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 March 31, 2025

or

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

For the transition period

from____________________ to _________________________

Commission File Number: 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 ☐	Accelerated Filer ☐
Non-accelerated filer ☑	Smaller Reporting Company ☑
Emerging Growth Company ☐	

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

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

There were 7,642,085 shares of common stock outstanding at May 8, 2025.

ALICO, INC.
FORM 10-Q
For the three and six months ended March 31, 2025 and 2024
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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, the development of the Corkscrew Grove Villages, 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, changes in trade policies and the imposition of tariffs, 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)

	March 31, 2025	September 30, 2024
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 14,659	$ 3,150
Accounts receivable, net	9,973	771
Inventories	7,247	30,084
Income tax receivable	1,058	1,958
Assets held for sale	9,850	3,106
Prepaid expenses and other current assets	1,181	1,558
Total current assets	43,968	40,627
Restricted cash	762	248
Property and equipment, net	193,986	352,733
Goodwill	2,246	2,246
Other non-current assets	2,203	2,865
Total assets	$ 243,165	$ 398,719
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,153	$ 3,362
Accrued liabilities	3,668	5,366
Current portion of long-term debt	1,410	1,410
Other current liabilities	674	513
Total current liabilities	7,905	10,651
Long-term debt, net	81,654	82,313
Lines of credit	6,494	8,394
Deferred income tax liabilities, net	11,800	40,873
Other liabilities	101	193
Total liabilities	107,954	142,424
Commitments and Contingencies - Note 13.		
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 7,637,657 and 7,628,639 shares outstanding at March 31, 2025 and September 30, 2024, respectively	8,416	8,416
Additional paid in capital	20,274	20,184
Treasury stock, at cost, 778,488 and 787,506 shares held at March 31, 2025 and September 30, 2024, respectively	(26,420)	(26,694)
Retained earnings	127,937	249,253
Total Alico stockholders' equity	130,207	251,159
Noncontrolling interest	5,004	5,136
Total stockholders' equity	135,211	256,295
Total liabilities and stockholders' equity	$ 243,165	$ 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 March 31,		Six Months Ended March 31,	
	2025	**2024**	**2025**	**2024**
Operating revenues:				
Alico Citrus	$ 17,253	$ 17,762	$ 33,579	$ 31,354
Land Management and Other Operations	727	351	1,295	744
Total operating revenues	17,980	18,113	34,874	32,098
Operating expenses:				
Alico Citrus	167,607	36,142	192,718	64,249
Land Management and Other Operations	70	129	91	262
Total operating expenses	167,677	36,271	192,809	64,511
Gross loss	(149,697)	(18,158)	(157,935)	(32,413)
General and administrative expenses	3,388	2,321	5,974	5,593
Loss from operations	(153,085)	(20,479)	(163,909)	(38,006)
Other income (expense), net:				
Interest income	59	155	106	250
Interest expense	(1,159)	(663)	(2,057)	(2,268)
Gain on sale of property and equipment	15,847	4	15,847	77,029
Other income, net	11	—	255	—
Total other income (expense), net	14,758	(504)	14,151	75,011
(Loss) income before income taxes	(138,327)	(20,983)	(149,758)	37,005
Income tax (benefit) provision	(26,894)	(4,970)	(29,074)	10,582
Net (loss) income	(111,433)	(16,013)	(120,684)	26,423
Net loss attributable to noncontrolling interests	48	209	132	718
Net (loss) income attributable to Alico, Inc. common stockholders	$ (111,385)	$ (15,804)	$ (120,552)	$ 27,141
Per share information attributable to Alico, Inc. common stockholders:				
(Loss) earnings per common share:				
Basic	$ (14.58)	$ (2.07)	$ (15.79)	$ 3.56
Diluted	$ (14.58)	$ (2.07)	$ (15.79)	$ 3.56
Weighted-average number of common shares outstanding:				
Basic	7,637	7,620	7,635	7,618
Diluted	7,637	7,620	7,635	7,618
Cash dividends declared per common share	$ 0.05	$ 0.05	$ 0.10	$ 0.10

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 March 31, 2025

	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 December 31, 2024	8,416	$ 8,416	$ 20,226	783	$ (26,557)	$ 239,704	$ 241,789	$ 5,052	$ 246,841
Net loss	—	—	—	—	—	(111,385)	(111,385)	(48)	(111,433)
Dividends ($0.05/share)	—	—	—	—	—	(382)	(382)	—	(382)
Stock-based compensation	—	—	48	(5)	137	—	185	—	185
Balance at March 31, 2025	**8,416**	**$ 8,416**	**$ 20,274**	**778**	**$ (26,420)**	**$ 127,937**	**$ 130,207**	**$ 5,004**	**$ 135,211**

Three Months Ended March 31, 2024

	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 December 31, 2023	8,416	$ 8,416	$ 20,064	800	$ (27,099)	$ 286,368	$ 287,749	$ 4,877	$ 292,626
Net loss	—	—	—	—	—	(15,804)	(15,804)	(209)	(16,013)
Dividends ($0.05/share)	—	—	—	—	—	(382)	(382)	—	(382)
Stock-based compensation		—	45	(4)	130	—	175	—	175
Balance at March 31, 2024	**8,416**	**$ 8,416**	**$ 20,109**	**796**	**$ (26,969)**	**$ 270,182**	**$ 271,738**	**$ 4,668**	**$ 276,406**

For the Six Months Ended March 31, 2025

	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 income (loss)	—	—	—	—	—	(120,552)	(120,552)	(132)	(120,684)
Dividends ($0.10/share)	—	—	—	—	—	(764)	(764)	—	(764)
Stock-based compensation	—	—	90	(9)	274	—	364	—	364
Balance at March 31, 2025	**8,416**	**$ 8,416**	**$ 20,274**	**778**	**$ (26,420)**	**$ 127,937**	**$ 130,207**	**$ 5,004**	**$ 135,211**

(1) - May not foot due to rounding.

