

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended December 31, 2024

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

59-0906081

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

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

10070 Daniels Interstate Court

Suite 200

Fort Myers

FL

33913

(Address of principal executive offices)

(Zip Code)

(239) 226-2000

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	ALCO	Nasdaq Global Select Market

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.:

Large Accelerated Filer
Non-accelerated filer
Emerging Growth Company

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 7,637,657 shares of common stock outstanding at February 7, 2025.

ALICO, INC.
FORM 10-Q
For the three months ended December 31, 2024 and 2023
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PART I

Item 1. Condensed Consolidated Financial Statements

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Cautionary Note Regarding Forward-Looking Information

This Quarterly Report on Form 10-Q (the “Quarterly Report”) contains certain forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in 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”). All statements other than statements of historical fact contained in this Quarterly Report are forward-looking statements, including without limitation, 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, plans relating to dividends, government regulations, the adequacy of our liquidity to meet our needs for the foreseeable future, expectations regarding income taxes, statements regarding the Company’s planned Strategic Transformation (as defined herein) and reduction in force, plans to sell vehicles and equipment used in the Company’s citrus production operations, expectations regarding acceleration of depreciation of the remaining book value of the Company’s citrus trees, the future of the Company’s land holdings, expectations of third parties for the provision of caretaking services for certain acres, and our expectations regarding market conditions. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as such as “may,” “will,” “could,” “should,” “would,” “believes,” “expects,” “anticipates,” “estimates,” “projects,” “intends,” “plans” or the negative of these terms or other similar expressions. The forward-looking statements in this Quarterly Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report and are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to: our implementation of our planned Strategic Transformation; our plan to wind down our citrus production operations to focus on our long-term diversified land usage and real estate development strategy; our ability to secure necessary regulatory approvals and permits for land development projects, effectively manage and allocate resources to new business initiatives, attract and retain skilled personnel with expertise in diversified land usage and real estate development, navigate potential market fluctuations and economic conditions, maintain strong relationships with lenders and continue to satisfy covenants and conditions under current loan agreements and address potential environmental and zoning issues, and other challenges inherent in real estate development; our ability to increase our revenues from land usage and real estate development; adverse weather conditions, natural disasters and other natural conditions, including the effects of climate change and hurricanes and tropical storms; risks related to our expected significant revenue shift to real estate development and diversified farming operations; our ability to effectively perform grove management services, or to effectively manage our portfolio of groves; our relationship with Tropicana; if certain criteria are not met under one of our contracts with Tropicana, we could experience a significant reduction in revenues and cash flows; product contamination and product liability claims; water use regulations restricting our access to water; changes in immigration laws; harm to our reputation; tax risks associated with a Section 1031 Exchange; risks associated with the undertaking of one or more significant corporate transactions; the seasonality of our citrus business; fluctuations in our earnings due to market supply and prices and demand for our products; climate change, or legal, regulatory, or market measures to address climate change; Environmental, Social and Governance issues, including those related to climate change and sustainability; increases in labor, personnel and benefits costs; increases in commodity or raw product costs, such as fuel and chemical costs; transportation risks; any change or the classification or valuation methods employed by county property appraisers related to our real estate taxes; liability for the use of fertilizers, pesticides, herbicides and other potentially hazardous substances; compliance with applicable environmental laws; loss of key employees; material weaknesses and other control deficiencies relating to our internal control over financial reporting; macroeconomic conditions, such as rising inflation and the deadly conflicts in Ukraine and Israel; system security risks, data protection breaches, cybersecurity incidents and systems integration issues; our indebtedness and ability to generate sufficient cash flow to service our debt obligations; higher interest expenses as a result of variable rates of interest for our debt; our ability to continue to pay cash dividends and the other factors described under the sections “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report. Except as required by law, we do not undertake an obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise.

As used in this Quarterly Report, unless otherwise specified or the context otherwise requires, references to “we,” “us,” “our,” the “Company” and “Alico” refer to the operations of Alico, Inc. and its consolidated subsidiaries.

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

	December 31, 2024	September 30, 2024
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,388	\$ 3,150
Accounts receivable, net	8,602	771
Inventories	20,814	30,084
Income tax receivable	1,958	1,958
Assets held for sale	3,345	3,106
Prepaid expenses and other current assets	1,711	1,558
Total current assets	40,818	40,627
Restricted cash	762	248
Property and equipment, net	350,907	352,733
Goodwill	2,246	2,246
Other non-current assets	2,863	2,865
Total assets	\$ 397,596	\$ 398,719
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,236	\$ 3,362
Accrued liabilities	3,293	5,366
Current portion of long-term debt	1,410	1,410
Other current liabilities	498	513
Total current liabilities	8,437	10,651
Long-term debt, net	81,984	82,313
Lines of credit	21,494	8,394
Deferred income tax liabilities, net	38,694	40,873
Other liabilities	146	193
Total liabilities	150,755	142,424
Commitments and Contingencies - Note 12.		
Stockholders' equity:		
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 7,633,069 and 7,628,639 shares outstanding at December 31, 2024 and September 30, 2024, respectively	8,416	8,416
Additional paid in capital	20,226	20,184
Treasury stock, at cost, 783,076 and 787,506 shares held at December 31, 2024 and September 30, 2024, respectively	(26,557)	(26,694)
Retained earnings	239,704	249,253
Total Alico stockholders' equity	241,789	251,159
Noncontrolling interest	5,052	5,136
Total stockholders' equity	246,841	256,295
Total liabilities and stockholders' equity	\$ 397,596	\$ 398,719

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three Months Ended December 31,	
	2024	2023
Operating revenues:		
Alico Citrus	\$ 16,326	\$ 13,592
Land Management and Other Operations	568	393
Total operating revenues	16,894	13,985
Operating expenses:		
Alico Citrus	25,111	28,107
Land Management and Other Operations	21	133
Total operating expenses	25,132	28,240
Gross loss	(8,238)	(14,255)
General and administrative expenses	2,586	3,272
Loss from operations	(10,824)	(17,527)
Other (expense) income, net:		
Interest income	47	95
Interest expense	(898)	(1,605)
Gain on sale of property and equipment	—	77,025
Other income, net	244	—
Total other (expense) income, net	(607)	75,515
(Loss) income before income taxes	(11,431)	57,988
Income tax (benefit) provision	(2,180)	15,552
Net (loss) income	(9,251)	42,436
Net loss attributable to noncontrolling interests	84	509
Net (loss) income attributable to Alico, Inc. common stockholders	\$ (9,167)	\$ 42,945
Per share information attributable to Alico, Inc. common stockholders:		
Earnings per common share:		
Basic	\$ (1.20)	\$ 5.64
Diluted	\$ (1.20)	\$ 5.64
Weighted-average number of common shares outstanding:		
Basic	7,633	7,616
Diluted	7,633	7,616
Cash dividends declared per common share	\$ 0.05	\$ 0.05

See accompanying notes to the unaudited condensed consolidated financial statements.

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

For the Three Months Ended December 31, 2024

	Common stock		Additional Paid In Capital	Treasury Stock		Retained Earnings	Total Alico, Inc. Equity	Non- controlling Interest	Total Equity
	Shares	Amount		Shares ⁽¹⁾	Amount				
Balance at September 30, 2024	8,416	\$ 8,416	\$ 20,184	788	\$ (26,694)	\$ 249,253	\$ 251,159	\$ 5,136	\$ 256,295
Net (loss) income	—	—	—	—	—	(9,167)	(9,167)	(84)	(9,251)
Dividends (\$0.05/share)	—	—	—	—	—	(382)	(382)	—	(382)
Stock-based compensation	—	—	42	(4)	137	—	179	—	179
Balance at December 31, 2024	8,416	\$ 8,416	\$ 20,226	783	\$ (26,557)	\$ 239,704	\$ 241,789	\$ 5,052	\$ 246,841

1 - Shares may not foot due to rounding.

Three Months Ended December 31, 2023

	Common stock		Additional Paid In Capital	Treasury Stock		Retained Earnings	Total Alico, Inc. Equity	Non- controlling Interest	Total Equity
	Shares	Amount		Shares	Amount				
Balance at September 30, 2023	8,416	\$ 8,416	\$ 20,045	806	\$ (27,274)	\$ 243,804	\$ 244,991	\$ 5,386	\$ 250,377
Net income (loss)	—	—	—	—	—	42,945	42,945	(509)	42,436
Dividends (\$0.05/share)	—	—	—	—	—	(381)	(381)	—	(381)
Stock-based compensation	—	—	19	(6)	175	—	194	—	194
Balance at December 31, 2023	8,416	\$ 8,416	\$ 20,064	800	\$ (27,099)	\$ 286,368	\$ 287,749	\$ 4,877	\$ 292,626

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

	Three Months Ended December 31,	
	2024	2023
Net cash used in operating activities		
Net (loss) income	\$ (9,251)	\$ 42,436
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation, depletion and amortization	3,824	3,804
Amortization of debt issue costs	55	120
Gain on sale of property and equipment	—	(77,025)
Loss on disposal of long-lived assets	780	225
Inventory net realizable value adjustment	7,359	10,846
Deferred income tax benefit	(2,179)	—
Stock-based compensation expense	179	194
Other	(107)	36
Changes in operating assets and liabilities:		
Accounts receivable	(7,831)	(7,174)
Inventories	1,911	(169)
Prepaid expenses	(153)	(1,708)
Income tax receivable	—	1,200
Other assets	(35)	2
Accounts payable and accrued liabilities	(2,199)	(1,320)
Income taxes payable	—	15,552
Other liabilities	50	(188)
Net cash used in operating activities	(7,597)	(13,169)
Cash flows from investing activities:		
Purchases of property and equipment	(3,017)	(3,490)
Net proceeds from sale of property and equipment	—	79,090
Change in deposits on purchase of citrus trees	—	(375)
Net cash (used in) provided by investing activities	(3,017)	75,225
Cash flows from financing activities:		
Repayments on revolving lines of credit	(6,200)	(44,032)
Borrowings on revolving lines of credit	19,300	19,310
Principal payments on term loans	(352)	(19,383)
Dividends paid	(382)	(381)
Net cash provided by (used in) financing activities	12,366	(44,486)
Net increase in cash and cash equivalents and restricted cash	1,752	17,570
Cash and cash equivalents and restricted cash at beginning of the period	3,398	3,692
Cash and cash equivalents and restricted cash at end of the period	\$ 5,150	\$ 21,262
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	\$ 655	\$ 1,820
Cash paid for income taxes, net of refunds	\$ —	\$ 1,200
Non-cash investing and financing activities:		
Dividends declared but unpaid	\$ 382	\$ 381
Assets received in exchange for services	\$ —	\$ 298
Trees delivered in exchange for prior tree deposits	\$ —	\$ 176

See accompanying notes to the unaudited condensed consolidated financial statements.

ALICO, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Dollars in thousands, except per share and per acre amounts)

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 53,371 acres of land and approximately 48,700 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 these two business segments.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements, which are referred to herein as the “Financial Statements”, of Alico have been prepared pursuant to the rules and regulations for reporting on Form 10-Q. Accordingly, these Financial Statements do not include all of the disclosures required for complete annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). As such, these Financial Statements should be read in conjunction with the Company’s audited Consolidated Financial Statements and Notes thereto included in the Company’s Annual Report on Form 10-K for the year ended September 30, 2024, as filed with the SEC on December 2, 2024 (the “2024 Annual Report on Form 10-K”).

Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the full year. However, in the opinion of management, such Financial Statements include all adjustments, consisting solely of normal recurring adjustments, necessary to present fairly the financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP applicable to interim periods.

Seasonality

The Company has historically been 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. As a result, the second and third quarters of Alico’s fiscal year produce most of the Company’s annual revenue. However, due to lower production in the prior year, more of the citrus crop was harvested in the first and second quarters of the fiscal year. Working capital requirements are typically greater in the first and fourth quarters of the fiscal year, coinciding with harvesting cycles; however, as the harvest cycles have moved, the Company’s working capital requirements are now greater in the third and fourth quarters of the fiscal year. 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. In light of the Strategic Transformation, we have decided not to allocate additional material capital to our citrus operations. As a result, we expect these seasonal patterns to diminish as we wind down those operations.

Note 2. Summary of Significant Accounting Policies

The Company’s significant accounting policies are fully described in Note 2 – Summary of Significant Accounting Policies in our 2024 Annual Report on Form 10-K.

Revenue Recognition

The Company recognizes revenue under Financial Accounting Standards Board – Accounting Standards Codification (“ASC”) 606. The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognize revenue when the company satisfies a performance obligation

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.

(in thousands)

	Three Months Ended December 31,	
	2024	2023
Revenue recognized at a point-in-time	\$ 15,555	\$ 12,901
Revenue recognized over time	1,339	1,084
Total	<u>\$ 16,894</u>	<u>\$ 13,985</u>

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. Beginning with the current fiscal year, substantially all of the Company’s fruit sales contracts are based on fixed prices per pound solids. As of December 31, 2024, and September 30, 2024, the Company had total receivables relating to sales of citrus of \$7,475 and \$444, respectively, recorded in Accounts Receivable, net, in the Condensed 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.

On October 30, 2023, the Company entered into the Grove Management Agreement (the “Grove Management Agreement”) with an unaffiliated group of third parties to provide citrus grove caretaking services for approximately 3,300 acres owned by such third parties. Under the terms of the agreement, the Company is reimbursed by the third parties for all its costs incurred related to providing these services and receives a management fee based on acres covered under this agreement. The Grove Management Agreement may be terminated with written notice provided at least 60 days prior to the commencement of the next fiscal year, occurring subsequent to September 30, 2024 and with shorter notice under certain conditions. On September 20, 2024, the Grove Management Agreement was extended until December 31, 2024.

The Company recorded \$771 and \$691 of operating revenue relating to these grove management services, including the management fee, in the three months ended December 31, 2024 and 2023, respectively, for this group of third-party grove owners noted above. The Company recorded \$458 and \$368 of operating expenses relating to these grove management

services in the three months ended December 31, 2024 and 2023, respectively, for this group of third-party grove owners noted above.

Disaggregated Revenue

Revenues disaggregated by significant products and services for the three months ended December 31, 2024 and 2023 are as follows:

(in thousands)

	Three Months Ended December 31,	
	2024	2023
Alico Citrus		
Early and Mid-Season	\$ 14,929	\$ 12,395
Fresh Fruit and Other	626	506
Grove Management Services	771	691
Total	\$ 16,326	\$ 13,592
Land Management and Other Operations		
Land and Other Leasing	\$ 479	\$ 314
Other	89	79
Total	\$ 568	\$ 393
Total Revenues	\$ 16,894	\$ 13,985

Cash and Cash Equivalents

The Company considers cash in banks and highly liquid instruments with an original maturity to the Company of three months or less to be cash and cash equivalents. At various times throughout the three months ended December 31, 2024 and year ended September 30, 2024, some accounts held at financial institutions were in excess of the federally insured limit of \$250. The Company has not experienced any losses on these accounts and believes credit risk to be minimal.

Restricted Cash

(in thousands)

	December 31, 2024	September 30, 2024
Cash and cash equivalents	\$ 4,388	\$ 3,150
Restricted cash (a)	762	248
Cash and cash equivalents and restricted cash	\$ 5,150	\$ 3,398

a. Restricted cash represents Cash-Secured Irrevocable Standby Letters of Credit to secure certain contractual obligations.

Fair Value Measurements

The Company categorizes its financial instruments measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability into a three tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted market prices for identical assets and liabilities in active markets;
- Level 2 – Inputs, other than the quoted prices for identical assets and liabilities in active markets, for which significant other observable market inputs are readily available; 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.

The carrying amounts of the Company’s financial instruments, including cash, 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 and estimated fair values (Level 2) of debt instruments are as follows:

(in thousands)

	December 31, 2024		September 30, 2024	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Corporate debt				
Current portion of long-term debt	\$ 1,410	\$ 1,383	\$ 1,410	\$ 1,420
Long-term debt	\$ 103,889	\$ 97,589	\$ 91,141	\$ 86,987

As of December 31, 2024 and September 30, 2024 the Company did not have any assets held for sale that had been measured at fair value on a non-recurring basis.

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 the three months ended December 31, 2024 and 2023:

(in thousands)

	Three Months Ended December 31,	
	2024	2023
Weighted Average Common Shares Outstanding – Basic	7,633	7,616
Effect of dilutive securities – stock options and unrestricted stock	—	—
Weighted Average Common Shares Outstanding – Diluted	7,633	7,616

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. There were 38,000 stock options and 38,000 Market-based Restricted Stock Units, which were excluded from the calculation of dilutive securities at December 31, 2024 and 38,000 stock options which were excluded from the calculation of dilutive securities at December 31, 2023, respectively, as they were anti-dilutive.

Accounting for government grants

The Company recognizes government grants when there is reasonable assurance that: (1) the grant will be received and (2) all conditions will be met. For income-based grants, the Company recognizes the income on a systemic basis over the periods in which it recognizes as expense the related costs for which the grant was intended to compensate.

In the three months ended December 31, 2024, the Company recognized no grant monies from the Citrus Research and Field Trial Foundation’s (“CRAFT”) program to assist citrus growers in the State of Florida using Oxytetracycline (“OTC”) and other approved therapies to combat the effect of “greening” of their citrus trees. At December 31, 2024 and September 30, 2024 grant monies of \$786 and \$1,192, respectively, were recognized as a component of Inventories on the Company’s Condensed Consolidated Balance Sheet. In addition, for the three months ended December 31, 2024 and 2023 \$406 and \$424, respectively, were recognized as a reduction of Operating expenses in the Company’s Condensed Consolidated Statement of Operations, as the fruit was sold, in order to align it to the period over which the expense related to the OTC treatments is recognized. These grant monies were received in exchange for providing certain historical data to the CRAFT Foundation about the Company’s citrus groves. The \$1,805 of CRAFT funds recognized at December 31, 2023 covered substantially all of the costs of the OTC application for 2023-2024 harvest and the \$1,192 of CRAFT funds recognized in Inventories at September 30, 2024 will cover approximately 35% of the cost of OTC treatment for the 2024 - 2025 harvest. The Company may continue, but is not obligated, to participate in future CRAFT programs on the effects of

the use of OTC on its Citrus Trees, in the groves that will continue to produce oranges (see [Note 13. Subsequent Events](#) for further information).

Concentrations

Accounts receivable from the Company’s major customer as of December 31, 2024 and September 30, 2024, and revenue from such customer for the three months ended December 31, 2024 and 2023, are as follows:

(in thousands)

	Accounts Receivable		Revenue		% of Total Revenue	
	December 31, 2024	September 30, 2024	Three Months Ended December 31,		Three Months Ended December 31,	
			2024	2023	2024	2023
Tropicana	\$ 7,206	\$ —	\$ 14,928	\$ 10,875	88.4 %	77.8 %

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 an increase in the price per pound solid received for the Company’s fruit.

Segments

Operating segments are defined in the criteria established under 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 reportable 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, Alico Ranch, LLC, Alico Natural Resources, LLC, 734 Citrus Holdings 1, LLC and subsidiaries (“Silver Nip”), 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 losses of \$(172) and \$(1,039) for the three months ended December 31, 2024 and 2023, respectively, of which 51% is attributable to the Company.

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, "Improvements to Reportable Segment Disclosures," which amends Topic 280 primarily through enhanced disclosures about significant segment expenses. The amendments are effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. ASU 2023-07 will become effective for us on October 1, 2024, for our fiscal year ended September 30, 2025. The Company is currently evaluating the impact of the adoption of this accounting pronouncement on its Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures," which amends Topic 740 primarily through enhanced disclosures about an entity's tax risks and tax planning. The amendments are effective for public business entities in annual periods beginning after December 15, 2024, with early adoption permitted on a prospective or retrospective basis. ASU 2023-09 will become effective for us on October 1, 2025. The Company is currently evaluating the impact of the adoption of this accounting pronouncement on its tax disclosures but it does not impact the Company's results of operations, financial condition or cash flows.

The Company has reviewed other recently issued accounting standards which have not yet been adopted 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.

Note 3. Inventories

Inventories consist of the following at December 31, 2024 and September 30, 2024:

(in thousands)

	December 31, 2024	September 30, 2024
Unharvested fruit crop on the trees	\$ 20,249	\$ 28,921
Other	565	1,163
Total inventories	<u>\$ 20,814</u>	<u>\$ 30,084</u>

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

For the three months ended December 31, 2024 and 2023, the Company recorded \$7,359 and \$10,846, respectively, for adjustments to reduce inventory to net realizable value, within Operating expenses. The adjustment for the three months ended December 31, 2024 was due to a lower than anticipated harvest of the Early and Mid-Season crop and a reduction in our estimate for the Valencia harvest, as a result of Hurricane Milton, which hit in October 2024. The inventory adjustment at December 31, 2023 was the result of the continued weak recovery from the impacts of Hurricane Ian which hit in September 2022.

