hereby grants a security interest to Lender in such Collateral Account and in any cash, balances, financial assets (as defined in the UCC) or other property held therein and all proceeds thereof.

(g)Applicability of ISP and UCP. Unless otherwise expressly agreed by Lender and Borrowers when a Letter of Credit is issued and subject to applicable laws, the Letters of Credit shall be governed by and subject to ISP or the rules of the Uniform Customs and Practice for Documentary Credits (“UCP”), as published in its most recent version by the International Chamber of Commerce on the date any Letter of Credit is issued.

(i)[Intentionally Omitted].

(h)Automatic Extension. Borrowers may request and Lender may issue Letters of Credit that may automatically be extended for one or more successive periods not to exceed one year each, **provided** that Lender has the option to elect not to extend for any such additional period.

(j)Illegality under Letters of Credit. If, at any time, it becomes unlawful for any Lender to comply with any of its obligations under any Letter of Credit (including, but not limited to, as a result of any sanctions imposed by the United Nations, the European Union, the Netherlands, the United Kingdom and/or the United States), the obligations of such Lender with respect to such Letter of Credit shall be suspended (and all corresponding rights shall cease to accrue) until such time as it may again become lawful for Lender to comply with its obligations under such Letter of Credit, and Lender shall not be liable for any losses that the Obligors may incur as a result.

## 2.5Funding of Borrowings

. Lender shall make each Loan hereunder on the proposed date thereof available to Borrowers by promptly crediting the amount of such Loan, in like funds, to the Designated Account; **provided** that the Loans made on the Effective Date shall be disbursed in such amounts and to such Persons as may be agreed in writing by Lender and Borrowers.

## **2.6 Termination and Reduction of the Commitment**

(a) Scheduled Termination. Unless previously terminated in accordance with the terms hereof, the Commitment shall terminate on the Revolving Credit Maturity Date.

(k) Voluntary Termination or Reduction. Borrowers may at any time terminate, or from time to time reduce, the Commitment; **provided** that (i) each reduction of the Commitment pursuant to this Section shall be in an amount that is \$5,000,000 or a larger multiple of \$1,000,000 in excess thereof and (ii) Borrowers shall not terminate or reduce the Commitment if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.8, the sum of the total Revolving Credit Exposures would exceed the total Commitment.

(b) Notice of Voluntary Termination or Reduction. Borrowers shall notify Lender of any election to terminate or reduce the Commitment under Section 2.6(b) by no later than 12:00 noon, St. Louis, Missouri time, at least one Business Day prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Each notice delivered by Borrowers pursuant to this Section shall be irrevocable; **provided** that a notice of termination of the Commitment delivered by Borrowers may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by Borrowers (by notice to Lender on or prior to the specified effective date) if such condition is not satisfied.

(l) Effect of Termination or Reduction. Any termination or reduction of the Commitment shall be permanent. All commitment fees accrued on the portion of the Commitment terminated until the effective date of such termination of the Commitment shall be paid on the effective date of such termination.

## **2.7 Repayment of Loans; Evidence of Debt**

(a) Repayment. Borrowers hereby unconditionally promise to pay the aggregate outstanding principal amount of the Loans to Lender on the Revolving Credit Maturity Date or any earlier date of termination of this Agreement or acceleration of the Loans due hereunder in accordance with the terms hereof.

(m) Maintenance of Loan Accounts by Lender. Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Borrowers to Lender resulting from each Loan made by Lender, including the amounts of principal and interest payable and paid to Lender from time to time hereunder.

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(b)Effect of Entries. The entries made in the accounts maintained pursuant to Section 2.7(b) shall be conclusive evidence of the existence and amounts of the obligations recorded therein; **provided** that the failure of Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of Borrowers to repay the Loans in accordance with the terms of this Agreement.

## 2.8 Prepayment of Loans

(a)Optional Prepayments. Borrowers shall have the right at any time and from time to time to prepay the Loans in whole or in part, subject to the requirements of this Section.

(n)[Intentionally Omitted].

(b)Order of Application to Loans. Each optional prepayment of the Loans made under Section 2.8(a) shall be applied (i) first, to repay the outstanding principal balance of the Loans (without a corresponding reduction in the Commitment unless an Event of Default then exists), and (ii) second, to Cash Collateralize the LC Exposure in an amount at least equal to 105% of the amount of such LC Exposure.

(o)Notices, Etc.

(i)Borrowers shall notify Lender in writing of any optional prepayment under Section 2.8(a), not later than 12:00 noon, St. Louis, Missouri time, at least one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, and the principal amount of each Borrowing or portion thereof to be prepaid; **provided** that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitment as contemplated by Section 2.6(c), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.6(c).

(i)Each partial prepayment of any Borrowing shall be in an amount such that the remaining amount outstanding of each Borrowing would be permitted as provided in Section 2.2. Prepayments shall be accompanied by accrued interest, and shall be made in the manner specified in this Section 2.8.

## 2.9 Fees

(a)Commitment Fee. Borrowers agree to pay to Lender a commitment fee, which shall accrue at the Applicable Margin applicable for the "Commitment Fee" on the daily amount equal to the Commitment minus the aggregate amount on the outstanding Loans and LC Exposure for each date during the period from and including the Effective Date to but excluding the earlier of the date the Commitment terminates and the Revolving Credit Maturity Date. Accrued commitment fees through but not including each Quarterly Date shall be payable on each such Quarterly Date and on the earlier of the date the Commitment terminates and the Revolving Credit Maturity Date, commencing on the first such date to occur after the Effective Date. All

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commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(p) Letter of Credit Fees. Borrowers agree, jointly and severally, to pay to Lender for its own account (i) a Letter of Credit fee, in connection with each Letter of Credit issued hereunder, in an amount equal to the Applicable Margin then applicable for the “Letter of Credit Fee” multiplied by the amount of such Letter of Credit, with such fee being due and payable on the date of issuance of such Letter of Credit and on the date of each renewal or extension thereof, **provided**, that in the event Lender agrees to issue or renew a Letter of Credit that has an expiry date more than 12 months after such date of issuance or renewal, the Letter of Credit Fee with respect to such Letter of Credit shall be due and payable on each anniversary of the issuance or renewal thereof as if such Letter of Credit had been renewed or extended on the date of each such anniversary, and (ii) Lender’s standard fees and other standard costs and charges with respect to the issuance, amendment, administration, renewal, extension, cancellation or conversion of any Letter of Credit or processing of drawings thereunder, with such fees being due and payable within 10 days after demand by Lender.

(b) Payment of Fees. All fees payable hereunder shall be paid on the dates due, in immediately available funds in Dollars, to Lender. Fees paid shall not be refundable under any circumstances.

## 2.10 Interest

(a) Loans. The Loans comprising each SOFR Borrowing shall bear interest at a rate per annum equal to ~~the LIBO Rate (Adjusted on the first day of each calendar month)~~ Term SOFR for the Interest Period therefor plus the Applicable Margin; and (ii) the Loans comprising each Base Rate Borrowing shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin.

(q) Default Interest. Borrowers shall pay interest on the principal amount of all outstanding Loans and, to the fullest extent permitted by law, the outstanding amount of all interest, fees and other Obligations, at a rate per annum equal to the Default Rate immediately upon the occurrence and during the continuation of any Event of Default.

(b) Payment of Interest. Accrued interest on each Loan through, but not including, each Quarterly Date shall be payable on each such Quarterly Date and upon termination of the Commitment (or earlier date of termination of this Agreement or acceleration of the Loans due hereunder pursuant to the terms hereof); **provided** that (i) interest accrued pursuant to Section 2.10(b) shall be payable on demand **and**, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any SOFR Borrowing pursuant to Section 2.11 or 2.17 prior to the end of the current Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion. Borrowers’ obligations under this Section 2.10(c) shall survive the termination of the Commitment and the repayment of all other Obligations hereunder.

(r)Computation. All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Subject to Section 9.12, there is no limit on the amount that a rate of interest subject to Adjustment by Lender may increase at any one time, or in the aggregate. The ~~LIBO~~rates for the Base Rate or Term SOFR shall be determined by Lender, and such determination shall be conclusive absent manifest error.

**2.11~~Inability to Determine Rates; Alternative~~Alternate Rate of Interest; Illegality**

(c)Alternate Rate of Interest. Subject to Section 2.17, if, on or prior to the first day of any Interest Period for any SOFR Loan:

~~(i)(a) If, in connection with any Loan, no Benchmark Transition Event shall have occurred at such time but Lender determines that (i) United States dollar deposits are not being offered to banks in the London interbank market for the applicable amount of such Loan, (ii) Lender determines (which determination shall be conclusive and binding on the Borrowers) that (x) adequate and reasonable means do not exist for determining the applicable LIBO Rate (including, without limitation, because the LIBO Rate is not available or published on a current basis), ascertaining Term SOFR or (iii) any Governmental Authority has made it illegal or imposed material restrictions on the ability of Lender to maintain or fund Loans based upon the LIBO Rate, or (iv) the applicable LIBO Rate~~Term SOFR cannot be determined pursuant to the definition thereof, or

~~(ii) Lender determines that for any reason in connection with any request for a SOFR Loan or a continuation thereof that Term SOFR with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to Lender of making or maintaining that funding such~~ Loan,

~~then, Lender will as promptly as practicable so notify Administrative Borrower. Thereafter, the~~ Upon notice thereof by Lender to Administrative Borrower, (x) any obligation of Lender to make ~~or maintain any Loan bearing interest at the applicable LIBO Rate~~SOFR Loans, and any right of the Borrowers to continue SOFR Loans shall be suspended ~~(to the extent of the affected SOFR Loans or affected Interest Periods) and (y) if the circumstances giving rise to such notice affect the calculation of Base Rate, Lender shall during the period of such suspension compute Base Rate without reference to clause (c) of the definition of "Base Rate", in each case, until Lender revokes such notice, and all Loans which would otherwise bear interest.~~ Upon receipt of such notice, (x) the Borrowers may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans or affected Interest Periods) or, failing that, the Borrowers will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans in the amount specified therein and (y) any outstanding affected SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable LIBO Rate Interest Period. Upon any such conversion, the Borrowers shall ~~accrue~~also pay accrued interest ~~at that rate, per annum, equal to a rate determined by Lender in Lender's reasonable discretion~~ on the amount so converted.

(a)Illegality. If ~~a Benchmark Transition Event occurs, then Lender may, by notice to Administrative Borrower, select an alternate rate of interest for~~ Lender determines that any applicable law has made it unlawful, or that any Governmental Authority has asserted that

it is unlawful, for Lender or its applicable lending office to make, maintain, or fund Loans whose interest is determined by reference to SOFR, Term SOFR or the ~~LIBO~~Term SOFR Reference Rate ~~that gives due consideration to the then-evolving or prevailing market convention for determining a rate of interest for loans in Dollars at such time (the “Alternate~~to determine or charge interest rates based upon SOFR, Term SOFR or the Term SOFR Reference Rate<sup>2</sup>), and each Borrower acknowledges that the Alternate Rate may include a mathematical adjustment using any then-evolving or prevailing market convention or method for determining a spread adjustment for the replacement of the LIBO Rate (it being the intent of the parties to this Agreement that the Alternate Rate, including any then, upon notice thereof by Lender to Administrative Borrower, (i) any obligation of Lender to make or continue SOFR Loans shall be suspended, and (ii) the interest rate on Base Rate Loans shall, if necessary to avoid such ~~spread adjustment~~illegality, will be as comparable as reasonably possible to the LIBO Rate, in accordance with any prevailing market convention). For avoidance of doubt, all references to the LIBO Rate shall be deemed to be references to the Alternate Rate when the Alternate Rate becomes effective in accordance with this section. ~~In addition~~determined by Lender without reference to clause (c) of the definition of “Base Rate”, in each case, until Lender will have the right, from time to time by notice to ~~notifies~~ Administrative Borrower ~~to make technical, administrative or operational changes (including, without limitation, changes~~that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) Borrowers shall, upon demand from Lender, prepay or, if applicable, convert all SOFR Loans to Base Rate Loans (the ~~timing and frequency of determining rates and making payments of interest and other administrative matters~~) that Lender decides in its reasonable discretion may be appropriate to reflect the adoption and implementation ~~interest rate on which Base Rate Loans shall, if necessary to avoid such illegality, be determined by Lender without reference to clause (c) of the~~ Alternate Rate. ~~The Alternate Rate, together with all such technical, administrative and operational changes as specified in any notice,~~definition of “Base Rate”), on the last day of the Interest Period therefor if Lender may lawfully continue to maintain such SOFR Loans to such day, or immediately, if Lender may not lawfully continue to maintain such SOFR Loans and (y) Lender shall ~~become effective at~~during the later period of (i) the fifth Business Day after Lender has provided notice to Administrative Borrower (the “Notice Date”) and (ii) a date specified by Lender in the notice, ~~without any further action~~such suspension compute the Base Rate applicable to such Loans without reference to Term SOFR component thereof until Administrative Borrower is advised in writing by Lender that it is no longer illegal for Lender to determine or charge interest rates based upon SOFR, Term SOFR or ~~consent of the~~ Borrowers, so long as Lender has not received, by 5:00 pm St. Louis, Missouri time on the Notice Date, written notice of objection to the Alternate Rate from the Borrowers. Any determination, decision, or election that may be made by Lender pursuant to this section, including any determination with respect to a rate or adjustment or the occurrence or non-occurrence of an event, circumstance or date, and any decision to take or refrain from taking any action, will be conclusive and binding ~~absent manifest error and may be made in its sole discretion and without consent from~~Term SOFR Reference Rate. Upon any such prepayment or conversion, the Borrowers. ~~In no event shall the Alternate Rate be less than zero. Lender does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the LIBO Rate or the Alternate Rate or with respect to any alternative, successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or~~

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~~characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of the LIBO Rate or have the same volume or liquidity as did the LIBO Rate prior to its discontinuance or unavailability~~ also pay accrued interest on the amount so converted.

## 2.12 Increased Costs

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify, or deem applicable any reserve ~~(including pursuant to regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D))~~, special deposit, compulsory loan, insurance charge, or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, Lender ~~(except any reserve requirements, deposit insurance assessment rates, or any other regulatory costs reflected in the LIBO Rate)~~;

(i) subject Lender to any Taxes (other than Indemnified Taxes, Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(ii) impose on Lender ~~or the London interbank market~~ any other condition, cost, or expense (other than Taxes) affecting this Agreement or SOFR Loans made by Lender;

and the result of any of the foregoing shall be to increase the cost to Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to Lender in issuing or maintaining any Letter of Credit, or to reduce the amount of any sum received or receivable by Lender hereunder (whether of principal, interest or any other amount) then, upon request of Lender, Borrower will pay to Lender such additional amount or amounts as will compensate Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If Lender determines that any Change in Law ~~(except any reserve requirements, deposit insurance assessment rates, or any other regulatory costs reflected in the LIBO Rate)~~ affecting Lender or any lending office of Lender, or Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on Lender's capital or on the capital of Lender's holding company, if any, as a consequence of this Agreement, the Commitment of Lender or the Loans made by Lender, or the Letters of Credit issued by Lender, to a level below that which Lender or Lender's holding company could have achieved but for such Change in Law (taking into consideration Lender's policies and the policies of Lender's holding company with respect to capital adequacy or liquidity), then from time to time Borrowers will pay to Lender, as the case may be, such additional amount or amounts as will compensate Lender or Lender's holding company for any such reduction suffered.

(s)Certificates for Reimbursement. A certificate of Lender setting forth the amount or amounts necessary to compensate Lender or its holding company, as the case may be, as specified in ~~Sections~~Section 2.11(a) or 2.11(b) and delivered to Administrative Borrower shall be conclusive absent manifest error. Borrowers shall pay Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(c)Delay in Requests. Failure or delay on the part of Lender to demand compensation pursuant to this Section shall not constitute a waiver of Lender's right to demand such compensation, **provided** that Borrowers shall not be required to compensate Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that Lender notifies Borrowers of the Change in Law giving rise to such increased costs or reductions and of Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

## 2.13Taxes

(a)Defined Terms. For purposes of this Section 2.13, the term "applicable law" includes FATCA.

(t)Payments Free of Taxes. Any and all payments by or on account of any obligation of any Obligor under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Obligor shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b)Payment of Other Taxes by the Obligors. The Obligors shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of Lender timely reimburse it for the payment of, any Other Taxes.

(u)Indemnification by the Obligors. The Obligors shall jointly and severally indemnify Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by Lender or required to be withheld or deducted from a payment to Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrowers by Lender shall be conclusive absent manifest error.

(c)Evidence of Payments. As soon as practicable after any payment of Taxes by any Obligor to a Governmental Authority pursuant to this Section 2.13(e), such Obligor shall deliver to Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Lender.