Six Months Ended March 31, 2024

	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)	—	—	—	—	—	27,141	27,141	(718)	26,423
Dividends ($0.10/share)	—	—	—	—	—	(763)	(763)	—	(763)
Stock-based compensation	—	—	64	(10)	305	—	369	—	369
Balance at March 31, 2024	**8,416**	**$ 8,416**	**$ 20,109**	**796**	**$ (26,969)**	**$ 270,182**	**$ 271,738**	**$ 4,668**	**$ 276,406**

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Six Months Ended March 31,	
	2025	**2024**
Net cash used in operating activities		
Net (loss) income	$ (120,684)	$ 26,423
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation, depletion and amortization	126,261	7,602
Amortization of debt issue costs	166	149
Gain on sale of property and equipment	(15,847)	(77,029)
Impairment of long-lived assets	24,966	—
Loss on disposal of long-lived assets	780	938
Inventory net realizable value adjustment	9,895	28,549
Deferred income tax (benefit) provision	(29,073)	470
Stock-based compensation expense	364	369
Other	(302)	68
Changes in operating assets and liabilities:		
Accounts receivable	(9,202)	(8,661)
Inventories	12,942	(5,912)
Prepaid expenses	377	(13)
Income tax receivable	900	1,200
Other assets	(106)	99
Accounts payable and accrued liabilities	(2,457)	(1,647)
Income taxes payable	—	8,021
Other liabilities	449	(367)
Net cash used in operating activities	(571)	(19,741)
Cash flows from investing activities:		
Purchases of property and equipment	(3,481)	(11,520)
Net proceeds from sale of property and equipment	18,874	79,132
Notes receivable	570	—
Change in deposits on purchase of citrus trees	—	(375)
Net cash provided by investing activities	15,963	67,237
Cash flows from financing activities:		
Repayments on revolving lines of credit	(21,200)	(44,032)
Borrowings on revolving lines of credit	19,300	19,310
Principal payments on term loans	(705)	(19,737)
Dividends paid	(764)	(763)
Net cash used in financing activities	(3,369)	(45,222)
Net increase in cash and cash equivalents and restricted cash	12,023	2,274
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	$ 15,421	$ 5,966
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	$ 1,792	$ 2,752
Cash (received) paid for income taxes, net of refunds	$ (900)	$ 890
Non-cash investing and financing activities:		
Dividends declared but unpaid	$ 382	$ 381
Assets received in exchange for services	$ —	$ 85
Trees delivered in exchange for prior tree deposits	$ —	$ 282

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 51,300 acres of land and approximately 46,900 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.

On January 6, 2025, the Company announced a Strategic Transformation (the "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 completion of the current harvest in April 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 between April 1, 2025 and May 30, 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.

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.

Stock Repurchase Program

On March 25, 2025, the Board of Directors of Alico, Inc. approved a stock repurchase program. The stock repurchase program authorizes the Company to repurchase up to $50.0 million of the Company's common stock, par value $1.00

("Common Stock") and will expire on April 1, 2028, subject to market conditions and other factors. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases depending on market conditions and corporate needs. Open market repurchases will be structured to occur within the pricing and volume requirements of Rule 10b-18.

The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares under this authorization. This program does not obligate the Company to acquire any particular amount of Common Stock and the program may be extended, modified, suspended or discontinued at any time at the Company's discretion.

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 March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Revenue recognized at a point-in-time	$ 17,143	$ 16,974	$ 32,698	$ 29,959
Revenue recognized over time	837	1,139	2,176	2,139
Total	$ 17,980	$ 18,113	$ 34,874	$ 32,098

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 March 31, 2025, and September 30, 2024, the Company had total receivables relating to sales of citrus of $9,145 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, at which time it expired.

Disaggregated Revenue

Revenues disaggregated by significant products and services for the three and six months ended March 31, 2025 and 2024 are as follows:

(in thousands)	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	**2024**	**2025**	**2024**
Alico Citrus				
Early and Mid-Season	$ 648	$ 2,139	$ 15,577	$ 14,534
Valencias	16,293	14,732	16,293	14,732
Fresh Fruit and Other	202	103	828	693
Grove Management Services	110	788	881	1,395
Total	$ 17,253	$ 17,762	$ 33,579	$ 31,354
Land Management and Other Operations				
Land and Other Leasing	$ 674	$ 278	$ 1,153	$ 592
Other	53	73	142	152
Total	$ 727	$ 351	$ 1,295	$ 744
Total Revenues	$ 17,980	$ 18,113	$ 34,874	$ 32,098

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 six months ended March 31, 2025 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)		March 31, 2025		September 30, 2024
Cash and cash equivalents	$	14,659	$	3,150
Restricted cash (a)		762		248
Cash and cash equivalents and restricted cash	$	15,421	$	3,398

a. Restricted cash represents Cash-Secured Irrevocable Standby Letters of Credit of $ 762 to secure certain contractual obligations at March 31, 2025 and Cash-Secured Irrevocable Standby Letters of Credit of $248 to secure certain contractual obligations at September 30, 2024.

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)	March 31, 2025				September 30, 2024			
	Carrying Amount		Estimated Fair Value		Carrying Amount		Estimated Fair Value	
Corporate debt								
Current portion of long-term debt	$	1,410	$	1,403	$	1,410	$	1,420
Long-term debt	$	88,536	$	83,713	$	91,141	$	86,987

As of March 31, 2025 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 and six months ended March 31, 2025 and 2024:

(in thousands)	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Weighted Average Common Shares Outstanding – Basic	7,637	7,620	7,635	7,618
Effect of dilutive securities – stock options and unrestricted stock	—	—	—	—
Weighted Average Common Shares Outstanding – Diluted	7,637	7,620	7,635	7,618

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 March 31, 2025 and 38,000 stock options which were excluded from the calculation of dilutive securities at March 31, 2024, 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 six months ended March 31, 2025 and 2024, the Company recognizedno grant monies and $1,805 of grant monies, respectively, 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 March 31, 2025 and September 30, 2024 grant monies of $233 and $1,192, respectively, were recognized as a component of Inventories on the Company's Condensed Consolidated Balance Sheet. In addition, for the six months ended March 31, 2025 and 2024 $959 and $1,570, 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 March 31, 2024 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 approximately35% 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 1. Description of Business and Basis of Presentation for further information on the Company's Strategic Transformation).