Note 4. 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 at December 31, 2024 and September 30, 2024:

(in thousands)

	Carrying Value	
	December 31, 2024	September 30, 2024
Ranch	\$ 140	\$ 69
Alico Citrus	3,205	3,037
Total assets held for sale	<u>\$ 3,345</u>	<u>\$ 3,106</u>

On December 19, 2024, the Company entered into an agreement to sell 1,177 acres of ranch and citrus land for \$7,297 (\$6,200 per acre).

No land was sold during the three months ended December 31, 2024.

During the three months ended December 31, 2023, the Company consummated the sale of approximately 17,556 acres of land for \$79,090 and recognized a gain of \$77,025, including 17,229 acres of the Alico Ranch to the State of Florida for \$77,631 in gross proceeds. A portion of the proceeds from these sales was used to repay the outstanding balance on the Company's working capital line of credit ("WCLC") with Rabo Agrifinance, Inc. ("Rabo"), the \$19,094 Met Life Variable-Rate Term Loans, plus accrued interest and for general corporate purposes.

Note 5. Property and Equipment, Net

Property and equipment, net consists of the following at December 31, 2024 and September 30, 2024:

(in thousands)

	December 31, 2024	September 30, 2024
Citrus trees	\$ 319,435	\$ 319,149
Equipment and other facilities	58,298	58,293
Buildings and improvements	6,080	6,515
Total depreciable properties	383,813	383,957
Less: accumulated depreciation and depletion	(148,171)	(146,086)
Net depreciable properties	235,642	237,871
Land and land improvements	115,265	114,862
Property and equipment, net	\$ 350,907	\$ 352,733

During the three months ended December 31, 2024 and 2023, the Company recorded a loss on the disposal of long lived assets of \$780 and \$225, respectively, which has been recognized within Operating expenses.

Note 6. Accrued Liabilities

Accrued liabilities consist of the following at December 31, 2024 and September 30, 2024:

(in thousands)

	December 31, 2024	September 30, 2024
Accrued interest	\$ 749	\$ 554
Ad valorem taxes	411	1,898
Accrued insurance	408	124
Accrued dividends	382	381
Harvest and haul	378	—
Other accrued liabilities	332	407
Professional fees	327	275
Accrued employee wages and benefits	306	1,727
Total accrued liabilities	\$ 3,293	\$ 5,366

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 December 31, 2024 and September 30, 2024:

<i>(in thousands)</i>	December 31, 2024	September 30, 2024
Long-term debt, net of current portion:		
Met Fixed-Rate Term Loans	\$ 70,000	\$ 70,000
Pru Loans A & B	10,167	10,457
Met Citree Term Loan	3,638	3,700
Deferred financing fees	(411)	(434)
	<u>83,394</u>	<u>83,723</u>
Less current portion	1,410	1,410
Long-term debt	<u>\$ 81,984</u>	<u>\$ 82,313</u>

The following table summarizes the line of credit and related deferred financing costs, net of accumulated amortization at December 31, 2024 and September 30, 2024:

<i>(in thousands)</i>	December 31, 2024	September 30, 2024
Line of Credit:		
RLOC	\$ 21,494	\$ 8,394
Deferred financing fees	(719)	(671)
Line of Credit	<u>\$ 20,775</u>	<u>\$ 7,723</u>

Interest costs expensed and capitalized were as follows:

<i>(in thousands)</i>	Three Months Ended December 31,	
	2024	2023
Interest expense	\$ 898	\$ 1,605
Interest capitalized	301	303
Total	<u>\$ 1,199</u>	<u>\$ 1,908</u>

Debt

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

On December 26, 2023, the Company repaid the outstanding balance on the Met Variable-Rate Term Loans of \$19,094, plus accrued interest, and no further borrowings are available under these loans.

On September 17, 2024, the Company amended the credit agreement with Met (the "Amended Credit Agreement") and the term loans and RLOC (the "Amended RLOC"). The primary terms of the amendments include an increase in the capacity of the Amended RLOC to \$95,000 and an extension of its maturity to May 1, 2034. In connection with entrance into the Amended Credit Agreement, the Company also repaid current borrowings under the WCLC with Rabo and there were no available borrowings under this facility at September 30, 2024, which was cancelled in October 2024, once outstanding interest was repaid. As a result of the Amended Credit Agreement, the credit facilities now include the Met Fixed-Rate Term Loans and the Amended RLOC.

The term loans and RLOC are secured by real property. The security for the term loans and RLOC consists of approximately 36,800 gross acres of citrus groves. The WCLC is collateralized by the Company's current assets and certain other personal property owned by the Company.

The Met Fixed-Rate Term Loans, which bear interest at 3.85%, are interest-only with a balloon payment at maturity on November 1, 2029.

The Amended RLOC bears interest rate at SOFR plus 220 basis points (the "Amended SOFR Spread"), with a SOFR floor of 5.00% and a minimum balance of \$2,500. The Amended SOFR spread and SOFR floor are subject to adjustment by lender every two years beginning January 1, 2026 and every two years thereafter until maturity. The RLOC is subject to an annual commitment fee of 25 basis points on the unused portion of the line of credit and is available for funding general corporate purposes. At December 31, 2024 and September 30, 2024, \$73,506 and \$86,606 were available under the RLOC, respectively.

The variable interest rate on the Amended RLOC was 6.54% and 7.30% per annum as of December 31, 2024 and September 30, 2024, 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 increased annually by 10% of consolidated net income for the preceding years, or \$175,263 for the year ended September 30, 2025; (iii) minimum current ratio of 1.50 to 1.00; and (iv) debt to total assets ratio not greater than .625 to 1.00. As of December 31, 2024, the Company was in compliance with all of the financial covenants. The Amended Credit Agreement also includes a 55.0% Loan To Value Cap (the "LTV CAP") on the value of the term loans and RLOC capacity. At December 31, 2024, the Company was able to draw the entire amount of the RLOC, less current borrowings, and remain under the LTV Cap.

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 credit facility that bears interest at a fixed rate of 5.28% per annum. Principal and interest payments are made on a quarterly basis. Effective February 17, 2023, the Company agreed to defer the next three quarterly principal payments which were previously due May 2023, August 2023 and November 2023 to the maturity date of the loan. The loan matures in February 2029.

Silver Nip Citrus Debt

There are two fixed-rate term loans, with an original combined balance of \$27,550, which bear interest at 5.35% per annum ("Pru Loans A & B"). Principal of \$290 is payable quarterly, together with accrued interest. The Pru Loans A & B are collateralized by 5,700 acres of citrus groves in Collier, Hardee, Highlands and Polk Counties, Florida and mature on June 1, 2029 and June 1, 2033, respectively.

The Pru Loans A & B are subject to an annual 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 December 31, 2024.

Deferred Financing Costs

Costs incurred to obtain financing are deferred and amortized to "Interest expense" in the Condensed Consolidated Statements of Operations over the related financing period using the effective interest method. The Company records debt issuance costs as a direct reduction of the carrying value of the related debt. Financing costs related to the undrawn RLOC are included in "Other non-current assets" in the Condensed Consolidated Balance Sheets.

Note 8. Income Taxes

The Company's effective tax rate for the three months ended December 31, 2024 was a benefit of 19.1%. The rate for the three months ended December 31, 2024 differed from the Federal Statutory rate of 21.0%, primarily due to a change in the valuation allowance. Based on both positive and negative evidence, management determined that it was not "more likely than not" the deferred tax assets will be realized. This is primarily due to the planned accelerated book depreciation on the

citrus producing assets, which is anticipated to result in a cumulative three-year loss during fiscal year ending September 30, 2025.

The Company's effective tax rate for the three months ended December 31, 2023 was a provision of 26.8%. The rate for the three months ended December 31, 2023 differed from the Federal Statutory rate of 21.0%, primarily due to state income taxes.

Note 9. Segment Information

Segments

Total revenues represent sales to unaffiliated customers, as reported in the Condensed 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)	Three Months Ended December 31,	
	2024	2023
Revenues:		
Alico Citrus	\$ 16,326	\$ 13,592
Land Management and Other Operations	568	393
Total operating revenues	\$ 16,894	\$ 13,985
Operating expenses:		
Alico Citrus	\$ 25,111	\$ 28,107
Land Management and Other Operations	21	133
Total operating expenses	\$ 25,132	\$ 28,240
Gross (loss) profit:		
Alico Citrus	\$ (8,785)	\$ (14,515)
Land Management and Other Operations	547	260
Total gross (loss) profit	\$ (8,238)	\$ (14,255)
Depreciation, depletion and amortization:		
Alico Citrus	\$ 3,761	\$ 3,727
Land Management and Other Operations	22	20
Other Depreciation, Depletion and Amortization	41	57
Total depreciation, depletion and amortization	\$ 3,824	\$ 3,804

(in thousands)	December 31, 2024	September 30, 2024
Assets:		
Alico Citrus	\$ 382,831	\$ 383,777
Land Management and Other Operations	13,043	13,134
Other Corporate Assets	1,722	1,808
Total Assets	\$ 397,596	\$ 398,719

The reconciliations of segment gross profit (loss) to consolidated income (loss) before income taxes are as follows:

	Three Months Ended December 31,	
	2024	2023
Alico Citrus	\$ (8,785)	\$ (14,515)
Land Management and Other Operations	547	260
Segment gross loss	(8,238)	(14,255)
General and administrative expenses	2,586	3,272
Loss from operations	(10,824)	(17,527)
Other (expense) income, net:		
Interest income	47	95
Interest expense	(898)	(1,605)
Gain on property and equipment	—	77,025
Other income, net	244	—
Total other (expense) income, net	(607)	75,515
(Loss) income before income taxes	\$ (11,431)	\$ 57,988

Note 10. Leases

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 twelve months or less are not recorded on the Company's Condensed 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. 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 Condensed Consolidated Financial Statements.

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

<i>(in thousands)</i>	Three Months Ended December 31,	
	2024	2023
Operating lease components		
Operating leases costs recorded in general and administrative expenses	\$ 37	\$ 37

The weighted-average remaining lease term and weighted-average discount rate for our operating leases are as follows:

	December 31, 2024
Weighted-average remaining lease term	1.7 years
Weighted-average discount rate	5.41 %

Note 11. Stock-based Compensation

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 eligible participants 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.

The Company recognizes stock-based compensation expense for (i) Board of Directors fees (generally paid in treasury stock), and (ii) other awards under the 2015 Plan (paid in restricted stock, stock options or Market-based Restricted Stock Units (“MRSUs”). Stock-based compensation expense is recognized in general and administrative expenses in the Condensed Consolidated Statements of Operations.

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 \$119 for the three months ended December 31, 2024, and \$138 for the three months ended December 31, 2023.

Stock Compensation - Employees

Stock compensation expense related employee awards was \$60 for the three months ended December 31, 2024, and December 31, 2023.

Restricted Stock Awards (“RSAs”)

Restricted Stock Awards	Shares	Weighted-Average Grant Date Fair Value
Outstanding at September 30, 2024	17,500	\$ 37.82
Outstanding at December 31, 2024 (a)	17,500	\$ 37.82

a. The weighted average remaining contractual term is 0.5 years and the aggregate intrinsic value of RSAs expected to vest is \$454.

There was \$94 and \$150 of total unrecognized stock compensation costs related to unvested stock compensation for the RSAs at December 31, 2024 and September 30, 2024, respectively.

Stock Option Grants

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Vested and outstanding - December 31, 2024	38,000	\$ 33.75	2.0	—

At December 31, 2024 and September 30, 2024, there was no unrecognized stock compensation cost related to unvested share-based compensation for the option grants.

Market-based Restricted Stock Units

On December 23, 2024, the Company granted MRSUs to one of its executives, which will be eligible to be earned if at any time prior to September 30 2027, the average 30-day closing per share price of the Company's Common Stock exceeds the applicable price per share thresholds set forth in below:

Price Per Share Threshold	Number of MRSUs Earned
\$35 per share	5,000
\$40 per share	12,500
\$45 per share	20,500

The earned MRSUs will then be subject to time-based vesting on September 30, 2027, subject to continued service through such date, Stock compensation expense will be recognized ratably over the term of the award.

The assumptions used in the Monte Carlo simulation model to calculate the fair value of the Company's MRSUs are as follows:

	Three months ended December 31, 2024
Expected volatility of stock price	33.14 %
Risk-free interest rate	4.26 %
Expected term of awards (years)	2.77
Dividend yield	0.76 %
Grant date stock price	\$ 26.15

Market-based Restricted Stock Units	Shares	Weighted-Average Grant Date Fair Value
Outstanding at September 30, 2024	—	\$ —
Granted	38,000	\$ 12.32
Vested	—	\$ —
Forfeited	—	\$ —
Outstanding at December 31, 2024 (a)	38,000	\$ 12.32

a. The weighted average remaining contractual term is 2.8 years and the aggregate intrinsic value of MRSUs expected to vest is \$985.

As of December 31, 2024 and September 30, 2024, total unrecognized stock compensation costs for MRSUs was \$464 and \$0, respectively.

Forfeitures of RSAs, stock options and MRSUs are recognized as incurred.

Total stock-based compensation expense, which was recognized in general and administrative expense, was \$179 and \$194 for the three months ended December 31, 2024 and 2023, respectively.

Note 12. Commitments and Contingencies

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 condition.

Note 13. Subsequent Events

Strategic Transformation and Workforce Reduction

On January 6, 2025, the Company announced a strategic transformation in the Company's business focus, to wind down its Alico Citrus division, which holds the Company's citrus production operations, to focus on a long-term diversified land usage and real estate development strategy. Due to increasing financial challenges from citrus greening disease and environmental factors for many seasons, the Company has decided to not spend further material capital on its citrus operations and to wind down substantially all of its Citrus' primary operations after the current crop is harvested in the first half of calendar year 2025. In connection with this strategic transformation, on January 3, 2025, the Company's Board of Directors (the "Board") approved a reduction in the Company's current workforce by up to 172 employees, which occurred effective on or about January 6, 2025 with respect to up to 135 employees, and will be effective on or about April 1, 2025 with respect to up to 37 employees. The Board's decision is part of cost-reduction initiatives aimed at providing investors with a greater return on capital that includes the benefits and stability of a conventional agriculture investment, with the optionality that comes with active land management.

The Company currently estimates that it will incur charges of approximately \$1,500 to \$2,000 in connection with the Workforce Reduction, primarily consisting of severance payments, employee benefits and related costs. The Company expects that the majority of these charges will be incurred in the second and third quarters of 2025.

The Company may incur additional expenses not currently contemplated due to events associated with the Workforce Reduction. The charges that the Company expects to incur in connection with the Workforce Reduction are estimates and subject to a number of assumptions, and actual results may differ materially.

In addition, the Company has sold and intends to continue to sell many of the vehicles and equipment used in its Citrus operations; however, it is not currently able to estimate the proceeds on sale or amount of the loss, if any, that may be incurred at this time. Furthermore, with the decision to move away from the Citrus production operations, the Company anticipates accelerating depreciation on the remaining book value of citrus trees, impacted by this decision, through the end of this year's harvest.

Tropicana Notice

On January 3, 2025, the Company delivered a notice (the "Notice") to Tropicana Manufacturing Company, Inc. ("Tropicana") in accordance with the Orange Purchase Agreement No. R641, dated April 11, 2024 (the "Agreement"), between the Company and Tropicana, under which the Company agrees to sell, and Tropicana agrees to purchase, oranges from the groves identified therein. The Agreement grants the Company the right to remove certain acreages from the contract if, in the Company's best judgment, such acreages are no longer economically viable, provided that Tropicana consents, which consent shall not be unreasonably withheld or delayed.

As detailed in the Notice, the Company's Board of Directors (the "Board") has determined that certain of the acreage specified in the Agreement is no longer economically viable for orange cultivation. As a result, the Company has provided the Notice to Tropicana seeking Tropicana's consent for the removal of such acreage, effective at the end of the 2024/2025 crop year. Consequently, if Tropicana consents, its purchase obligations under the Agreement with respect to such acreage are expected to conclude upon the completion of the 2024/2025 crop year.

Item 2. 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 Condensed Consolidated Financial Statements and related Notes thereto and other information included elsewhere in this Quarterly Report, our 2024 Annual Report on Form 10-K, and in our other filings with the SEC. Our actual results of operations may differ materially from those discussed in forward-looking statements as a result of various factors, including, but not limited to, those included our 2024 Annual Report on Form 10-K and other portions of this Quarterly Report. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future. In the following discussion and analysis, dollars are in thousands, except per share and per acre amounts.

Business Overview

Business Description

Alico, Inc., together with its subsidiaries (collectively, “Alico”, the “Company”, “we”, “us” or “our”) currently generates operating revenues primarily from the sale of our citrus products, providing management services to citrus groves owned by third parties, and grazing and hunting leasing. We operate as two business segments, and all of our operating revenues are generated in the United States. While Alico Citrus, which holds the Company’s citrus production operations, will cease operations after the 2024/2025 harvest due to environmental and financial challenges, Alico remains committed to Florida’s agriculture industry, and will focus on its long-term diversified land usage and real estate development strategy.

For the three months ended December 31, 2024 and December 31, 2023, we generated operating revenue of \$16,894 and \$13,985, respectively, loss from operations of \$(10,824) and \$(17,527), respectively, and net (loss) income attributable to common stockholders of \$(9,167) and \$42,945, respectively. Net cash used in operating activities was \$7,597 and \$13,169 for the three months ended December 31, 2024 and December 31, 2023, respectively.

Business Segments

Operating segments are defined in the criteria established under 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 our CODM in deciding how to assess performance and allocate resources. Our CODM assesses performance and allocates resources based on its operating segments.

Our two segments are as follows:

- Alico Citrus includes activities related to planting, owning, cultivating and/or managing citrus groves to produce fruit for sale to fresh and processed citrus markets, including activities related to the purchase and resale of fruit and value-added services, which include contracting for the harvesting, marketing and hauling of citrus; and
- Land Management and Other Operations includes activities related to grazing and hunting leasing, management and/or conservation of unimproved native pastureland and activities related to rock mining royalties and other insignificant lines of business. Also included are activities related to owning and/or leasing improved farmland. Improved farmland is acreage that has been converted, or is permitted to be converted, from native pasture and which may have various improvements including irrigation, drainage and roads.

For the three months ended December 31, 2024 and 2023, the Alico Citrus segment generated 96.6% and 97.2%, respectively, of our consolidated revenues and the Land Management and Other Operations segment generated 3.4% and 2.8%, respectively, of our consolidated revenues.

Recent Developments

Conservation Assessment

As part of Alico's Strategic Transformation (defined below), we continue to evaluate all our properties to determine what will create the highest and best use of our land. Instrumental in that process is evaluating all opportunities where we can leverage conservation programs to simultaneously create value and enhance environmental outcomes. To that end, Alico has identified five properties, ranging in size from 348 acres to 7,789 acres (for a total of 10,484 acres) as case studies to explore the opportunities provided under Florida's Rural and Family Lands Protection Program. Those applications were submitted to FDACS prior to the January 29, 2025 deadline, and will be evaluated over the coming months. While not all of the properties may ultimately be a fit for the program, we look forward to coordinating with the Florida Department of Agriculture and Consumer Services to analyze whether these properties fit within the Rural and Family Lands Protection Program as well as our Strategic Transformation framework.

Strategic Transformation and Workforce Reduction

On January 6, 2025, we announced a strategic transformation in our business focus, to wind down our Alico Citrus division, which holds our citrus production operations, to focus on a long-term diversified land usage and real estate development strategy (the "Strategic Transformation"). Due to increasing financial challenges from citrus greening disease and environmental factors for many seasons, we have decided to not spend further material capital on our citrus operations and to wind down substantially all of its Citrus' primary operations after the current crop is harvested in the first half of calendar year 2025. In connection with this Strategic Transformation, on January 3, 2025, our Board of Directors (the "Board") approved a reduction in our current workforce by up to 172 employees, which occurred effective on or about January 6, 2025 with respect to up to 135 employees, and will be effective on or about April 1, 2025 with respect to up to 37 employees (the "Workforce Reduction"). The Board's decision is part of cost-reduction initiatives aimed at providing investors with a greater return on capital that includes the benefits and stability of a conventional agriculture investment, with the optionality that comes with active land management.

We currently estimate that we will incur charges of approximately \$1,500 to \$2,000 in connection with the Workforce Reduction, primarily consisting of severance payments, employee benefits and related costs. We expect that the majority of these charges will be incurred in the second and third quarters of 2025.

We may incur additional expenses not currently contemplated due to events associated with the Workforce Reduction. The charges that we expect to incur in connection with the Workforce Reduction are estimates and subject to a number of assumptions, and actual results may differ materially.