(v)Status of Lender. To the extent Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, Lender shall deliver to Borrowers, at the time or times reasonably requested by Borrowers, such properly completed and executed documentation reasonably requested by Borrowers as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Lender, if reasonably requested by Borrowers, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrowers as will enable Borrowers to determine whether or not Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution, and submission of such documentation shall not be required if in Lender's reasonable judgment such completion, execution, or submission would subject Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of Lender.

(d)Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.13 (including by the payment of additional amounts pursuant to this Section 2.13), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.13 (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.13, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.13 the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld, or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 2.13 shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(w)Survival. Each party's obligations under this Section 2.13 shall survive any assignment of rights by Lender, the termination of the Commitment and the repayment, satisfaction or discharge of all obligations under any Loan Document.

## **2.14 Payments Generally**

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(a) Payments by the Obligors. The Obligors shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements or under Section 9.3 or otherwise) or under any other Loan Document (except to the extent otherwise provided therein) prior to 2:00 p.m., St. Louis, Missouri time, on the date when due, in immediately available funds, without condition or deduction for any counterclaim, defense, recoupment or set-off. Any amounts received after such time on any date may, in the discretion of Lender, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to Lender at such account as Lender may designate to Borrower in writing from time to time. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder or under any other Loan Document shall be made in Dollars.

(x) Application of Insufficient Payments. If at any time insufficient funds are received by and available to Lender to pay fully all amounts of principal, unreimbursed LC Disbursements, interest, and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

### **2.15 Note**

. The Loans shall be evidenced by the Note. The execution and delivery by Borrowers of the Note shall not limit, reduce or otherwise affect the obligations of Borrowers under this Agreement, and the rights and claims of Lender under the Note shall not replace or supersede the rights and claims of Lender hereunder. Lender may exercise its rights, remedies and claims under the Note independently from Lender's rights, remedies and claims hereunder. Payment by Borrowers of any amount owing under the Note or this Agreement shall discharge the liability of Borrowers with respect to the paid amount owing under this Agreement and the Note evidencing the Loans, respectively, without duplication. In the event that any conflict arises between the provisions of this Agreement and the terms of the Note as to the amounts payable hereunder and thereunder (including, without limitation, the interest rate applicable to the Loans), the provisions of this Agreement shall be deemed to prevail.

### **2.16 Sweep to Loan Arrangement**

. So long as a Sweep to Loan Arrangement is in effect, and subject to the terms and conditions thereof, Loans may be advanced and prepaid hereunder notwithstanding any notice, minimum amount, or funding and payment location requirements set forth in Sections 2.2, 2.3, 2.5 and 2.8 hereunder for any advance of Loans or for any prepayment of any Loans. The making of any such Loans shall otherwise be subject to the other terms and conditions of this Agreement. Lender shall have the right in its sole discretion to suspend or terminate the making and/or

prepayment of Loans pursuant to such Sweep to Loan Arrangement with notice to the Sweep Depository and Alico, whether or not any Default or Event of Default exists. Lender shall not be liable to any Borrower or any other Person for any losses directly or indirectly resulting from events beyond Lender's reasonable control, including any interruption of communications or data processing services or legal restriction or for any special, indirect, consequential or punitive damages in connection with any Sweep to Loan Arrangement.

## **1.2 Benchmark Replacement Setting**

(a) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, Lender and the Borrowers may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.17(a) will occur prior to the applicable Benchmark Transition Start Date.

(b) In connection with the use, administration, adoption or implementation of a Benchmark Replacement, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Lender will promptly notify the Borrowers of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. Lender will promptly notify the Borrowers of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.17(d). Any determination, decision or election that may be made by Lender pursuant to this Section 2.17, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.17.

(d) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by Lender in its reasonable discretion or (B) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks, then Lender may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (ii) if a tenor that was

removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks for a Benchmark (including a Benchmark Replacement), then Lender may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Upon the Borrowers’ receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrowers may revoke any pending request for a SOFR Borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrowers will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

### **1.3 SOFR Conforming Changes**

In connection with the use, administration of, or conventions associated with, Term SOFR and the Term SOFR Reference Rate, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. Lender will reasonably promptly notify the Borrowers of the effectiveness of any such Conforming Changes.

## **3. REPRESENTATIONS AND WARRANTIES**

In order to induce Lender to enter into this Agreement, Borrowers represent and warrant to Lender, on the Amendment Effective Date and on the date of each Credit Extension except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date), that the following statements are true and correct:

### **3.1 Corporate Existence**

. Each Company (a) is duly organized or formed, validly existing, and in good standing under the laws of the jurisdiction of its organization or formation, (b) has the requisite power (corporate or otherwise) and authority, and the legal right, to own and operate its properties, to lease the property it operates as lessee and to conduct the business in which it is currently engaged and intends to engage in upon the consummation of the Transactions, and (c) is duly qualified as a foreign corporation in each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

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### **3.2 Corporate Power; Authorization; Enforceable Obligations**

. Each Obligor has the power (corporate or otherwise) and authority, and the legal right, to execute, deliver and perform the Transaction Documents to which it is a party and, in the case of Borrowers, to borrow hereunder and, in the case of each Guarantor, to guarantee the Obligations. Each Obligor has taken all necessary corporate or other action to authorize the Transactions and the execution, delivery and performance of the Transaction Documents to which it is a party and, in the case of Borrowers, to authorize the borrowings on the terms and conditions of this Agreement and, in the case of each Guarantor, to authorize the guarantee of the Obligations. No consent or authorization of, filing with, notice to, registration with or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the Transactions, the borrowings hereunder, the guarantees of the Obligations or the execution, delivery, performance, legality, validity, or enforceability of this Agreement or any of the other Transaction Documents except (a) consents, authorizations, filings and notices which have been obtained or made and are in full force and effect and (b) the filings and recordings to perfect Liens under the Security Documents. Each Transaction Document has been duly executed and delivered on behalf of each Obligor that is a party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid, and binding obligation of each Obligor that is a party thereto, enforceable against each such Obligor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other laws affecting creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

### **3.3 No Conflicts**

. The execution, delivery, and performance of this Agreement and the other Transaction Documents by each Obligor, the borrowings hereunder and the use of the proceeds thereof will not (a) contravene the terms of the Organizational Documents of such Obligor, (b) violate (i) any law, treaty, rule, or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Obligor or any of its property or to which such Obligor or any of its property is subject, or (ii) any other material agreement, instrument, or other undertaking to which such Obligor is a party or by which it or any of its property is bound, and (c) will not result in, or require, the creation or imposition of any Lien on any Obligor's properties or revenues (other than the Liens created by the Security Documents).

### **3.4 Financial Condition; No Material Adverse Change**

(a) Financial Condition. Borrowers have heretofore furnished to ~~Lenders~~[Lender](#) their consolidated balance sheet and statements of income, stockholders' equity and cash flows (i) as of and for the Fiscal Year ended September 30, 2013, reported on by McGladrey & Pullen, LLP, independent public accountants, and (ii) as of and for the Fiscal Quarter and the portion of the Fiscal Year ended June 30, 2014, certified by a Responsible Officer of Borrowers. Such financial statements present fairly in all material respects, the financial position and results of operations and cash flows of Borrowers and their Subsidiaries as of such dates and for such periods in

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accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) of this Section 3.4(a).

(y)No Material Adverse Change. Since September 30, 2013, there has been no development or event that either individually or in the aggregate has had or would reasonably be expected to have or cause a Material Adverse Effect.

### **3.5 Properties**

(a)Property Generally. Each Company has good and marketable title to all of its assets material to its business. All such assets are free and clear of Liens except for Permitted Encumbrances.

(z)Intellectual Property. Each Company owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property necessary to the conduct of its business as currently conducted, and, to its knowledge, the use thereof by such Company does not infringe upon the rights of any other Person.

### **3.6 Litigation**

. There are no actions, suits, investigations, or proceedings by or before any arbitrator or Governmental Authority now pending against or, to the knowledge of Borrowers, threatened in writing against or affecting any Company that (a) involve any of the Transaction Documents or any of the Transactions contemplated hereby or thereby, or (b) would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

### **3.7 Compliance with Laws and Agreements**

. Each Company is in compliance with all laws, regulations, orders, writs, injunctions, and decrees of any Governmental Authority applicable to it or its property (including all Environmental Laws) and all indentures, agreements and other instruments binding upon it or its property, except where the failure to be in compliance, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

### **3.8 Investment Company Status**

. No Obligor is an “investment company” or a company “controlled” by an “investment company”, as defined in, or subject to regulation under, the Investment Company Act of 1940 (the “*Investment Company Act*”). No Obligor is subject to regulation under any other federal or state statute or regulation that limits its ability to incur Indebtedness or that otherwise renders all or any portion of the Obligations unenforceable.

### **3.9 Taxes**

. Each Company and its Tax Affiliates have timely filed or caused to be filed all federal and all material state, local and non-U.S. Tax returns and reports required to have been

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filed and has paid or caused to be paid all Taxes shown therein to be due (including interest and penalties) and has paid all other material Taxes, except (a) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which such Person has set aside on its books adequate reserves in accordance with GAAP or (b) Taxes which are not yet delinquent. There is no tax assessment proposed in writing, or to the knowledge of any Obligor, threatened, against any Company or Tax Affiliates that would, if made, be reasonably expected to have a Material Adverse Effect. Borrowers are not party to any tax sharing agreement.

### **3.10ERISA**

. As of the [Amendment](#) Effective Date, no Obligor sponsors, maintains, contributes to or is required to contribute to any Plan or Multiemployer Plan except as set forth on [Schedule 3.10](#).

### **3.11Disclosure**

. Except for projections, pro formas, estimates and the like, all financial statements and other reports, documents, instruments, information and forms of evidence concerning any Company or any other fact or circumstance (the “**Financial Information**”), delivered to Lender in connection with this Agreement, are accurate, correct and complete in all material respects and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made not misleading. The information included in the Beneficial Ownership Certification is true and correct in all respects.

### **3.12Use of Credit**

. Borrowers do not own and shall not use the proceeds of any extension of credit hereunder to purchase or carry Margin Stock as defined in Regulation U of the Board or to invest in any other Person for the purpose of carrying any such Margin Stock or to reduce or retire any indebtedness incurred for that purpose.

### **3.13[Intentionally Omitted]**

### **3.14Subsidiaries**

. Set forth on [Schedule 3.14](#) is a complete and correct list of the exact legal name (as reflected in the certificate of incorporation or formation) of all of the Subsidiaries of Alico as of the [Amendment](#) Effective Date ~~(after giving effect to the Transactions)~~, together with, for each such Subsidiary, the name of the Persons holding Equity Interests in such Subsidiary (and the percentage of ownership of such Subsidiary represented by such Equity Interests).

### **3.15[Intentionally Omitted]**

### **3.16Environmental Matters**

. Other than exceptions to the following that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, no Hazardous Materials have been used, handled, generated, processed, treated, stored, transported to or from, released, discharged or disposed of by Borrowers, any Subsidiary or, to any Borrower's knowledge, by any third person, on, in or beneath any of the Borrowers' property, other than the ordinary and routine application of agricultural chemicals in accordance with manufacturer guidelines.

### **1.1 Sanctions/Anti-Corruption Representations**

(a) No Obligor nor any of its Subsidiaries, or to the knowledge of Borrowers, any director, officer or Affiliate of any Obligor or its Subsidiaries, is in violation of any Anti-Terrorism Laws, [Anti-Corruption Laws](#), or Sanctions or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Laws, [Anti-Corruption Laws](#), or Sanctions.

(aa) No Obligor nor any of its Subsidiaries, or to the knowledge of Borrowers, any director, officer, employee, agent or affiliate of any Obligor or any of its Subsidiaries, is a Person (each such Person, a "**Sanctioned Person**") that is, or is owned or controlled by Persons that are: (i) the subject of any Sanctions, or (ii) located, organized or resident in a [region](#), country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, currently [the Region of Crimea](#), Cuba, Iran, North Korea, **Sudan and Syria**, [the Donetsk People's Republic and Luhansk People's Republic regions of Ukraine](#).

(b) No Obligor will, directly or indirectly, use the proceeds of the Loans or any Letter of Credit, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as underwriter, advisor, investor, or otherwise).

(bb) No part of the proceeds of the Loans or any Letter of Credit will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

### **3.17 [Intentionally Omitted]**

### **3.18 Labor Matters, Etc**

. As of the [Amendment](#) Effective Date, no Obligor nor any of its Subsidiaries are party to or bound by any collective bargaining agreement, except as provided on [Schedule 3.19](#). There are no strikes, lockouts, work stoppages or other labor disputes against any Obligor or any

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of its Subsidiaries, or, to the best of any Obligor's knowledge, threatened against or affecting any Obligor or any of its Subsidiaries, and no Event of Loss has occurred with respect to any assets or property of any Obligor or any of its Subsidiaries, in each case, which could reasonably be expected to result in a Material Adverse Effect.

### **3.19 Solvency**

. Alico and its Subsidiaries, taken as a whole, are, and will be after giving effect to the Transactions, Solvent.

### **3.20 No Burdensome Restriction**

. No Obligor nor any of its Subsidiaries is a party to or bound by any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound, or subject to any restriction in its Organizational Documents or any applicable law or regulation of any Governmental Authority, which could reasonably be expected to have a Material Adverse Effect.

### **3.21 Security Documents**

. The provisions of the Security Documents are or upon execution will be effective to create in favor of Lender a legal, valid, and enforceable first-priority Lien (subject only to Permitted Encumbrances) on all right, title and interest of each Obligor in the Collateral described therein. Except for filings completed on or prior to the Effective Date and as contemplated hereby and by the Security Documents, no filing or other action will be necessary to perfect or protect such Lien.

## **4. CONDITIONS PRECEDENT**

### **4.1 Effective Date**

. The obligations of Lender to make Loans and to issue Letters of Credit hereunder shall not become effective until the date on which Lender shall have received each of the following, in each case reasonably satisfactory to Lender in form and substance:

(a) Executed Counterparts. From each party thereto, a counterpart of this Agreement, the Note, and the other Loan Documents to be executed and delivered as of the Effective Date, signed and delivered on behalf of such party.

(cc) Opinions of Counsel to Obligors. Favorable written opinions (addressed to the Lender and dated the Effective Date) of counsel to each Obligor (including Florida counsel) regarding the Transactions and such other matters as Lender shall reasonably request.

(b) Corporate Documents. Such documents and certificates as Lender may reasonably request relating to the organization, existence and good standing of each Obligor, the authorization of the Transactions, the identity, authority and capacity of each Responsible Officer authorized to act on behalf of an Obligor in connection with the Loan Documents and any other

legal matters relating to a Borrower, this Agreement, the other Loan Documents or the Transactions.

(dd)Security Documents. The Security Agreement, duly executed and delivered by each Obligor and Lender, and the results, dated as of a recent date prior to the Effective Date, of searches conducted in the UCC filing records in the governmental office in the jurisdiction in which each Obligor is organized, which shall have revealed no Liens with respect to any of the Collateral except Permitted Encumbrances or Liens as to which Lender shall have received (and is authorized to file) termination statements or documents (Form UCC-3 or such other termination statements or documents as shall be required by applicable law) fully executed for filing. In addition, Lender shall have received evidence that all filings, registrations and recordings have been made in the appropriate governmental offices, and all other action has been taken, that Lender deems necessary or desirable in order to create, in favor of Lender, a perfected first-priority Lien on the Collateral described in the Security Agreement, subject to no other Liens except for Permitted Encumbrances, **provided, however**, that no Control Agreements shall be required to be delivered until 60 days after the Effective Date. Without limiting the foregoing, Obligor shall deliver: (y) promissory notes, if any, evidencing all Indebtedness owed to any Obligor as of the Effective Date after giving effect to the Transactions and instruments of transfer, endorsed in blank, with respect to such promissory notes; and (z) all documentation, including UCC financing statements, required by law or reasonably requested by Lender to be filed, registered or recorded to create or perfect the Liens intended to be created under the Security Agreement.

(c)Officer's Certificate. A certificate of a Responsible Officer of each Borrower, dated the Effective Date, certifying (i) either (x) evidence that all authorizations or approvals of any Governmental Authority and approvals or consents of any other Person, required in connection with the Transactions shall have been obtained, or (y) that no such authorizations, approvals, and consents are so required, (ii) that, after giving pro forma effect to the Transactions, the Consolidated Debt to Total Asset Ratio shall not exceed 0.625 to 1.00, and (iii) compliance with the conditions set forth in clauses (a), (b), and (c) of Section 4.2.

(ee)Fees. Borrowers shall have paid all accrued fees and expenses of Lender required to be paid on the Effective Date, including (i) all fees due under the Fee Letter, and (ii) reasonably estimated fees, charges and disbursements of Greenberg Traurig, LLP, special counsel to Lender, in connection with the negotiation, preparation, execution and delivery of the Loan Documents (directly to such counsel if requested by Lender) as provided to Borrowers prior to or on the Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by Lender through the closing proceedings (**provided** that such estimate shall not thereafter preclude a final settling of accounts between Borrowers and Lender).