Concentrations

Accounts receivable from the Company's major customer as of March 31, 2025 and September 30, 2024, and revenue from such customer for the six months ended March 31, 2025 and 2024, are as follows:

(in thousands)	Accounts Receivable		Revenue		% of Total Revenue	
	March 31,	September 30,	Six Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024	2025	2024
Tropicana	$ 8,263	$ —	$ 31,263	$ 28,857	89.6 %	89.9 %

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

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. The Company records impairment losses on long-lived assets used in operations, or asset group, when events and circumstances indicate that the assets might be impaired and the estimated cash flows (undiscounted and without interest charges) to be generated by those assets or asset group over the remaining lives of the assets or asset group are less than the carrying amounts of those assets. In calculating impairments and the estimated cash flows, the Company assigns its asset groups by determining the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of the other Company assets. The net carrying values of assets or asset group not recoverable are reduced to their fair values. Alico's cash flow estimates are based on historical results adjusted to reflect best estimates of future market conditions and operating conditions. The Company has determined that the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of the other Company assets is the Grove level and includes, its Citrus Trees, Land, certain equipment (principally irrigation related) and the Buildings and improvements within its citrus groves, which are used together to generate cash flows from fruit for sales to its customers. For the three and six months ended March 31, 2025 the Company recognized an impairment of its long lived assets at one of its groves, as well as its young trees, which were not yet being depreciated, of $24,966, which was recorded as depreciation within Operating expenses in its Alico Citrus Segment. The fair value of the assets which were determined to be impaired were based primarily on consideration of comparable land sales and recent appraisals which considered comparable land sales, as well as any cash flows expected to be received from, or related to its operations (such as the fruit harvest and crop insurance proceeds) through the third quarter ended June 30, 2025.

No impairment of long-lived assets was recognized during the three and six months ended March 31, 2024. As of March 31, 2025 and September 30, 2024, long-lived assets were comprised of property and equipment.

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 $98 and $427 for the three months ended March 31, 2025 and 2024, respectively, and net losses of $270 and $1,466 for the six months ended March 31, 2025 and 2024, 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 March 31, 2025 and September 30, 2024:

(in thousands)	**March 31, 2025**	**September 30, 2024**
Unharvested fruit crop on the trees	$ 6,723	$ 28,921
Other	524	1,163
Total inventories	$ 7,247	$ 30,084

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

For the six months ended March 31, 2025 and 2024, the Company recorded inventory adjustments of $9,895 and $28,549, respectively, to reduce inventory to net realizable value within Operating expenses. The adjustment for the six months ended March 31, 2025 was due to a lower than anticipated harvest of the Early and Mid-Season and Valencia crops, principally as a result of Hurricane Milton, which hit in October 2024. The inventory adjustment during the six months ended March 31, 2024 was the result of the continued weak recovery from the impacts of Hurricane Ian which hit in September 2022.

The Company received $4,040 of insurance proceeds relating to Hurricane Milton during the three and six months ended March 31, 2025, which was recorded within Operating expenses in our Condensed Consolidated Statement of Operations.

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 March 31, 2025 and September 30, 2024:

(in thousands)	Carrying Value	
	March 31, 2025	September 30, 2024
Ranch	$ —	$ 69
Alico Citrus	9,850	3,037
Total assets held for sale	$ 9,850	$ 3,106

On March 7, 2025, the Company entered into an agreement to sell2,930 acres of citrus land for $26,663 ($9,100 per acre).

As of March 31, 2025, as a result of the Strategic Transformation, the Company had vehicles and equipment with a net book value of $1,958 as Held for Sale and recognized an accrued loss of $790.

During the six months ended March 31, 2025, the Company sold approximately2,100 acres of land for $17,321.

During the six months ended March 31, 2024, the Company consummated the sale of approximately17,556 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 March 31, 2025 and September 30, 2024:

(in thousands)	March 31, 2025	September 30, 2024
Citrus trees	$ 285,807	$ 319,149
Equipment and other facilities	41,426	58,293
Buildings and improvements	5,213	6,515
Total depreciable properties	332,446	383,957
Less: accumulated depreciation and depletion	(250,798)	(146,086)
Net depreciable properties	81,648	237,871
Land and land improvements	112,338	114,862
Property and equipment, net	$ 193,986	$ 352,733

During the six months ended March 31, 2025 and 2024, the Company recorded a loss on the disposal of long lived assets of $780 and $938, respectively, which has been recognized within Operating expenses.

In January 2025, the Company evaluated the recoverability of the fixed assets in its Citrus Segment, as a result of the announcement of its Strategic Transformation. The decision to wind down the Company’s citrus groves constituted an impairment indicator and it performed an impairment analysis of its property and equipment at January 6, 2025. The Company determined that the asset group for testing impairment is the grove level and includes the Citrus trees, Land, certain Equipment (principally irrigation related) and the Buildings and improvements within its citrus groves. This grouping is required as the cash flows from the sales of fruit cannot be specifically attributed to any of the individual components and the caretaking of the groves is interdependent on the existence of all assets in the asset group.

As a result of this analysis, the Company determined that there was an impairment of its young trees, which were not yet being depreciated and its long lived assets at one of its groves of $24,966, which has recorded within Operating expenses in its Alico Citrus Segment. This analysis was based on consideration of comparable land sales and recent appraisals which considered comparable land sales, as well as any cash flows expected to be received from, or related to its operations (such as the fruit harvest and crop insurance proceeds) through the third quarter ended June 30, 2025.

Furthermore, the estimated useful life of the Company's citrus trees had been impacted and their lives were changed to a range of four to sixteen months depending upon whether the trees will be abandoned at the end of the Fiscal Year 2025 harvest season or if they are either being retained or leased for another year, which is expected to conclude in April 2026, respectively. The Company recognized accelerated depreciation on its trees and certain of its other fixed assets of approximately $ 119,266, Citree was not impacted by the Strategic Transformation and as such no change in estimated useful life was deemed necessary. The impact of the accelerated depreciation on net income for both the three and six months ended March 31, 2025 was $(96,128) and the impact on both Basic and Diluted earnings per share for both the three and six months ended March 31, 2025 was $(12.59).

Note 6. Accrued Liabilities

Accrued liabilities consist of the following at March 31, 2025 and September 30, 2024:

(in thousands)	March 31, 2025	September 30, 2024
Ad valorem taxes	$ 979	$ 1,898
Accrued interest	699	554
Accrued employee wages and benefits	1,136	1,727
Accrued dividends	382	381
Professional fees	252	275
Other accrued liabilities	145	407
Accrued insurance	75	124
Total accrued liabilities	$ 3,668	$ 5,366

Note 7. Restructure and Other Charges

On January 3, 2025, the Board approved the Strategic Transformation and associated reduction in the Company's current workforce by up to 172 employees. This workforce reduction was effective on January 6, 2025 with respect to 135 employees, and will be effective between April 1, 2025 and May 30, 2025 with respect to 34 employees (see Note 1. Description of Business and Basis of Presentation for further information on the Strategic Transformation).