In addition, we have sold and intend to continue to sell many of the vehicles and equipment used in our Citrus operations; however, we are not currently able to estimate the proceeds on sale or the amount of the loss, if any, that may be incurred at this time. Furthermore, with the decision to move away from the Citrus production operations, we anticipate accelerating depreciation on the remaining book value of citrus trees, impacted by this decision, through the end of this year's harvest.

Tropicana Orange Purchase Agreement

On January 3, 2025, we delivered a notice (the "Notice") to Tropicana Manufacturing Company, Inc. ("Tropicana") in accordance with the Orange Purchase Agreement No. R641, dated April 11, 2024 (the "Agreement"), between us and Tropicana, under which we agree to sell, and Tropicana agrees to purchase, oranges from the groves identified therein. The Agreement grants us the right to remove certain acreages from the contract if, in our best judgment, such acreages are no longer economically viable, provided that Tropicana consents, which consent shall not be unreasonably withheld or delayed.

As detailed in the Notice, the our Board has determined that certain of the acreage specified in the Agreement is no longer economically viable for orange cultivation. As a result, we have provided the Notice to Tropicana seeking Tropicana's consent for the removal of such acreage, effective at the end of the 2024/2025 crop year. Consequently, if Tropicana consents, its purchase obligations under the Agreement with respect to such acreage are expected to conclude upon the completion of the 2024/2025 crop year.

Land Sale

On December 19, 2024, we entered into an agreement to sell 1,177 acres of land for \$7,297 (\$6,200 per acre).

Condensed Consolidated Results of Operations

The following discussion provides an analysis of our results of operations for the three months ended December 31, 2024, as compared to 2023:

(in thousands)

	Three Months Ended December 31,		Change	
	2024	2023	\$	%
Operating revenues:				
Alico Citrus	\$ 16,326	\$ 13,592	\$ 2,734	20.1 %
Land Management and Other Operations	568	393	175	44.5 %
Total operating revenues	16,894	13,985	2,909	20.8 %
Gross (loss) profit:				
Alico Citrus	(8,785)	(14,515)	5,730	(39.5) %
Land Management and Other Operations	547	260	287	110.4 %
Total gross (loss) profit	(8,238)	(14,255)	6,017	(42.2) %
General and administrative expenses	2,586	3,272	(686)	(21.0) %
Loss from operations	(10,824)	(17,527)	6,703	(38.2) %
Total other (expense) income, net	(607)	75,515	(76,122)	(100.8) %
(Loss) income before income taxes	(11,431)	57,988	(69,419)	(119.7) %
Income tax (benefit) provision	(2,180)	15,552	(17,732)	(114.0) %
Net (loss) income	(9,251)	42,436	(51,687)	(121.8) %
Net loss attributable to noncontrolling interests	84	509	(425)	(83.5) %
Net (loss) income attributable to Alico, Inc. common stockholders	\$ (9,167)	\$ 42,945	\$ (52,112)	(121.3) %

Operating Revenue

The 20.8% increase in revenue for the three months ended December 31, 2024, as compared to the three months ended December 31, 2023, was primarily due to a 38.7% increase in the price per pound solid and a 11.6% increase in Grove management services, partially offset by a (13.3)% decrease in pound solids produced by the Early and Mid-Season harvest, which is discussed in further detail below.

Operating Expenses

The decrease in operating expenses for the three months ended December 31, 2024, as compared to the three months ended December 31, 2023, was primarily driven by a combination of the inventory adjustments recorded at September 30, 2024 on the ending inventory balance, as a result of the continued weak recovery from Hurricane Ian and the ongoing effects of citrus greening, which effectively lowered the inventory to be expensed in fiscal year 2025 and an inventory adjustment of \$7,359 recognized at December 31, 2024, as compared to an inventory adjustment of \$10,846 at December 31, 2023, which is discussed in further detail below. See Note 3. Inventories to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report.

General and Administrative Expense

General and administrative expense decreased \$686 for the three months ended December 31, 2024, compared to the three months ended December 31, 2023. The decrease was primarily due to lower employee costs (as a result of lower bonus accruals) and lower professional fees.

Other (Expense) Income, net

Other (Expense) Income, net for the three months ended December 31, 2024 was a loss of \$(607) as compared to income of \$75,515 during the three months ended December 31, 2023, principally as a result of there being no land sales in the three months ended December 31, 2024, as compared to gains of \$77,025 during the quarter ended December 31, 2023, driven by the sale of the Alico Ranch to the State of Florida.

Income Taxes

The income tax (benefit) provision was \$(2,180) and \$15,552 for the three months ended December 31, 2024 and 2023, respectively. The income tax benefit for the three months ended December 31, 2024 was principally due to the pre-tax loss and adjusted, primarily for the increased valuation allowance, which has been included in the annual effective tax rate. Based on both positive and negative evidence, management determined that it was not "more likely than not" the deferred tax assets will be realized. This is primarily due to the planned acceleration of book depreciation on the citrus producing assets, which is anticipated to result in a cumulative three-year loss during fiscal year ending September 30, 2025.

The following discussion provides an analysis of our operating segments:

Alico Citrus

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

	Three Months Ended December 31,		Change	
	2024	2023	Unit	%
Operating Revenues:				
Early and Mid-Season	\$ 14,929	\$ 12,395	\$ 2,534	20.4 %
Fresh Fruit and Other	626	506	120	23.7 %
Grove Management Services	771	691	80	11.6 %
Total	<u>\$ 16,326</u>	<u>\$ 13,592</u>	<u>\$ 2,734</u>	<u>20.1 %</u>
Boxes Harvested:				
Early and Mid-Season	906	1,047	(141)	(13.5)%
Total Processed	906	1,047	(141)	(13.5)%
Fresh Fruit	37	31	6	19.4 %
Total	<u>943</u>	<u>1,078</u>	<u>(135)</u>	<u>(12.5)%</u>
Pound Solids Produced:				
Early and Mid-Season	4,047	4,666	(619)	(13.3)%
Total	<u>4,047</u>	<u>4,666</u>	<u>(619)</u>	<u>(13.3)%</u>
Pound Solids per Box:				
Early and Mid-Season	4.47	4.46	0.01	0.2 %
Price per Pound Solids:				
Early and Mid-Season	\$ 3.69	\$ 2.66	\$ 1.03	38.7 %
Price per Box:				
Fresh Fruit	\$ 15.51	\$ 16.32	\$ (0.81)	(5.0)
Operating Expenses:				
Cost of Sales	\$ 20,508	\$ 23,602	\$ (3,094)	(13.1)%
Harvesting and Hauling	4,095	4,076	19	0.5 %
Fresh Fruit and Other	50	61	(11)	(18.0)%
Grove Management Services	458	368	90	24.5 %
Total	<u>\$ 25,111</u>	<u>\$ 28,107</u>	<u>\$ (2,996)</u>	<u>(10.7)%</u>

Components of Results of Operations for Alico Citrus Segment

We sell our Early and Mid-Season and Valencia oranges to orange juice processors. 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. Our Fresh Fruit revenue is derived from sales to packing houses that purchase the citrus on a per box basis. We also provide citrus grove caretaking and harvest and haul management services to third parties from which revenues are recorded as Grove Management Services, including a management fee. Other revenues consist of the purchase and reselling of fruit.

Operating expenses for our Alico Citrus segment 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 vary based upon the number of boxes produced. Grove Management Services costs 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 third-party grove caretaking and the purchase and reselling of third-party fruit.

Comparison of the Three Months Ended December 31, 2024 and 2023 for the Alico Citrus Segment

The 20.1% increase in revenue for the three months ended December 31, 2024, as compared to the three months ended December 31, 2023, was primarily due to a 38.7% increase in the price per pound solid, partially offset by a (13.3)% decrease in pound solids produced by the Early and Mid-Season harvest. The increase in the price per pound solid is the result of more favorable pricing in one of our contracts with Tropicana; however as a result of fruit drop caused by Hurricane Milton, we picked fewer pound solids than in the prior year period.

For the three months ended December 31, 2024, we recognized an increase in revenue from sales of Fresh Fruit and Other of \$120, compared to the same period in the prior year, driven by a 19.4% increase in the amount of Fresh Fruit and Other that was produced.

Revenue for the three months ended December 31, 2024 from the grove owners relating to Grove Management Services increased 11.6%, compared to the prior year, principally due to a significant increase in caretaking services performed at the request of one of our Grove Management Services customers.

For the three months ended December 31, 2024, we recognized a decrease in Cost of Sales of \$3,094 compared to the same period in the prior year, which was driven by a combination of the inventory adjustment recorded at September 30, 2024 on the ending inventory balance, as a result of the continued weak recovery from Hurricane Ian and the ongoing effects of citrus greening, which effectively lowered the inventory to be expensed in fiscal year 2025 and an inventory adjustment of \$7,359 recognized at December 31, 2024, as compared to an inventory adjustment of \$10,846 at December 31, 2023, as a result of the slow recovery of our trees from the effects of Hurricane Ian in September 2022.

For the three months ended December 31, 2024, Harvesting and Hauling expenses were relatively flat, when compared to the same period in the prior year, despite a (12.5)% decrease in boxes harvested, due to an increase in the cost per box harvested, partially offset by fewer boxes being harvested.

The 24.5% increase in operating expenses relating to grove management services for the three months ended December 31, 2024 compared to December 31, 2023 was due to a significant increase in caretaking services performed at the request of one of our Grove Management Services customers.

Land Management and Other Operations

The table below presents key operating measures for the three months ended December 31, 2024 and 2023 for the Land Management and Other Operations segment:

(in thousands)

	Three Months Ended December 31,		Change	
	2024	2023	\$	%
Revenue From:				
Land and Other Leasing	\$ 479	\$ 314	\$ 165	52.5 %
Other	89	79	10	12.7 %
Total	<u>\$ 568</u>	<u>\$ 393</u>	<u>\$ 175</u>	<u>44.5 %</u>
Operating Expenses:				
Land and Other Leasing	\$ 17	\$ 132	\$ (115)	(87.1)%
Other	4	1	3	NM
Total	<u>\$ 21</u>	<u>\$ 133</u>	<u>\$ (112)</u>	<u>(84.2)%</u>

NM = Not meaningful

Components of Results of Operations for Land Management and Other Operations Segment

Land and Other Leasing includes lease income from leases for grazing rights, hunting leases, a farm lease, leases to third parties of aggregate mines, leases of oil extraction rights to third parties, and other miscellaneous income.

Land and Other Leasing operating expenses includes real estate, property taxes, general and administrative expenses including salaries, benefits and legal.

Comparison of the Three Months Ended December 31, 2024 and 2023 for the Land Management and Other Operations Segment

Land Management and Other Operations revenue for the three months ended December 31, 2024 increased 44.5% as compared to the same period in the prior year principally due to an increase in rock and sand royalty income and sod sales, partially offset by lower farm, grazing and hunting lease revenues due to the sale of the Alico Ranch.

The decrease in operating expenses from Land Management and Other Operations for the three months ended December 31, 2024, as compared to the three months ended December 31, 2023, was primarily due to lower property and real estate taxes as a result of the sale of the Alico Ranch.

Seasonality

We have historically been 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. As a result, the second and third quarters of our fiscal year produce most of the Company's annual revenue. However, due to lower production in the current and prior years, more of the citrus crop was harvested in the first and second quarters of the fiscal years. Working capital requirements are typically greater in the first and fourth quarters of the fiscal year, coinciding with harvesting cycles; however, as the harvest cycles have moved, our working capital requirements are now greater in the third and fourth quarters of the fiscal year. 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. In light of the Strategic Transformation, we have decided not to allocate additional material capital to our citrus operations. As a result, we expect these seasonal patterns to diminish as we wind down those operations.

Liquidity and Capital Resources

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

(in thousands)

	December 31, 2024	September 30, 2024	Change
Cash and cash equivalents	\$ 4,388	\$ 3,150	\$ 1,238
Total current assets	\$ 40,818	\$ 40,627	\$ 191
Total current liabilities	\$ 8,437	\$ 10,651	\$ (2,214)
Working capital	\$ 32,381	\$ 29,976	\$ 2,405
Total assets	\$ 397,596	\$ 398,719	\$ (1,123)
Principal amount of term loans and lines of credit (a)	\$ 105,299	\$ 92,551	\$ 12,748
Current ratio	4.84 to 1	3.81 to 1	
Debt to total assets ratio	0.26 to 1	0.23 to 1	

a - Excludes deferred financing costs

Sources and Uses of Liquidity and Capital

Our business has historically generated full fiscal year positive net cash flows from operating activities, although the net cash flow in the first quarter of each fiscal year has been negative because of seasonality and the associated need to expend cash in advance of generating revenues from the harvesting season. In light of recent hurricanes, costs of maintaining the citrus groves and harvesting and hauling of citrus products continue to increase, and we continue to evaluate the short and long-term use of our land, and in January 2025 we announced a strategic transformation in our business focus, to wind down our Alico Citrus division, which holds our citrus production operations, to focus on a long-term diversified land usage and real estate development strategy. Sources of cash primarily include cash flows from operations, sales of under-performing land and other assets, amounts available under our credit facilities, and access to capital markets. Access to additional borrowings under our RLOC is subject to the satisfaction of customary borrowing conditions. As a public company, we 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 we will continue to have access to the capital markets on acceptable terms, or at all.

The principal uses of cash that affect our 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. Our expected principal uses of cash that affect our liquidity position, in light of the strategic transformation and the workforce reduction, are expected to include lower employee costs, lower costs of maintaining citrus groves and lower capital expenditures.

During the three months ended December 31, 2024, we recorded an additional valuation allowance against our deferred tax assets, which is recorded in the annual effective tax rate. We are required to assess the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss expected to be incurred over a three-year period during the year ending September 30, 2025. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth.

Management believes that a combination of cash-on-hand, cash generated from operations, asset sales and availability under our RLOC will provide sufficient liquidity to service the principal and interest payments on our indebtedness and will satisfy working capital requirements and capital expenditures for at least the next twelve months and over the long term. However, this is subject, to a certain extent, on general economic, financial, competitive, regulatory and other factors that are beyond our control.

Borrowing Facilities and Long-term Debt

We have a \$95,000 RLOC, of which \$73,506 and \$86,606 was available for general use as of December 31, 2024 and September 30, 2024, respectively (see Note 7. Long-Term Debt and Lines of Credit to the accompanying Condensed Consolidated Financial Statements). We may utilize the available cash to pay down indebtedness, pursue citrus grove acquisitions, conduct share repurchases, and possibly reinstate increased dividends. If we choose to pursue significant growth and other corporate opportunities, these actions could have a material adverse impact on our cash balances and may require us to finance such activities by drawing down on our lines of credit or by obtaining additional debt or equity financing. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. Any inability to obtain additional financing could adversely impact our ability to pursue different growth and other corporate opportunities.

The level of debt could have important consequences on our business, including, but not limited to, increasing our 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 our business and industry.

Our 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 increased annually by 10% of consolidated net income for the preceding years, or \$175,263 applicable for the year ended September 30, 2025; (iii) minimum current ratio of 1.50 to 1.00; and (iv) debt to total assets ratio not greater than 0.625 to 1.00. The Amended Credit Agreement also includes a 55.0% LTV CAP on the value of the term loans and RLOC capacity. At December 31, 2024, the Company was able to draw the entire amount of the RLOC, less current borrowings, and remain under the LTV Cap.

Cash Flows

Cash and cash equivalents and restricted cash decreased from \$21,262 as of December 31, 2023, to \$5,150 as of December 31, 2024. The components of these changes are discussed below.

(in thousands)

	Three Months Ended December 31,		
	2024	2023	Change
Net cash used in operating activities	\$ (7,597)	\$ (13,169)	\$ 5,572
Net cash (used in) provided by investing activities	(3,017)	75,225	(78,242)
Net cash provided by (used in) financing activities	12,366	(44,486)	56,852
Net increase in cash and cash equivalents and restricted cash	\$ 1,752	\$ 17,570	\$ (15,818)

Net Cash Used In Operating Activities

The \$5,572 decrease in Net cash used in operating activities was driven by an increase in revenue due to an increase in the price per pound, solid as the result of more favorable pricing in one of our contracts with Tropicana, and lower spending on caretaking (resulting in a lower inventory balance) during the three months ended December 31, 2024, as compared to the three months ended December 31, 2023.

Net Cash (Used In) Provided By Investing Activities

The \$(78,242) change in Net cash (used in) provided by investing activities for the three months ended December 31, 2024, compared to the three months ended December 31, 2023, was principally the result of there being no land sales in the three months ended December 31, 2024, as compared to proceeds of \$79,090, driven by the sale of the Alico Ranch to the State of Florida during the three months ended December 31, 2023.

Net Cash Provided By (Used In) Financing Activities

The increase of \$56,852 in Net cash provided by (used in) financing activities for the three months ended December 31, 2024, as compared to the three months ended December 31, 2023, was primarily due to an increase in net borrowings under the RLOC during three months ended December 31, 2024, as compared to the repayment of \$19,094 of Met Life

Variable-Rate Term debt and the outstanding balance on the WCLC, with the proceeds from the sale of 17,229 acres of the Alico Ranch in the prior year period.

At December 31, 2024 and September 30, 2024, \$73,506 and \$86,606, respectively, were available under the RLOC.

Contractual Obligations

Our material cash requirements from known contractual and other obligations are described in the accompanying notes to the financial statements within [Part I, Item 1](#) of this Quarterly Report. These include principal and interest payments on long-term debt as described in Note 7. Long-Term Debt and Lines of Credit, operating leases as described in Note 10. Leases and purchase commitments as described in Note 12. Commitments and Contingencies to the Condensed Consolidated Financial Statements included in this Quarterly Report.

Critical Accounting Policies and Estimates

The discussion and analysis of the Company's financial condition and results of operations is based upon its unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires the Company to make certain estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. We base these estimates on historical experience, available current market information and on various other assumptions that management believes are reasonable under the circumstances. Additionally, the Company evaluates the results of these estimates on an on-going basis. Management's estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

See Note 1. Description of Business and Basis of Presentation to the Condensed Consolidated Financial Statements in [Part I, Item 1](#) of this Quarterly Report for a detailed description of recent accounting pronouncements. There have been no material changes to the Company's Critical Accounting Policies and Estimates from those reflected in the Company's 2024 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Item 4. Controls and Procedures

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Management, with the participation of our principal executive officer and principal financial officer, 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 December 31, 2024. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of December 31, 2024, 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 as previously disclosed in our Annual Report on the Form 10-K for the fiscal year ended September 30, 2024.

Material Weakness in Internal Control over Financial Reporting

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. As previously disclosed in our Annual Report on Form 10-K for the fiscal year ended September 30, 2024, management identified a material weakness in our internal control over financial reporting that relates to controls around the completeness and accuracy of spreadsheet controls used in the preparation of the Company's inventory net realizable value calculation and continued to exist as of December 31, 2024.

The identification of this material weakness did not result in a change to any of our previously reported consolidated audited or unaudited balance sheets, statements of operations, statements of changes in equity, statement of cash flows or related disclosures.

Remediation Plan

Management, with oversight by our Audit Committee, plans to implement remediation steps to address the material weakness described above and to improve our internal control over financial reporting. We plan to implement additional internal controls related to the completeness and accuracy of our spreadsheet controls used in the preparation of our inventory net realizable value calculation. 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 work to remediate the material weakness, we may take additional measures to address the control deficiencies.

Changes in Internal Control over Financial Reporting

Other than the remediation efforts described above, during the quarter ended December 31, 2024 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.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we have been, and may in the future be involved in, litigation relating to claims arising out of our operations in the normal course of business. There are no current legal proceedings to which we are a party or of which any of our property is subject that we believe will have a material adverse effect on our financial position, results of operations or cash flows. See Note 12. Commitments and Contingencies to the Condensed Consolidated Financial Statements included in this Quarterly Report for further information.

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, together with the information set forth elsewhere in this Quarterly Report, and with our other filings with the SEC. The realization of any of these risks and uncertainties could have a material adverse effect on our reputation, business, financial condition, results of operations, growth and future prospects, as well as our ability to accomplish our strategic objectives.

Risks Related to our Business

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 have included, for example, beginning in 2023 a multi-year entitlement process for our 4,500-acre grove near Fort Myers, in Collier County, which has included, but is not limited to, the completion of environmental assessments, the development of conservation strategies, the preparation of market assessments to facilitate planning and beginning to conduct selective stakeholder outreach efforts. In addition, on January 6, 2025, we announced a strategic transformation in the Company's business focus, to wind down our Alico Citrus division, which holds our citrus production operations, to focus on our long-term diversified land usage and real estate development strategy (the "Strategic Transformation"). Due to increasing financial challenges from citrus greening disease and environmental factors for many seasons, we have decided to not spend further material capital on our citrus operations and we plan to wind down Alico Citrus' primary operations after the current crop is harvested in 2025, which includes reducing most of our citrus production workforce. We expect to maintain our commitment to the Florida agriculture industry through diversified farming operations on nearly all our land holdings following this citrus production transition. We also expect to entitle certain parcels of our land for commercial and residential development.