(d)[Intentionally Omitted].

(ff)Know Your Customer Requirements. All documents, certificates, and other information reasonably requested by Lender pursuant to Section 9.13.

(e)[Intentionally Omitted].

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(gg)Material Adverse Effect. There shall not have occurred any change, development, or event since September 30, 2013 that has caused or could reasonably be expected to have a Material Adverse Effect.

(f)Consummation of the Acquisition and Related Transactions. Evidence that the Acquisition shall have been (or shall be simultaneously with the initial funding of the Loans hereunder) consummated in accordance with the terms of the Orange-Co Acquisition Agreement and in accordance with all applicable requirements of law, and no conditions precedent or other terms or conditions material to the interest of Lender shall have been waived or amended other than with the consent of Lender (such consent not to be unreasonably withheld or delayed), and Lender shall have received a certificate of a Responsible Officer of Borrowers to such effect and to the effect that attached thereto are true and complete copies of the material documents delivered in connection with the closing of the Acquisition pursuant to the Orange-Co Acquisition Agreement. Such certificate of a Responsible Officer of Borrowers shall also certify that (i) all obligations under the Existing Credit Agreements have been (or shall be simultaneously with the initial funding of the Loans hereunder) repaid or refinanced in full, (ii) the MetLife Facility is in full force and effect, and (iii) the Intercreditor Agreement is in full force and effect.

(hh)Collateral Assignments. A collateral assignment of any Material Contract, including but not limited to, the Fruit Production Contracts and an Assignment of Crop Insurance; **provided, however**, that no Assignment of Crop Insurance shall be required to be delivered until 21 days after the Effective Date, unless such deadline is extended in the sole discretion of the Lender.

(g)Other Documents. Such other assurances, certificates, documents consents, or opinions as Lender may reasonably request.

Lender shall notify Borrowers of the Effective Date, and such notice shall be conclusive and binding. The initial Borrowing shall be deemed to constitute a representation and warranty by Borrowers on the date thereof as to the matters specified in this Section 4.1.

#### **4.2Each Credit Event**

. The obligations of Lender to make Credit Extensions hereunder (including the initial Borrowing hereunder), are subject to the satisfaction of the following conditions:

(a)the representations and warranties of each Obligor set forth in this Agreement and of the other Loan Documents to which it is a party, shall be true and correct in all material respects (unless any such representation or warranty is qualified as to materiality or Material Adverse Effect, in which case such representation and warranty shall be true and correct in all respects) on and as of the date of such Credit Extension, both before and immediately after giving effect thereto, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.2 and after the delivery of any statements furnished pursuant to Section 5.1(a), the representations and warranties contained in Section 3.4(a) shall be deemed to refer to the most recent statements furnished pursuant to Section 5.1(a);

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(ii) at the time of and immediately after giving effect to such Credit Extension, no Default shall have occurred and be continuing;

(b) at the time of and immediately after giving effect to such Credit Extension, the total Revolving Credit Exposures shall not exceed the total Commitment; and

(jj) Lender shall have received a Borrowing Request in accordance with the requirements of this Agreement.

Borrowers shall be deemed to make a representation and warranty to Lender on the date of each Credit Extension hereunder as to the matters specified in clauses (a), (b) and (c) of this Section 4.2.

## **5. AFFIRMATIVE COVENANTS**

Each Borrower hereby covenants and agrees with Lender that it shall, and shall cause its Subsidiaries to, perform and observe each of the following covenants:

### **5.1 Financial Statements and Other Information**

. Borrowers shall deliver to Lender:

(a) as soon as available and in any event within 120 days after the end of each Fiscal Year, (i) the audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows of Alico and the Subsidiaries as of the end of and for such year, setting forth in each case, commencing with the Fiscal Year ending September 30, 2014, in comparative form the figures for the previous Fiscal Year and reported on by independent public accountants of recognized national standing reasonably acceptable to Lender (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly the financial condition and results of operations of Alico and the Subsidiaries in accordance with GAAP consistently applied, and (ii) a certification of a Responsible Officer of Alico that such financial statements present fairly the financial condition and results of operations of Alico and the Subsidiaries in accordance with GAAP consistently applied;

(kk) as soon as available and in any event within 45 days after the end of each Fiscal Quarter commencing with the Fiscal Quarter ending December 31, 2014, but excluding the fourth Fiscal Quarter of any Fiscal Year, (x) the consolidated balance sheet and related statements of operations, stockholders' equity and cash flows of Alico and its Subsidiaries as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year, setting forth in each case in comparative form the figures for (or, in the case of the balance sheet, as of the end of) the corresponding period or periods of the previous Fiscal Year and (y) a certification of a Responsible Officer of Alico that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Alico and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year end audit adjustments and the absence of footnotes;

(b) concurrently with any delivery of financial statements under clauses (a) and (b) of this Section, a certificate in substantially the form of Exhibit 1-455.1 of a Responsible Officer of Alico (a "**Compliance Certificate**") (i) certifying as to whether a Default has occurred and, if a

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Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, and (ii) stating whether any change in GAAP or in the application thereof that has an impact on the financial statements of the Consolidated Group or the calculation of the financial covenants set forth in Section 7 hereof has occurred since the date of the annual financial statements referred to in Section 3.4 and, if any such change has occurred that has not been disclosed in a Compliance Certificate previously delivered, specifying the effect of such change on the financial statements accompanying such certificate;

(ll) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Alico or any of its Subsidiaries with the SEC, or with any national securities exchange, or any financial statements (including any related management discussion and analysis) distributed by Alico to its shareholders or to any holder of debt securities and not otherwise required to be furnished hereunder, as the case may be;

(c) promptly after any request by Lender, copies of any detailed audit reports, management letters, or recommendations submitted to the Board of Directors (or the audit committee of the Board of Directors) of each Borrower by independent accountants in connection with the accounts or books of each Borrower, or any audit of any of them;

(mm) as soon as available, but in any event at least 45 days after the end of each Fiscal Year, an annual business plan, budget, and financial projections of Alico and the Subsidiaries on a consolidated basis, including forecasts prepared by management of Borrowers, in form reasonably satisfactory to Lender, of consolidated balance sheets and statements of income or operations and cash flows of Alico and the Subsidiaries on a quarterly basis for such current Fiscal Year, which plan and budget shall (i) state the assumptions used in preparation thereof, and (ii) be accompanied by a statement of a Responsible Officer of Alico that, to the best of such Responsible Officer's knowledge, such plan and budget is a good faith estimate (based upon assumptions that were reasonable in light of the conditions existing at the time of the preparation thereof) for the period covered thereby;

(d) as soon as available, and in any event no later than thirty (30) days after each annual renewal or issuance, a copy of the most recent Crop Insurance Policy together with a fully executed Assignment of Crop Insurance, in form and substance satisfactory to Lender, with respect to such Crop Insurance Policy;

(nn) within five (5) Business Days, upon receipt by any Borrower or any Subsidiary of any notice of, or the occurrence of any event constituting (or any event which with the giving of notice or the passage of time, or both, would constitute) a default under any Fruit Production Contract or other Material Contract for the sale of fruit grown on any Obligor's property; and

(e) promptly following any request therefor, such other information and reports regarding the operations, business, affairs, legal or corporate affairs, and financial condition of Borrowers (including with respect to the Collateral), or compliance with the terms of this Agreement and the other Loan Documents, as Lender may reasonably request.

To the extent delivery of any of the documents referred to above shall come due on a day other than a Business Day, delivery of such documents shall be required (notwithstanding the provisions above) to be made on the next following Business Day. Notwithstanding the foregoing, the Borrowers will be deemed to have delivered the items referred to in this Section 5.1 to Lender if any of them has filed such items with (or furnished such items to) the SEC via the EDGAR filing system and such reports are publicly available.

## **5.2 Notices of Material Events**

. Borrowers shall deliver to Lender prompt written notice of the following:

(a) the occurrence of an Event of Default;

(oo) within thirty (30) days, upon commencement of any litigation, including any arbitration or mediation or of any proceedings before any Governmental Authority, which, if adversely determined as to such Borrower or its Subsidiaries, is reasonably likely to result in a Material Adverse Effect;

(b) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(pp) (i) any Company, after the Effective Date, becoming party to or bound to any Multiemployer Plan setting forth the relevant details of Multiemployer Plan, and (ii) any Multiemployer Plan entering "endangered status" or "critical status" under Section 412 or 432 of the Code or reorganization status under Section 4241 of ERISA, if such status could reasonably be expected to result in a Material Adverse Effect;

(c) the assertion of any claim pursuant to applicable Environmental Law, including alleged violations of or non-compliance with permits, licenses or other authorizations issued pursuant to applicable Environmental Law by any Person against, or with respect to the activities of, any Company that would (either individually or in the aggregate) reasonably be expected to result in a Material Adverse Effect;

(qq) the occurrence of any Event of Loss with respect to assets with a fair market value in excess of \$2,500,000;

(d) any material change in accounting policies or financial reporting practices by any Obligor or any of its Subsidiaries;

(rr) any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect; and

(e) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in part (c) or (d) of such certification.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of Administrative Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

### **5.3 Existence; Conduct of Business**

. Each Company shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and, except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, the rights, licenses, permits, privileges and franchises material to the conduct of its business; **provided** that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.3.

### **5.4 Payment of Obligations**

. Each Company shall pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it, its income or profits or its property before the same shall become in default, as well as all lawful claims and liabilities of any kind (including claims and liabilities for labor, materials and supplies) which, if unpaid, might by law become a Lien upon its property; **provided, however**, that no Company shall be required to pay any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings, such proceedings stay foreclosure of any such Lien and if such Company shall have set aside on its books reserves in respect thereof (segregated to the extent required by generally accepted accounting principles) deemed adequate in the opinion of such Borrower's managers or other governing body.

### **5.5 Maintenance of Properties; Insurance**

. Each Company shall (a) maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by similarly sized companies engaged in the same or similar businesses operating in the same or similar locations, including crop insurance. Borrowers will furnish to Lender, upon request of Lender, information in reasonable detail as to the insurance so maintained. Each general liability insurance policy shall name Lender as additional insured. Each insurance policy covering Collateral (including Farm Products and crops) shall name Lender as loss payee subject to such customary loss payable provisions as Lender may reasonably request including clauses or endorsements that provide that (x) such policy will not be canceled or materially changed (other than to increase the coverage provided thereby) without at least 30 days prior written notice to Lender (other than for non-payment of premiums, in which case not less than 10 days' prior written notice shall be sufficient), (y) Lender's interest shall be insured regardless of any breach or violation by any Obligor of any warranties, declarations, or conditions contained in such policies, and (z) Lender's interest shall not be invalidated by the use or operation of the Collateral for purposes which are not permitted by such policies, nor by any foreclosure or other proceedings relating to the Collateral.

### **5.6 Books and Records; Inspection Rights**

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. Each Company shall keep proper books of record and account in accordance with GAAP. Each Company shall permit any representatives (including consultants, auditors, accounts, and advisors) designated by Lender, upon reasonable prior notice and no more than twice per Fiscal Year if no Event of Default then exists, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its employees, officers, management and independent accountants, all at such reasonable times and as often as reasonably requested; **provided** no Company shall be required to disclose the terms of any contract or agreement with any other Person that is not an Affiliate to the extent such disclosure would be prohibited by any confidentiality agreements entered into between such Company and such Person in the Ordinary Course of Business.

### **5.7 Compliance with Laws**

. Each Company shall comply with all laws, rules, regulations, and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. Borrowers will maintain in effect policies and procedures reasonably designed to promote compliance by the Obligors, their Subsidiaries and their respective directors, officers, employees and agents with applicable Anti-Terrorism Laws, Anti-Corruption Laws and laws, rules, and regulations relating to Sanctions.

### **5.8 Certain Obligations Respecting Subsidiaries**

. Borrowers shall take such action and shall cause each of their Domestic Subsidiaries (other than Citree) to take such action, from time to time as shall be necessary to ensure that all Domestic Subsidiaries (other than Citree) are “Subsidiary Guarantors” hereunder. Without limiting the generality of the foregoing, in the event that Borrowers or any of their Subsidiaries shall form or acquire any new Subsidiary, Borrowers shall, and shall cause each of their Subsidiaries to, within 30 days after such formation or acquisition cause such new Subsidiary to take the following actions:

(a) any such new Subsidiary that is a Domestic Subsidiary will become a “Subsidiary Guarantor” hereunder by executing and delivering a Guaranty Agreement (or joinder thereto), become a “Grantor” under the Security Agreement by executing and delivering a supplement to the Security Agreement, and take such other action (including delivering such Uniform Commercial Code financing statements) as shall be reasonably necessary or advisable in the opinion of Lender, and in form and substance reasonably satisfactory to Lender, to create and perfect valid and enforceable first-priority Liens, subject to no other Liens except for Permitted Encumbrances, on the Collateral of such new Subsidiary as collateral security for the Obligations;

(ss) Borrowers shall furnish to Lender an updated Schedule 3.14 with respect to such Subsidiary, in form and detail reasonably satisfactory to Lender; and

(b) Borrowers and the applicable Subsidiary shall execute and deliver, or cause to be executed and delivered, to Lender such other items as may be reasonably requested in connection with the foregoing, including proof of corporate action, incumbency of officers, opinions of counsel, “Know your customer” information and other documents, as is consistent with those delivered by each Obligor pursuant to Section 4.1 on the Effective Date or as Lender shall have reasonably requested.

Additionally, and without limiting the generality of the foregoing, Borrowers shall take such action, and shall cause each of the Silver Nip Entities to take such action, as is necessary to cause to be delivered to Lender by March 30, 2015 or such later date as the Lender shall consent to in writing (with any such consent not to be unreasonably withheld), each of the requirements of the Silver Nip Conditions.

#### **5.9 General Further Assurances**

. Subject to the terms of the Security Agreement, Borrowers shall, and shall cause each Subsidiary that is an Obligor to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), which may be required under any applicable law, or which Lender may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of Borrowers. Subject to the terms of the Security Agreement, Borrowers shall cause each Subsidiary resulting from a division of an Obligor to execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which Lender may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of Borrowers.

#### **5.10 Food Security Act Compliance**

. Without limiting the obligation of the Obligors to obtain the consent of Lender pursuant to Section 9.2 to the incurrence or existence of such Liens, if any Obligor acquires any Collateral which may have constituted Farm Products in the possession of the seller or supplier thereof, such Obligor shall, at its own expense, use its commercially reasonable efforts to take such steps to insure that all Liens (except the Liens granted pursuant to the Loan Documents) in such acquired Collateral are terminated or released, including, in the case of such Farm Products produced in a state which has established a Central Filing System (as defined in the Food Security Act), registering with the Secretary of State of such state (or such other party or office designated by such state) and otherwise take such reasonable actions necessary, as prescribed by the Food Security Act, to purchase Farm Products free of Liens (except the Liens granted pursuant hereto); **provided, however**, that such Obligor may contest and need not obtain the release or termination of any Lien asserted by any creditor of any seller of such Farm Products, so long as it shall be contesting the same by proper proceedings and maintain appropriate accruals and reserves therefor in accordance with the GAAP. Upon Lender's request, Borrowers shall to forward to Lender promptly after receipt copies of all notices of Liens and master lists of effective financing statements delivered to any Obligor pursuant to the Food Security Act, which notices and/or lists pertain to any of the Collateral. Upon Lender's request, each Borrower agrees to provide Lender with the names of Persons who supply such Borrower with such Farm Products and such other information as Lender may reasonably request with respect to such Persons.

#### **5.11 [Intentionally Omitted]**

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## 5.12 Cash Management Systems

. Each Obligor shall (a) maintain, or cause to be maintained, the Designated Account at a bank approved by Lender and set forth in a notice in form and substance satisfactory to Lender delivered by a Borrower to Lender, and (b) cause the Designated Account to be at all times subject to a Control Agreement if the bank at which the Designated Account is maintained is not Rabo or an Affiliate of Rabo.