	Personnel	Other	Total
Balance at September 30, 2024	$ —	$ —	$ —
Restructure expense	2,220	285	2,505
Restructure payments	(1,748)	(253)	(2,001)
Balance at March 31, 2025	$ 472	$ 32	$ 504

These Restructure and other charges were incurred in the Company's Citrus Segment with Personnel costs of $2,111 and $109 being recognized in Operating expenses and General and administrative expenses, respectively, and Other costs of $285, principally representing legal costs, recognized in General and administrative expense during the three and six months ended March 31, 2025 (see Note 5. Property and Equipment, Net for information on the Asset Impairment).

As of March 31, 2025, the Company has accrued for the Personnel and Other restructure expenses within Accrued expenses and expects to incur an additional $92 in personnel related costs in connection with the restructuring plan in the current fiscal year.

Note 8. Long-Term Debt and Lines of Credit

The following table summarizes long-term debt and related deferred financing costs, net of accumulated amortization, at March 31, 2025 and September 30, 2024:

(in thousands)	March 31, 2025	September 30, 2024
Long-term debt, net of current portion:		
Met Fixed-Rate Term Loans	$ 70,000	$ 70,000
Pru Loans A & B	9,877	10,457
Met Citree Term Loan	3,575	3,700
Deferred financing fees	(388)	(434)
	83,064	83,723
Less current portion	1,410	1,410
Long-term debt	$ 81,654	$ 82,313

The following table summarizes the line of credit and related deferred financing costs, net of accumulated amortization at March 31, 2025 and September 30, 2024:

(in thousands)	March 31, 2025	September 30, 2024
Line of Credit:		
RLOC	$ 6,494	$ 8,394
Deferred financing fees	(761)	(671)
Line of Credit	$ 5,733	$ 7,723

Interest costs expensed and capitalized were as follows:

(in thousands)	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Interest expense	$ 1,159	$ 663	$ 2,057	$ 2,268
Interest capitalized	27	292	328	595
Total	$ 1,186	$ 955	$ 2,385	$ 2,863

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.

On March 31, 2025, the Company entered into a Seventh Amendment to Credit Agreement (the “Seventh Amendment”) with Met to, among other things, remove the Debt Service; Tangible Net Worth; Current Ratio and Debt to Total Assets Ratio covenants in their entirety. These restrictive covenants were replaced with a Quarterly Liquidity Covenant which requires the Company to maintain cash and cash equivalents in an amount equal to 1.5 times the sum of: i) the scheduled principal and interest payments due under the debt owed to Met and Prudential and ii) the projected interest payments due under the Amended RLOC (the “Minimum Liquidity Requirement”). In addition, the Company must maintain Cash and cash equivalents and Current Assets less Current liabilities (“Working Capital”) in excess of the Minimum Liquidity Requirement. At March 31, 2025, the Minimum Liquidity Requirement was $7,427.

The term loans and RLOC are secured by real property. The security for the term loans and RLOC consists of approximately 36,175 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 March 31, 2025 and September 30, 2024, $88,506 and $86,606 were available under the RLOC, respectively.

The variable interest rate on the Amended RLOC was 6.53% and 7.30% per annum as of March 31, 2025 and September 30, 2024, respectively.

Prior to the Seventh Amendment, the credit facilities noted above were 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 March 31, 2025, 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 March 31, 2025, the Company was able to draw the available balance under the RLOC, while remaining 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 March 31, 2025.

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 9. Income Taxes

Our effective tax rate for the three and six months ended March 31, 2025 was a benefit of 19.4% and 19.4%, respectively. The rate for the three and six months ended March 31, 2025 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 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.

Our effective tax rate for the three and six months ended March 31, 2024 was a (benefit) provision of (23.7%) and 28.6%, respectively. The rate for the six months ended March 31, 2024 differed from the Federal Statutory rate of 21.0%, primarily due to state income taxes and a change in the valuation allowance for the charitable contribution carryover.

Note 10. 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 March 31, 2025	Three Months Ended March 31, 2024	Six Months Ended March 31, 2025	Six Months Ended March 31, 2024
Revenues:				
Alico Citrus	$ 17,253	$ 17,762	$ 33,579	$ 31,354
Land Management and Other Operations	727	351	1,295	744
Total operating revenues	$ 17,980	$ 18,113	34,874	32,098
Operating expenses:				
Alico Citrus	$ 167,607	$ 36,142	192,718	64,249
Land Management and Other Operations	70	129	91	262
Total operating expenses	$ 167,677	$ 36,271	192,809	64,511
Gross (loss) profit:				
Alico Citrus	$ (150,354)	$ (18,380)	(159,139)	(32,895)
Land Management and Other Operations	657	222	1,204	482
Total gross (loss) profit	$ (149,697)	$ (18,158)	$ (157,935)	$ (32,413)
Depreciation, depletion and amortization:				
Alico Citrus	$ 121,941	$ 3,724	$ 125,702	$ 7,451
Land Management and Other Operations	22	17	44	37
Other Depreciation, Depletion and Amortization	474	57	515	114
Total depreciation, depletion and amortization	$ 122,437	$ 3,798	$ 126,261	$ 7,602

(in thousands)	March 31, 2025	September 30, 2024
Assets:		
Alico Citrus	$ 228,168	$ 383,777
Land Management and Other Operations	13,397	13,134
Other Corporate Assets	1,600	1,808
Total Assets	$ 243,165	$ 398,719

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Alico Citrus	$ (150,354)	$ (18,380)	$ (159,139)	$ (32,895)
Land Management and Other Operations	657	222	1,204	482
Segment gross loss	(149,697)	(18,158)	(157,935)	(32,413)
General and administrative expenses	3,388	2,321	5,974	5,593
Loss from operations	(153,085)	(20,479)	(163,909)	(38,006)
Other income (expense), net:				
Interest income	59	155	106	250
Interest expense	(1,159)	(663)	(2,057)	(2,268)
Gain on sale of property and equipment	15,847	4	15,847	77,029
Other income, net	11	—	255	—
Total other income (expense), net	14,758	(504)	14,151	75,011
(Loss) income before income taxes	$ (138,327)	$ (20,983)	$ (149,758)	$ 37,005

Note 11. 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:

(in thousands)	Three Months Ended March 31,		Six Months Ended March 31,	
Operating lease components	2025	2024	2025	2024
Operating leases costs recorded in general and administrative expenses	$ 37	$ 37	$ 74	$ 74

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

	March 31, 2025
Weighted-average remaining lease term	1.4 years
Weighted-average discount rate	5.35 %

Note 12. 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 to1,250,000 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. An amendment and restatement of the 2015 Plan was approved by the board of directors on December 17, 2024 and by shareholders on February 28, 2025 at the Company Annual Shareholders Meeting (the "Amended and Restated 2015 Plan"). The Amended and Restated 2015 Plan provides for grants to eligible participants in various forms including restricted shares of the Company's common stock, restricted stock units 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 Amended and Restated 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 and $238 for the three and six months ended March 31, 2025, respectively, and $119 and $257 for the three and six months ended March 31, 2024.