Successfully executing our diversified land usage and real estate development strategy will depend on many factors, including our ability to:

- secure necessary regulatory approvals and permits for land development projects;
- effectively manage and allocate resources to new business initiatives;
- attract and retain skilled personnel with expertise in diversified land usage and real estate development;
- navigate potential market fluctuations and economic conditions;
- manage our commercial relationships and comply with our obligations under agreements with our commercial counterparties, including Tropicana and other citrus customers, as well as real estate acquirers and developers; maintain strong relationships with lenders and continue to satisfy covenants and conditions under current loan agreements; and
- address potential environmental and zoning issues, and other challenges inherent in real estate development.

The Strategic Transformation and other strategic initiatives that may relate to the management and utilization of our land 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 the Strategic Transformation or any other 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.

Our workforce reduction may not result in our intended outcomes and may yield unintended consequences and additional costs.

In connection with the Strategic Transformation, on January 3, 2025, the Board of Directors (the “Board”) approved a reduction in the Company’s current workforce by up to 172 employees, which was effective on or about January 6, 2025 with respect to up to 135 employees, and which will be effective on or about April 1, 2025 with respect to up to 37 employees (the “Workforce Reduction”). The Company currently estimates that it will incur charges of approximately \$1,500 to \$2,000 in connection with the Workforce Reduction, primarily consisting of severance payments, employee benefits and related costs. The Company expects that the majority of these charges will be incurred in the second and third quarters of 2025.

The Company may incur additional expenses not currently contemplated due to events associated with the Workforce Reduction and the charges that the Company expects to incur in connection with the Workforce Reduction are estimates and subject to a number of assumptions, and actual results may differ materially. The Workforce Reduction may result in unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond the intended number of employees, decreased morale among our remaining employees, and the risk that we may not achieve the anticipated benefits of the Workforce Reduction. In addition, while positions have been eliminated, certain functions necessary to our operations remain, and we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees. The Workforce Reduction could also make it difficult for us to pursue, or prevent us from pursuing, new opportunities and initiatives due to insufficient personnel, or require us to incur additional and unanticipated costs to hire new personnel to pursue such opportunities or initiatives. The Workforce Reduction could also harm our reputation, making our ability to recruit skilled personnel difficult. If we are unable to realize the anticipated benefits from the Workforce Reduction, or if we experience significant adverse consequences from the Workforce Reduction, our business, financial condition, and results of operations may be materially adversely affected.

Adverse weather conditions, natural disasters and other natural conditions, including the effects of climate change and hurricanes and tropical storms, particularly because our citrus groves are geographically concentrated in Florida, have in the past and could in the future impose significant costs and losses on our business and adversely affect our results of operations, financial position and cash flows.

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 past. 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 have in the past and could in the future 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 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 has been and may continue to 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 have in the past and could in the future 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 had a material adverse effect on the fruit production from our trees for the 2023 harvest season and, potentially to a lesser extent, the next season and future seasons. Furthermore, recent and future hurricanes and tropical storms may lead to inventory impairment charges. We recognized an inventory impairment charge of \$19,549 in the fourth quarter of the year ended September 30, 2024 related to our 2024-2025 estimated harvest. We seek to minimize hurricane risk by the purchase of insurance contracts, but a significant portion 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. Given the significant impact of these conditions, we have evaluated and may continue to evaluate strategic options for the management and utilization of our land. In January 2025, we announced the Strategic Transformation under which we plan to wind down our Alico Citrus division, which holds our citrus production operations, after the current crop is harvested in 2025. We expect that approximately 3,460 citrus acres will be managed by third-party caretakers for another season through 2026. These adverse weather conditions may continue to negatively impact our results of operations and financial position related to our citrus operations during the remaining harvests. Furthermore, adverse weather conditions may also affect our results of operations and financial position as we shift our focus to our long-term land development strategy.

A significant portion of our revenues are historically derived from our citrus business and our Strategic Transformation involves expected significant revenue shift to real estate development and diversified farming operations and any adverse event affecting these areas could disproportionately harm our business.

Our revenues from our citrus business were 96.6% and 95.7%, of our operating revenues in the years ended September 30, 2024 and 2023, 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 vulnerable to adverse events or market conditions affecting our citrus business, in particular, or the citrus business, generally, which could have a significant adversely impact on our overall results of operations, financial condition and cash flows.

In January 2025, we announced the Strategic Transformation in the Company's business focus, to wind down our Alico Citrus division, which holds our citrus production operations, to focus on our long-term diversified land usage and real estate development strategy. Consequently, we expect a significant portion of our future revenues to come from land usage and real estate development. However, there is no assurance of success, and adverse events or market conditions affecting these areas could negatively impact our results of operations, financial condition, and cash flows.

Our failure to effectively perform grove management services 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 has in the past and will continue to 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. 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 Citrus Segment's business. Any disruption in these relationships, or termination of additional acreage under our agreements with Tropicana, could cause a reduction in our Citrus Segment's revenues and cash flows.

Our contracts with Tropicana accounted for 86.8% and 81.3%, of our revenues in the years ended September 30, 2024 and 2023, respectively. Our agreements with Tropicana grant the Company the right to remove certain acreages from the agreement if, in the Company's best judgment, such acreages are no longer economically viable, provided that Tropicana consents, which consent shall not be unreasonably withheld or delayed. On January 3, 2025, we delivered a notice to Tropicana stating that our Board had determined that certain of the acreage specified in the agreement is no longer economically viable for orange cultivation, and seeking Tropicana's consent for the removal of such acreage from the agreement, effective at the end of the 2024/2025 crop year. Consequently, if Tropicana consents, its purchase obligations under the agreement with respect to such acreage are expected to conclude upon the completion of the 2024/2025 crop year, substantially reducing the amount of oranges we sell to Tropicana in future crop years, as well as the anticipated revenues (and expenses) relating to such acreage. With respect to the remaining acreages covered by our citrus supply contracts, if we need to further reduce the acreage covered under the agreement, or the loss of Tropicana as a customer or significant reduction in business with Tropicana may cause an adverse impact to our Citrus Segment's financial position, results of operations and cash flows.

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

Agricultural operations are subject to supply and demand pricing. 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 agricultural 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.

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. We are subject to governmental inspection and regulations and 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 cannot be sure that we will not incur claims or liabilities for which we are not insured or that exceed the amount of our product liability 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, with enforcement operations taking place across the country, resulting in arrests and detentions of unauthorized workers. If new immigration legislation is enacted under President Trump's administration and/or if enforcement actions are taken against available personnel including under President Trump's recent executive order, 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.

Harm to our reputation could have an adverse effect on our business, financial condition and results of operations.

Maintaining a strong reputation with fruit processors and third-party partners is critical to the success of our business. We devote 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 have published ESG goals (i.e., environmental, social and governance), including relating to environmental impact, sustainability and inclusion, as part of our ESG strategy. Despite these efforts, we may not be successful in achieving our goals, may modify or terminate any of these 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, our products could face withdrawal, recall or other quality issues, which could lead to decreased demand for our products or services and reputational damage. Furthermore, anti-ESG or anti-diversity, equity and inclusion sentiment is gaining momentum across the United States, with several states having enacted or proposed anti-ESG or anti-DEI policies or legislation, and several state and federal governmental authorities filing suit alleging that ESG or DEI measures or initiatives violate law. We could be sued for our ESG or diversity policies and/or programs. If we were sued under any of these claims, our financial condition, reputation or business could be adversely impacted.

Widespread use of social media and networking sites by advocates and opponents 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 disposition of operating businesses and assets and may in the future undertake one or more significant transactions, which could be material to our business and could take any number of forms, including asset sales, mergers, or the sale of equity interests.

These transactions may present significant risks such as potential loss of significant operating revenues and income streams, 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.

We also routinely evaluate the benefits of disposing of certain of our assets, which could include the exit from lines of business. Such dispositions could (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) ultimately have a negative impact on our results of operations, financial condition and cash flows.

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, are subject to less environmental regulation, and, in some instances, have 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 has resulted in and may result in more regional, federal, and global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases or climate change, including the SEC climate change disclosure rules. In light of such regulation and legal requirements, we may experience significant increases in our compliance costs, costs of operations, including, but not limited to, increased energy, environmental, and other costs and capital expenditures, as well as could lead to increased litigation risks related to disclosures made pursuant to this regulation and/or legal requirements, any of which could materially and adversely affect our financial performance. 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, our workforce 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, evolving, and diverging scrutiny relating to their ESG policies, initiatives and disclosures from governments, regulators, investors, consumers, employees and other stakeholders. Increased and varied focus and activism related to ESG may hinder our access to capital, as investors may reconsider their capital investment as a result of their assessment of our ESG practices, or due to our focus on ESG practices at all. In particular, certain customers, investors and other stakeholders are increasingly focusing on environmental issues, including climate change, water use, deforestation, microplastics, plastic waste, and other sustainability concerns. However, increasingly, different stakeholder groups have divergent views on ESG matters, which increases the risk that any action or lack thereof with respect to ESG matters will be perceived negatively by at least some stakeholders and adversely impact

our reputation and business. 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.

In addition, the increased emphasis by some stakeholders on ESG matters has resulted in, and may continue to result in, the adoption of laws, regulations, and executive orders, which may include reporting requirements, which may not always be uniform across jurisdictions, and which could lead to increased compliance costs, as well as increased scrutiny regarding our ESG activities and disclosures, which may lead to increased litigation risks. Moreover, while we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Such disclosures may also be at least partially reliant on third-party information that we have not independently verified or cannot currently be independently verified. If we do not adapt to or comply with new regulations or fail to meet our ESG goals, or meet the evolving investor, industry or stakeholder expectations and standards, or if we are perceived to have not responded appropriately to the evolving concern for, or perception of ESG issues, fruit processors and consumers may choose to stop purchasing our products or purchase products from another company or a competitor, and our reputation, business, financial condition, results of operations and cash flows may be adversely affected.

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. If we were to experience an interruption due to strike, natural disasters or otherwise, we cannot be sure that our insurance would adequately cover all claims and that any efforts to transport our products by alternative means would be successful and done 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 years ended September 30, 2024 and 2023, we paid \$2,659 and \$2,786, 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 \$81,628 and \$90,481 for the years ended September 30, 2024 and 2023, respectively, which differs significantly from the fair values determined by the county property appraisers of \$352,379 and \$419,915, 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.

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 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 works 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 liabilities when it is available; however, these insurance policies 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, or any significant changes in their duties, 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.

Management identified a material weakness in connection with the audit of our consolidated financial statements for the year ended September 30, 2024. 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. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our Consolidated Financial Statements will not be prevented or detected on a timely basis. We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to prevent or avoid potential future material weaknesses. A material weakness in our internal control over financial reporting could result in an increased probability of fraud, the potential loss of customers, litigation from our stockholders, reduction in our ability to obtain financing, and require additional expenditures to remediate.

Management's assessment of our internal control over financial reporting as of September 30, 2024 concluded that our internal control over financial reporting was not effective and that a material weakness existed related to controls around the completeness and accuracy of its spreadsheet controls used in the preparation of our inventory net realizable value calculations. As described in "Part II-Item 9A-Controls and Procedures," we plan to begin the process of remediating our identified material weakness. Management's continuing evaluation and work to enhance our internal control over financial reporting may 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. The 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 take will remediate the material weakness identified. 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.

In future periods, 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. 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 our controls and procedures will 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.

In addition, any future material weaknesses, restatements, investigations, and 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, and 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 have been significant ongoing inflationary developments in the United States. It is uncertain as to whether these ongoing 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.

Macroeconomic conditions, such as rising inflation, the deadly conflicts in Ukraine and Israel, and pandemics or health crises could adversely affect our business, financial condition, results of operations and cash flows.

During the year ended September 30, 2024, we continued to experience inflationary pressure on labor costs, which we expect to continue through 2025. A number of external factors, including the deadly conflicts in Ukraine and Israel, as well as responses to such events including sanctions or other restrictive actions, by the United States and/or other countries, new tariffs, pandemics or health crises, adverse weather conditions, increases in fuel prices, supply chain disruptions (including raw material shortages) and labor shortages have impacted, and may continue to impact, transportation and commodity costs and create significant macroeconomic uncertainty. When prices increase, we may or may not pass on such increases to our customers without suffering reduced volume, revenue, margins and operating results. The extent to which current macroeconomic conditions will continue to impact our results will depend on future developments, which are uncertain. Potential negative impacts of these uncertain conditions 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, which could result in the loss of some or all of the value of an investment in the Company; and
- Our ability to maintain our workforce during these uncertain times, which could materially and adversely affect our results of operations.

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 continue to increase our legal and financial compliance costs, which could adversely affect the trading price of our common stock.

System security risks, data protection breaches, cybersecurity incidents 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.

Our business faces various security threats, including cybersecurity risks that threaten the confidentiality, integrity and availability of our IT systems and information (including personal, confidential and other types of sensitive information); threats to the security of our facilities and infrastructure or third-party facilities and infrastructure; and threats from terrorist acts, civil unrest and similar acts.

Cybersecurity attacks and risks in particular are becoming more varied, and include threats from diverse vectors such as social engineering/phishing, malware (including ransomware), malfeasance by insiders, human or technological error, as a result of viruses, malicious software or malicious code (including embedded in open-source software), misconfigurations, bugs or other vulnerabilities that are integrated into our (or our third party's) IT systems. The threat landscape is constantly evolving as threat actors become increasingly sophisticated in using techniques and tools - including artificial intelligence and other emerging technologies - for malicious purposes. 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.

Our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information, facilities and infrastructure may result in increased capital and operating costs, 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. We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us or certain of our third-party service providers, but we cannot guarantee that material incidents will not occur in the future.

However, security risks, system integration issues and any adverse impact on the availability, integrity or confidentiality of our IT systems or sensitive information, including any attempts to gain unauthorized access to information and systems and other security incidents or breaches, could lead to losses of critical infrastructure or capabilities essential to our operations, disruption of our internal operations or services provided to customers, or the unauthorized release or corruption of information. They could also damage our reputation, lead to legal claims or proceedings, regulatory investigations and enforcement actions, significant costs from remedial actions, loss of business or potential liability, each of which could have a material adverse effect on our financial position, results of operations and cash flows.

We are dependent on our information systems and computer-based programs and those of third parties, including our agricultural operations information, electronic data processing, and accounting data. 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. If any of such systems or programs were to experience service interruptions, fail or create erroneous information in our hardware or software network infrastructure, possible consequences include our loss of communication links, inability to track sales and interruption of other operational or financial processes, which in turn could adversely affect our financial results, stock price and reputation.

We cannot guarantee that any costs and liabilities incurred in relation to an interruption, delay or other incident will be covered by our existing insurance policies or that applicable insurance will be available to us in the future on economically reasonable terms or at all.

Our business is subject to complex and evolving laws and regulations regarding privacy and data protection.

In connection with running our business, we handle information that relates to individuals and/or constitutes "personal data," "personal information," "personally identifiable information," or similar terms under applicable data privacy laws, including from and about business contacts, employees and website visitors. We are therefore subject to various federal, state, and foreign laws, regulations and other requirements relating to the privacy, security and handling of personal information. For example, certain state laws and regulations impose transparency obligations, provide individuals with rights in relation to their personal information, and impose certain restrictions on our disclosure of their personal information, with penalties for violations and, in some cases, private rights of action.

The compliance requirements of such laws and regulations are constantly evolving, creating complexity and potential confusion due to unclear or conflicting interpretations. Further, legislative activity and regulatory focus on data privacy and security, including in relation to cybersecurity incidents, have significantly increased in the United States and globally. Some such requirements restrict our ability to process personal information across our business and across country borders.

New laws or changes to existing regulations, including under President Trump's administration, may require us to incur significant costs and change our operations, potentially hindering our ability to grow our business by leveraging our data assets. In addition, any failure or perceived failure to comply with privacy and security laws and regulations could result in legal claims or proceedings (including class actions), regulatory investigations or enforcement actions, and significant costs for defense or liabilities, along with negative publicity and an erosion of trust. Such event could materially harm our business, results of operations, and financial condition.

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 December 31, 2024, we had \$105,299 in principal amount of indebtedness outstanding under our secured credit facilities (excluding deferred financing costs), and an additional availability of \$73,506 is available under our revolving line 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, including financial covenants that require us to comply with specified financial ratios and tests, and covenants that may restrict certain changes to our business model. 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 addition, some of our loan agreements are secured by specific parcels of our land holdings, which are appraised from time to time. Our adherence to these land covenants relies on the most recent land valuations, and we cannot ensure that these valuations will remain constant over time. 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. In the short-term, 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 the long-term, as a result of the Strategic Transformation, we expect that we will depend primarily upon our land management, diversified farming operations, and real estate development activities to pay such amounts. We have used proceeds from land sales to repay variable rate debt in the past and expect to use future proceeds from land sales to repay variable rate debt. Land available for sale in the future to raise additional funds includes productive land, the disposition of which may negatively affect our agribusiness revenue stream. In addition, there are factors beyond our control that could negatively affect our agribusiness 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, including potential delays in implementing the Strategic Transformation.

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. In evaluating these options, we may need to consider strategic shifts to enhance our financial stability and cash flow. 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 currently bears interest at variable rates, which will generally change as interest rates change. Currently, we are experiencing, and are expecting to continue to experience, changes in interest on our variable rate RLOC. 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, any of which could materially adversely affect our business, financial condition, results of operations and cash flows.

Risks Related to our Common Stock

The market price of our common stock may be volatile or decline, and you may not be able to resell your shares at or above the price you initially paid for our common stock.

The trading price of our common stock could be volatile, and you could lose all or part of your investment. The following factors, in addition to other factors described in this “Risk Factors” section and included elsewhere in this document may have a significant impact on the market price of our common stock:

- the occurrence of severe weather conditions and other catastrophes;
- our operating and financial performance, quarterly or annual earnings relative to similar companies;
- publication of research reports or news stories about us, our competitors or our industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- the public’s reaction to our press releases, our other public announcements and our filings with the SEC;
- announcements by us or our competitors of acquisitions, business plans or commercial relationships;
- any major change in our board of directors or senior management;
- additional sales of our common stock by us, our directors, executive officers, or principal stockholders;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- short sales, hedging and other derivative transactions in our common stock;
- exposure to capital market risks related to changes in interest rates, realized investment losses, credit spreads, equity prices, foreign exchange rates and performance of insurance-linked investments;
- our creditworthiness, financial condition, performance, and prospects;
- our dividend policy and whether dividends on our common stock have been, and are likely to be, declared and paid from time to time;
- any repurchases by us of any of our outstanding shares of common stock under our share repurchase plan;
- perceptions of the investment opportunity associated with our common stock relative to other investment alternatives;
- regulatory or legal developments; including under President Trump’s administration;
- changes in general market, economic, and political conditions;
- terrorism and/or instability, unrest and wars, such as the conflicts involving Ukraine and Russia or Israel and its surrounding regions, and other international conflicts;
- conditions or trends in our industry, geographies or customers;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- threatened or actual litigation or government investigations.

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. 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, at 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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities during the period covered by this Quarterly Report.

There were no issuer repurchases of the Company's equity securities during the period covered by this Quarterly Report.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not Applicable.

Item 5. Other Information

- a) None.
- b) None.
- c) During the three months ended December 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed/Furnished Herewith
3.1	Restated Certificate of Incorporation, dated February 17, 1972	10-K	00-000261	3.1	12/11/2017	
3.2	Certificate of Amendment to Certificate of Incorporation, dated January 7, 1974	S-8	333-130575	4.2	12/21/2005	
3.3	Amendment to Articles of Incorporation, dated January 14, 1987	S-8	333-130575	4.3	12/21/2005	
3.4	Amendment to Articles of Incorporation, dated December 27, 1988	S-8	333-130575	4.4	12/21/2005	
3.5	Second Amended By-Laws of Alico, Inc., amended and restated	8-K	000-00261	3.6	1/15/2021	
10.1	Tropicana Supply Agreement Notice					*
10.2	Second Amended and Restated Employment Agreement between Alico, Inc. and Mr. Kiernan, dated as of December 23, 2024					*
10.3	Amended and Restated Annual Performance and Long-Term Bonus Agreement between Alico, Inc., and Mr. Kiernan, dated as of December 23, 2024					*
10.4	Performance-Based Restricted Stock Unit Award Agreement between Alico, Inc., and Mr. Kiernan, dated as of December 23, 2024					*
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Rule 13a-14(a) certification					*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Rule 13a-14(a) certification					*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350					**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350					**
101.INS	Inline XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*

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101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					*

* Filed herewith.