## 5.13 Intentionally Omitted

## 6. NEGATIVE COVENANTS

Each Borrower hereby covenants and agrees with Lender that it shall, and shall cause its Subsidiaries to, perform and observe each of the following covenants:

### 6.1 Indebtedness

. No Company shall create, incur, assume, or permit to exist any Indebtedness, except:

(a) Indebtedness evidenced by this Agreement and the other Loan Documents;

(tt)(i) Indebtedness of the Borrowers pursuant to the MetLife Facility, and any Refinancing Indebtedness in respect of such Indebtedness, and (ii) Indebtedness of the Silver Nip Entities pursuant to the Prudential Facility in an aggregate principal amount not to exceed \$42,820,000, any Refinancing Indebtedness in respect of such Indebtedness, and the Alico Prudential Limited Guaranty;

(b) the Indebtedness described on Schedule 6.1, and any Refinancing Indebtedness in respect of such Indebtedness;

(uu) unsecured intercompany Indebtedness among any of the Companies permitted under Section 6.5;

(c) Indebtedness consisting of Capital Lease Obligations and Indebtedness incurred to finance the acquisition, construction or improvement of any equipment or real property, and any Refinancing Indebtedness in respect of such Indebtedness; **provided** that (i) such Indebtedness when incurred does not exceed the purchase price or cost of construction of such asset, and (ii) the aggregate principal amount of Indebtedness permitted by this clause (d) does not exceed \$15,000,000 at any time outstanding (including, for purposes of such calculation, the principal amount of any such Indebtedness that may be listed on Schedule 6.1);

(vv) Indebtedness arising in connection with Hedging Agreements entered into for non-speculative purposes;

(d)Indebtedness incurred in the Ordinary Course of Business under surety and appeal bonds, performance bonds, bid bonds, appeal bonds, and similar obligations;

(ww)Indebtedness incurred in the Ordinary Course of Business in respect of Cash Management Services;

(e)Indebtedness owed to (including obligations in respect of letters of credit or bank guarantees or similar instruments for the benefit of) any person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance to the Borrowers or any Subsidiary pursuant to reimbursement or indemnification obligations of such person, in each case in the Ordinary Course of Business or consistent with industry practices;

(xx)Indebtedness arising from agreements of a Borrower or any Subsidiary providing for indemnification, adjustment of purchase or acquisition price or similar obligations (including earn-outs), in each case, incurred or assumed in connection with the Transactions, any Permitted Acquisition, or the disposition of any business, assets or a Subsidiary not prohibited by this Agreement;

(f)Indebtedness in respect of letters of credit, bank guarantees, warehouse receipts or similar instruments issued in the Ordinary Course of Business or consistent with industry practices and not supporting obligations in respect of Indebtedness for borrowed money;

(yy)endorsements of instruments or other payment items for deposit;

(g)Indebtedness representing deferred compensation to employees, consultants or independent contractors of a Borrower or any Subsidiary incurred in the Ordinary Course of Business; and

(zz)other unsecured Indebtedness in an aggregate principal amount not exceeding \$5,000,000 at any time outstanding.

## **6.2Liens**

. No Company shall create, incur, assume, or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except for Permitted Encumbrances.

## **6.3Fundamental Changes; Lines of Business**

(a)Neither a Borrower nor any Guarantor will consolidate with or merge into any Person, or permit any Person to merge into or consolidate with it, or sell, transfer or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets, or divide, except that, if at the time thereof and immediately after giving effect thereto, no Event of Default shall have occurred and be continuing:

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(i) any Subsidiary of a Borrower may merge into a Borrower or any other Domestic Subsidiary (including any Person that will be a Domestic Subsidiary upon the consummation of a Permitted Acquisition) of a Borrower; **provided**, (A) if Alico is party to any such transaction, Alico shall be the surviving entity, (B) no Obligor (other than a Silver Nip Entity) may merge with or into a Silver Nip Entity, and (C) if an Obligor (other than Alico or a Silver Nip Entity) is a party to such transaction, (x) the surviving entity shall be an Obligor or (y) the surviving entity shall be a Domestic Subsidiary and shall assume in writing satisfactory to Lender in its sole discretion all Obligations and Loan Documents of such Obligor (and deliver to Lender all information required by Section 9.13);

(i) any Borrower or any Subsidiary of a Borrower may sell, transfer, lease, or otherwise dispose of its assets as permitted pursuant to Section 6.4; and

(ii) any Subsidiary of a Borrower may divide, if (A) Borrowers determine in good faith that such division is in the best interests of Borrowers and is not materially disadvantageous to the Lender, and (B) in the case of any division of an Obligor, Borrowers shall cause any resulting Subsidiaries to become Guarantors and join the Security Agreement as Grantors by executing a joinder in form and substance acceptable to Lender.

(b) No Company shall engage to any material extent in any business other than businesses of the type conducted by the Companies on the Effective Date and businesses reasonably related thereto.

#### **6.4 Dispositions**

. No Company shall make any Disposition, except:

(a) Dispositions of equipment that is substantially worn, damaged, or obsolete in the Ordinary Course of Business;

(aaa) Dispositions of cash and Cash Equivalents in the Ordinary Course of Business;

(b) Dispositions of property by (i) Borrowers and any of their Subsidiaries to any other Obligor (other than a Silver Nip Entity), (ii) any Subsidiary of Borrowers that is not an Obligor to any other Subsidiary of Borrowers that is not an Obligor; and (iii) any Silver Nip Entity to any other Silver Nip Entity;

(bbb) licenses, sublicenses, leases, or subleases granted to third parties in the Ordinary Course of Business not interfering with the business of Borrowers or any of their Subsidiaries;

(c) sales or exchanges of specific items of equipment solely to replace such equipment with replacement equipment of substantially equivalent or greater value;

(ccc) Equity Issuances by a Wholly-Owned Subsidiary of Borrowers to Borrowers or another Wholly-Owned Subsidiary of Borrowers constituting an Investment permitted hereunder;

(d)any abandonment or cancellation of intellectual property that, in the reasonable good faith judgment of Borrowers, is no longer used or useful in any material respect in the business of Borrowers and their Subsidiaries taken as a whole;

(ddd)the sale or discount, in each case without recourse, of Accounts Receivable arising in the Ordinary Course of Business, but only in connection with the compromise or collection thereof;

(e)the purchase and sale of inventory in the Ordinary Course of Business;

(eee)the making of Restricted Payments that are expressly permitted to be made pursuant to this Agreement;

(f)the granting of Permitted Encumbrances;

(fff)transfers of real property for purposes of Investments permitted by Section 6.5(j), **provided** that (i) no Event of Default would occur as a result of such transfer and (ii) the aggregate fair market value of such real property does not exceed \$10,000,000 in any Fiscal Year; and

(g)Dispositions not otherwise permitted under this Section 6.4; **provided** that (i) at the time of such Disposition, no Event of Default shall exist or would result from such Disposition, and (ii) the aggregate fair market value of all property Disposed of in reliance on this clause shall not exceed (A) \$45,000,000 in the Fiscal Year ended September 30, 2018, (B) \$16,000,000 in the Fiscal Year ended September 30, 2019, (C) (1) if the State of Florida Land Sale 2020 is consummated during the Fiscal Year ended September 30, 2020, \$37,000,000 in such Fiscal Year, or (2) if the State of Florida Land Sale 2020 is not consummated during the Fiscal Year ended September 30, 2020, \$10,000,000 in such Fiscal Year, (D) \$65,000,000 in the Fiscal Year ended September 30, 2021 in connection with the sale of non-citrus ranch land, (E) for the Fiscal Year ended September 30, 2022, an aggregate amount equal to (1) \$10,000,000, *plus* (2) solely to the extent such Dispositions are for the sale of non-citrus ranch land, an additional \$50,000,000, (F) for the Fiscal Year ended September 30, 2023, an aggregate amount equal to (1) \$15,000,000, plus (2) solely to the extent such Dispositions are for the sale of non-citrus ranch land, an additional \$50,000,000, and (FG) \$10,000,000 ~~15,000,000~~ in the Fiscal Year ended September 30, ~~2023~~2024 and each Fiscal Year thereafter.

## 6.5 Investments

. No Company shall make, or permit to remain outstanding, any Investments except:

(a)Investments outstanding on the Amendment Effective Date and identified on Schedule 6.5;

(ggg)Investments in cash and Cash Equivalents that are, to the extent required hereunder, subject to the Security Agreement and Control Agreements in favor of Lender;

(b) extensions of credit by (x) any Obligor to any other Obligor (other than a Silver Nip Entity), (y) Alico to the Silver Nip Entities in an aggregate principal amount up to but not exceeding \$7,000,000 at any time outstanding **provided** the Silver Nip Conditions shall have been satisfied prior to the making of any such extension of credit pursuant to this clause (y), and (z) any Silver Nip Entity to any other Silver Nip Entity;

(hhh) equity contributions by (x) any Obligor to any other Obligor (other than Alico or a Silver Nip Entity), and (y) any Silver Nip Entity to any other Silver Nip Entity;

(c) Investments consisting of deposits that constitute Permitted Encumbrances pursuant to clauses (c) and (d) thereof;

(iii) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the Ordinary Course of Business;

(d) Investments constituting (i) Accounts Receivable arising, (ii) trade debt granted, (iii) deposits made by Borrowers or a Subsidiary in connection with the purchase price of goods or services, in each case in the Ordinary Course of Business;

(jjj) Investments to the extent that the consideration for such Investments is Qualified Equity Interests of Alico (and cash in lieu of fractional shares of such Qualified Equity Interests);

(e) the consummation of Permitted Acquisitions;

(kkk) contributions by any Company of real property (other than real property used as of the Effective Date or at any time thereafter for growing or harvesting citrus fruit crops or other crops) to a joint venture in exchange for Equity Interests in such joint venture entity;

(f) the establishment or creation of Wholly-Owned Domestic Subsidiaries by an Obligor, **provided**, in each case, such Obligor and such Subsidiary shall have complied with the provisions of Section 5.8 in respect thereof;

(lll) any Guarantee of, or assumption of Indebtedness of, any other Person in either case to the extent the Person incurring such Guarantee or assuming such Indebtedness would have been permitted to incur the underlying Indebtedness under Section 6.1; provided in no event shall any Company other than a Silver Nip Entity provide any Guarantee for the benefit of, or assume any Indebtedness of, a Silver Nip Entity, other than the Alico Prudential Limited Guaranty;

(g) Investments received as the non-cash portion of consideration received in connection with transactions permitted pursuant to Section 6.4; and

(mmm) Investments, in addition to those permitted by the other clauses of this Section, in an aggregate amount up to but not exceeding \$2,500,000 at any time outstanding.

For purposes of this Section 6.5, the aggregate amount of an Investment at any time shall be deemed to be equal to (i) the aggregate amount of cash, together with the aggregate fair market

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value of property, loaned, advanced, contributed, transferred, or otherwise invested that gives rise to such Investment minus (ii) the aggregate amount of distributions or other repayments received in cash in respect of such Investment. The amount of an Investment shall not in any event be reduced by reason of any write off of such Investment nor increased by any increase in the amount of earnings retained in the Person in which such Investment is made or by any increase in the value of such Investment.

#### **6.6 Restricted Payments**

. Borrowers will not, and will not permit any Subsidiary, Affiliate or Guarantor to directly or indirectly, make any Restricted Payment or incur any liability to make any Restricted Payment unless, immediately before and after giving effect to such action: (a) there shall not exist any Event of Default or event which, with the giving of notice or lapse of time or both, would become an Event of Default; and (b) the making of such Restricted Payment shall have no material effect upon Borrower's ability to fund all payments of principal and interest to become due under this Agreement during the following twelve (12) month period.

#### **6.7 Transactions with Affiliates**

. No Company shall sell, lease or otherwise transfer any assets to, or purchase, lease or otherwise acquire any assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions in the Ordinary Course of Business at prices and on terms and conditions that are fair and reasonable and not less favorable to such Company than could be obtained on an arm's length basis from unrelated third parties, and fully disclosed in writing to Lender, (b) transactions expressly permitted by Sections 6.1, 6.3, 6.4, and 6.5 among Borrowers and their Subsidiaries and not involving any other Affiliate of Borrowers, (c) any Restricted Payments permitted by Section 6.6, so long as all approvals required under Borrowers' Organizational Documents and applicable law have been obtained, an indemnity provided for the benefit of officers and directors (or comparable managers), and (d) so long as all approvals required under Borrower's Organizational Documents and applicable law have been obtained, the payment of reasonable compensation to employees and officers of a Borrower in the Ordinary Course of Business.

#### **6.8 [Intentionally Omitted]**

#### **6.9 [Intentionally Omitted]**

#### **6.10 Modifications of Certain Documents**

. No Company shall consent to any modification, supplement, or waiver of any of the provisions of its Organizational Documents without the prior written consent of Lender other than modifications that are not adverse to Lender and do not in any way limit, impair, or adversely affect such Obligor's ability to pay its Obligations under the Loan Documents or otherwise limit, impair, or adversely affect the creation, perfection or priority of any Lien granted by such Obligor pursuant to any Loan Document the ability of such Obligor to perform its other non-payment

obligations under any Loan Document, or the ability of Lender to enforce any rights or remedies under any Loan Document.

#### **6.11 Accounting Changes**

. No Company shall (a) make any significant change in accounting treatment or reporting practices, except as required or permitted by GAAP, or (b) change its Fiscal Year end date or the method for determining Fiscal Quarters or Fiscal Periods of any Obligor or its Subsidiaries.

#### **6.12 Hedging Agreements**

. No Company shall enter into any Hedging Agreement, except Hedging Agreements entered into in the Ordinary Course of Business to hedge or mitigate risks to which such Company has actual exposure in connection with fluctuations of commodity prices, currencies, or interest rates and not for any speculative purposes.

#### **6.13 Sale Lease Back**

. No Company shall enter into any arrangement, directly or indirectly, with any Person whereby it shall dispose of any property, whether now owned or hereafter acquired and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose as the property being disposed of.

#### **6.14 Use of Proceeds and Letters of Credit**

. No Company shall use the proceeds of any Loan for any purpose other than to fund Borrowers' working capital and general corporate needs or, subject to the terms and conditions of this Agreement and the other Loan Documents, the general corporate needs of Borrowers or any other Company. No Company shall use any part of the proceeds of any Loan, whether directly or indirectly, for any purpose that would be prohibited by [Section 3.12](#) or [3.17](#), or that violates any of the Regulations of the Board. No Company shall use any Letters of Credit for any purpose other than to support transactions entered into by any Borrower or its Subsidiaries in the Ordinary Course of Business or in connection with the Acquisition. No Obligor shall, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as Lender, arranger, underwriter, advisor, investor, or otherwise), or (iii) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Corruption Laws that may be applicable.

### **7. FINANCIAL COVENANTS**

#### **7.1 Consolidated Current Ratio**

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. Borrower shall maintain a Consolidated Current Ratio of not less than 1.50 to 1.00 as of the last day of each Fiscal Quarter.

### **7.2 Consolidated Tangible Net Worth**

. From and after March 30, 2015, Borrowers' Consolidated Tangible Net Worth shall not be less than the sum of \$160,000,000.00, increased on and as of October 1 of each year, commencing October 1, 2015, by an amount equal to ten percent (10%) of Consolidated Net Income for the immediately preceding Fiscal Year, but which amount shall not be decreased in the event of a Consolidated Net Loss for any Fiscal Year. The amount of Borrower's Consolidated Tangible Net Worth shall be tested and reported to Lender as of the last day of each Fiscal Quarter.

### **7.3 Consolidated Debt to Total Asset Ratio**

. Borrowers shall maintain a Consolidated Debt to Total Asset Ratio of not greater than 0.625 to 1.00 as of the last day of the Fiscal Quarter ended March 31, 2015, and as of the last day of each Fiscal Quarter thereafter.

### **7.4 Debt Service Coverage Ratio**

. The Borrower shall at all times maintain a Debt Service Coverage Ratio of not less than 1.10 to 1.00, as determined to the satisfaction of Lender in accordance with the definitions set forth herein and in accordance with GAAP, which ratio shall be tested and reported to Lender each Fiscal Quarter in the Compliance Certificate delivered to Lender for such Fiscal Quarter.

### **7.5 Capital Expenditures**

. Borrowers shall not permit the aggregate amount of Capital Expenditures by the Consolidated Group to exceed the Permitted Amount for any Fiscal Year; **provided** that, the calculation of Capital Expenditures solely for purposes of this Section 7.5 shall not include (a) the Capital Expenditure Exclusion and (b) solely for the Fiscal Year ending September 30, 2021, expenditures made in connection with Alico's purchase of 3,280 acres of citrus groves in the aggregate amount not to exceed \$16,500,000.

## **8. EVENTS OF DEFAULT; REMEDIES**

### **8.1 Event of Default; Remedies**

. If any of the following events (each such an event, an "*Event of Default*") shall occur:

(a) Obligors shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement or deposit any funds as Cash Collateral in respect of any Letter of Credit when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise.