Stock Compensation - Employees

Stock compensation expense related to employee awards were $66 and $126 for the three and six months ended March 31, 2025, and $56 and $112 for the three and six months ended March 31, 2024, respectively.

Restricted Stock Awards ("RSAs")

Restricted Stock Awards	Shares	Weighted-Average Grant Date Fair Value
Outstanding at September 30, 2024	17,500	$ 37.82
Vested	(8,750)	37.82
Outstanding at March 31, 2025 (a)	8,750	$ 37.82

a. The weighted average remaining contractual term is 0.8 years and the aggregate intrinsic value of RSAs expected to vest is $ 261.

There was $70 and $150 of total unrecognized stock compensation costs related to unvested RSAs at March 31, 2025 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 - March 31, 2025	38,000	$ 33.75	1.8	—

No stock compensation expense related to stock options was recognized for the three and six months ended March 31, 2025 or March 31, 2024, respectively.

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 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:

	Six months ended March 31, 2025
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 March 31, 2025 (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 $ 1,134.

As of March 31, 2025 and September 30, 2024, total unrecognized stock compensation costs for MRSUs was $422 and $0, respectively.

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

Total stock-based compensation expense for the three and six months ended March 31, 2025, which was recognized in general and administrative expense, was $185 and $364, respectively, and $175 and $369 for the three and six months ended March 31, 2024, respectively.

Note 13. 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 14. Subsequent Events

On April 4, 2025, the option to purchase approximately 685 acres of Citrus land for $6,168 ($9,000 per acre), under a Purchase and Sale agreement originally executed in April 2024 was exercised and we expect it to close in the fourth quarter of our fiscal year.

On April 11, 2025, the Company sold vehicles and equipment categorized as Assets Held for Sale for approximately $2,400 in gross proceeds.

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 theretoand 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 wind down 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 March 31, 2025 and March 31, 2024, we generated operating revenue of $17,980 and $18,113, respectively, loss from operations of $153,085 and $20,479, respectively, and net loss attributable to common stockholders of $111,385 and $15,804, respectively. Net cash used in operating activities was $571 and $19,741 for the six months ended March 31, 2025 and March 31, 2024, 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 March 31, 2025 and 2024, the Alico Citrus segment generated 96.0% and 98.1%, respectively, of our consolidated revenues and the Land Management and Other Operations segment generated 4.0% and 1.9%, respectively, of our consolidated revenues.

For the six months ended March 31, 2025 and 2024, the Alico Citrus segment generated 96.3% and 97.7%, respectively, of our consolidated revenues and the Land Management and Other Operations segment generated 3.7% and 2.3%, respectively, of our consolidated revenues.

Recent Developments

Land Sales

During the quarter ended March 31, 2025, the Company sold approximately 2,100 acres of land for $17,321 and we entered into an agreement to sell 2,930 acres of land for $26,663 ($9,100 per acre).

Strategic Transformation Update

On March 13, 2025 we announced a major milestone in our Strategic Transformation with the filing of a development application for the first of two villages (“Corkscrew Grove East Village”) in what will ultimately be a 3,000-acre-master-planned community in northwest Collier County. There will be an additional 6,000 acres of land in Collier County that Alico will set aside for permanent conservation, highlighting Alico’s commitment to balanced development and environmental stewardship. The application referred to as “Corkscrew Grove Villages”, represents a key component in the implementation of the Collier County Rural Land Stewardship Area and demonstrates meaningful progress in Alico’s strategy to unlock significant value from its land holdings.

The development plan envisions two distinct 1,500-acre mixed-use villages, known as “Corkscrew Grove East Village” and “Corkscrew Grove West Village”, that will create a new residential and commercial hub near the intersection of Collier, Lee and Hendry counties. Initial development is planned to begin with Corkscrew Grove East Village and construction is expected to commence following completion of all required permits by 2028 or 2029.

The Corkscrew Grove Villages represents a key component of Alico's strategy to monetize four strategic assets in four separate counties totaling approximately 5,500 acres, or 10% of its land holdings, within the next five years through higher-value development opportunities. These four strategic assets are: i) Corkscrew Grove Villages in Collier County; ii) Bonnet Lake in Highlands County; iii) Saddlebag Grove in Polk County and iv) Plant World (LaBelle) in Hendry County

Stock Repurchase Program

On March 25, 2025, the Board of Directors of Alico, Inc. approved a stock repurchase program. The stock repurchase program authorizes the Company to repurchase up to $50.0 million of the Company’s common stock, par value $1.00 (“Common Stock”) and will expire on April 1, 2028, subject to market conditions and other factors. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases depending on market conditions and corporate needs. Open market repurchases will be structured to occur within the pricing and volume requirements of Rule 10b-18.

The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares under this authorization. This program does not obligate the Company to acquire any particular amount of Common Stock and the program may be extended, modified, suspended or discontinued at any time at the Company’s discretion.

Debt Amendment

On March 31, 2025, the Company entered into a Seventh Amendment to Credit Agreement (the “Seventh Amendment”) with Met to, among other things, remove the Debt Service; Tangible Net Worth; Current Ratio and Debt to Total Assets Ratio covenants in their entirety. These restrictive covenants were replaced with a Quarterly Liquidity Covenant which requires the Company to maintain Cash and cash equivalents and Working Capital in excess of the Minimum Liquidity Requirement.