** Furnished herewith.



January 3, 2025

Tropicana Manufacturing Company, Inc.
1001 13th Avenue E.
Bradenton, Florida 34208
Attention: William Poulton, Chief Procurement Officer
Sr. Director – Fruit Procurement

cc:

Tropicana Brands Group
433 W. Van Buren Street
Suite 3N
Chicago, IL 60607
Attn: Legal Department

Dear Bill,

I am writing in reference to the Orange Purchase Agreement, dated April 11, 2024, Agreement No. R641 (the “Contract”), by and between Alico, Inc. (the “Supplier”, “we” or “us”) and Tropicana Manufacturing Company, Inc. (“Tropicana” or “you”).

Pursuant to Section 1(c) of the Contract, the Supplier has the right to remove certain acreages from the Contract “[i]f, in Supplier’s best judgment, such acreages are no longer economically viable...”. Unfortunately, as you know our production continues to suffer from the impact of multiple hurricanes and storms, and despite our efforts, we believe this will not change in the foreseeable future. After careful consideration and analysis, we have determined that the acreage set forth on Schedule A of the Contract, other than the acreage specified in Appendix A hereto, meets this criterion for the 2025/2026 crop year and thereafter, and should be removed from the Contract. As a result, we are seeking Tropicana’s consent for such removal, effective at the completion of the 2024/2025 crop year, which, according to Section 1(c) of the Contract, shall not be unreasonably withheld or delayed.

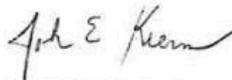
The Supplier does not currently anticipate any changes will be required under the Contract with respect to the acreage specified in Appendix A hereto with respect to the 2025/2026 crop year; that said, if you would be interested in purchasing or leasing any of that acreage, or revisiting the terms of the Contract with respect to such acreage, we would be happy to discuss that with you at your convenience.

Pursuant to Section 15 of the Contract, Supplier has the right to sell other acreage comprising the "Other Groves" (as defined in the Contract) with the prior written consent of Tropicana, which consent shall not be unreasonably withheld, conditioned, delayed or denied (provided that such consent is not required so long as Supplier continues to own and/or have the right to control the citrus crops on such Groves so as to allow Supplier to fully perform its obligations under the Contract with respect to same during the remainder of the Term of the Contract). In light of our determinations noted above with respect to the economic viability of such acreages, we do not believe your consent is necessary for the sale or other disposal of any of the Other Groves; that said, if you would be interested in purchasing or leasing any of the Other Groves we would be happy to discuss that with you at your convenience.

We hereby request your acknowledgment of this notice and your consent to the removal of the acreage set forth on Schedule A of the Contract, other than the acreage specified in Appendix A hereto, from the Contract. Please let us know if you require any further information or discussion regarding this matter.

Thank you for your attention to this important issue. We look forward to your prompt response.

Sincerely,



John E. Kiernan
President and Chief Executive Officer
Alico, Inc.

I, William Poulton, Chief Procurement Officer at Tropicana Brands Group, hereby consent to the removal of the specified acreage other than as set forth in Appendix A of this Letter, effective at the completion of the 2024/2025 crop year.

Name: William Poulton
Title: Chief Procurement Officer
Date:

APPENDIX A

Row Labels	Variety Class	Sum of Acres
Lake Patrick	E/M	933.2 ¹
Lake Patrick	VAL	131.2
Oak Island	E/M	357 ²
Oak Island	VAL	698.6 ³
Curry	E/M	70.2
Curry	VAL	261.5
30535	VER	8.3
30536	VER	6.9
31013	VAL	8.1
31016	VAL	8.1
31017	VER	8.5
31018	VER	8.5
31019	VER	8.5
31020	VER	8.5
31430	VER	8.0
31431	VER	8.8
31432	VER	8.1
31541	VAL	33.2
31545	VAL	36.7
31634	VAL	17.7
31640	VER	27.5
31655	VER	8.0
31658	VAL	8.7
31663	VAL	7.0
31745	VAL	8.3
31763	VAL	8.6
31764	VAL	8.6
31859	VER	8.5
32009	VER	8.4
32010	VAL	8.4

¹ The following acres identified as part of “Lake Patrick” (E/M) are excluded from this Appendix A: Ida (E/M), 232.2 acres; Patrick: 11 (E/M), 51.2 acres; Patrick: 12 (E/M), 18.8 acres; Saddlebag (E/M), 183.4 acres.

² The following acres identified as part of “Oak Island” (E/M) are excluded from this Appendix A: DRISCOLL (E/M), 12.8 acres, PARSONBROWN (E/M), 30.0 acres.

³ The following acres identified as part of “Oak Island” (VAL) are excluded from this Appendix A: DRISCOLL (VAL) (8.7 acres).

Row Labels	Variety Class	Sum of Acres
32016	VAL	6.6
32033	VER	26.3
32037	VER	40.5
32038	VAL	41.3
32050	VAL	8.7
32052	VAL	8.7
32055	VAL	27.7
32062	VAL	18.7
32109	VAL	7.9
32111	VER	4.7
32115	VER	8.3
32118	VAL	17.5
32122	VER	7.2
32123	VAL	23.0
32124	VER	23.8
32131	VER	8.8
32142	VER	7.8
32143	VER	5.7
32144	VER	7.2
32145	VER	7.6
32147	VER	8.3
32161	VAL	7.4
32810	VER	8.3
32817	VAL	16.7
32820	VAL	57.1
32908	VAL	27.6
32920	VAL	8.7
32921	VER	3.6
32923	VER	8.2
32924	VER	8.7
32934	VER	8.1
32936	VAL	8.3
32945	VER	8.4
32952	VAL	8.8
32957	VAL	8.7
40137	VAL	8.3
40140	VAL	8.7
40141	VAL	8.2
40142	VAL	2.6
40143	VAL	8.1
40145	VAL	8.2
40146	VAL	7.9

Row Labels	Variety Class	Sum of Acres
40148	VAL	6.1
40149	VER	6.6
40150	VAL	8.7
40151	VAL	8.7
40154	VAL	8.7
40155	VAL	8.7
40158	VAL	8.7
41243	VAL	8.3
41245	VAL	6.3
41249	VAL	8.6
41252	VAL	8.7
41253	VAL	8.7
41255	VAL	8.7
41256	VAL	7.1
41333	VAL	8.5
42417	VAL	6.6
42419	VAL	8.7
42420	VER	8.6
42427	VER	8.6
42431	VER	8.7
42457	VAL	8.7
Sum		3,459.5

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of the 23rd day of December, 2024 (the "Effective Date"), by and between John E. Kiernan (the "Executive"), a Florida resident, and Alico, Inc., a Florida corporation (the "Company").

Recitals

WHEREAS, the Company desires to continue to employ the Executive to serve as the Chief Executive Officer and President of the Company, and the Executive desires to continue to hold such positions with the Company, with the terms and conditions of such employment that are set forth herein, being effective as of the Effective Date; and

WHEREAS, effective as of the Effective Date, this Agreement shall supersede and replace that certain Amended and Restated Employment Agreement between the Executive and the Company dated as of April 1, 2022.

Agreement

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Employment.** The Company hereby confirms its employment of, and hereby employs, the Executive as its Chief Executive Officer and President, and the Executive hereby confirms and accepts such employment, effective as of the Effective Date, upon the terms and conditions set forth herein. Except as otherwise expressly provided herein and in the Indemnification Agreement by and between the Company and the Executive dated as of January 9, 2018, as amended from time to time, and the Amended and Restated Annual Performance and Long Term Bonus Agreement by and between the Company and the Executive dated concurrently with the date hereof, as amended from time to time (the "Bonus Agreement"), this Agreement (including the exhibits, which are an integral part of it) sets forth the terms and conditions of the Executive's employment by the Company, represents the entire agreement of the parties with respect to that subject, and supersedes all prior understandings and agreements with respect to that subject. Every reference in this Agreement to an Exhibit is to an exhibit to this Agreement. As used in this Agreement, the capitalized terms that are defined on Exhibit A have the respective definitions attributed to them on Exhibit A, and those definitions are incorporated by reference into this Agreement.

2. **Position and Duties.**

(a) **Duties.** The Executive shall be employed by the Company as Chief Executive Officer and President. The Executive shall have the normal duties, responsibilities, and authority of a Chief Executive Officer and President, and shall perform all duties incidental to such position that may be required by law and all such other duties as may be reasonably assigned by the Board of Directors of the Company (the "Board") and are consistent with the duties normally associated

with a chief executive officer and president of a public corporation. The Executive shall report to the Board.

(b) Engaging in Other Employment. While employed by the Company, except as otherwise approved by the Board (including, without limitation, as may have previously been approved by the Board prior to the Effective Date), the Executive shall devote substantially all of his working time and attention to the Company and its affiliates and shall not be employed by any other person or entity. Notwithstanding the foregoing or the provisions of Section 10(b) of this Agreement, the Executive is permitted to do any of the following while he is employed by the Company or any of its subsidiaries: (i) if approved in advance by resolution of the Board, serve as an owner, officer, director, or manager of any other for-profit business entity, so long as it is not engaged in a business that competes with the Company; (ii) make a passive investment in less than 1% of the outstanding equity of any business entity that is traded on any national, regional, or international stock exchange or in the over-the-counter market, whether or not the business entity is engaged in a business that competes with the Company; and (iii) participate in a reasonable number of civic, industry, charitable, community, educational, professional, and similar organizations, including serving as an officer or member of a board of directors of any nonprofit organization; provided, in each case, that the activity or service does not materially interfere with the regular performance of the Executive's duties and responsibilities under this Agreement.

(c) Loyal and Conscientious Performance. The Executive shall act at all times in compliance with the written policies, rules, and decisions adopted from time to time by the Company and the Board and perform all of the duties and obligations required of him by this Agreement in a loyal and conscientious manner.

(d) Location. The Executive's principal place of business shall be at an office of the Company located in Fort Myers, Florida.

3. Term of Employment. The term of the Executive's employment pursuant to this Agreement shall commence on the Effective Date and end on September 30, 2027, subject to extension and termination pursuant to the provisions of this Agreement (the "Term"). The Term will be automatically extended for a one-year period on September 30, 2027 and on each September 30th thereafter unless either the Company or the Executive provides written notice to the other party no later than 60 days in advance of the expiration of then-current Term that the period of the Executive's employment pursuant to this Agreement shall not be extended. As used in this Agreement, the word "Term" means the initial period of employment from the Effective Date until September 30, 2027, and includes any and every one-year extension of the period of employment under this Agreement. Notwithstanding the foregoing, the Term shall automatically terminate on the Date of Termination (as defined below).

4. Annual Cash Compensation.

(a) Annual Base Salary. During the Term, the Company shall pay to the Executive in installments an annual base salary, not less often than monthly, at an annual rate of not less than \$525,000 (the "Annual Base Salary"). The Annual Base Salary shall be reviewed by the Board or the Compensation Committee of the Board (the "Committee") at least annually for any further

increase, and the Annual Base Salary, if and to the extent as so further adjusted, shall be the respective "Annual Base Salary" for all purposes of this Agreement.

(b) [Reserved]

(c) Annual Short-Term Incentive Cash Bonuses. For each fiscal year of the Company during the Term, the Executive shall be eligible for and entitled to annual incentive compensation cash bonus awards in accordance with, and to the extent provided in, the terms and provisions of the Bonus Agreement.

(d) Long Term Incentive Cash Bonus. The Executive shall be eligible for and entitled to long term incentive compensation cash bonus awards in accordance with, and to the extent provided in, the terms and provisions of the Bonus Agreement.

5. Equity Based Awards.

(a) Restricted Stock Unit Award. Subject to proper action by the Board, the Executive may be awarded, under the Company's Stock Incentive Plan of 2015, as may be amended from time to time, restricted stock units in accordance with the terms and provisions of the Bonus Agreement.

(b) Other Equity Grants. In addition to the restricted stock units referenced above in Section 5(a), the Executive shall be eligible to participate in the Company's Stock Incentive Plan of 2015, or any successor or other incentive plan adopted by the Company from time to time, on terms and conditions determined by the Committee from time to time.

6. Employee Benefits. During the Term, the Executive shall be eligible to participate in the employee benefit plans, policies, programs, practices and arrangements that the Company provides to its executives generally from time to time (each, an "Employee Benefit Plan" and, collectively, the "Employee Benefit Plans") on terms that are no less favorable to the Executive than those provided by the Company to other executives of the Company generally. The Executive will be entitled to 20 paid vacation days every calendar year of the Company (referred to herein is a "paid time off"), which will be credited on the first day of each fiscal year during the Term. In addition to the foregoing paid time off, the Executive will be allowed additional days of paid holidays or other personal absent time as determined in accordance with Company policy or as approved by the Board. Any unused paid time off during a fiscal year will accumulate in accordance with the Company's paid time off policy.

7. Perquisites. During the Term, the Executive shall be eligible to receive perquisites on a basis no less favorable than as are provided by the Company from time to time to other senior executives of the Company generally.

8. Expense Reimbursement. The Executive shall be reimbursed for ordinary and reasonable travel, business, promotional, entertainment, and other expenses that are paid or incurred by him during the Term in connection with the performance of his services for and on behalf of the Company under this Agreement, subject to the Company's expense reimbursement policies and procedures.

9. Withholding. The Company may withhold from the payments due to the Executive for the payment of taxes and other lawful withholdings or required Executive contributions, in accordance with applicable law. If circumstances arise in which such withholding or contributions are required on account of any compensation or benefits (including, without limitation, upon the payment or provision of any compensation or benefits pursuant to Sections 6 or 7), at a time when there are not cash payments being made to the Executive from which such withholding obligations can be satisfied, the Executive will deliver to the Company amounts sufficient to fund such withholding or contribution obligations.

10. Executive's Covenants.

(a) Confidentiality.

(i) The Executive shall not, at any time use, divulge, or otherwise disclose, directly or indirectly, any confidential and proprietary information (including, without limitation, any customer or prospect list, supplier list, acquisition or merger target, business plan or strategy, data, records, financial information, or other trade secrets) concerning the business, policies, or operations of the Company or its affiliates (or any predecessors thereof) that the Executive may have learned or become aware of at any time on or prior to the date hereof or during the Term of the Executive's employment by the Company. The confidential and proprietary information shall not include any information that: (A) was independently developed by the Executive before the commencement of his employment with the Company; (B) is or has been publicly disclosed by the Company or any subsidiary of the Company; and (C) is or becomes publicly available, other than as a result of a disclosure in contravention of this confidentiality restriction by the Executive or any person to whom the Executive disclosed the information. Notwithstanding the foregoing, the Executive is permitted to disclose confidential and proprietary information of the Company and/or its affiliates (x) to third parties and other officers, directors and employees of the Company or its affiliates in the performance of his duties as Chief Executive Officer and President of the Company, (y) to legal counsel for the Executive, the Company, or an affiliate of the Company to the extent necessary to obtain legal advice, so long as the Executive advises such legal counsel of the confidential and/or proprietary nature of such information, and (z) to the extent required by law or a request by a court or governmental authority (pursuant to a subpoena or otherwise).

(ii) The Executive further acknowledges and agrees that all Company Materials (as defined below) are the exclusive property of the Company and that, at request of the Company upon the termination of his employment with the Company pursuant to this Agreement, he shall return to the Company all Company Materials (including all copies thereof) that are in printed form and then in his control or possession and permanently delete from all accessible files, folders, and document libraries all Company Materials in digital form that are then stored on computers or other electronic devices in his control or possession. For purposes of this Section 10, "Company Materials" means all models, samples, products, prototypes, computers, computer software, computer disks, tapes, printouts, source, HTML and other code, flowcharts, schematics, designs, graphics, drawings, photographs, charts, graphs, notebooks, customer lists, sound recordings, other tangible or intangible manifestation of content, and all other documents concerning the Company, any affiliate of the Company, or any predecessor of the Company or any affiliate of the Company, whether printed, typewritten, handwritten, electronic, or stored on computer disks, tapes, hard drives, or any other tangible medium.

(iii) The Executive acknowledges that Company Materials may contain information that is confidential and subject to the attorney-client privilege of the Company or its affiliates or otherwise protected by attorney work product immunity. Except as required by law, the Executive agrees not to disclose to any person (other than in-house or outside counsel for the Company and its affiliates) the content or substance of (A) any such Company Materials that the Executive knows or has notice is protected by an attorney-client privilege or attorney work product immunity of the Company or any affiliate of the Company or (B) any communication that the Executive may have or may have had at any time with in-house or outside counsel for the Company and its affiliates, whether during his employment hereunder or otherwise, regarding such Company Materials. Notwithstanding the foregoing, the Executive is permitted to waive any attorney-client privilege or attorney work product privilege of the Company or any affiliate of the Company with respect to any particular information or communication, whether affirmatively or through the disclosure of information or communication to a person that results in waiver of the privilege, if the waiver or disclosure is (x) made in reliance on, and consistent with, the advice of legal counsel, (y) directed or authorized by the Board or legal counsel for the Company in connection with a governmental investigation or otherwise, or (z) required by law or to comply in good faith with an order of a court or governmental authority, after providing the Company or its subsidiary a reasonable opportunity to obtain a protective order to prevent or protect the disclosure of the applicable information or communication.

(b) Noncompetition and Nonsolicitation.

(i) During the Restricted Period (as defined below), and except as otherwise authorized by Section 2(b) of this Agreement, the Executive agrees that he shall not, without the prior authorization by resolution of the Board, directly or indirectly, either as principal, agent, manager, employee, partner, shareholder, director, officer, consultant, or otherwise (A) become engaged in, involved with, or employed in any business (other than as a less-than one percent (1%) equity owner of any corporation traded on any national, international, or regional stock exchange or in the over-the-counter market) that competes with the Company or any of its affiliates; or (B) induce or attempt to induce any customer, client, supplier, employee, agent, or independent contractor of the Company or any of its affiliates to reduce, terminate, restrict, or otherwise alter its business relationship with the Company or its affiliates; provided that the foregoing shall not prohibit the Executive, individually or in association with others, from (x) engaging in public advertisement and other forms of broad solicitation not intended to target Company employees to fulfill hiring needs or (y) hiring any individual who is a former employee of the Company or any subsidiary of the Company who has been separated from employment with the Company or the subsidiary of the Company for more than six months. The provisions of this Section 10(b)(i) shall be effective only within any state within the United States or any country outside the United States where the Company or any of its subsidiaries conducted its business during any part of the Executive's employment with the Company. The parties intend the above geographical areas to be completely severable and independent, and any invalidity or unenforceability of this Agreement with respect to any one area shall not render this Agreement unenforceable as applied to any one or more of the other areas.

(ii) For purposes of this Section 10(b), "Restricted Period" shall mean the period of the Executive's employment by the Company during the Term and the 12-month period following the Date of Termination (as defined in Exhibit A).

(c) Forfeiture and Repayments. The Executive agrees that, in the event that he violates the provisions of Section 10(a) or 10(b), and except for the payment of Accrued Obligations (as defined in Exhibit A), (i) he will forfeit and not be entitled to any further payments or benefits under this Agreement, (ii) any stock options or stock appreciation rights ("Options"), restricted shares, or other equity awards then-outstanding shall expire or be forfeited, as applicable, immediately, and (iii) if such violation is after the termination of his employment, he will be obligated to repay to the Company the sum of (x) any amounts paid (determined as of the date of payment) after the termination of employment pursuant to Section 11 and (y) the amount of any gains realized by the Executive upon the exercise of Options (measured by the difference between the aggregate fair market value on the date of exercise of shares underlying the Options and the aggregate exercise price of the Options) within the one-year period prior to the first date of the violation. Such amount shall be paid to the Company in cash in a single sum within ten business days after the first date of the violation, whether or not the Company has knowledge of the violation or has made a written demand for payment. Any such payment made following such date shall bear interest at an annual rate equal to the prime lending rate of Citibank, N.A. (as periodically set) plus 1%. The forfeiture and clawback provisions of this Section 10(c) will terminate on the date that is 18 months following the expiration of the Restricted Period with respect to a violation of the provisions of Section 10(b) or 60 months following the Date of Termination with respect to a violation of the provisions of Section 10(a). Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based or other compensation paid to the Executive under this Agreement or any other agreement or arrangement with the Company which is subject to recovery under the Alico, Inc. Policy for Recovery of Erroneously Awarded Compensation or any law, government regulation, or stock exchange listing requirement will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

(d) Nondisparagement. The Executive shall not disparage the Company or any of its affiliates or their respective directors, officers, employees as a group, agents, shareholders, successors, and assigns (both individually and in their official capacities with the Company) (the "Company Parties") or any Company Parties' goods, services, employees as a group, customers, business relationships, reputation, or financial condition.