(nnn) Obligors shall fail to pay any interest on any Loan or LC Disbursement or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable

under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of 3 or more Business Days;

(b)any certification, representation, or warranty made or deemed made by or on behalf of any Obligor in or in connection with this Agreement or any other Loan Document or in any report, certificate, financial statement, or other document furnished pursuant to or in connection with this Agreement or any other Loan Document, shall have been incorrect in any material respect when made or deemed made (unless any such certification, representation or warranty is qualified as to materiality or as to Material Adverse Effect, in which case such certification, representation, or warranty shall have been incorrect in any respect);

(ooo)any Obligor shall fail to observe or perform any covenant, condition or agreement contained in ~~Sections~~Section 5.1, 5.2, 5.3 (with respect to any Obligor's existence), 5.5, 5.8, 6, or 7 or any Obligor shall default in the performance of any of its obligations contained in any of the Security Documents;

(c)any Obligor shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clauses (a), (b), or (d) of this Section) or any other Loan Document and such failure shall continue unremedied for a period of 30 or more days;

(ppp)any Obligor shall fail to pay the principal of any Material Indebtedness at the stated final maturity thereof;

(d)any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with all applicable grace periods having expired) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity (after giving effect to any applicable notice requirement or grace period); **provided** that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property securing such Indebtedness in a transaction permitted hereunder;

(qqq)an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency or other relief in respect of any Company or debts, or of a substantial part of its assets, under any Debtor Relief Laws or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, liquidator, rehabilitator, or similar official for any Company or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(e)any Company shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, or other relief under any Debtor Relief Laws now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section,

(iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator, liquidator, rehabilitator, or similar official for any Company or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take any action for the purpose of effecting any of the foregoing;

(rrr) any Obligor shall become unable, admit in writing its inability, or fail generally to pay its debts as they become due;

(f) one or more judgments for the payment of money in an aggregate amount in excess of \$5,000,000 (exclusive of amounts covered by insurance provided by a financially sound insurance company and for which such insurer has accepted liability) shall be rendered against any Company and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Company to enforce any such judgment;

(sss) an ERISA Event shall have occurred that when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of any Company in an aggregate amount exceeding \$5,000,000;

(g) a Change of Control shall occur;

(ttt) the Liens created by the Security Documents shall at any time not constitute a valid and perfected first-priority Lien on the collateral intended to be covered thereby in favor of Lender, free and clear of all other Liens (other than Permitted Encumbrances), or, except for expiration or termination in accordance with its terms or with the consent of Lender, any of the Loan Documents shall for whatever reason be terminated or cease to be in full force and effect, or enforceability thereof shall be contested by any Obligor; or

(h) any Material Contract is terminated or otherwise fails to remain in full force and effect;

(uuu) any material permit or approval from any Governmental Authority is terminated or otherwise fails to remain in full force and effect (whether as a result of the expiration of such permit or approval in accordance with the terms and provisions thereof or otherwise); or

(i) (i) any Obligor shall, directly or indirectly, disavow or contest in any manner (x) the effectiveness, validity or enforceability of the Intercreditor Agreement, or (y) that the Intercreditor Agreement exists for the benefit of Lender, or (ii) the Intercreditor Agreement shall cease to be in full force and effect;

then, and in every such event (other than an event with respect to any Obligor described in clause (h) or (i) of this Section 8.1), and at any time thereafter during the continuance of such event, Lender may, by notice to Borrowers, take any or all of the following actions, at the same or different times: (i) terminate the Commitment including any obligation of Lender to issue Letters of Credit, and thereupon the Commitment and such obligations shall terminate immediately, (ii) require that Borrowers Cash Collateralize the aggregate LC Exposure, (iii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be

declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Obligors accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other notice of any kind, all of which are hereby waived by each Obligor, and (iv) exercise all rights and remedies available to it under the Loan Documents and applicable law; and in case of any event with respect to any Obligor described in clause (h) or (i) of this Section 8.1, the Commitment and Lender's obligation to issue Letters of Credit shall automatically terminate, the obligation of Borrowers to Cash Collateralize the LC Exposure shall automatically become effective and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Obligors accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest, notice of intent to accelerate, notice of acceleration, or other notice of any kind, all of which are hereby waived by each Obligor. In addition, if any Event of Default shall exist, Lender may foreclose or otherwise enforce any Lien granted to Lender, to secure payment and performance of the Obligations in accordance with the terms of the Loan Documents and exercise any and all rights and remedies afforded by applicable law, by any of the Loan Documents, by equity, or otherwise.

## 8.2 Application of Payment

. Subsequent to the acceleration of the Obligations under Section 8.1 hereof, payments and prepayments with respect to the Obligations made to Lender, or otherwise received by Lender (from realization on Collateral or otherwise, but excluding any funds held to Cash Collateralize the LC Exposure that shall be applied to, or held to pay, the LC Exposure as set forth in Section 2.4(1)) shall be distributed in the following order of priority: FIRST, to the reasonable costs and expenses (including attorneys' fees and expenses), if any, incurred by Lender in the collection of such amounts under this Agreement or of the Loan Documents, including, without limitation, any costs incurred in connection with the sale or disposition of any Collateral; SECOND, to any fees then due and payable to Lender under this Agreement or any other Loan Document; THIRD, to the payment of interest then due and payable on the Loans; FOURTH, on a pro rata basis, to (a) the payment of principal of the Loans, (b) Cash Collateralize the LC Exposure in accordance with clause (a) of the definition of "Fully Satisfied" set forth in this Agreement, and (c) the payment of any Bank Product Obligations, until each of the foregoing Obligations in clauses (a) through (c) of this Section 8.2 are Fully Satisfied; FIFTH, to any other Obligations not otherwise referred to in this Section 8.2, and SIXTH, to the applicable Obligors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct; **provided, however**, that, notwithstanding anything to the contrary set forth above, in no event shall any proceeds of any Collateral owned, or any guaranty provided, by any Obligor under any Loan Document be applied to repay or cash collateralize any Excluded Swap Obligation with respect to such Obligor, but appropriate adjustments shall be made with respect to payments from other Obligors to preserve the allocation to Obligations otherwise set forth above in this Section; and **provided further**, that Lender may elect to apply the proceeds of any such Collateral or Guarantee to repay or Cash Collateralize any Obligations in accordance with the priority set forth above before applying the proceeds of any other Collateral or Guarantee provided under any Loan Document, if in the reasonable determination of Lender, such order of application will maximize the repayment of all of the Obligations. Lender shall have absolute discretion as to the time of application of any such proceeds, moneys, or balances in accordance with this Agreement. Upon any sale of Collateral by Lender (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the purchase money by Lender or of the officer making the

sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to Lender or such officer or be answerable in any way for the misapplication thereof.

### 8.3 Performance by Lender

. If any Obligor shall fail to perform any covenant or agreement in accordance with the terms of the Loan Documents, Lender may perform or attempt to perform such covenant or agreement on behalf of such Obligor. In such event, Borrowers shall, at the request of Lender promptly pay any amount expended by Lender in connection with such performance or attempted performance to Lender, together with interest thereon at the interest rate provided for in Section 2.10(b) from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that Lender shall not have any liability or responsibility for the performance of any obligation of such Obligor under any Loan Documents.

## 9. MISCELLANEOUS

### 9.1 Notices

(a) General Address for Notices. Except in the case of communications expressly permitted to be given by telephone hereunder or under any other Loan Documents, all notices and other communications ("**Communications**") provided for herein or in any other Loan Document shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy or, subject to Section 8.1(b), by electronic communication, as follows:

(i) if to Borrowers, to them at: Alico, Inc., 10070 Daniels Interstate Court, Suite 100, Fort Meyers, FL 33913; Attention: Mark Humphrey, Chief Financial Officer; Email: [mhumphrey@alicoinc.com](mailto:mhumphrey@alicoinc.com); Fax: 239-561-0146; and

(i) if to Lender, to it at: ~~12443 Olive Blvd, 14767 N Outer 40 Road, Suite 50400, St-~~  
~~Louis Chesterfield, Missouri 63141 63017~~; Attention: Customer Service Representative; Fax: (877) 655-9512; Email:  
[CustomerConnect@RaboAg.com](mailto:CustomerConnect@RaboAg.com); with a copy to: 6956 Professional Parkway East, Sarasota, Florida 34240; ~~Attention: Managing Director—~~  
~~Atlantic Territory.~~

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, they shall be deemed to have been given at the opening of business on the next Business Day). Notices delivered through electronic communications to the extent provided in Section 9.1(b), shall be effective as provided in such Section 9.1(b).

(b) Electronic Communications. Communications to Lender under the Loan Documents may be delivered or furnished by electronic communications pursuant to procedures

approved by Lender. Unless Lender otherwise prescribes, Communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), **provided** that, if such Communication is not sent during the normal business hours of the recipient, such Communication shall be deemed to have been sent at the opening of business on the next Business Day.

(vvv)Change of Address for Notices. Any party hereto may change its address or telecopy number for, or individual designated to receive, Communications under the Loan Documents by notice to the other parties hereto. All Communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

## **9.2Waivers; Amendments**

(a)No Deemed Waivers; Remedies Cumulative. No failure or delay by Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of Lender hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Obligor therefrom shall in any event be effective unless the same shall be permitted by Section 9.2(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether Lender may have had notice or knowledge of such Default at the time.

(www)Amendments. Neither this Agreement, nor any other Loan Document nor any provision hereof or thereof may be waived, amended, or modified except, pursuant to an agreement or agreements in writing entered into by Borrowers and Lender.

## **9.3Expenses; Indemnity; Damage Waiver**

(a)Costs and Expenses. Each Obligor agrees to pay (i) all reasonable out-of-pocket expenses incurred by Lender and its Affiliates in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications, or waivers of the provisions hereof or thereof including the reasonable fees, charges and disbursements of one firm of counsel for Lender, and of such consultants, advisors, appraisers and auditors retained or engaged by Lender, whether or not the transactions contemplated hereby or thereby shall be consummated; (ii) all reasonable out-of-pocket expenses incurred by Lender in connection with the issuance, amendment, renewal, or extension of any Letter of Credit or any demand for payment thereunder, (iii) all reasonable

out-of-pocket expenses incurred by Lender, including the reasonable fees, charges and disbursements of any advisors to Lender and counsel for Lender, in connection with the enforcement or protection of such Person's rights in connection with this Agreement and the other Loan Documents or the Collateral, including its rights under this Section, and including in connection with any bankruptcy or insolvency proceeding, workout, restructuring, or negotiations in respect thereof; and (iv) all reasonable costs, expenses, taxes, assessments, and other charges incurred by Lender in connection with any filing, registration, recording, or perfection of any security interest contemplated by any Security Document or any other document referred to therein or any audit, verification, inspection or appraisal of the Collateral.

(xxx)Indemnification by Obligor. Each Obligor hereby agrees to indemnify Lender and each Related Party of Lender (each such Person being called an "**Indemnitee**") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, and related expenses, including the fees, charges, and disbursements of one firm of counsel for any Indemnitee incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any payments that Lender is required to make under any indemnity issued to any bank, or other Person holding a Borrower's deposit, commodity or security accounts, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; **provided** that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted solely from the gross negligence or willful misconduct of such Indemnitee.

(b)Waiver of Consequential Damages, Etc. To the extent permitted by applicable law, no Obligor shall assert, and each Obligor hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential, or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, the Transactions, any Loan, or Letter of Credit, or the use of the proceeds thereof.

(yyy)Payments. All amounts due under this Section shall be payable no later than 10 Business Days after written demand therefor.

#### **9.4Successors and Assigns**

(a)Assignments Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of Lender that issues any Letter of Credit, any Affiliate

of a Lender who is owed any of the Obligations and any Indemnitee), except that (i) no Obligor may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written consent of Lender (and any attempted assignment or transfer of any Obligor without such consent shall be null and void), and (ii) Lender may not assign or otherwise transfer any of its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of Lender that issues any Letter of Credit and any Affiliate of Lender who is owed any of the Obligations, and, to the extent expressly contemplated hereby, the Related Parties of Lender)) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(zzz)Assignments by Lender Generally. Notwithstanding anything to the contrary in this Agreement, Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and Loans (including for purposes of this Section 9.4(b), participations in LC Disbursements) at the time owing to it); **provided** if such assignment is not to an Affiliate of Lender and no Event of Default then exists, Borrowers shall have consented to such assignment (such consent not to be unreasonably withheld, delayed or conditioned).

(b)Participations. Lender may at any time, without the consent of, or notice to, Borrowers, sell participations to any Person (other than a natural Person or Borrowers or any of Borrowers' Affiliates) (a "**Participant**") in all or a portion of Lender's rights or obligations under this Agreement (including all or a portion of its Commitment or the Loans (including Lender's participations in LC Disbursements) owing to it); **provided** that (i) Lender's obligations under this Agreement shall remain unchanged, (ii) Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) Borrowers shall continue to deal solely and directly with Lender in connection with Lender's rights and obligations under this Agreement. Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.11, 2.12 and 2.13, (subject to the requirements and limitations therein, including the requirements under Section 2.13(g)) (it being understood that the documentation required under Section 2.13(g) shall be delivered to the participating Lender)) to the same extent as if it were Lender and had acquired its interest by assignment pursuant to Section 9.4(b); that such Participant shall not be entitled to receive any greater payment under Sections 2.12 and 2.13, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

(aaaa)Certain Pledges. Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank (or other central bank under any central banking system established under the jurisdiction or organization of Lender (or its parent bank)); **provided** that no such pledge or assignment shall release Lender from any of its obligations hereunder or substitute any such pledgee or assignee for Lender as a party hereto.

## 9.5Survival

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. All covenants, agreements, certifications, representations and warranties made by Borrowers or any other Obligor herein or in the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or the other Loan Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Lender may have had notice or knowledge of any Default or incorrect certification, representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect until the Full Satisfaction of the Obligations. The provisions of Sections 2.12, 2.13, 9.3, and 9.18 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of all Loans, or the expiration or termination of the Letters of Credit and the Commitments.

#### **9.6 Counterparts; Integration; Effectiveness**

. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract between and among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement. The words “execution,” “signed,” “signature,” and words of like import in this Agreement or any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

#### **9.7 Severability**

. Any provision of this Agreement or any other Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

#### **9.8 Right of Set-off**

. If an Event of Default shall have occurred and be continuing, Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by Lender or any such Affiliate, to or for the credit or the account of

Borrowers or any other Obligor against any and all of the obligations of Borrowers now or hereafter existing under this Agreement or any other Loan Document to Lender or its Affiliates, irrespective of whether or not Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of Borrowers or any other Obligor may be contingent or unmatured or are owed to a branch, office or Affiliate of Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. The rights of Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of set-off) that Lender and its Affiliates may have. Lender agrees to notify Borrowers promptly after any such set-off and application; **provided** that the failure to give such notice shall not affect the validity of such set-off and application.

### **9.9 Governing Law; Jurisdiction; Etc**

(a) Governing Law. This Agreement and the other Loan Documents (other than those containing a contrary express choice of law provision) shall be construed in accordance with, and this Agreement, such other Loan Documents, and all matters arising out of or relating in any way whatsoever to this Agreement and such other Loan Documents (whether in contract, tort, or otherwise) shall be governed by, the law of the State of Florida, other than those conflict of law provisions that would defer to the substantive laws of another jurisdiction.

(bbb) Submission to Jurisdiction. Each Obligor hereby irrevocably and unconditionally agrees that it shall not commence any action, litigation, or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against Lender or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the Florida State Court sitting in Polk County and of the United States District Court of the Middle District of Florida (Orlando Division), and any appellate court from any thereof, and each of the parties hereto and each other Obligor hereby irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation, or proceeding may be heard and determined in such Florida state court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that Lender may otherwise have to bring any action or proceeding relating to any Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(b) Waiver of Venue. Each party hereto and each other Obligor hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in Section 9.9(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(cccc)Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by applicable law.

#### **9.10 WAIVER OF JURY TRIAL**

**. EACH PARTY HERETO AND EACH OTHER OBLIGOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

#### **9.11 Treatment of Certain Information; Confidentiality**

(a)Treatment of Certain Information. Each Obligor acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to Borrowers or one or more of the Subsidiaries (in connection with this Agreement or otherwise) by Lender or by one or more Subsidiaries or Affiliates of Lender and each Obligor hereby authorizes Lender to share any information delivered to Lender by any Obligor or any of the Subsidiaries pursuant to this Agreement, or in connection with the decision of Lender to enter into this Agreement, to any Affiliate, it being understood that any such Affiliate receiving such information shall be bound by the provisions of Section 9.11 (b) as if it were Lender hereunder. Such authorization shall survive the repayment of the Loans, the expiration or termination of the Letters of Credit and Commitments or the termination of this Agreement or any provision hereof.

(ddd)Confidentiality. Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (iv) to any other party hereto; (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the

enforcement of rights hereunder or thereunder; (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (B) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to Borrowers and their obligations, this Agreement or payments hereunder; (vii) on a confidential basis to (A) any rating agency in connection with rating Obligors or their Subsidiaries or the credit facilities under this Agreement or (B) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreements; (viii) with the consent of Borrowers; or (ix) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section, or (B) becomes available to Lender or any of its Affiliates on a nonconfidential basis from a source other than Borrowers. For purposes of this Section, "**Information**" means all information received from the Obligors, their Subsidiaries or any of its representatives relating to the Obligors or any of its businesses, other than any such information that is available to Lender on a nonconfidential basis prior to disclosure by Lender or any of its representatives; **provided** that, in the case of information received from Borrowers after the date hereof, such information is identified in writing at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b)Independence of Covenants. All covenants and other agreements contained in this Agreement or any other Loan Document shall be given independent effect so that, if a particular action or condition is not permitted by any of such covenants or other agreements, the fact that such action or condition would be permitted by an exception to, or otherwise be within the limitations of, another covenant or other agreement shall not avoid the occurrence of a Default if such action is taken or such condition exists.