Condensed Consolidated Results of Operations

The following discussion provides an analysis of our results of operations for the three and six months ended March 31, 2025, as compared to 2024:

(in thousands)

	Three Months Ended March 31,		Change		Six Months Ended March 31,		Change	
	2025	2024	$	%	2025	2024	$	%
Operating revenues:								
Alico Citrus	$ 17,253	$ 17,762	$ (509)	(2.9)%	$ 33,579	$ 31,354	$ 2,225	7.1 %
Land Management and Other Operations	727	351	376	107.1 %	1,295	744	551	74.1 %
Total operating revenues	17,980	18,113	(133)	(0.7)%	34,874	32,098	2,776	8.6 %
Gross (loss) profit:								
Alico Citrus	(150,354)	(18,380)	(131,974)	718.0 %	(159,139)	(32,895)	(126,244)	383.8 %
Land Management and Other Operations	657	222	435	195.9 %	1,204	482	722	149.8 %
Total gross (loss) profit	(149,697)	(18,158)	(131,539)	724.4 %	(157,935)	(32,413)	(125,522)	387.3 %
General and administrative expenses	3,388	2,321	1,067	46.0 %	5,974	5,593	381	6.8 %
Loss from operations	(153,085)	(20,479)	(132,606)	647.5 %	(163,909)	(38,006)	(125,903)	331.3 %
Total other income (expense), net	14,758	(504)	15,262	NM	14,151	75,011	(60,860)	(81.1 %)
(Loss) income before income taxes	(138,327)	(20,983)	(117,344)	559.2 %	(149,758)	37,005	(186,763)	(504.7) %
Income tax (benefit) provision	(26,894)	(4,970)	(21,924)	441.1 %	(29,074)	10,582	(39,656)	(374.7 %)
Net loss	(111,433)	(16,013)	(95,420)	595.9 %	(120,684)	26,423	(147,107)	(556.7) %
Net loss attributable to noncontrolling interests	48	209	(161)	(77.0)%	132	718	(586)	(81.6) %
Net loss attributable to Alico, Inc. common stockholders	$ (111,385)	$ (15,804)	$ (95,581)	604.8 %	$ (120,552)	$ 27,141	$ (147,693)	(544.2) %

Operating Revenue

The 0.7% decrease in revenue for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, was primarily due to the Early and Mid-Season and Fresh Fruit harvests beginning earlier in the first quarter of the year and ending earlier in the current quarter of 2025, partially driven by fruit drop as a result of Hurricane Milton. The decrease was also driven by a decrease in grove management revenues as a result of the expiration on December 31, 2024 of the Citrus Grove Management Agreement that we entered into on October 30, 2023 (the “Grove Owners Agreement”). These decreases were partially offset by a 24.7% increase in the price per pound solids of the Valencia crop, as a result of more favorable pricing in one of our contracts with Tropicana and an increase in rock and sand royalties.

The 8.6% increase in revenue for the six months ended March 31, 2025, as compared to the six months ended March 31, 2024, was primarily due to a blended 30.3% increase in the price per pound solid, partially offset by a 16.5% decrease in total pound solids produced as a result of Hurricane Milton and a 36.8% decrease in Grove management services due to the expiration of the Grove Owners Agreement on December 31, 2024.

The 107.1% and 74.1% increase in revenue within Land Management and Other for the three and six months ended March 31, 2025, respectively, as compared to the same periods in the prior year, is 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.

Operating Expenses

The increase in operating expenses of $131,406 and $128,298 for the three and six months ended March 31, 2025, respectively, as compared to the three and six months ended March 31, 2024, was driven by the acceleration of depreciation of approximately $118,828 principally on our Citrus trees in the three and six months ended March 31, 2025, as a result of the Strategic Transformation and decision to wind down our citrus operations and the impairment of its young trees, which were not yet being depreciated, as well as the long lived assets at one of our groves of $24,966. Partially offsetting the increase in cost of sales were lower inventory adjustments of $2,536 and $9,895 during the three and six months ended March 31, 2025, respectively, compared to $17,703 and $28,549 for the three and six months ended March 31, 2024, respectively, and $4,040 of crop insurance proceeds received in connection with Hurricane Milton that were received in the quarter ended March 31, 2025 (which was recorded within Fresh Fruit and Other in the table below).

General and Administrative Expense

General and administrative expense increased $1,067 for the three months ended March 31, 2025, compared to the three months ended March 31, 2024. The increase was primarily due to the acceleration of depreciation on certain administrative assets, higher employee costs (as a result of higher bonus accruals) and higher legal fees, related to the Strategic Transformation.

General and administrative expense increased $381 for the six months ended March 31, 2025 as compared to the six months ended March 31, 2024 due to the acceleration of depreciation on certain administrative assets and an increase in legal fees, both related to our Strategic Transformation, partially offset by lower employee costs related to paid time off and bonus accruals.

Other Income (Expense), net

Other income (expense), net for the three months ended March 31, 2025 increased $15,262 compared to the three months ended March 31, 2024, driven by the sale of approximately 2,100 acres of land, as compared to the quarter ended March 31, 2024, when there were no land sales.

Other income (expense), net for the six months ended March 31, 2025 was a gain of $14,151 compared to $75,011 during the six months ended March 31, 2024, principally as a result of fewer land sales during the six months ended March 31, 2025, as compared to the six months ended March 31, 2024, when we sold the Alico Ranch to the State of Florida.

Income Taxes

The increase in the income tax (benefit) of $21,924 for the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, was driven by an increase in our pre-tax loss in the current year period, primarily due to the accelerated book depreciation of citrus producing assets.

The change in the income taxes to a tax (benefit) from a tax provision, of $39,656 for the six months ended March 31, 2025, as compared to the six months ended March 31, 2024, was driven by the decreased earnings due to the accelerated depreciation of citrus producing assets, while the income tax expense for the six months ended March 31, 2024 was principally due to the sale of 17,229 acres of the Alico Ranch to the State of Florida during the period.