(e) Cooperation. During the Term and thereafter, the Executive shall cooperate with the Company and its affiliates as reasonably requested by the Company, without additional consideration, in any internal investigation or administrative, regulatory, or judicial proceeding involving the Company or any of its subsidiaries that pertains to any matter that occurred, or with which the Executive was involved or had knowledge, while he was employed by the Company, including, without limitation, the Executive being available to the Company or its affiliates upon reasonable notice for interviews and factual investigations, appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information, and turning over to the Company all relevant documents that are or may come into the Executive's possession, all at times and on schedules that are reasonably consistent with the Executive's other permitted activities and commitments if the Executive is then employed by the Company and otherwise taking into account the Executive's reasonable business obligations. The Company promptly shall reimburse the Executive for all reasonable out-of-pocket

costs and expenses that he incurs in providing any assistance requested by the Company under this Section 10(e).

(f) Scope of Restrictions. The Executive acknowledges that the restrictions set forth in this Section 10 are reasonable and necessary to protect the Company's business and goodwill, and that the obligations under this Section 10 shall survive any termination of his employment for the periods indicated. The Executive acknowledges that if any of these restrictions or obligations is found by a court having jurisdiction to be unreasonable or overly broad or otherwise unenforceable, he and the Company agree that the restrictions or obligations shall be modified by the court so as to be reasonable and enforceable and, if so modified, shall be fully enforced.

(g) Consideration; Survival; Enforceable Against Company's Successors and Assigns. The Executive acknowledges and agrees that the compensation and benefits provided in this Agreement constitute adequate and sufficient consideration for the covenants made by the Executive in this Section 10. As further consideration for the covenants made by the Executive in this Section 10, the Company has provided and will provide the Executive certain proprietary and other confidential information about the Company, including, but not limited to, business plans and strategies, budgets and budgetary projections, income and earnings projections and statements, cost analyses and assessments, and/or business assessments of legal and regulatory issues. The terms and conditions of this Section 10 shall survive the termination or expiration of this Agreement. The Executive hereby acknowledges and agrees that the restrictive covenants and the duties, obligations, and responsibilities of the Executive in this Section 10 and the Company's rights provided in this Section 10 are assignable by the Company and shall be enforceable by the Company's successors and/or assigns.

11. Termination of Employment.

(a) In General. Notwithstanding anything to the contrary contained herein, the Executive's employment with the Company pursuant to this Agreement may be terminated at any time prior to the end of the Term (i) by the Executive by delivering to the Company a Notice of Termination (as defined on Exhibit A); (ii) by the Company by delivering to the Executive a Notice of Termination; or (iii) upon the death or due to the Disability (as defined on Exhibit A) of the Executive.

(b) Termination without Cause; Resignation for Good Reason Following a Change in Control. If, during the Term, the Executive's employment is terminated (x) by the Company other than for Cause, death, or Disability or (y) on or following a Change in Control, by the Executive for Good Reason, the Executive shall be entitled to the compensation and benefits set forth in Section 11(b)(i) and 11(b)(ii) (the "Severance Payments"):

(i) Compensation Other Than Severance Benefits. The Company shall pay to the Executive (A) the Accrued Obligations (as defined in Exhibit A) in a cash lump sum within 30 days after the Date of Termination, and (B) any rights or payments, except for any severance benefits, that are vested benefits or that the Executive is otherwise entitled to receive at or subsequent to the Date of Termination under any Employee Benefit Plan or any other contract or agreement with the Company or any of its subsidiaries, which shall be payable in accordance with the terms of such Employee Benefit Plan or contract or agreement, except as explicitly modified

by this Agreement (collectively, the "Vested Benefits"). Any amounts due and payable pursuant to the Bonus Agreement that has been earned but not paid as of the Date of Termination shall be paid in accordance with the terms and provisions of the Bonus Agreement.

(ii) Severance Benefits. Subject to the Executive's execution of a release substantially in the form attached hereto as Exhibit B (the "Release") and the Release becoming effective and irrevocable in accordance with its terms by no later than the 55th day immediately following the date that the Executive incurs a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (the "Release Deadline"), and the Executive's continued compliance with the covenants set forth in Section 10, the Company shall pay to the Executive an amount equal to one hundred fifty percent (150%) of the Executive's Annual Base Salary (the "Severance Amount"). The Severance Amount shall be paid to the Executive in equal installments for the eighteen (18) month period following the Executive's Date of Termination in accordance with the Company's regular payroll practices, as in effect on the Date of Termination; provided however that the timing of such payments may be impacted as contemplated and required to be in compliance with the provisions of Section 23 of this Agreement. In addition, during the eighteen (18) month period following the Executive's Date of Termination, the Company will provide to the Executive the same health care benefit coverage being made available to similarly situated active Company employees (at no cost to the Executive in excess of the employee premium cost applicable to similarly situated active Company employees).

(c) Termination of Employment for Death or Disability. The Executive's employment with the Company will terminate automatically on the date of his death. The Company may terminate the employment of Executive upon his Disability by delivering to the Executive or his guardian a Notice of Termination. If the Executive dies or his employment is terminated by the Company for Disability, the Company shall pay to the Executive or the guardian or personal representative of his estate (as applicable) (i) the Accrued Obligations in a cash lump sum within 30 days after the Date of Termination, and (ii) the Vested Benefits, which shall be payable in accordance with the terms of the Employee Benefit Plans, contracts, or agreements under which the Vested Benefits are provided, except as explicitly modified by this Agreement. Any amount due and payable pursuant to the Bonus Agreement that has been earned but not paid as of the Date of Termination shall be paid in accordance with the terms and provisions of the Bonus Agreement.

(d) Resignation by the Executive without Good Reason. If the Executive's employment is terminated by the Executive for any reason prior to a Change in Control or other than for Good Reason on or following a Change in Control, the Company shall pay to the Executive (i) within 30 days of the Date of Termination, to the extent not theretofore paid, (A) any earned but unpaid Annual Base Salary through the Date of Termination, (B) any of the Executive's business expenses that are reimbursable, but have not been reimbursed as of the Date of Termination, and (C) any accrued paid time off and/or vacation pay, and (ii) the Vested Benefits, which shall be payable in accordance with the terms of the Employee Benefit Plans, contracts, or agreements under which the Vested Benefits are provided, except as explicitly modified by this Agreement. Any amount due and payable pursuant to the Bonus Agreement that has been earned but not paid as of the Date of Termination shall be paid in accordance with the terms and provisions of the Bonus Agreement.

(e) Termination for Cause. If the Executive's employment is terminated by the Company for Cause, any and all outstanding Options, restricted shares, or other equity awards that have been granted to the Executive by the Company and are not vested on the Date of Termination shall be automatically forfeited and cancelled without any consideration as of the Date of Termination and the Company shall pay to the Executive (i) within 30 days of the Date of Termination, to the extent not theretofore paid, (A) any earned but unpaid Annual Base Salary through the Date of Termination, (B) any of the Executive's business expenses that are reimbursable, but have not been reimbursed as of the Date of Termination, and (C) any accrued paid time off and/or vacation pay, and (ii) the Vested Benefits, which shall be payable in accordance with the terms of the Employee Benefit Plans, contracts, or agreements under which the Vested Benefits are provided, except as explicitly modified by this Agreement.

(f) Effect of Termination on Other Positions. If, on the Date of Termination, the Executive is a member of the Board or the board of directors of any of the Company's affiliates, or holds any other position with the Company or its affiliates, the Executive shall be deemed to have resigned from all such positions as of the Date of Termination. The Executive agrees to execute a letter of resignation and take such other reasonable actions as the Company may request to effect such resignation.

(g) No Mitigation Duty. The amounts payable to the Executive pursuant to this Section 11 will not be reduced by the amount of any income that the Executive earns or could earn from alternative employment following the Date of Termination. The Company waives any duty that the Executive might have under law to mitigate his damages by seeking alternative employment.

12. Administration. Subject to Section 22, no right or benefit under this Agreement shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge such rights or benefits shall be void.

13. Notice. Any notice to be given hereunder by either party to the other must be in writing and be effectuated either by personal delivery in writing or by mail, registered or certified, postage prepaid, with return receipt requested. Mailed notices shall be addressed to the parties at the following addresses:

If to the Company:

Chairman, Compensation Committee
c/o Alico, Inc.
10070 Daniels Interstate Court
Suite 200
Fort Myers, Florida 33913

If to the Executive:

At the most recent contact information on file in the payroll records of the Company.

A validly given notice will be effective on the earlier of its receipt, if it is personally delivered in writing, or on the fifth day after it is postmarked by the United States Postal Service, if it is delivered by certified or registered, postage-prepaid, United States mail.

14. Waiver of Breach. The waiver by any party to a breach of any provision in this Agreement cannot operate or be construed as a waiver of any subsequent breach by a party.

15. Severability. The invalidity or unenforceability of any particular provision in this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

16. Entire Agreement. This Agreement and the Bonus Agreement contain the entire agreement of the parties respecting the subject matter hereof and supersede all prior agreements among the parties respecting the subject matter hereof; provided, however, that the Indemnification Agreement, that certain Non-Qualified Option Agreement by and between the Company and Executive dated September 7, 2018, shall continue in force and effect and shall be in addition to this Agreement and the Bonus Agreement.

17. Amendment. The parties may from time to time discuss modifications or amendments to the Agreement; provided, that no modifications or amendments of the terms and conditions herein shall be effective unless in writing and signed by the parties or their respective duly authorized agents.

18. Authorization. The execution, delivery, and performance of this Agreement by the Company have been duly authorized by all requisite corporate action of the Company. This Agreement has been properly executed on behalf of the Company by a duly authorized representative.

19. Counterparts. This Agreement may be executed in several counterparts with the same effect as if the signature on each such counterpart were on the same instrument. A signed copy, including by DocuSign or other electronic or digital signature, of this Agreement 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 Agreement. This Agreement will become effective as of the Effective Date when it has been signed by both the Company and the Executive and will survive the termination of the Executive's employment with the Company pursuant to this Agreement.

20. Recurring Words. As used in this Agreement: (a) the word “days” refers to calendar days, including Saturdays, Sundays, and holidays; (b) the term “fiscal year” means the fiscal year of the Company beginning on October 1 of each calendar year and ending on September 30 of the ensuing calendar year; (c) the word “law” includes a code, rule, statute, ordinance, or regulation and the common law arising from final, nonappealable decisions of state and federal courts in the United States of America; (d) the word “person” includes, in addition to a natural person, a trust, group, syndicate, corporation, cooperative, association, partnership, business trust, joint venture, limited liability company, unincorporated organization, and a governmental authority; (e) the term “governmental authority” includes a government, a central bank, a public body or authority, and any governmental body, agency, authority, department, or subdivision, whether domestic or foreign or local, state, regional, or national; and (f) the word “affiliate,” when used in reference to any specified person, means any other person that directly or indirectly controls, is controlled by, or is under common control with the specified person pursuant to direct or indirect possession of the power to direct or cause the direction of the management and policies of the specified person, whether by contract, through the ownership of voting securities, or otherwise.

21. Governing Law and Forum Selection. This Agreement shall be interpreted, construed, and governed according to the laws of the State of Florida, without reference to conflicts of law principles thereof. The parties agree that any dispute, claim, or controversy based on common law, equity, or any federal, state, or local statute, ordinance, or regulation (other than workers’ compensation claims) arising out of or relating in any way to the Executive’s employment, the terms, benefits, and conditions of employment, or concerning this Agreement or its termination and any resulting termination of employment, including whether such a dispute is arbitrable, shall be settled by arbitration. Notwithstanding the foregoing, any party to this Agreement may commence a proceeding in any court of competent jurisdiction to enter a judgment of any award rendered in the arbitration or to enforce any arbitration award or a settlement resulting from mediation or negotiation of the parties. This agreement to arbitrate includes, but is not limited to, all claims for any form of illegal discrimination, improper or unfair treatment or dismissal, and all tort claims. The Executive shall still have a right to file a discrimination charge with a federal or state agency, but the final resolution of any discrimination claim will be submitted to arbitration instead of a court or jury. The arbitration proceeding shall be conducted under the employment arbitration rules and mediation procedures of the American Arbitration Association in effect at the time that a demand for arbitration under the rules is made, and such proceeding shall be conducted in the English language by a sole arbitrator in Lee County, Florida, and governed by the Florida Arbitration Act and the substantive laws of the State of Florida, without regard to any applicable state’s choice of law provisions. The decision of the arbitrator(s), including determination of the amount of any damages suffered, shall be exclusive, final, and binding on all parties, their heirs, executors, administrators, successors, and assigns, and shall not be subject to appeal, review, or re-examination by a court or the arbitrator, except for fraud, perjury, manifest clerical error, or evident partiality or misconduct by the arbitrator that (in each case) prejudices the rights of a party to the arbitration. Each party shall bear its own expenses in the arbitration for arbitrators’ fees and attorneys’ fees, for its witnesses, and for other expenses of presenting its case. Other arbitration costs, including administrative fees and fees for records or transcripts, shall be borne equally by the parties.

22. Successors and Assigns. This Agreement (including without limitation the provisions of Section 10) shall be binding upon and inure to the benefit of the parties hereto and their permitted successors, assigns, legal representatives, and heirs, but neither this Agreement nor any rights hereunder shall be assignable by the Executive. This Agreement is not assignable by the Company without the advance written consent of the Executive, which he may withhold in his sole discretion, except that the Company may assign this Agreement without the consent of the Executive to any direct or indirect successor in interest to all or substantially all its assets or business (whether pursuant to a sale, merger, exchange, consolidation, or reorganization transaction) that, at the closing of the transaction, expressly assumes in writing this Agreement and agrees to perform all the obligations of the Company under it. The Company will require any successor in interest to all or substantially all its assets or business to assume expressly and agree in writing to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no succession had taken place.

23. Code Section 409A. It is the intention of the Company and the Executive that this Agreement will not result in unfavorable tax consequences to the Executive under Section 409A of the Code. To the extent applicable, it is intended that this Agreement and any payments hereunder comply with or be exempt from the provisions of Section 409A of the Code. This Agreement shall be administered and interpreted in a manner consistent with this intent, and any provision that would cause this Agreement to fail to satisfy Section 409A of the Code will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A of the Code). The Company and the Executive agree to work together in good faith in an effort to comply with Section 409A of the Code, including, if necessary, amending this Agreement based on further guidance issued by the Internal Revenue Service from time to time, provided that the Company shall not be required to assume any increased economic burden. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement and no payments shall be due to him under this Agreement that are payable upon his termination of employment until he would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, if Executive is deemed by the Company at the time of Executive's separation from service to be a "specified employee" for purposes of Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Executive's termination of employment shall instead be paid in a lump sum on the first day of the seventh month following his termination of employment (or upon his death, if earlier). In addition, for purposes of this Agreement, each amount to be paid or benefit to be provided to the Executive pursuant to this Agreement shall be construed as a separate identified payment for purposes of Section 409A of the Code. With respect to expenses eligible for reimbursement or in-kind benefits provided under the terms of this Agreement, (a) the amount of such expenses eligible for reimbursement or in-kind benefits provided in any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits provided in another taxable year, (b) any reimbursements of such expenses and the provision of any in-kind benefits shall be made no later than the end of the fiscal year following the fiscal year in which the related expenses were incurred, except, in each case, to the extent that the right to reimbursement does not provide for a "deferral of compensation" within the meaning

of Section 409A of the Code, provided that with respect to any reimbursements for any taxes to which the Executive becomes entitled under the terms of this Agreement, the payment of such reimbursements shall be made by the Company no later than the end of the fiscal year following the fiscal year in which the Executive remits the related taxes, and (c) the right to reimbursement or in-kind benefit shall not be subject to liquidation or exchange for another benefit.

24. Limitations on Payments under Certain Circumstances.

(a) Notwithstanding any other provisions of this Agreement or the Bonus Agreement, if any payment or benefit received or to be received by the Executive (including any payment or benefit received in connection with a change in control or the termination of the Executive's employment, whether pursuant to the terms of this Agreement, the Bonus Agreement, or any other plan, arrangement, or agreement) (all such payments and benefits, including the Severance Payments, being hereinafter referred to as the "Total Payments") would constitute an "excess parachute payment" within the meaning of Section 280G of the Code that would be subject (in whole or part), to any excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement, or agreement, the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state, and local income taxes on such reduced Total Payments and after taking into account the phaseout of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state, and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phaseout of itemized deductions and personal exemptions attributable to such unreduced Total Payments). If a reduction in the Total Payments is necessary pursuant to this Section 24(a), then the reduction shall occur by first reducing the payments due under the Bonus Agreement as provided for in the Bonus Agreement, and then reducing the payments due hereunder, beginning with the Severance Payment, then by reducing the any other amounts payable pursuant to this Agreement, and finally by reducing the accelerated vesting of equity awards (based on the reverse order of the date of grant).

(b) For purposes of determining whether and the extent to which the Total Payments shall be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, based on the determination of a nationally recognized certified public accounting firm that is selected by the Company, and reasonably acceptable to the Executive, for purposes of making the applicable determinations under this Section 24 (the "Accounting Firm"), does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account that, based on the determination of the Accounting Firm, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" within the meaning of

Section 280G(b)(3) of the Code allocable to such reasonable compensation, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Accounting Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(c) At the time that payments are made under this Agreement or under the Bonus Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from the Accounting Firm or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

(d) For purposes of clarity, the Executive shall not be entitled to any form of tax gross-up in connection with Section 280G of the Code or Section 4999 of the Code under any circumstances.

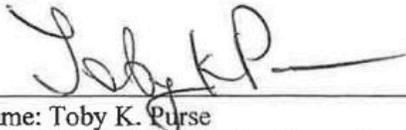
[Signature Page Follows]

Execution Version

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALICO, INC.

By:


Name: Toby K. Purse
Title: Chair, Compensation Committee

EXECUTIVE

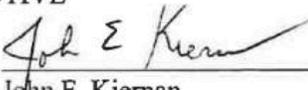

John E. Kiernan

EXHIBIT A

For purposes of this Agreement, the following terms shall have the following meanings:

“Accrued Obligations” shall mean the sum of (a) any earned but unpaid Annual Base Salary through the Date of Termination, (b) any of the Executive’s business expenses that are reimbursable, but have not been reimbursed as of the Date of Termination, and (c) any accrued paid time off and/or vacation pay, in each case, to the extent not theretofore paid.

“Cause” shall mean (a) a material failure by the Executive to carry out, or malfeasance or gross insubordination in carrying out, any of his material duties under this Agreement, (b) the final conviction of the Executive of a felony or crime involving moral turpitude, (c) an egregious act of dishonesty by the Executive (including, without limitation, theft or embezzlement) in connection with his employment by the Company, or a malicious action by the Executive toward the customers or employees of the Company or any affiliate of the Company, (d) a material breach by the Executive of the Company’s Code of Business Ethics or Section 10 of the Agreement, or (e) the failure of the Executive to cooperate fully with governmental investigations involving the Company or any affiliate of the Company, unless the Executive is a subject of the investigation or is acting in reliance on the advice of counsel or in accordance with directions from the Board or legal counsel for the Company; provided, however, that each act or omission described in the preceding clauses (a), (c), (d), and (e) will not constitute a basis for the Company to terminate the Executive’s employment for Cause pursuant to this Agreement unless the Executive receives written notice from the Company identifying each act or omission that the Board views to constitute Cause and any identified act or omission recurs or, if curable, the identified act or omission is not reasonably cured within 30 days after the date when the Executive received the written notice from the Company.

“Change in Control” shall mean any of the following:

(a) The acquisition by any person or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Group”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of either (i) the then outstanding common stock of the Company (the “Outstanding Company Stock”) or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (iv) any acquisition by any entity pursuant to a transaction that complies with clauses (i), (ii), and (iii) of subsection (c) of this definition;

(b) Individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company’s shareholders, was approved by (i) a vote of at least a majority of the directors then comprising the Incumbent Board or (ii) the holders of at least a majority of the Outstanding Company Voting Securities, shall be considered as though such individual were a

member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(c) Consummation of a reorganization, merger, statutory share exchange, consolidation, or similar transaction involving the Company or any of its subsidiaries with a third party, or a sale or other disposition of all or substantially all of the assets of the Company to a third party, or a sale or other disposition to a third party of all or substantially all of the assets of one or more subsidiaries of the Company that constitute all or substantially all the assets of the Company and its subsidiaries on a consolidated basis (a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50%, respectively, of the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent securities), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Stock and Outstanding Company Voting Securities, as the case may be, (ii) no person or Group (excluding any entity resulting from such Business Combination or any parent of such entity, any employee benefit plan (or related trust) of the Company, such entity resulting from such Business Combination or such parent) beneficially owns, directly or indirectly, more than 50%, respectively, of the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) The approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, unless the transaction is subsequently abandoned or otherwise fails to occur.