### **9.12Interest Rate Limitation**

. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges or other amounts that are treated as interest on such Loan under applicable law (collectively the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") that may be contracted for, charged, taken, received, or reserved by Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect to such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 9.12 shall be cumulated and the interest and Charges payable to Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefore) until such cumulated amount, shall have been received by Lender. If Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to Borrowers.

### **9.13USA Patriot Act**

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. Lender hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify, and record information that identifies each Obligor and other information that will allow Lender to identify Borrowers in accordance with the USA Patriot Act. Borrowers hereby agree to provide, and cause each other Obligor to provide, such information promptly upon the request of Lender.

#### **9.14 Administrative Borrower**

. Each Borrower hereby irrevocably appoints Alico as the borrowing agent and attorney-in-fact for all Borrowers (“**Administrative Borrower**”) and Alico hereby accepts such appointment, which appointment shall remain in full force and effect unless and until Lender shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed the Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes Administrative Borrower to take on its behalf all actions required of such Borrower under the Loan Documents, and to exercise all powers and to perform all duties of such Borrower thereunder, including to submit and receive all certificates, notices, elections, and communications. For the avoidance of doubt and notwithstanding anything in this Agreement or any other Loan Document to the contrary, each Borrower agrees that any notice, demand, certificate, delivery or other communication delivered by Lender to Administrative Borrower shall be deemed delivered to Borrowers at the time of such delivery.

#### **9.15 Joint and Several Obligations**

(a) All Obligations shall constitute joint and several obligations of Borrowers. Each Borrower expressly represents and acknowledges that it is part of a common enterprise with the other Borrowers and that any financial accommodations by Lender to any other Borrowers hereunder and under the other Loan Documents are and will be of direct and indirect interest, benefit and advantage to all Borrowers. Each Borrower acknowledges that any notice of Borrowing or any other notice given by any other Borrower to Lender shall bind all Borrowers, and that any notice given by Lender to any Borrower shall be effective with respect to all Borrowers. Each Borrower acknowledges and agrees that each Borrower shall be liable, on a joint and several basis, for all of the Loans and other Obligations, regardless of which such Person actually may have received the proceeds of any of the Loans or other extensions of credit or the amount of such Loans or other extensions of credit received or the manner in which Lender accounts among Borrowers for such Loans or other Obligations on its books and records, and further acknowledges and agrees that Loans and other extensions of credit to any Borrower inure to the mutual benefit of all of Borrowers and that Lender is relying on the joint and several liability of Borrowers in extending the Loans and other financial accommodations under the Loan Documents and Bank Product Agreements, **provided**, that notwithstanding anything to the contrary in this Section, no Borrower shall be liable for any Swap Obligation incurred by an Obligor other than such Borrower, to the extent such Swap Obligation would constitute Excluded Swap Obligations with respect to such Borrower at such time.

(eeee)Each Borrower shall be entitled to subrogation and contribution rights from and against the other Borrowers to the extent such Person is required to pay to Lender any amount in excess of the Loans advanced directly to, or other Obligations incurred directly by, such Person or as otherwise available under applicable law; **provided, however**, that such subrogation and contribution rights are and shall be subject to the terms and conditions of Section 9.15(c) through 9.15(d).

(b)It is the intent of each Borrower, Lender, and any other Person holding any of the Obligations that the maximum obligations of each Borrower hereunder (such Person's "**Maximum Borrower Liability**") in any case or proceeding referred to below (but only in such a case or proceeding) shall not be in excess of:

(i)in a case or proceeding commenced by or against such Person under the Bankruptcy Code on or within one year from the date on which any of the Obligations of such Person are incurred, the maximum amount that would not otherwise cause the Obligations of such Person hereunder (or any other Obligations of such Person to Lender and any other Person holding any of the Obligations) to be avoidable or unenforceable against such Person under (A) Section 548 of the Bankruptcy Code or (B) any state fraudulent transfer or fraudulent conveyance act or statute applied in such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(i)in a case or proceeding commenced by or against such Person under the Bankruptcy Code subsequent to one year from the date on which any of the Obligations of such Person are incurred, the maximum amount that would not otherwise cause the Obligations of such Person hereunder (or any other Obligations of such Person to Lender and any other Person holding any of the Obligations) to be avoidable or unenforceable against such Person under any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(ii)in a case or proceeding commenced by or against such Person under any law, statute or regulation other than the Bankruptcy Code relating to dissolution, liquidation, conservatorship, bankruptcy, moratorium, readjustment of debt, compromise, rearrangement, receivership, insolvency, reorganization or similar debtor relief from time to time in effect affecting the rights of creditors generally (collectively, "**Other Debtor Relief Law**"), the maximum amount that would not otherwise cause the Obligations of such Person hereunder (or any other Obligations of such Person to Lender and any other Person holding any of the Obligations) to be avoidable or unenforceable against such Person under such Other Debtor Relief Law, including, without limitation, any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding. (The substantive state or federal laws under which the possible avoidance or unenforceability of the Obligations of any Borrower hereunder (or any other Obligations of such Person to Lender and any other Person holding any of the Obligations) shall be determined in any such case or proceeding shall hereinafter be referred to as the "**Avoidance Provisions**").

Notwithstanding the foregoing, no provision of this Section 9.15(c) shall limit the liability of any Borrower for loans advanced directly or indirectly to it under this Agreement.

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(c) To the extent set forth in Section 9.15(c), but only to the extent that the Obligations of any Borrower hereunder would otherwise be subject to avoidance under any Avoidance Provisions if such Person is not deemed to have received valuable consideration, fair value, fair consideration or reasonably equivalent value for such transfers or obligations, or if such transfers or obligations of any Borrower hereunder would render such Person insolvent, or leave such Person with an unreasonably small capital or unreasonably small assets to conduct its business, or cause such Person to have incurred debts (or to have intended to have incurred debts) beyond its ability to pay such debts as they mature, in each case as of the time any of the obligations of such Person are deemed to have been incurred and transfers made under such Avoidance Provisions, then the obligations of such Person hereunder shall be reduced to that amount which, after giving effect thereto, would not cause the Obligations of such Person hereunder (or any other Obligations of such Person to Lender and any other Person holding any of the Obligations), as so reduced, to be subject to avoidance under such Avoidance Provisions. This Section 9.15(d) is intended solely to preserve the rights hereunder of Lender and any other Person holding any of the Obligations to the maximum extent that would not cause the obligations of Borrowers hereunder to be subject to avoidance under any Avoidance Provisions, and none of Borrowers nor any other Person shall have any right, defense, offset, or claim under this Section 9.15(d) as against Lender and any other Person holding any of the Obligations that would not otherwise be available to such Person under the Avoidance Provisions.

(ffff) Each Borrower agrees that the Obligations may at any time and from time to time exceed the Maximum Borrower Liability of such Person, and may exceed the aggregate Maximum Borrower Liability of all of Borrowers hereunder, without impairing this Agreement or any provision contained herein or affecting the rights and remedies of Lender hereunder.

(d) In the event any Borrower (a “**Funding Borrower**”) shall make any payment or payments under this Agreement or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations hereunder, each other Borrower (each, a “**Contributing Borrower**”) shall contribute to such Funding Borrower an amount equal to such payment or payments made, or losses suffered, by such Funding Borrower determined as of the date on which such payment or loss was made **multiplied by** the ratio of (i) the Maximum Borrower Liability of such Contributing Borrower (without giving effect to any right to receive any contribution or other obligation to make any contribution hereunder), to (ii) the aggregate Maximum Borrower Liability of all Borrowers (including the Funding Borrowers) hereunder (without giving effect to any right to receive, or obligation to make, any contribution hereunder). Nothing in this Section 9.15(f) shall affect the joint and several liability of any Borrower to Lender for the entire amount of its Obligations. Each Borrower covenants and agrees that its right to receive any contribution hereunder from a Contributing Borrower shall be subordinate and junior in right of payment to all obligations of Borrowers to Lender hereunder.

(gggg) No Borrower will exercise any rights which it may acquire by way of subrogation hereunder or under any other Loan Document or at law by any payment made hereunder or otherwise, nor shall any Borrower seek or be entitled to seek any contribution or reimbursement from any other Borrower in respect of payments made by such Person hereunder or under any other Loan Document, until all amounts owing to Lender on account of the Obligations are paid in full in cash. If any amounts shall be paid to any Borrower on account of such subrogation or contribution rights at any time when all of the Obligations shall not have been

paid in full, such amount shall be held by such Person in trust for Lender, segregated from other funds of such Person, and shall, forthwith upon receipt by such Person, be turned over to Lender in the exact form received by such Person (duly endorsed by such Person to Lender, if required), to be applied against the Obligations, whether matured or unmatured, as provided for herein.

#### **9.16 Press Release and Related Matters**

. No Obligor shall, and no Obligor shall permit any of its Affiliates to, issue any press release or other public disclosure using the name or logo or otherwise referring to Lender or of any of its Affiliates, the Loan Documents or any transaction contemplated therein to which Lender is party without the prior consent of Lender, except to the extent required to do so under applicable law and then, in any event, Borrowers will advise Lender as soon as possible with respect to such press release or other public disclosure.

#### **9.17 No Duty**

. All attorneys, accountants, appraisers, and other professional Persons and consultants retained by Lender shall have the right to act exclusively in the interest of Lender and shall have no duty of disclosure, duty of loyalty, duty of care, or other duty or obligation of any type or nature whatsoever to any Borrower, any holders of Equity Interests of any Borrower, or any other Person.

#### **9.18 No Fiduciary Relationship**

. The relationship between Borrowers and the other Obligors on the one hand and Lender on the other is solely that of debtor and creditor, and Lender has no fiduciary or other special relationship with Borrowers or any other Obligors, and no term or condition of any of the Loan Documents shall be construed so as to deem the relationship between Borrowers and the other Obligors on the one hand and Lender on the other to be other than that of debtor and creditor.

#### **9.19 Construction**

. Each Borrower, each other Obligor (by its execution of the Loan Documents to which it is a party) and Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review the Loan Documents with its legal counsel and that the Loan Documents shall be construed as if jointly drafted by the parties thereto. Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

#### **9.20 Payments Set Aside**

. To the extent that any payment by or on behalf of any Obligor under any Loan Document is made to Lender, or Lender exercises its right of set-off as to any Obligor, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, then to the extent of such

recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred.

### **9.21 Benefits of Agreement**

. The Loan Documents are entered into for the sole protection and benefit of the parties hereto and their permitted successors and assigns, and no other Person (other than any Related Parties of Lender and any Participants to the extent provided for in Section 9.4(c)) shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with, any Loan Document.

### **9.22 Keepwell**

. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally, and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Obligor to honor all of its obligations under this Agreement in respect of Swap Obligations (**provided, however**, that each Qualified ECP Guarantor shall only be liable under this Section for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section, or otherwise under this Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until Full Satisfaction of the Obligations. Each Qualified ECP Guarantor intends that this Section constitute, and this Section shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other obligor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

### **9.23 Acknowledgement and Consent to Bail-In of Affected Financial Institutions**

. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(hhh) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(i) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other

instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(ii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.<sup>22</sup>

#### **9.24 Acknowledgement Regarding Any Supported QFCs**

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Agreements or any other agreement or instrument that is a QFC (such support, “*QFC Credit Support*” and each such QFC a “*Supported QFC*”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “*Covered Party*”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. ~~Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.~~

(iii) As used in this Section 9.24, the following terms have the following meanings:

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(i) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(ii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*QFC*” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

#### **1.4 Reaffirmation**

. Each Borrower and each other Obligor (including those that that become party hereto after the date hereof), in its respective capacity as a Borrower, debtor, obligor, grantor, pledgor, guarantor, assignor, or other similar capacity in which such party acts as direct or indirect, or primary or secondary, obligor, accommodation party or guarantor or grants liens or security interests in or to its properties hereunder or under any other Loan Document, hereby acknowledges and agrees to be bound by the provisions of Section 2.17 (including, without limitation, the implementation from time to time of any Benchmark Replacement and any Conforming Changes in accordance herewith) and, in furtherance of the forgoing (and without, in any way express or implied, invalidating, impairing or otherwise negatively affecting any obligations heretofore provided) hereby acknowledges and agrees that in connection with and after giving effect to any Benchmark Cessation Changes: (a) its Obligations shall not in any way be novated, discharged or otherwise impaired, and shall continue, be ratified and be affirmed and shall remain in full force in effect, (b) its grant of a guarantee, pledge, assignment or any other accommodation, lien or security interests in or to its properties relating to this Agreement or any other Loan Document shall continue, be ratified and be affirmed, and shall remain in full force and effect and shall not be novated, discharged or otherwise impaired and (c) the Loan Documents and its obligations thereunder (contingent or otherwise) shall continue, be ratified and be affirmed and shall remain in full force and effect and shall not be novated, discharged or otherwise impaired. In addition, each Obligor hereby fully waives any requirements to notify such Obligor of any Benchmark Cessation Changes (except as expressly provided in Section 2.17). In furtherance of the foregoing, each Obligor hereby (i) appoints Administrative Borrower and Administrative Borrower hereby accepts such appointment as its agent, attorney-in-fact and representative for purposes of the delivery of any and all documents, instruments, agreements and other materials required to be delivered by any such party and for all other administrative purposes incidental to any of the foregoing provisions of this Section 9.25 and Section 2.17 and (ii) hereby authorizes Administrative Borrower to take such actions, execute, acknowledge, and deliver, or cause to be executed, acknowledged and delivered, such further agreements, documents or instruments that are reasonably necessary or desirable to carry out the intent and purpose of this Section 9.25 and Section 2.17 on its behalf. From time to time, Administrative Borrower (both in its individual capacity and in its capacity as agent, agent, attorney-in-fact and representative of each other Obligor pursuant to the immediately preceding sentence) and the Obligors shall execute and deliver, or cause to be executed and delivered, such instruments, agreements, certificates or documents, and take all such actions, as Lender may reasonably request for the purposes of

ACTIVE 65850631v4.1

[implementing or effectuating the provisions of Section 2.17, or of renewing, continuing, reaffirming or ratifying the rights of Lender with respect to the Obligations or the Collateral.](#)

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ACTIVE 65850631v4

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by its officer or officers thereunto duly authorized as of the date first above written.

**BORROWERS:**

**ALICO, INC.**, a Florida corporation

By: \_\_\_\_  
Name: Clay G. Wilson  
Title: Chief Executive Officer

**ALICO-AGRI, LTD.**, a Florida limited partnership

By: Alico, Inc., a Florida corporation, its General Partner

By: \_\_\_\_  
Name: Clay G. Wilson  
Title: Chief Executive Officer

**ALICO PLANT WORLD, L.L.C.**, a Florida limited liability company

By: Alico-Agri, Ltd., a Florida limited partnership, its Sole Member

By: Alico, Inc., a Florida corporation,  
its General Partner

By:  
Name: Clay G. Wilson  
Title: Chief Executive Officer

**ALICO FRUIT COMPANY, LLC**, a Florida limited liability company

By: Alico, Inc., a Florida corporation, its Managing Member

By: \_\_\_\_

Name: Clay G. Wilson

Title: Chief Executive Officer

**ALICO LAND DEVELOPMENT INC.**, a Florida corporation

By: \_\_\_\_

Name: Clay G. Wilson

Title: President

**ALICO CITRUS NURSERY, LLC**, a Florida limited liability company

By: Alico, Inc., a Florida corporation, its Managing Member

By: \_\_\_\_

Name: Clay G. Wilson

Title: Chief Executive Officer

**LENDER:**

**RABO AGRIFINANCE, INC., as Lender**

By:

Name:

Title:

ACTIVE 66047430v3

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**TERMINATION OF PROPERTY MANAGEMENT AGREEMENT**

THIS TERMINATION OF PROPERTY MANAGEMENT AGREEMENT (this “**Agreement**”) is made this   2   day of August, 2022, but is effective as of June 10, 2022 (the “**Effective Date**”), by and between:

BARRON COLLIER PARTNERSHIP, LLLP, a Florida limited partnership (“**BCP**”),  
SILVER STRAND III PARTNERSHIP, a Florida general partnership (“**SS III**”)  
OAK HAMMOCK GROVES, LTD., a Florida limited partnership (“**OHG**”)  
SERENOA INVESTMENTS, LLC, a Florida limited liability company (“**Serenoa**”)  
(individually, “**Owner**” or collectively, as a group, either “**Owner**” or “**Owners**”),  
each having a business address of 2600 Golden Gate Parkway, Naples, Florida 34105,

and

ALICO, INC., a Florida corporation (“**Manager**”),  
having a business address of  
10070 Daniels Interstate Court, Suite 200, Fort Myers, Florida 33913.