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 March 31, 2025	Three Months Ended March 31, 2024	Change Unit	Change %	Six Months Ended March 31, 2025	Six Months Ended March 31, 2024	Change Unit	Change %
Operating Revenues:								
Early and Mid-Season	$ 648	$ 2,139	$ (1,491)	(69.7)%	$ 15,577	$ 14,534	$ 1,043	7.2 %
Valencias	16,293	14,732	1,561	10.6 %	16,293	14,732	1,561	10.6 %
Fresh Fruit and Other	202	103	99	96.1 %	828	693	135	19.5 %
Grove Management Services	110	788	(678)	(86.0)%	881	1,395	(514)	(36.8)%
Total	$ 17,253	$ 17,762	$ (509)	(2.9)%	$ 33,579	$ 31,354	$ 2,225	7.1 %
Boxes Harvested:								
Early and Mid-Season	38	147	(109)	(74.1)%	944	1,194	(250)	(20.9)%
Valencias	885	1,012	(127)	(12.5)%	885	1,012	(127)	(12.5)%
Total Processed	923	1,159	(236)	(20.4)%	1,829	2,206	(377)	(17.1)%
Fresh Fruit	—	4	(4)	(100.0)%	37	35	2	5.7 %
Total	923	1,163	(240)	(20.6)%	1,866	2,241	(375)	(16.7)%
Pound Solids Produced:								
Early and Mid-Season	177	698	(521)	(74.6)%	4,224	5,364	(1,140)	(21.3)%
Valencias	4,488	5,071	(583)	(11.5)%	4,488	5,071	(583)	(11.5)%
Total	4,665	5,769	(1,104)	(19.1)%	8,712	10,435	(1,723)	(16.5)%
Pound Solids per Box:								
Early and Mid-Season	4.66	4.75	(0.09)	(1.9)%	4.47	4.49	(0.02)	(0.4)%
Valencias	5.07	5.01	0.06	1.2 %	5.07	5.01	0.06	1.2 %
Price per Pound Solids:								
Early and Mid-Season	$ 3.66	$ 3.06	$ 0.60	19.6 %	$ 3.69	$ 2.71	$ 0.98	36.2 %
Valencias	$ 3.63	$ 2.91	$ 0.72	24.7 %	$ 3.63	$ 2.91	$ 0.72	24.7 %
Price per Box:								
Fresh Fruit	$ —	$ 12.50	$ (12.50)	(100.0)	$ 15.51	$ 15.89	$ (0.38)	(2.4)%
Operating Expenses:								
Cost of Sales	$ 167,106	$ 31,217	$ 135,889	435.3 %	$ 187,614	$ 54,819	$ 132,795	242.2 %
Harvesting and Hauling	4,410	4,471	(61)	(1.4)%	8,505	8,547	(42)	(0.5)%
Fresh Fruit and Other	(3,902)	(68)	(3,834)	NM	(3,852)	(7)	(3,845)	NM
Grove Management Services	(7)	522	(529)	(101.3)%	451	890	(439)	(49.3)%
Total	$ 167,607	$ 36,142	$ 131,465	363.7 %	$ 192,718	$ 64,249	$ 128,469	200.0 %

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 and Six Months Ended March 31, 2025 and 2024 for the Alico Citrus Segment

The 2.9% decrease in revenue for the three months ended March 31, 2025, compared to the three months ended March 31, 2024, was primarily due to the Early and Mid-Season and Fresh Fruit harvests beginning earlier in the first quarter of the year and ending earlier in the current quarter of 2025, partially driven by fruit drop as a result of Hurricane Milton. These decreases were partially offset by a 24.7% increase in the price per pound solids of the Valencia crop, as a result of more favorable pricing in one of our contracts with Tropicana.

The 7.1% increase in revenue for the six months ended March 31, 2025, as compared to the six months ended March 31, 2024, was primarily due to a 36.2% and 24.7% increase in the price per pound solid of the Early and Mid-Season and Valencia crops, respectively, partially offset by a 16.5% decrease in total pound solids produced. 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.

Revenue for the three and six months ended March 31, 2025 from the grove owners relating to Grove Management Services decreased 86.0% and 36.8%, respectively, compared to the prior year periods, principally due to the expiration of the Grove Owners contract in December 31, 2024 reducing Grove Management revenues in the three and six months ending March 31, 2025.

For the three and six months ended March 31, 2025, we recognized an increase in Cost of Sales of $135,889 and $132,795, respectively, compared to the same period in the prior year, which was driven by the acceleration of depreciation on our Citrus trees in the quarter ended March 31, 2025, as a result of the Strategic Transformation and decision to wind down our citrus operations and the impairment of its young trees, which were not yet being depreciated, as well as the long lived assets at one of our groves of $24,966. Partially offsetting the increase in cost of sales were lower inventory adjustments of $2,536 and $9,895 during the three and six months ended March 31, 2025, respectively, compared to $17,703 and $28,549 during the three and six months ended March 31, 2024, respectively, and $4,040 of crop insurance proceeds received in connection with Hurricane Milton that were received in the quarter ended March 31, 2025 (which was recorded within Fresh Fruit and Other in the table above).

For the three months ended March 31, 2025 Harvesting and Hauling expenses were down 1.4% compared to the three months ended March 31, 2024 driven by a 20.6% decrease in boxes harvested, principally due to a smaller harvest as a result of the fruit drop caused by Hurricane Milton, partially offset by an increase in cost per box harvested.

For the six months ended March 31, 2025, Harvesting and Hauling expenses were relatively flat, when compared to the same period in the prior year, despite a 16.7% decrease in boxes harvested, principally due to a smaller harvest as a result of the fruit drop caused by Hurricane Milton, partially offset by an increase in cost per box harvested.

The 101.3% and 49.3% decrease, respectively, in operating expenses relating to grove management services for the three and six months ended March 31, 2025, compared to the same periods ending March 31, 2024, was due to the expiration of the Grove Management Services agreement on December 31, 2024.

Land Management and Other Operations

The table below presents key operating measures for the three and six months ended March 31, 2025 and 2024 for the Land Management and Other Operations segment:

(in thousands)	Three Months Ended March 31,		Change		Six Months Ended March 31,		Change	
	2025	**2024**	**$**	**%**	**2025**	**2024**	$	**%**
Revenue From:								
Land and Other Leasing	$ 674	$ 278	$ 396	142.4 %	$ 1,153	$ 592	$ 561	94.8 %
Other	53	73	(20)	(27.4)%	142	152	(10)	(6.6)%
Total	$ 727	$ 351	$ 376	107.1 %	$ 1,295	$ 744	$ 551	74.1 %
Operating Expenses:								
Land and Other Leasing	$ 69	$ 125	$ (56)	(44.8)%	$ 86	$ 257	$ (171)	(66.5)%
Other	—	4	(4)	(100.0)%	4	5	(1)	(20.0)
Total	$ 69	$ 129	$ (60)	(46.5)%	$ 90	$ 262	$ (172)	(65.6)%