“Date of Termination” shall mean the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than 30 days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than 15 days nor (without the consent of the Company) more than 60 days, respectively, from the date such Notice of Termination is given); provided, however, that if the Executive’s employment is terminated for Disability, the Date of Termination shall be 30 days after Notice of Termination is given (provided that the Executive shall not have returned to the full-time performance of the Executive’s duties during such 30-day period). The Company and the Executive shall take all steps necessary (including with regard to any post-termination services by the Executive) to ensure that

any termination under this Agreement constitutes a “separation from service” within the meaning of Section 409A of the Code, and notwithstanding anything contained herein to the contrary, the date on which such separation from service takes place shall be the “Date of Termination.”

“Disability” shall mean a termination of employment as a result of the Executive’s incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive’s duties with the Company under this Agreement for a period of six consecutive months, the Company shall have given the Executive a Notice of Termination for Disability, and, within 30 days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive’s duties under this Agreement.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Good Reason” shall mean the occurrence (without the Executive’s written consent) of any one of the following material adverse changes to the Executive’s employment relationship with the Company on or following a Change in Control: (a) a reduction in the amount of the Executive’s Annual Base Salary, (b) a material diminution in the Executive’s duties or responsibilities, (c) the Executive is required by the Company to relocate to a principal place of work that is more than 50 miles from the current office location from which he worked prior to the Change of Control, (d) the Executive’s title is diminished from that as Chief Executive Officer and President, (e) the Company fails to pay or provide to the Executive when due any material amount owed to him under this Agreement, any material amount owed to him under the Bonus Agreement, or any material employee benefits that are required to be provided to him pursuant to this Agreement or pursuant to the Bonus Agreement, or (f) any successor in interest to all or substantially all the assets or business of the Company (whether pursuant to a sale, merger, exchange, consolidation, or reorganization transaction) fails or refuses, at the closing of the transaction, to assume in writing this Agreement and to agree to perform all the obligations of the Company under them, unless such assumption occurs by operation of law. The Executive’s continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason under this Agreement, provided, however, that the Executive shall not have reason to terminate his employment with the Company for Good Reason pursuant to this Agreement unless (i) the Executive shall have provided the Company with written notice of the occurrence of the event constituting Good Reason within 90 days after the occurrence of such event and, if the event is curable, the Company shall have failed to cure such event within 30 days following receipt of such written notice, and (ii) if the event is not cured by the Company within the prescribed cure period, the Executive provides Notice of Termination to the Company within 180 days after the date on which the event giving rise to such Good Reason occurred.

“Notice of Termination” shall mean written notice that (a) indicates the specific termination provision in this Agreement relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated, and (c) if the Date of Termination is other than the date of receipt of such notice, specifies the Date of Termination. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively,

from asserting such fact or circumstance in enforcing the Executive's or the Company's respective rights hereunder.

EXHIBIT B

RELEASE OF CLAIMS

THIS RELEASE OF CLAIMS (this "Release") is executed and delivered by John E. Kiernan (the "Executive") to Alico, Inc., a Florida corporation (together with its successors, the "Company").

In consideration of the agreement by the Company to provide the Executive with the rights, payments and benefits under the Employment Agreement between the Executive and the Company dated _____, 20__ (the "Employment Agreement"), the Executive hereby agrees as follows:

Section 1. Release and Covenant. The Executive, of his own free will, voluntarily and unconditionally releases and forever discharges the Company, its subsidiaries, parents, affiliates, their directors, officers, employees, agents, shareholders, successors, and assigns (both individually and in their official capacities with the Company) (the "Company Releasees") from, any and all past or present causes of action, suits, agreements, or other claims that the Executive, and his dependents, relatives, heirs, executors, administrators, successors, and assigns who are claiming through him, has or may hereafter have from the beginning of time to the date hereof against the Company or the Company Releasees upon or by reason of any matter, cause or thing whatsoever arising out of his employment by the Company and the cessation of said employment or any claim for compensation, and including, but not limited to, any alleged violation of the Civil Rights Acts of 1964 and 1991, the Equal Pay Act of 1963, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, the Employee Retirement Income Security Act of 1974, the Older Workers Benefit Protection Act of 1990, the Americans with Disabilities Act of 1990, and any other federal, state or local law, regulation or ordinance, or public policy, contract, or tort law having any bearing whatsoever on the terms and conditions of employment or termination of employment. Notwithstanding the foregoing, this Release shall not, and is not intended to, waive or release any claim the Executive or any of his heirs, relatives, dependents, executors, administrators, successors, or assigns has (a) under any directors or officers insurance policy under which the Executive is covered; (b) for payment of vested benefits under any employee benefit or welfare plan of the Company or its affiliates in which the Executive was a participant on the effective date of the termination of his employment by the Company; (c) for indemnification under statutory corporate law, the Bylaws and Articles of Incorporation of the Company or any of its subsidiaries, and the Indemnification Agreement executed by the Executive and the Company dated as of January 9, 2018 (the "Indemnification Agreement"); (d) for payment of the benefits, compensation, and reimbursable expenses set forth under Section 11 of the Employment Agreement or under the Indemnification Agreement; and (e) for payment of any amounts earned and not yet paid in accordance with the terms of that certain [Amended and Restated] Bonus Agreement dated [____], as amended from time to time.

Section 2. Due Care. The Executive acknowledges that he has received a copy of this Release prior to its execution and has been advised hereby of his opportunity to review and consider this Release for 21 days prior to its execution. The Executive further acknowledges that he has been advised hereby to consult with an attorney prior to executing this Release. The Executive voluntarily enters into this Release having freely and knowingly elected, after due

consideration, to execute this Release and to fulfill the promises set forth herein. The Executive understands and acknowledges that the consideration given for this Release is in addition to anything of value to which Executive was already entitled. This Release shall be revocable by the Executive during the 7-day period following its execution pursuant to written notice to the Company, care of [NAME] at [ADDRESS; OR EMAIL], and shall not become effective or enforceable until the expiration of such 7-day period. In the event of such a revocation, the Executive shall not be entitled to the consideration for this Release set forth above.

Section 3. Nonassignment of Claims; Proceedings. The Executive represents and warrants that there has been no assignment or other transfer of any interest in any claim that the Executive may have against the Company or any of the Company Releasees. The Executive represents that he has not commenced or joined in any claim, charge, action, or proceeding whatsoever against the Company or any of the Company Releasees arising out of or relating to any of the matters set forth in this Release. The Executive further agrees that he will not seek or be entitled to any personal recovery in any claim, charge, action, or proceeding whatsoever against the Company or any of the Company Releasees for any of the matters set forth in this Release.

Section 4. Reliance by Executive. The Executive acknowledges that, in his decision to enter into this Release, he has not relied on any representations, promises, or agreements of any kind, including oral statements by representatives of the Company or any of the Company Releasees, except as set forth in this Release and the Employment Agreement.

Section 5. Nonadmission. Nothing contained in this Release will be deemed or construed as an admission of wrongdoing or liability on the part of the Company or any of the Company Releasees.

Section 6. Communication of Safety Concerns. Notwithstanding any other provision of this Release, the Executive remains free to report or otherwise communicate any nuclear safety concern, any workplace safety concern, or any public safety concern to the Nuclear Regulatory Commission, United States Department of Labor, or any other appropriate federal or state governmental agency, and the Executive remains free to participate in any federal or state administrative, judicial, or legislative proceeding or investigation with respect to any claims and matters not resolved and terminated pursuant to this Release. With respect to any claims and matters resolved and terminated pursuant to this Release, the Executive is free to participate in any federal or state administrative, judicial, or legislative proceeding or investigation if subpoenaed. The Executive shall give the Company, through its legal counsel, notice, including a copy of the subpoena, within 24 hours of receipt thereof.

Section 7. Governing Law. This Release shall be interpreted, construed and governed according to the laws of the State of Florida, without reference to conflicts of law principles thereof.

THIS RELEASE OF CLAIMS is executed by the Executive and delivered to the Company on _____, 20__.

EXECUTIVE

EXHIBIT A

Annual Performance Bonus

Annual Discretionary Performance Bonus

The Annual Discretionary Performance Bonus in the amount of \$100,000, may be earned for Key Employee's success in executing various annual performance goals, which goals will be recommended by management, but in any event are approved and adopted by the Board annually as part of the annual budget process during the October Board meeting. Such performance goals should be consistent with the priorities of the Company and developed in a commercially reasonable manner. Performance goals will be delivered in writing to the Key Employee no later than October 31 for the applicable Fiscal Year. The Board shall determine, in its sole discretion, whether such performance goals for such immediately preceding Fiscal Year have been met at the October Board meeting immediately following the close of such applicable Fiscal Year.

Real Estate Commission Bonus

The Real Estate Commission Bonus shall be determined as follows:

For each Board approved sale of any citrus groves or real property owned by the Company or its subsidiaries which closes, is under written contract to close, or is subject to a binding option agreement during the period beginning October 1, 2024 and ending September 30, 2025, a bonus equal to one percent (1%) of the Net Sale Proceeds is earned. Notwithstanding the foregoing, no earned bonus shall become payable until the closing of the sale to which such bonus relates (which, if the closing does not occur prior to September 30, 2025, must occur within two years of the date on which such sale is under written contract to close or is subject to a binding option agreement, as applicable, for such bonus to become payable).

For the purposes of this Agreement, "Net Sales Proceeds" shall mean the total gross sales proceeds with respect to the applicable sale transaction, including the amount of any liabilities assumed by or title taken subject to, less the sum of: (1) all loans or other indebtedness encumbering any one or more of the assets to be sold in the applicable transaction (or that was paid off in anticipation of the transaction), secured by mortgages, deeds of trust, security agreements or other financing documents that have been paid by the seller from the proceeds of the sale, or that have been assumed by or title taken subject to by the purchaser, and (2) all payments for advertisers, brokers, attorneys, accountants, satisfaction fees, surveys, inspections, recording charges, transfer taxes, and all closing costs or other expenses related to the sale; all as determined by the Company.

Exhibit B

EXHIBIT B

Form of Performance-Based Restricted Stock Unit Award Agreement

[See attached]

ALICO, INC.
AMENDED AND RESTATED ANNUAL PERFORMANCE AND LONG TERM BONUS
AGREEMENT

THIS AMENDED AND RESTATED ANNUAL PERFORMANCE AND LONG TERM BONUS AGREEMENT (the "Agreement") is being entered into effective as of December 23, 2024 ("Effective Date"), by and between John E. Kiernan, a Florida resident ("Key Employee") and Alico, Inc., a Florida corporation ("Company") (each of the Key Employee and the Company a "Party" and collectively "Parties").

1. Purpose. The Board of Directors of the Company (the "Board") has determined that it is in the best interest of the Company to enter into this Agreement to provide incentives to Key Employee, who is one of the key employees of the Company, to remain employed by the Company or its affiliates and to reward such employee for performance results and longevity with the Company and its affiliates. The Agreement is intended to benefit the Company by creating such incentives for Key Employee, whose services are crucial to the success of the Company. This Agreement amends and restates that certain Annual Performance and Long Term Bonus Agreement entered into by and between Key Employee and the Company, dated as of April 1, 2022, as amended by that certain letter agreement between Key Employee and the Company, dated May 15, 2023 (the "Prior Agreement"); provided, that for the avoidance of doubt, such amendment and restatement shall not be construed to extinguish any rights Key Employee may have to payment of the Long Term Retention Bonus earned or eligible to be earned under the Prior Agreement pursuant to the terms thereof.

2. Long Term Retention Bonus. Key Employee and the Company hereby acknowledge that a Long Term Return of Capital Bonus of \$300,000, is payable to Key Employee, which shall represent payment in full of any obligations under the Prior Agreement to Key Employee, and that Key Employee did not earn a Long Term Cash Flow Bonus with respect to the Long Term Period (each as defined in the Prior Agreement). Notwithstanding anything to the contrary in the Prior Agreement, such Long Term Return of Capital Bonus shall payable as follows:

(a) One Hundred percent (100%) of the Long Term Return of Capital Bonus shall be earned on January 1, 2025, so long as Key Employee is continuously employed by the Company or its affiliates through such date, with such earned installment to be paid on the next immediately following regular payroll date following its being earned, in a lump sum payment of cash or other immediately available funds, but in no event later than January 31 of the calendar year in which earned.

(b) Notwithstanding the foregoing Section 2(a), in the event of a Change in Control (as defined in the Prior Agreement) of the Company occurring on or after September 30, 2024, but prior to the payment of the Long Term Return of Capital Bonus in full, such Long Term Return of Capital Bonus shall be paid within thirty (30) days of such Change in Control, in cash or other immediately available funds, in one lump sum.

3. Transaction Bonus.

(a) Key Employee is eligible to earn an additional bonus upon a Change in Control (the "Transaction Bonus") (but upon no more than one Change in Control) which occurs during the period from the Effective Date through September 30, 2027 (the "Long Term Period") so long as he remains continuously employed by the Company or its affiliates through the closing of such Change in Control as follows:

(i) In the event the sales price per share of Company Common Stock ("Stock") (or net value that would be distributable to shareholders per share in the case of an asset sale, assuming an immediate liquidation of the Company, as determined in good faith by the Board) ("Sale Price") is at least \$35 (but less than \$40/share), Key Employee shall be paid a Transaction Bonus equal to 0.25% of the Market Capitalization; or

(ii) In the event the Sale Price is at least \$40 (but less than \$45/share), Key Employee shall be paid a Transaction Bonus equal to 0.5% of the Market Capitalization; or

(iii) In the event the Sale Price is at least \$45 (but less than \$50/share), Key Employee shall be paid a Transaction Bonus equal to 0.75% of the Market Capitalization; or

(iv) In the event the Sale Price is at least \$50 (but less than \$55/share), Key Employee shall be paid a Transaction Bonus equal to 1% of the Market Capitalization; or

(v) In the event the Sale Price is at least \$55, Key Employee shall be paid a Transaction Bonus equal to 1.25% of the Market Capitalization.

(vi) For the avoidance of doubt, Key Employee will not be entitled to the Transaction Bonus if the Sale Price is below \$35. All share values above shall be subject to equitable adjustment for stock splits, reverse stock splits, recapitalization, stock dividends reorganizations and the like determined in the good faith discretion of the Board so as to avoid the inequitable enlargement or diminution of rights.

(b) For the purposes of this Agreement (other than Section 2), "Change in Control" shall mean, the first (and only the first) occurrence and consummation of any of the following:

(i) The acquisition by any person or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Group") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of either (i) the then outstanding common stock of the Company (the "Outstanding Company Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (iv) any acquisition by any entity

pursuant to a transaction that complies with clauses (i), (ii), and (iii) of subsection (c) of this definition;

(ii) Individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company’s shareholders, was approved by (i) a vote of at least a majority of the directors then comprising the Incumbent Board or (ii) the holders of at least a majority of the Outstanding Company Voting Securities, shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(iii) Consummation of a reorganization, merger, statutory share exchange, consolidation, or similar transaction involving the Company or any of its subsidiaries with a third party, or a sale or other disposition of all or substantially all of the assets of the Company to a third party, or a sale or other disposition to a third party of all or substantially all of the assets of one or more subsidiaries of the Company that constitute all or substantially all the assets of the Company and its subsidiaries on a consolidated basis (a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50%, respectively, of the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent securities), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Stock and Outstanding Company Voting Securities, as the case may be, (ii) no person or Group (excluding any entity resulting from such Business Combination or any parent of such entity, any employee benefit plan (or related trust) of the Company, such entity resulting from such Business Combination or such parent) beneficially owns, directly or indirectly, more than 50%, respectively, of the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or .

(iv) The approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, unless the transaction is subsequently abandoned or otherwise fails to occur.

(c) For the purposes of this Agreement, “Market Capitalization” shall mean the then total number of issued and outstanding shares of the Company as of the closing of the Change in Control, determined on a fully diluted basis, but ignoring convertible rights that are not “in the money” based upon the Sale Price, *multiplied by the Sale Price*.

4. Transaction Bonus Payment. To the extent earned, the Transaction Bonus shall be paid to Key Employee by the Company in cash or other immediately available funds, in one lump sum, within thirty (30) days following a Change in Control.

5. Annual Performance Bonus. During each fiscal year (October 1 through September 30 a “Fiscal Year”) of his employment beginning with the Fiscal Year ending September 30, 2025, Key Employee is eligible to earn an “Annual Discretionary Performance Bonus” (the “Annual Performance Bonus”) all in accordance with performance targets adopted from time to time and calculated as described on Exhibit A attached hereto, so long as Key Employee is continuously employed from the Effective Date through the last day of the applicable Fiscal Year. The performance targets shall be determined by the Company from time to time, and the Parties agree that on or before October 31 following each completed Fiscal Year hereafter, the Company shall, for each Fiscal Year during the term of Key Employee’s employment, provide a written notice to Key Employee specifying the amount of each applicable target determined by the Company for such then current applicable Fiscal Year and setting forth the performance metrics and performance targets for such then current Fiscal Year.

6. Annual Performance Bonus Payment. The Annual Performance Bonus shall be paid to Key Employee by the Company in a lump sum of cash or other immediately available funds within five (5) business days (for clarity, business days shall refer to calendar days Monday through Friday, excluding U.S. Federal holidays) of the receipt of the audited financials of the Company and determination of the Annual Performance Bonus amount in accordance with Exhibit A, but in no event later than December 31 of the calendar year in which the Annual Performance Bonus is calculated (for example, with respect to the Annual Performance Bonus with respect to Fiscal Year ending September 30, 2025, such Annual Performance Bonus shall be paid no later than December 31, 2025).

7. Real Estate Commission Bonus. Key Employee is eligible to earn a “Real Estate Commission Bonus”, in accordance with performance metrics described on and calculated in accordance with Exhibit A attached hereto with respect to the Fiscal Year ending September 30, 2025. The Real Estate Commission Bonus earned by Key Employee, if any, will be paid within sixty (60) days following the end of the Fiscal Year in which the Real Estate Commission Bonus is payable in accordance with Exhibit A (but in no event later than the December 31 of the calendar year in which the Real Estate Commission Bonus is payable).

8. Restricted Stock Unit Grant. The CEO will be awarded performance-based Restricted Stock Unit grants to pursuant to that certain Alico, Inc. Stock Incentive Plan of 2015 (as amended

from time to time, the “Plan”), which will be eligible to vest in accordance with the terms and conditions provided in an Award Agreement substantially in the form attached hereto as Exhibit B.

9. Tax Matters.

(a) Notwithstanding anything herein to the contrary, this Agreement is intended to be interpreted and applied so that the payment of the benefits set forth herein will be exempt or compliant with, all requirements of Internal Revenue Code Section 409A (as amended from time to time), provided, however, that the Company and its affiliates and successors (and their respective officers, directors, partners, general partners, employees or agents) make no representation or guarantee that the terms of this Agreement are exempt from or comply with Internal Revenue Code Section 409A, and shall have no liability for any failure of the terms of this Agreement to be exempt from or comply with the provisions of Internal Revenue Code Section 409A.

(b) All compensation and benefits provided by this Agreement that constitute nonqualified deferred compensation subject to and not exempted from the requirements of Internal Revenue Code Section 409A shall be subject to, limited by and construed in accordance with the requirements of Internal Revenue Code Section 409A and all regulations and other guidance promulgated by the Secretary of the Treasury pursuant to such Section.

(c) Notwithstanding anything contained herein to the contrary, payment upon a Change in Control, to the extent required by Internal Revenue Code Section 409A, if applicable, shall be made in the event such Change in Control constitutes a “change in the ownership,” “a change in effective control,” or “a change in the ownership of a substantial portion of the assets” of the Company within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

(d) Any bonus or amount that is to be paid under this Agreement in two or more installments, shall be treated as a separate payment for purposes of Internal Revenue Code Section 409A.

(e) If Key Employee is a “specified employee” within the meaning of Internal Revenue Code Section 409A, any payment of an amount subject to the requirements of Internal Revenue Code Section 409A made in connection with Key Employee’s termination of employment shall not be made earlier than six (6) months after the date of such termination to the extent required by Internal Revenue Code Section 409A, and shall instead be paid in a lump sum on the first day of the seventh month following his termination of employment (or upon his death, if earlier).