**RECITALS:**

A. Owners and Manager entered into that certain Property Management Agreement, dated as of July 16, 2020, by and among Owners and Manager (the “**PMA**”).

B. Owners and Manager desire to terminate the PMA on the terms set forth herein.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, the sufficiency of which consideration is hereby acknowledged, Owners and Manager agree as follows:

1. Termination. Subject to the provisions hereof including those set forth in sub-paragraphs 1a.-1p below, the PMA is hereby terminated effective as of the Effective Date and shall be of no further force and effect and neither party shall have any rights or obligations thereunder; provided, however, any causes of action arising and accruing under the PMA prior to the Effective Date may be pursued after the Effective Date (subject to any applicable statutes of limitations) and the provisions of the following paragraphs of the PMA shall survive for, and continue for, the respective periods noted below:

(a) Paragraph 8 Invoicing of Expenses shall survive pending the final True Up Payment and terminate upon the final resolution of and disputes involving payment under Paragraph 8.

(b) Paragraph 11 Management Fee shall survive only to the extent of ensuring that the monthly installment of the Management Fee payable by Owners to manager with respect to the month of June 2022 is paid (if not already fully

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paid as of the Effective Date), with the understanding that, notwithstanding the fact that the Effective Date falls in the middle of the month of June 2022, Manager shall be entitled to retain, and to be considered to have earned, the entire June 2022 installment of the Management Fee.

(c) Paragraph 16 Relationship of Parties as it relates to the period from the effective date of the PMA to the Effective Date of this Agreement shall survive indefinitely.

(d) The notification obligations under Paragraph 23, to the extent they relate to the period from the effective date of the PMA to the Effective Date of this Agreement, shall survive indefinitely.

(e) Paragraph 25 Indemnification; Limitation of Liability shall survive the Effective Date for a period ending 60 days after the expiration of the respective applicable statute of limitations.

(f) Paragraph 26 Notice shall survive indefinitely.

(g) Paragraph 28 Limitation on Damages shall survive indefinitely.

(h) Paragraph 29 Choice of Law shall survive indefinitely.

(i) Paragraph 30 Interpretation shall survive indefinitely.

(j) Paragraph 31 Captions shall survive indefinitely.

(k) Paragraph 32 Successors and Permitted Assigns shall survive indefinitely.

(l) Paragraph 36 Attorneys' Fee shall survive indefinitely.

(m) Paragraph 37 Confidentiality shall survive indefinitely.

(n) Paragraph 40 Outstanding Payments shall survive pending the final True Up Payment and terminate upon the final resolution of and disputes involving payment under the PMA, including without limitation final resolution of and disputes involving payment obligations that survive under this paragraph 1.

(o) Paragraph 41 Liability of Owners shall survive indefinitely.

(p) Paragraph 42 Waiver of Jury Trial shall survive indefinitely.

With respect to any other provisions of the PMA that are stated to survive the termination of the PMA, if and to the extent that any such provisions conflict with any of the terms hereof, the terms of this Agreement shall control.

2. Repurchase of Rolling Stock. Paragraph 3 of the PMA provided Manager with the option to purchase certain owned Rolling Stock from BCP, OHG, and SS III and Manager exercised such

Option with respect to certain owned Rolling Stock and acquired the Agreed Upon Rolling Stock (as defined in the PMA). Although Sub-paragraph 3(g)(4) of the PMA requires BCP, OHG, and SS III (i) to repurchase the Agreed Upon Rolling Stock for seventy (70%) of the purchase price Manager paid for such Agreed Upon Rolling Stock and (ii) to repurchase each item of Subsequently Acquired Rolling Stock for the Then Deemed Depreciated Value thereof (as defined in the PMA), the parties hereto have agreed that only certain of the Agreed Upon Rolling Stock (as specifically identified on **Schedule 1** (the “**Repurchased Rolling Stock**”)) will be repurchased by BCP and OHG, with the remainder of the Agreed Upon Rolling Stock and the remainder of the Subsequently Acquired Rolling Stock remaining owned by Manager and no longer subject to the repurchase obligation set forth in Sub-paragraph 3(g)(4) of the PMA. BCP and OHG have taken delivery of the Repurchased Rolling Stock and the agreed upon purchase price has been paid for the same. Manager will execute and deliver to each respective purchaser thereof an original Bill of Sale for such respective portion of the Repurchased Rolling Stock, with the Bill of Sale being substantially in the form attached hereto as **Schedule 2**. In the addition, as of such date, Manager shall execute and file all other forms required by the Florida Department of Highway Safety and Motor Vehicles necessary to effectuate the valid transfer of title of the respective Repurchased Rolling Stock to such respective Owner with any sales taxes due in connection with such sales (taking into account all applicable sales tax exemptions) to be paid by Owner. From and after the Effective Time, each Owner agrees to indemnify and hold Manager harmless from any and all loss, liability, or expense (including without limitation reasonable attorneys' fees and costs) sustained by Manager on account of property damage or personal injury (including without limitation death resulting therefrom) sustained or alleged to have been sustained by any person or persons, including without limitation employees of any Owner, and their respective subcontractors, arising out of or in any way connected with the use or operation of the Repurchased Rolling Stock by any Owner, any of its subcontractor(s) and any of their respective employees and agents, or by any of any Owner's successors, assigns, or transferees of the Repurchased Rolling Stock. Manager agrees to indemnify and hold Owners harmless from any and all loss, liability, or expense (including without limitation reasonable attorneys' fees and costs) sustained by any Owner on account of property damage or personal injury (including without limitation death resulting therefrom) sustained or alleged to have been sustained by any person or persons, including without limitation employees, agents, representatives, officers or directors of such entity or any its subsidiaries, affiliates, partners or subcontractors, arising out of or in any way connected with the use or operation of the Repurchased Rolling Stock occurring during the period from the respective time such Repurchased Rolling Stock was acquired by Manager and to the Effective Time. Further, the parties, on behalf of themselves and all others claiming under them including any insurer, waive all claim, and rights of recovery against each other, to the extent covered by and within the limits of any insurance, including all rights of subrogation, for loss or damage to property or personal injury arising from any perils insured against under the terms of any insurance policy carried by either party and regardless of the negligence of either party or its servants, agents or employees.

3. Equipment Leases. Notwithstanding the provisions of Paragraph 4 of the PMA, Manager shall retain the Equipment Leases (as defined in Paragraph 4 of the PMA) and the associated Equipment and no Owner shall be obligated to re-assume or shall have the right to re-assume any of the Equipment Leases (as defined in Paragraph 4 of the PMA).

4. Records. To the extent requested in writing by Owner from time to time (and provided that Owner specifically identifies the copies of records requested in such written request), Manager shall provide to Owner, within a reasonable time after such written request is received by Manager, copies of those requested records relating to the operation of the Property kept by Manager to the extent such records are reasonably necessary for Owner to operate the Property including but not limited to any records pertaining to chemicals used or delivered to the Property under Paragraph 13 of the PMA.

5. Employees. Owner understands and acknowledges that, because of the termination of the PMA, Manager will be terminating and/or has terminated the employees identified on **Schedule 3** and has paid and/or will be paying certain severance payments to those employees and has incurred and/or will be incurring certain other costs of separation (together "**Separation Payments**"). Owner acknowledges and agrees that the Separation Payments will be treated as Invoiceable Costs (as defined in Paragraph 8 of the PMA) for purposes of Paragraph 8 of the PMA (including for purposes of the final True-Up Payment computation) and will be reimbursable by Owner to Manager in accordance with the provisions of Paragraph 8 of the PMA.

6. Right of First Refusal. The Right of First Refusal set forth in Paragraph 38 is terminated as of the Effective Date. Manager shall deliver the Termination of Right of First Refusal (in substantially the form attached hereto as **Schedule 4**) on the Effective Date for recording by Owners in the Public Records of Collier County.

7. Memorandum of Agreement. Manager shall deliver the Termination of Memorandum of Agreement (in substantially the form attached hereto as **Schedule 5**) on the Effective Date for recording by Owners in the Public Records of Collier County.

8. DACA Termination. Upon payment of the final True Up Payment, the Deposit Account Control Agreement, dated as of October 30, 2020 by and between Owners, Manager, and First Foundation Bank, successor by merger to First Florida Integrity Bank, shall be terminated within ten (10) business days of such payment and Manager will assist Owners in effecting such termination and execute any documents reasonably required to effectuate such termination.

9. Liens. Manager has not recorded any liens under Paragraph 40 of the PMA and provided Manager is paid in full on or before August 19, 2022, will not record any liens thereunder.

10. No Prior Assignment. Manager represents and warrants to Owners that, other than collateral assignments by Manager as part of blanket security interests granted to secure indebtedness of Manager, Manager has not assigned any of its rights under the PMA to any third party and, to Manager's knowledge, no party has any claim against any Owner related to the PMA. Owners represent and warrant to Manager that Owners have not assigned any of its rights under the PMA to any third party and, to Owner's knowledge, no party has any claim against Manager related to the PMA.

11. Attorneys' Fees. In the event a legal proceeding is instituted to enforce any provision hereof or rights granted hereby, including the recovery of damage or enforcement of the right of indemnification, the party prevailing in such action may recover its costs thus incurred, including reasonable legal fees and costs, including without limitation, paralegal fees and court

costs, in presuit mediation and settlement activities and in arbitration, trial, court-ordered mediation, appellate and bankruptcy proceedings.

12. Agreement Binding on Successors. The rights and obligations of the parties to this Agreement will inure to the benefit of and will bind the successors or the legal representative of the respective parties and assigns of one party to which the other party has given its written consent; provided however, that this Agreement cannot be assigned by either party without the written consent of the other party, provided that no consent shall be required for an assignment by Manager if the assignment is to an affiliate of the party or other person that constitutes a substantially similar company with comparable or better financial and operational resources.

13. Entire Agreement. This Agreement constitutes the complete agreement between the parties regarding the subject matter hereof. Each of the parties to this Agreement acknowledges that none of them have made any communications to the other, or oral understandings with the other, contrary to, in addition to, or different from the terms of this Agreement and that all prior agreements or understandings on any topic that is the subject matter of this Agreement are, as of the date hereof, superseded, null and void.

14. Amendment. This Agreement shall not be amended, modified or changed except in writing and signed by the parties hereto.

15. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement to affect the original intent of the parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

16. Headings; Gender; Number. In this Agreement, captions of the sections and paragraphs are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in interpretations, construction or meaning of the provisions hereof. For purposes of this Agreement, when the context so requires, the masculine, feminine and neuter genders may be used interchangeably and the singular may include the plural and vice versa.

17. Counterparts. This Agreement may be executed in one or more electronic (including, but not limited to, facsimile, .pdf, .tif, and .jpeg) or original counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same instrument.

18. Governing Law; Jurisdiction. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida without regard to its conflicts of law provisions or any other provision of Florida law that would require or permit the application of the substantive law of any other jurisdiction to govern this Agreement. Each party expressly submits to the personal jurisdiction and venue of the courts of competent jurisdiction of the State of Florida for

the litigation of any disputes or claims arising under this Agreement and any actions to enforce the terms of this Agreement will be brought in the 20th Judicial Circuit Court of Florida.

19. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT THAT IT MAY HEREAFTER BE PERMITTED BY LAW, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL- ENCOMPASSING OF ANY AND ALL DISPUTES (EACH A “**DISPUTE**”, AND COLLECTIVELY, ANY OR ALL, THE “**DISPUTES**”) OF ANY KIND WHATSOEVER THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, ANTITRUST CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON-LAW OR STATUTORY CLAIMS. THE PARTIES FURTHER WARRANT AND REPRESENT TO ONE ANOTHER THAT IT HAS REVIEWED THIS WAIVER WITH LEGAL COUNSEL OF ITS OWN CHOOSING, OR HAS HAD AN OPPORTUNITY TO DO SO, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS HAVING HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL.

*[Signature Page Follows]*



IN WITNESS WHEREOF, the parties have caused this Termination of Property Management Agreement to be executed by their respective duly authorized officers as of the date and year first set forth above.

SILVER STRAND III PARTNERSHIP

By: Barron Collier Management, LLC,  
as Authorized Agent

By: \_\_\_\_\_/s/ Bradley A. Boaz \_\_\_\_\_  
Bradley A. Boaz, Executive Vice President

STATE OF FLORIDA

COUNTY OF COLLIER

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization this 2 day of August, 2022, by Bradley A. Boaz, as Executive Vice President of BARRON COLLIER MANAGEMENT, LLC, a Florida limited liability company, as an Authorized Agent of SILVER STRAND III PARTNERSHIP, a Florida general partnership, on behalf of the company. He (check one)  is personally known to me or  has produced \_\_\_\_\_ as identification.

\_\_\_\_\_/s/ Priscylla M. Gomez

Notary Public

Printed Name: Priscylla M. Gomez

My commission expires: February 5, 2025

*Signature Page to Termination of Property Management Agreement*

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IN WITNESS WHEREOF, the parties have caused this Termination of Property Management Agreement to be executed by their respective duly authorized officers as of the date and year first set forth above.

OAK HAMMOCK GROVES, LTD.

By: OHG Naples, Inc.,  
its General Partner

By: \_\_\_\_\_/s/Barron Collier, III \_\_\_\_\_  
Name: Barron Collier, III,  
Title: as Authorized Agent and President

STATE OF FLORIDA

COUNTY OF COLLIER

The foregoing instrument was acknowledged before me by means of () physical presence or () online notarization this 9 day of August, 2022, Barron Collier, III, as President of OHG NAPLES, INC., a Florida corporation, as General Partner of OAK HAMMOCK GROVES, LTD., a Florida limited partnership, on behalf of the company. He (check one) () is personally known to me or () has produced \_\_\_\_\_ as identification.

\_\_\_\_\_/s/ Priscylla M. Gomez  
Notary Public  
Printed Name: Priscylla M. Gomez  
My commission expires: February 5, 2025

*Signature Page to Termination of Property Management Agreement*

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IN WITNESS WHEREOF, the parties have caused this Termination of Property Management Agreement to be executed by their respective duly authorized officers as of the date and year first set forth above.

MANAGER:

ALICO, INC.:

By:                     /s/ John E. Kiernan                      
John E. Kiernan, President and CEO

STATE OF FLORIDA

COUNTY OF LEE

The foregoing instrument was acknowledged before me by means of () physical presence or () online notarization this 10 day of August, 2022, by John E. Kiernan, as President and CEO of Alico, Inc., a Florida corporation, on behalf of the corporation. He (check one) () is personally known to me or () has produced \_\_\_\_\_ as identification.

/s/ Mary E. Molina

Notary Public

Printed Name: Mary E. Molina

My commission expires: July 24, 2023

*Signature Page to Termination of Property Management Agreement*

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**Schedule 1**

**List of Repurchased Rolling Stock**

Type	Description	Make	Model	Year Purchased	VIN/Serial #	Bill of Sale Value	Repurchase Value (70%)	Repurchased by
<b>North Grove</b>								
Trucks	2019 Silverado 1500 LT/LT Z71 Dbl Cab	Chevrolet	Silverado	2019	2GCVKPEC1K1150007	\$21,600	\$15,120	BCP
15' Batwing Mower		Rhino	4150-3	2015	30476	\$4,550	\$3,185	BCP
Furrow Plows	V-plow GPS	John Deere	GreenStar	2015	PGGU2UG554512332700	\$6,250	\$4,375	BCP
Ditch Bank Sprayer	Utility Ranger Sprayer	Utility Ranger / Chem Containers	A-1 Mist Sprayer Resources	2019	URX - 60-6-1563 / URX 10-R17	\$1,200	\$840	BCP
Nurse Wagon	1025 gal Tank w/ 2" pump & engine	WIZ Sales LLC	n/a	2018		\$3,200	\$2,240	BCP
Nurse Wagon	1025 gal Tank w/ 2" pump & engine	WIZ Sales LLC	n/a	2018		\$3,200	\$2,240	BCP
Nurse Wagon	1025 gal Tank w/ 2" pump & engine	WIZ Sales LLC	n/a	2018		\$3,200	\$2,240	BCP
<b>Box Blade</b>	1002A Twin Max Box Blade - 10 Ft	Twin Max	1002A	1992	C1026	\$400	\$280	BCP
<b>North Grove Total</b>						<b>\$43,600</b>	<b>\$30,520</b>	
<b>Silver Strand III</b>								
<b>Mini Front Loader</b>	Mini Front Loader	Caterpillar	906	2004	CJS30384	\$10,000	\$7,000	BCP
<b>Silver Strand III Total</b>						<b>\$10,000</b>	<b>\$7,000</b>	
<b>OHG</b>								
Trucks	2017 Ford F-150 Supercab	Ford	F-150 XLT	2019	1FTFX1EF2HKD56832	\$22,500	\$15,750	OHG
Fuel Wagon	500 Gallon Tank	Custom built				\$640	\$448	OHG
15' Batwing Mower	Schulte Mower	Schulte	FX-1800	2017	C18510917512	\$8,300	\$5,810	OHG
15' Batwing Mower	Rhino Mower	rhino	4155	2019	4155-40388	\$11,000	\$7,700	BCP
<b>Utility Trailer</b>	20' Road Trailer	HMDE	Trailer	1994	FLT1206GG	\$800	\$560	OHG
<b>OHG Totals</b>						<b>\$43,240</b>	<b>\$30,268</b>	
<b>Grand Totals</b>							<b>\$67,788</b>	
BCP to repurchase Rolling Stock							<b>\$45,220</b>	
OHG to repurchase Rolling Stock							<b>\$22,568</b>	

*Signature Page to Termination of Property Management Agreement*

## SCHEDULE 2

### FORM OF BILL OF SALE FOR REPURCHASED ROLLING STOCK

**THIS BILL OF SALE** is made and given effective as of the day of June, 2022, by **ALICO, INC.**, a Florida corporation ("**Seller**") to           , a            ("**Buyer**").