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 and Six Months Ended March 31, 2025 and 2024 for the Land Management and Other Operations Segment

Land Management and Other Operations revenue for the three and six months ended March 31, 2025 increased 107.1% and 74.1%, respectively, as compared to the same periods 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 of 46.5% and 65.6% for the three and six months ended March 31, 2025, respectively, as compared to the three and six months ended March 31, 2024, 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)		March 31, 2025		September 30, 2024		Change
Cash and cash equivalents	$	14,659	$	3,150	$	11,509
Total current assets	$	43,968	$	40,627	$	3,341
Total current liabilities	$	7,905	$	10,651	$	(2,746)
Working capital	$	36,063	$	29,976	$	6,087
Total assets	$	243,165	$	398,719	$	(155,554)
Principal amount of term loans and lines of credit (a)	$	89,946	$	92,551	$	(2,605)
Current ratio		5.56 to 1		3.81 to 1		
Minimum Liquidity Requirement	$	7,427		N/A		NM
NM - Not meaningful						

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. In addition, on March 25, 2025, our Board approved a stock repurchase program authorizing us to repurchase up to $50.0 million shares of Common Stock, with the amount and timing of repurchases depending on market conditions and corporate needs.

During the three and six months ended March 31, 2025, 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 $88,506 and $86,606 was available for general use as of March 31, 2025 and September 30, 2024, respectively (see Note 8. Long-Term Debt and Lines of Credit to the accompanying Condensed Consolidated Financial Statements). We may utilize the available cash to pay down indebtedness, 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.

On March 31, 2025, the Company entered into Seventh Amendment with Met to, among other things, remove the Debt Service; Tangible Net Worth; Current Ratio and Debt to Total Assets Ratio covenants in their entirety. These restrictive covenants were replaced with a Quarterly Liquidity Covenant which requires us to maintain cash and cash equivalents in an amount equal to 1.5 times the sum of: i) the scheduled principal and interest payments due under the debt owed to Met and Prudential and ii) the projected interest payments due under the Amended RLOC (the “Minimum Liquidity Requirement”). In addition, we must maintain Cash and cash equivalents and Working Capital in excess of the Minimum Liquidity Requirement.

Prior to the Seventh Amendment, the credit facilities were 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 continues to include a 55.0% LTV CAP on the value of the term loans and RLOC capacity. At March 31, 2025, we were able to draw the available balance under the RLOC, while remaining under the LTV Cap.

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 March 31, 2025.

Cash Flows

The components of our cash flows are discussed below.

(in thousands)	Six Months Ended March 31,		
	2025	2024	Change
Net cash used in operating activities	$ (571)	$ (19,741)	$ 19,170
Net cash provided by investing activities	15,963	67,237	(51,274)
Net cash used in financing activities	(3,369)	(45,222)	41,853
Net increase in cash and cash equivalents and restricted cash	$ 12,023	$ 2,274	$ 9,749

Net Cash Used In Operating Activities

The $19,170 change in Net cash used in operating activities was driven by lower spending on caretaking as a result of the winding down of our Citrus operations as part of our Strategic Transformation during the six months ended March 31, 2025, as compared to the six months ended March 31, 2024.

Net Cash Provided By Investing Activities

The $51,274 change in Net cash provided by investing activities for the six months ended March 31, 2025, compared to the six months ended March 31, 2024, was principally the result of fewer land sales in the six months ended March 31, 2025, as compared to the six months ended March 31, 2024.

Net Cash Used In Financing Activities

The $41,853 change in Net cash used in financing activities for the six months ended March 31, 2025, as compared to the six months ended March 31, 2024, was primarily due to lower debt repayments during the six months ended March 31, 2025, 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 March 31, 2025 and September 30, 2024, $88,506 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 8. Long-Term Debt and Lines of Credit, operating leases as described in Note 11. Leases and purchase commitments as described in Note 13. 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 March 31, 2025. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of March 31, 2025, 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 2024 Annual Report on the Form 10-K.

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 2024 Annual Report on Form 10-K, 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 March 31, 2025.

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, has implemented remediation steps to address the material weakness described above and to improve our internal control over financial reporting. We have implemented additional internal controls related to the completeness and accuracy of our spreadsheet controls used in the preparation of our inventory net realizable value calculation. We believe that these actions will be effective in remediating the material weakness described above. However, the material weakness cannot be considered remediated until controls operate for a sufficient period of time and management concludes, through testing, that these controls are operating effectively.

Changes in Internal Control over Financial Reporting

Other than the remediation efforts described above, during the quarter ended March 31, 2025 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 13. 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 completion of the current harvest in April 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 aggregate charges of approximately $2,597 in connection with the Workforce Reduction, primarily consisting of severance payments, employee benefits and related costs. The majority of these charges were incurred in the second quarter 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 completion of the current harvest in April 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 a 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 and there can be no assurance that any proposed dispositions will be completed on the terms currently contemplated, or at all. The completion of any disposition is subject to various conditions and uncertainties. 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, changes in trade policies and the imposition of 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 March 31, 2025, we had $89,946 in principal amount of indebtedness outstanding under our secured credit facilities (excluding deferred financing costs), and an additional availability of $88,506 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 March 31, 2025, no director or officer of the Companyadopted 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	Seventh Amendment to First Amended and Restated Credit Agreement with Metropolitan Life Insurance Company and New England Life Insurance Company dated March 31, 2025.	8-K	000-00261	10.1	4/1/2025	
10.2	Alico, Inc. Amended and Restated Stock Incentive Plan of 2015	8-K	000-00261	10.1	2/28/2025	
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					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					*

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*	Filed herewith.
**	Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALICO, INC. (Registrant)

May 13, 2025	By:	/s/ John E. Kiernan
		John E. Kiernan President and Chief Executive Officer (Principal Executive Officer)
May 13, 2025	By:	/s/ Bradley Heine
		Bradley Heine Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

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: May 13, 2025

By: /s/ John E. Kiernan

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

Exhibit 31.2

CERTIFICATION

I, Bradley Heine, 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: May 13, 2025

By: /s/ Bradley Heine

Bradley Heine
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

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 March 31, 2025 as filed with the Securities and Exchange Commission on May 13, 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: May 13, 2025

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

Exhibit 32.2

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 March 31, 2025, as filed with the Securities and Exchange Commission on May 13, 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: May 13, 2025

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