(f) Notwithstanding any other provisions of this Agreement or the Employment Agreement, if any payment or benefit received or to be received by the Key Employee (including any payment or benefit received in connection with any change in control or the termination of the Key Employee’s employment, whether pursuant to the terms of this Agreement, the Bonus Agreement, or any other plan, arrangement, or agreement) (all such payments and benefits, including but not limited to the Severance Payments (as defined in the Employment Agreement), Long Term Retention Bonus, and Transaction Bonus, being hereinafter referred to as the “Total Payments”) would constitute an “excess parachute payment” within the meaning of Internal Revenue Code Section 280G that would be subject (in whole or part), to any excise tax imposed

under Internal Revenue Code Section 4999 (the “Excise Tax”), then, after taking into account any reduction in the Total Payments provided by reason of Internal Revenue Code Section 280G in such other plan, arrangement, or agreement, the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state, and local income taxes on such reduced Total Payments and after taking into account the phaseout of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state, and local income taxes on such Total Payments and the amount of Excise Tax to which the Key Employee would be subject in respect of such unreduced Total Payments and after taking into account the phaseout of itemized deductions and personal exemptions attributable to such unreduced Total Payments), all as determined in good faith by the Board (with the advice of the Accounting Firm). If a reduction in the Total Payments is necessary pursuant to this Section 9(f), then the reduction shall occur by first reducing the Transaction Bonus payable pursuant to Section 4 hereof, then by reducing the Long Term Retention Bonus payable pursuant to Section 3 hereof, then by reducing any other amounts payable pursuant to this Agreement, then by reducing the Severance Payment, then by reducing the any other amounts payable pursuant to the Employment Agreement, and finally by reducing the accelerated vesting of equity awards (based on the reverse order of the date of grant). For purposes of determining whether and the extent to which the Total Payments shall be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Key Employee shall have waived at such time and in such manner as not to constitute a “payment” within the meaning of Internal Revenue Code Section 280G(b) shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, based on the determination of an accounting firm that is selected by the Company, for purposes of making the applicable determinations under this Section (f) (the “Accounting Firm”), does not constitute a “parachute payment” within the meaning of Internal Revenue Code Section 280G(b)(2) (including by reason of Internal Revenue Code Section 280G(b)(4)(A)) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account that, based on the determination of the Accounting Firm, constitutes reasonable compensation for services actually rendered, within the meaning of Internal Revenue Code Section 280G(b)(4)(B), in excess of the “base amount” within the meaning of Internal Revenue Code Section 280G(b)(3) allocable to such reasonable compensation, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Accounting Firm in accordance with the principles of Internal Revenue Code Sections 280G(d)(3) and (4). At the time that payments are made under this Agreement or under the Employment Agreement, if any reduction applies under this Section, the Company shall provide the Key Employee with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from the Accounting Firm or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). For purposes of clarity, the Key Employee shall not be entitled to any form of tax gross-up in connection with Internal Revenue Code Sections 280G or 4999 under any circumstances.

10. Nontransferability; Payment after Death. Key Employee’s rights and privileges hereunder, may not be transferred, assigned, pledged or hypothecated in any manner, by operation of law or otherwise and shall not be subject to execution, attachment or similar process. In the event of Key

Employee's death, payment of any remaining amount due hereunder shall be made to the beneficiary designated in a form acceptable to the Company. In the event no such designation is delivered to the Company, then to the duly appointed and qualified executor or other personal representative of Key Employee to be distributed in accordance with the Key Employee's Will or applicable intestacy law; or in the event that there shall be no such representative duly appointed and qualified within six (6) months after the date of death of Key Employee, then to such persons as, at the date of his or her death, would be entitled to share in the distribution of Key Employee's personal estate under the provisions of the applicable statute then in force governing the descent of intestate property, in the proportions specified in such statute.

11. Forfeiture. Notwithstanding any other provision of this Agreement, all rights of Key Employee to receive any payments hereunder will be discontinued and forfeited and the Company will have no further obligation hereunder to Key Employee, (i) in the event Key Employee violates or is in breach of that certain Second Amended and Restated Employment Agreement by and between Key Employee and the Company dated concurrently as of the date hereof, as amended from time to time ("Employment Agreement"), or any non-compete agreements, confidentiality agreements, non-solicitation agreements, or other restrictive covenants or terms of employment entered into by Key Employee with the Company, and (ii) in the event Key Employee is terminated by the Company for "Cause" as defined in the Employment Agreement or resigns where Cause exists.

12. Withholding. The Company shall have the right to deduct from all amounts paid pursuant to this Agreement any taxes required by law to be withheld with respect to such payments.

13. Adjustments. In the event of a recapitalization, merger, consolidation, acquisition or disposition of property, separation, spin-off, reorganization, liquidation affecting the Company or any affiliate thereof, the Board shall have broad authority in its sole discretion, to adjust all rights contemplated by this Agreement, including the provisions of any schedule or exhibit to this Agreement, so as to prevent the inequitable enlargement or diminution of Key Employee's rights hereunder, without the consent of Key Employee. [For example, if the Company acquires another business, EBITDA and/or Operating Cash Flow targets may be adjusted and increased.]

14. Miscellaneous Provisions.

(a) Neither this Agreement nor any action taken hereunder shall be construed as giving Key Employee any right to be retained in the employ of the Company or any affiliate or limit the Company's or any of its affiliates' ability or right to terminate the service provider relationship of Key Employee with such person.

(b) The obligations of the Company hereunder shall at all times be entirely unfunded and no provision shall at any time be made with respect to segregating assets of the Company for payment of any benefits hereunder. Neither Key Employee nor any other person shall have any interest in any particular assets of the Company by reason of the right to receive a benefit under this Agreement and Key Employee or such other person shall have only the rights of a general unsecured creditor of the Company with respect to any rights under this Agreement.

(c) Any and all notices, designations, consents, offers, acceptances, or any other communication provided for herein shall be given in writing and shall be deemed given i) upon delivery, if delivered in person, ii) upon response, if by email to the email address known to be associated with such notice recipient and which email is confirmed or responded to by such receiving Party, or iii) five days following deposit with the United States Postal Service by registered or certified mail, with proper postage, which shall be addressed as follows:

Key Employee:

John E. Kiernan

To the most recent contact information on file in the payroll records of the Company.

Company:

Alico, Inc.

Attn: Compensation Committee Chair

10070 Daniels Interstate Court

Suite 200

Fort Myers, FL 33913

(d) This Agreement, together with agreements, exhibits, and schedules referenced herein, including the Employment Agreement, constitute the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

(e) This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Nothing expressed or implied herein is intended or will be construed to confer upon or to give any other person any rights or remedies by virtue hereof. Except as provided herein, no Party may assign any of its rights or obligations hereunder without the prior written consent of the other Parties hereto.

(f) This Agreement may be amended, modified, or supplemented by an agreement in writing signed by each Party hereto, and the Company may modify this Agreement in accordance with Section 13 hereof or as otherwise expressly provided herein. This Agreement shall terminate upon the earlier of the mutual agreement of the Parties in writing or a Change in Control; provided however, any obligations to make payments with respect to any amount earned prior to or simultaneously with the termination hereof, shall survive until such amounts are paid. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving.

Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(g) 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 such determination that any term or other provision is invalid, illegal or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

(h) This Agreement shall be interpreted, construed, and governed according to the laws of the State of Florida, without reference to conflicts of law principles thereof. The Parties agree that any dispute, claim, or controversy based on common law, equity, or any federal, state, or local statute, ordinance, or regulation arising out of, relating in any way to, or concerning this Agreement or its termination, including whether such a dispute is arbitrable, shall be settled by arbitration. Notwithstanding the foregoing, any Party to this Agreement may commence a proceeding in any court of competent jurisdiction to enter a judgment of any award rendered in the arbitration or to enforce any arbitration award or a settlement resulting from mediation or negotiation of the Parties. This agreement to arbitrate includes, but is not limited to, all claims for any form of illegal discrimination, improper or unfair treatment or dismissal, and all tort claims. The Key Employee shall still have a right to file a discrimination charge with a federal or state agency, but the final resolution of any discrimination claim will be submitted to arbitration instead of a court or jury. The arbitration proceeding shall be conducted under the employment arbitration rules and mediation procedures of the American Arbitration Association in effect at the time that a demand for arbitration under the rules is made, and such proceeding shall be conducted in the English language by a sole arbitrator in Lee County, Florida, and governed by the Florida Arbitration Act and the substantive laws of the State of Florida, without regard to any applicable state's choice of law provisions. The decision of the arbitrator(s), including determination of the amount of any damages suffered, shall be exclusive, final, and binding on all Parties, their heirs, executors, administrators, successors, and assigns, and shall not be subject to appeal, review, or re-examination by a court or the arbitrator, except for fraud, perjury, manifest clerical error, or evident partiality or misconduct by the arbitrator that (in each case) prejudices the rights of a party to the arbitration. Each Party shall bear its own expenses in the arbitration for arbitrators' fees and attorneys' fees, for its witnesses, and for other expenses of presenting its case. Other arbitration costs, including administrative fees and fees for records or transcripts, shall be borne equally by the Parties.

(i) This Agreement may be executed in several counterparts with the same effect as if the signature on each such counterpart were on the same instrument. A signed copy, including by DocuSign or other electronic or digital signature, of this Agreement 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 Agreement.

(j) Any determination made by the Board or by an appropriately delegated officer with respect to this Agreement, shall be made in the sole discretion of the Board or such delegate, unless in contravention of any express term of this Agreement, and all such decisions made by the Board or any appropriately delegated officer shall be final, binding and conclusive on all persons, including the Key Employee.

[Signatures on Following Page]

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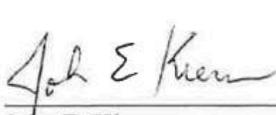
IN WITNESS WHEREOF, the Parties have executed this Agreement on December 23, 2024 to be effective as of the Effective Date.

Alico, Inc., a Florida corporation

Key Employee:

By: 

Toby K. Purse



John E. Kiernan

ALICO, INC. STOCK INCENTIVE PLAN OF 2015
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement"), dated as of December 27, 2024 (the "Grant Date"), is made by and between Alico, Inc., a Florida corporation (the "Company"), and John E. Kiernan (the "Participant"). Capitalized terms used herein without definition have the meanings ascribed to such terms in the Alico, Inc. Stock Incentive Plan of 2015 (as amended from time to time, the "Plan").

WHEREAS, the Company has adopted the Plan to give the Company a competitive advantage in attracting, retaining, and motivating officers, employees, directors, and/or consultants and to provide the Company and its Subsidiaries and Affiliates with a long-term incentive plan providing incentives directly linked to shareholder value; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the Participant a number of Restricted Stock Units on the terms and subject to the conditions set forth in this Agreement and the Plan.

NOW THEREFORE, in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and their successors and assigns, hereby agree as follows:

1. *Grant of Performance-Based Restricted Stock Unit Award and Dividend Equivalent Award.*

(a) *Performance-Based Restricted Stock Unit Award.* The Company hereby grants to the Participant an award of 38,000 performance-based Restricted Stock Units (the "PSUs"), on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. Each PSU represents the right to receive one Share on the vesting date of that PSU. Unless and until the PSUs vest, the Participant will have no right to receive any Shares under such PSUs. Prior to actual distribution of Shares pursuant to any vested PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

(b) *Dividend Equivalent Award.* The Company hereby grants to the Participant a right to receive the equivalent value (in Shares) of dividends (the "Dividend Equivalents") paid with respect to each PSU for all ordinary dividends or distributions that are paid to all or substantially all holders of the outstanding Shares between the Grant Date and the date when the applicable PSU is distributed or paid to the Participant or is forfeited or expires. All such Dividend Equivalents shall be subject to the same terms and conditions of vesting and forfeiture, distribution or payment, adjustment and other provisions which apply to the underlying PSU to which such Dividend Equivalent relates.

(c) *Incorporation by Reference, Etc.* The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan.

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(d) *Consideration to the Company.* In consideration of the grant of the award of PSUs pursuant hereto, the Participant agrees to render faithful and efficient services to the Company or any subsidiary thereof.

2. *Vesting of PSUs and Dividend Equivalents.*

(a) *Performance-Based Vesting Conditions.* Subject to Sections 2(b), 2(c) and 2(d) below, at any time during the period commencing from the Grant Date through September 30, 2027 (the "Performance Period"), if the average 30 day closing per share price of Share exceeds the applicable price per share threshold described below, the Participant will earn the corresponding number of PSUs:

Applicable Price per Share Threshold	Number of PSUs
\$35 per Share	5,000
\$40 per Share	12,500
\$45 per Share	20,500

All Share values above shall be subject to equitable adjustment for stock splits, reverse stock splits, recapitalization, stock dividends reorganizations and the like determined in the good faith discretion of the Board so as to avoid the inequitable enlargement or diminution of rights. The PSUs to be earned shall be cumulative, such that the maximum number of Shares which may be earned pursuant to such PSUs to be awarded as a result of this Section 2(a) is 38,000. The PSUs may be earned on three different dates, two different dates, or all on the same date, depending on when, if at all, the average 30 day closing price of the Shares exceeds the applicable price per share threshold. Any unearned PSUs shall forfeit as of the end of the Performance Period.

(b) *Time-Based Vesting Conditions.* Subject to Sections 2(c) and 2(d) below, the PSUs earned in accordance with Section 2(a) above shall vest on the last day of the Performance Period, subject to the Participant not having incurred a Termination of Service as of or prior to such vesting date. Each additional PSU that results from deemed reinvestments of Dividend Equivalents pursuant to Section 1(b) hereof shall vest whenever the underlying PSU to which such additional PSU relates vests.

(c) *Vesting upon a Termination of Service without Cause or for Good Reason.* If, prior to the applicable Vesting Date, the Participant incurs a Termination of Service by the Company without Cause or, following a Change in Control, due to a resignation by the Participant for Good Reason, any unvested PSUs shall fully vest and be free of any restrictions as of the date of Termination of Service.

(d) *Vesting upon Death or Disability.* If the Participant incurs a Termination of Service due to the Participant's death or Disability, any unvested PSUs shall fully vest and be free of restrictions as of the date of the Termination of Service.

(e) *Other Termination of Service.* If the Participant incurs a Termination of Service for any reason other than death, Disability, a termination without Cause, or, following a Change in Control, a resignation for Good Reason, any unvested PSUs shall be forfeited by the Participant without consideration.

3. *Payment upon Vesting.* Any PSUs that vest in accordance with Section 2 hereof will be paid to the Participant (or in the event of the Participant's death, to his estate or designated beneficiaries) in Shares within sixty (60) days following on the date those PSUs vest or as soon thereafter as practicable, subject to the tax withholding provisions of Section 4 hereof. For each PSU that vests, the Participant will receive one Share. Subject to Section 14(e) of the Plan and the tax withholding provisions of Section 4 hereof, any Dividend Equivalents corresponding to PSUs that vest in accordance with Section 2 hereof will be paid to the Participant (or in the event of the Participant's death, to his estate or designated beneficiaries) in Shares or, at the option of the Company, the amount of cash, which is paid as a dividend on one share of Stock, within sixty (60) days following on the date such corresponding PSUs vest or as soon thereafter as practicable. In no event shall Shares or cash be issued or paid under this Section 3 later than the fifteenth (15th) day of the third (3rd) calendar month following the fiscal year in which such PSUs vest (for the avoidance of doubt, this deadline is intended to comply with the "short term deferral" exemption from Section 409A of the Code). Notwithstanding anything herein to the contrary, the Participant shall not be permitted, directly or indirectly, to designate the taxable year in which the Shares shall be issued.

4. *Tax Withholding.* The Company shall reasonably determine the amount of any federal, state, local, or other income, employment, or other taxes that the Company or any of its Subsidiaries may reasonably be obligated to withhold with respect to the grant, vesting, or other event with respect to the PSUs and Dividend Equivalents. The Company's obligation to deliver the PSUs or any certificates evidencing the PSUs (or to make a book-entry or other electronic notation indicating ownership of the PSUs) and Dividend Equivalents, or otherwise remove the restrictive notations or legends on such PSUs or certificates and Dividend Equivalents that refer to nontransferability as set forth in Section 7 hereof, is subject to the condition precedent that the Participant either pay or provide for the amount of any such withholding obligations in such manner as may be authorized by the Committee or as may otherwise be permitted under Section 14(d) of the Plan.

5. *Independent Tax Advice.* The Participant acknowledges that the tax laws and regulations applicable to the PSUs and the disposition of the PSUs and/or Shares following vesting are complex and subject to change, and it is the sole responsibility of the Participant to obtain the Participant's own advice as to the tax treatment of the terms of this Agreement.

6. *No Rights as Stockholder.* Neither the Participant nor any person claiming under or through the Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares are issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant or Participant's broker.

7. *Transferability.* The PSUs and Dividend Equivalents may not, at any time prior to becoming vested, be assigned, alienated, pledged, attached, sold, or otherwise transferred or

encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company, its Subsidiaries, and its Affiliates; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance. The PSUs and Dividend Equivalents shall be subject to the restrictions set forth in the Plan and this Agreement.

8. *Change in Control.* In the event of a Change in Control occurring after the Grant Date, the PSUs shall be treated in accordance with Section 10 of the Plan.

9. *Miscellaneous.*

(a) *Waiver and Amendment.* The Committee may waive any conditions or rights under, or amend any terms of, this Agreement and the PSUs granted hereunder; provided that any such waiver or amendment that would impair the rights of the Participant or any holder or beneficiary of the PSUs granted hereunder shall not to that extent be effective without the consent of the Participant. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(b) *Notices.* All notices, demands, and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, facsimile, courier service, or personal delivery:

If to the Company to:

Alico, Inc.
10070 Daniels Interstate Court, Suite 200
Fort Myers, Florida 33913
Attention: Chief Financial Officer

If to Participant to:

The address last on the records of the Company.

All such notices, demands, and other communications shall be deemed to have been duly given (i) when delivered by hand, if personally delivered; (ii) when delivered by courier, if delivered by commercial courier service; (iii) five business days after being deposited in the mail, postage prepaid, if mailed; and (iv) when receipt is mechanically acknowledged, if by facsimile.

(c) *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(d) *No Rights to Service.* Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which is hereby expressly reserved, to remove, terminate, or discharge the Participant at any time and for any reason whatsoever.

(e) *Beneficiary.* The Participant may file with the Company a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, change or revoke such designation by filing a new designation with the Company. The last such designation received by the Company shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Company prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by the Participant, the beneficiary shall be deemed to be his or her spouse or, if the Participant is unmarried at the time of death, his or her estate.

(f) *Successors.* The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and shall be binding upon and inure to the benefit of the Participant and the Participant's beneficiaries, executors, administrators, heirs, and successors.

(g) *Entire Agreement.* This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations with respect thereto.

(h) *Bound by the Plan.* By signing this Agreement, the Participant acknowledges that he or she has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(i) *Governing Law.* This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Florida without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Florida.

(j) *Headings.* The headings of the Sections of this Agreement are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

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

(l) *Section 409A.* Payments under this Agreement are intended to be exempt from, or comply with, the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A") and this Agreement shall be administered and construed accordingly. If any payment, compensation or other benefit provided to the Participant in connection with his or her employment termination is determined, in whole or in part, to constitute

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“nonqualified deferred compensation” within the meaning of Section 409A and the Participant is a specified employee as defined in Section 409A(2)(B)(i), no part of such payments shall be paid unless Participant’s termination is also his or her “separation from service” (as defined in Section 409A) and no part of such payments shall be paid prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of Participant’s “separation from service” with the Company or (ii) the date of Participant’s death.(the “New Payment Date”). The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of termination and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date. For purposes of Section 409A, all payments with respect to the PSUs are hereby designated as separate payments from any other payments or benefits to which the Participant is entitled (whether under the Plan, any other agreement, or any non-qualified deferred compensation or arrangement to which the Participant is a party or in which the Participant is a participant).

(m) *Clawback Provisions.* This PSU award will be subject to any Company clawback policy, including any clawback policy adopted to comply with applicable laws (including the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules, regulations or stock exchange listing requirements promulgated thereunder), as set forth in such clawback policy.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ALICO, INC.

By: 
Name:
Title:

PARTICIPANT

By: 
Name: John E Kiernan
Title:

CERTIFICATIONS

I, John E. Kiernan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: February 12, 2025

By: _____ /s/ John E. Kiernan

John E. Kiernan
President and Chief Executive Officer
(Principal Executive Officer)

Certification
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report of Alico, Inc. (the "Company") on Form 10-Q for the period ended December 31, 2024 as filed with the Securities and Exchange Commission on February 12, 2025, (the "Form 10-Q"), I, John E. Kiernan, President and Chief Executive Officer of the Company, 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 Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 12, 2025

By: _____ /s/ John E. Kiernan
John E. Kiernan
President and Chief Executive Officer
(Principal Executive Officer)

**Certification
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)**

In connection with the Quarterly Report of Alico, Inc. (the "Company") on Form 10-Q for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on February 12, 2025, (the "Form 10-Q"), I, Bradley Heine, Chief Financial Officer of the Company, 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 Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 12, 2025

By: _____ /s/ Bradley Heine
Bradley Heine
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)