#### RECITALS

A. Buyer and Seller are parties to that certain Property Management Agreement effective as of July 16, 2020 (the "**Agreement**"), pertaining to citrus grove caretaking and management services with respect to the Land defined in the preamble thereof.

B. Buyer and Seller have agreed to terminate the Agreement in accordance with the terms set forth in that certain Termination of Property Management Agreement effective of even date herewith (the "**Termination Agreement**") and, in connection therewith, have agreed that Buyer will purchase and Seller will sell the rolling stock and other equipment described herein.

**NOW, THEREFORE**, in consideration of the Termination Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller hereby agrees as follows:

1. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Termination Agreement and in the Agreement, with any conflict in definitions being resolved in favor of the definitions in the Termination Agreement.

2. Seller hereby sells, transfers, conveys, assigns and delivers to Buyer all of Seller's right, title and interest in and to the personal property specifically described on **Exhibit "A"** attached hereto and incorporated herein by reference (collectively, the "**Personalty**").

3. SELLER HEREBY REPRESENTS AND WARRANTS TO BUYER THAT IT OWNS THE PERSONALTY FREE OF ANY LIENS AND ENCUMBRANCES ARISING FROM AND AFTER JULY 16, 2020, AND SELLER, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, DOES HEREBY AND WILL WARRANT AND FOREVER DEFEND SUCH RIGHT AND TITLE TO THE PERSONALTY UNTO BUYER, ITS SUCCESSORS AND ASSIGNS, AGAINST THE LAWFUL CLAIMS OF ALL PERSONS WHOMSOEVER.

4. This Bill of Sale shall be governed by and construed in accordance with the internal laws of the State of Florida, without giving effect to the principles thereof relating to the conflict of laws.

5. This Bill of Sale may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Bill of Sale delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Bill of Sale.

*(Signatures on Following Page)*

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**IN WITNESS WHEREOF**, ALICO, INC., a Florida corporation, has caused this instrument to be executed by its duly authorized officer as of the date and year first set forth above.

SELLER:

ALICO, INC.:

By: John E. Kiernan, President and CEO

STATE OF FLORIDA

COUNTY OF LEE

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization this    day of August, 2022, by John E. Kiernan, as President and CEO of Alico, Inc., a Florida corporation, on behalf of the corporation. He (check one)  is personally known to me or  has produced    as identification.

Notary Public

Printed Name:

My commission expires:   

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Schedule 3

List of Employees Terminated by Manager

<u>Employee Name</u>	<u>Hire Date</u>	<u>Seniority date</u>	<u>Seniority VOS</u>	<u>Location Desc</u>
ADAME, JESUS ARMANDO	07/15/2020	09/29/1997	25.27	BC North Grove
ALVAREZ IV, JUAN JOSE	04/05/2021	04/05/2021	1.74	BC Silver Strand III
CANTU, VALDOMERO	07/24/2020	09/18/2017	5.29	BC North Grove
CORNELIO, CARLOS	07/15/2020	02/05/1983	39.93	BC North Grove
GOMEZ CHAVEZ, JOSE S	07/15/2020	05/22/1990	32.63	BC North Grove
GONZALEZ, LEONARDO	07/24/2020	05/17/2000	22.64	BC Oak Hammock
HOFFMAN, JOHN R	07/15/2020	05/05/1986	36.68	BC North Grove
LOPEZ, MARTIN	07/15/2020	06/01/1989	33.61	BC Silver Strand III
MALDONADO, LEONARDO	09/30/2020	09/30/2020	2.25	BC North Grove
MURILLO ROMAN, CONRADO	07/15/2020	01/28/1991	31.95	BC North Grove
PEACOCK, ROY LEWIS	07/15/2020	09/28/1982	40.28	BC Silver Strand III
PUENTE, BRANDON DANIEL	04/08/2021	04/08/2021	1.73	BC Silver Strand III
RAMIREZ, MANUEL	07/15/2020	03/24/1994	28.79	BC North Grove
TAYLOR, JOHN F	07/15/2020	01/09/1989	34.00	BC Silver Strand III
BRISTER-ROSE, GWENDOLYN	07/15/2020	08/28/1989	33.36	BC North Grove
RAYA, EFRAIN	07/15/2020	10/28/2002	20.19	BC North Grove

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**SCHEDULE 4**

**FORM OF TERMINATION OF RIGHT OF FIRST REFUSAL AGREEMENT**

**PREPARED BY AND RETURN TO:**

William N. Barnes, Esq.  
**AKERMANLLP**  
420 South Orange Avenue, Suite 1200  
Orlando, Florida 32801

**TERMINATION OF RIGHT OF FIRST REFUSAL AGREEMENT**

\_\_\_\_\_, 2022

**KNOW ALL MEN BY THESE PRESENTS:** That **ALICO, INC.**, a Florida corporation, and \_\_\_\_\_, \_\_\_\_\_ entered into that certain Right of First Refusal Agreement, dated July 16, 2020 (the "**Right of First Refusal Agreement**"), which was recorded in the Public Records of Collier County Florida at Official Records Book \_\_\_\_\_, Page \_\_\_\_\_. **ALICO, INC.** and \_\_\_\_\_ hereby acknowledge the termination of such Right of First Refusal Agreement and hereby direct the Clerk of the said Circuit Court to cancel the same of record.

*[Signature Pages to Follow]*

*Schedule 4-From of Termination of Right of First Refusal Agreement*

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**IN WITNESS WHEREOF**, ALICO, INC., a Florida corporation, has caused this instrument to be executed by its duly authorized officer as of the date and year first set forth above.

ALICO, INC.:

By: John E. Kiernan, President and CEO

STATE OF FLORIDA

COUNTY OF LEE

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization this \_day of \_\_,2022, by John E. Kiernan, as President and CEO of Alico, Inc., a Florida corporation, on behalf of the corporation. He (check one)  is personally known to me or  has produced\_ as identification.

Notary Public

Printed Name:\_\_\_\_\_

My commission expires:\_\_\_\_\_

Page 2 of 3



IN WITNESS WHEREOF, \_\_\_\_\_, a \_\_\_\_\_, has caused this instrument to be executed by its duly authorized officer as of the date and year first set forth above.

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF COLLIER

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization this \_ day of \_ 2022, by \_ as \_ on behalf of the company. He (check one)  is personally known to me or  has produced \_ as identification.

Notary Public  
Printed Name: \_  
My commission expires: \_

Page 3 of 3

*Schedule 4-From of Termination of Right of First Refusal Agreement*

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**PREPARED BY AND RETURN TO:**

William N. Barnes, Esq.  
**AKERMANLLP**  
420 South Orange Avenue, Suite 1200 Orlando, Florida 32801

**CANCELLATION OF MEMORANDUM OF PROPERTY AGREEMENT**  
**.2022**

**KNOW ALL MEN BY THESE PRESENTS:** That  
**BARRON COLLIER PARTNERSHIP, LLLP**, a Florida limited partnership ("**BCP**"),  
**SILVER STRAND III PARTNERSHIP**, a Florida general partnership ("**SS 111**")  
**OAK HAMMOCK GROVES, LTD.**, a Florida limited partnership ("**OHG**")  
**SERENOA INVESTMENTS, LLC**, a Florida limited liability company ("**Serenoa**") (collectively, the "**Owners**")

and

**ALICO, INC.**, a Florida corporation ("**Alico**")

entered into that certain Property Management Agreement, dated as of July 16, 2020 (the "**Property Management Agreement**") for which a Memorandum of Property Management Agreement was recorded in the Public Records of County Florida at Official Records Book, Page \_\_\_\_ (the "**Memorandum**"). Each of the Owners and Alico hereto hereby acknowledge the termination of such Property Management Agreement in accordance with the terms provided for in that certain Termination of Property Management Agreement dated as of August \_\_, 2022 but effective as of June 10, 2022 and hereby directs the Clerk of the said Circuit Court to cancel the Memorandum of record.

[Signature Pages to Follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Cancellation of Memorandum of Property Management Agreement to be executed by their respective duly authorized officers as of the date and year first set forth above.

BARRON COLLIER PARTNERSHIP, LLLP

By: Barron Collier Management, LLC, its General Partner

By: Blake Gable, President

STATE OF FLORIDA

COUNTY OF COLLIER

The foregoing instrument was acknowledged before me by means of ( ) physical presence or ( ) online notarization this \_ day of \_ , 2022, by Blake Gable as President of BARRON COLLIER MANAGEMENT, LLC, a Florida limited liability company, as General Partner of BARRON COLLIER PARTNERSHIP, LLLP, a Florida limited partnership, on behalf of the company. He (check one) ( ) is personally known to me or ( ) has produced \_as identification.

Notary Public  
Printed Name:  
My commission expires: \_

**Page 2 of 6**

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IN WITNESS WHEREOF, the parties hereto have caused this Cancellation of Memorandum of Property Management Agreement to be executed by their respective duly authorized officers as of the date and year first set forth above.

SILVER STRAND III PARTNERSHIP

By: Barron Collier Management, LLC, as Authorized Agent

By: Bradley A. Boaz, Executive Vice President

STATE OF FLORIDA

COUNTY OF COLLIER

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization this \_ day of \_, 2022, by Bradley A. Boaz, as Executive Vice President of BARRON COLLIER MANAGEMENT, LLC, a Florida limited liability company, as an Authorized Agent of SILVER STRAND III PARTNERSHIP, a Florida general partnership, on behalf of the company. He (check one)  is personally known to me or  has produced \_as identification.

Notary Public  
Printed Name:  
My commission expires:

**IN WITNESS WHEREOF**, the parties have caused this Cancellation of Property Management Agreement to be executed by their respective duly authorized officers as of the date and year first set forth above.

OAK HAMMOCK GROVES, LTD.

By: OHG Naples, Inc., its General Partner

By: Barron Collier, III, President

STATE OF FLORIDA

COUNTY OF COLLIER

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization this \_ day of \_ 2022, Barron Collier, III, as President of OHG NAPLES, INC., a Florida corporation, as General Partner of OAK HAMMOCK GROVES, LTD., a Florida limited partnership, on behalf of the company. He (check one)  is personally known to me or  has produced \_as identification.

Notary Public  
Printed Name:  
My commission expires:

**IN WITNESS WHEREOF**, the parties have caused this Cancellation of Property Management Agreement to be executed by their respective duly authorized officers as of the date and year first set forth above.

SERENOA INVESTMENTS, LLC

By: Katherine G. Sproul, Manager

STATE OF FLORIDA

COUNTY OF COLLIER

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization this \_ day of \_ 2022, by Katherine G. Sproul, as Manager of SERENOA INVESTMENTS, LLC, a Florida limited liability company, on behalf of the company. She (check one)  is personally known to me or  has produced \_\_ as identification.

Notary Public  
Printed Name  
My commission expires:

**IN WITNESS WHEREOF**, the parties have caused this Cancellation of Property Management Agreement to be executed by their respective duly authorized officers as of the date and year first set forth above.

MANAGER:

ALICO, INC.:

By: John E. Kiernan, President and CEO

STATE OF FLORIDA COUNTY OF  
LEE

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization this \_ day of \_ 2022, by John E. Kiernan, as President and CEO of Alico, Inc., a Florida corporation, on behalf of the corporation. He (check one)  is personally known to me or  has produced \_\_\_\_\_ as identification.

Notary Public  
Printed Name: \_\_\_\_\_  
My commission expires: \_\_\_\_\_



SUBSIDIARIES OF ALICO, INC.

Name of Subsidiary	State of Organization
Alico Land Development, Inc.	Florida
Alico Fruit Company, LLC	Florida
Alico-Agri, LTD.	Florida
Alico Plant World LLC	Florida
Alico Citrus Nursery, LLC	Florida
734 Citrus Holdings, LLC	Florida
734 LMC Groves, LLC	Florida
734 BLP Groves, LLC	Florida
734 CO-OP Groves LLC	Florida
734 Harvest LLC	Florida
Alico Chemical Sales LLC	Florida
Alico Skink Mitigation LLC	Florida
Alico Ranch LLC	Florida
Alico Natural Resources LLC	Florida
Alico Industries, Inc.	Florida
Alico Merger Sub, Inc.	Florida
Citree Holdings LLC	Delaware

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**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statements (Nos. 333-208673 and 333-188736) on Forms S-8 of Alico, Inc. of our reports dated December 13, 2022, relating to the consolidated financial statements and the effectiveness of the Company's internal control over financial reporting (which report expresses an adverse opinion on the effectiveness of the Company's internal control over financial reporting because of a material weakness) appearing in this Annual Report on Form 10-K of Alico, Inc. for the year ended September 30, 2022.

/s/ RSM US LLP

Orlando, Florida  
December 13, 2022

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## CERTIFICATION

I, John E. Kiernan, certify that:

1. I have reviewed this annual report on Form 10-K of Alico, 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(s) 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(s) 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: December 6, 2022

By:

/s/ John E. Kiernan  
John E. Kiernan  
President and Chief Executive Officer  
(Principal Executive Officer)



## CERTIFICATIONS

I, Perry Del Vecchio, certify that:

1. I have reviewed this annual report on Form 10-K of Alico, 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(s) 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(s) 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: December 6, 2022

By:

/s/ Perry Del Vecchio  
Perry Del Vecchio  
Chief Financial Officer  
(Principal Financial and Accounting Officer)



**Certification of Chief Executive Officer  
Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the Annual Report on Form 10-K for the year ended September 30, 2022 (the "Report") of Alico, Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, John E. Kiernan, President and Chief Executive Officer of the Registrant, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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, as amended; and
- (2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: December 6, 2022

By: \_\_\_\_\_ /s/ John E. Kiernan  
John E. Kiernan  
President and Chief Executive Officer  
(Principal Executive Officer)

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**Certification of Chief Financial Officer  
Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the Annual Report on Form 10-K for the year ended September 30, 2022 (the "Report") of Alico, Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Perry Del Vecchio, Chief Financial Officer (Principal Financial and Accounting Officer) of the Registrant, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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, as amended; and
- (2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: December 6, 2022

By: \_\_\_\_\_ /s/ Perry Del Vecchio  
Perry Del Vecchio  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

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The following is a summary of select balance sheet data as of the end of each quarterly period, including the effects of the restatement for the quarters ended December 31, 2020, March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022. The following tables and discussion provide only a summary of the effects of the restatement, and do not include all line items that have been impacted by the restatement and should be read in conjunction with the restated consolidated financial statements contained in Note 2, "Restatement of Previously Issued Consolidated Financial Statements."

	Q4 2022	Q3 2022 (Unaudited) Restated	Q3 2022 (Unaudited) Previously Reported	Q2 2022 (Unaudited) Restated	Q2 2022 (Unaudited) Previously Reported	Q1 2022 (Unaudited) Restated	Q1 2022 (Unaudited) Previously Reported
Deferred income tax liabilities, net	35,589	34,707	37,219	34,719	37,231	34,589	37,101
Retained earnings	243,490	265,855	265,852	266,941	266,938	250,015	250,012

	Q4 2021 Restated	Q4 2021 Previously Reported	Q3 2021 (Unaudited) Restated	Q3 2021 (Unaudited) Previously Reported	Q2 2021 (Unaudited) Restated	Q2 2021 (Unaudited) Previously Reported	Q1 2021 (Unaudited) Restated	Q1 2021 (Unaudited) Previously Reported
Deferred income tax liabilities, net	39,465	41,977	37,216	39,728	37,216	39,728	37,216	39,728
Retained earnings	243,654	243,651	248,389	248,386	225,031	225,028	221,516	221,513

During the audit of our financial statements for the period ending September 30, 2022, the Company identified an error in the calculation of the deferred tax liabilities for the fiscal years 2015 through 2019. The quarterly Unaudited information shown above details the effect of the restatement on the two impacted balance sheet accounts identified.

