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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 2, 2025**

LIFECORE BIOMEDICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**000-27446**	**94-3025618**
(State or other jurisdiction of incorporation)	(Commission file number)	(IRS Employer Identification No.)

3515 Lyman Boulevard **Chaska, Minnesota** (Address of principal executive offices)	**55318** (Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock	LFCR	The NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition.

On January 2, 2025, Lifecore Biomedical, Inc. (the "Company") issued a press release announcing its consolidated financial results for the fiscal quarter ended November 24, 2024. The press release is furnished herewith as Exhibit 99.1.

The information in this Item 2.02 of this Current Report, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that Section. The information in this Item 2.02 of this Current Report, including Exhibit 99.1, shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD

On January 2, 2025, the Company made available on its website certain investor presentation materials (the "Investor Presentation"). A copy of the Investor Presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference in this Item 7.01.

The information furnished in this Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.2 attached hereto) shall not be deemed "filed" for purposes of Section 18 of the Exchange Act and shall not be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	**Description**
99.1	Press Release issued January 2, 2025 by Lifecore Biomedical, Inc.
99.2	Lifecore Biomedical Investor Presentation dated January 2, 2025
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

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 hereunto duly authorized.

Date: January 2, 2025

LIFECORE BIOMEDICAL, INC.

By: /s/ Ryan D. Lake
Ryan D. Lake
Chief Financial Officer

Exhibit 99.1

Lifecore Biomedical Reports Second Quarter Fiscal 2025 Financial Results and Provides Corporate Update

-- Recorded Revenues of $32.6 Million for Q2 Fiscal 2025 --

-- Signed Multiple Development Agreements with New Customers --

-- Strengthened Balance Sheet with Financing Raising Approximately $24.3 Million, and Favorable Restructuring of Credit Facility with BMO --

Conference Call Today at 4:30pm ET

CHASKA, Minn., January 2, 2025 (GLOBE NEWSWIRE) -- Lifecore Biomedical, Inc. (NASDAQ: LFCR) ("Lifecore"), a fully integrated contract development and manufacturing organization ("CDMO"), today announced its financial results for the second quarter of fiscal 2025.

Highlights from Second Quarter of Fiscal 2025:

"The second quarter was a very productive time at Lifecore. Our achievements during the period spanned finance, operations and business development, all of which supported our overall growth strategy. Revenues in the period were strong and in line with our fiscal year guidance. Gross margins improved during the period as compared to our first quarter margins, reflecting greater leverage of our overhead costs across increased revenues and favorable sales mix. Our business development team was successful in signing multiple new projects. And importantly, our balance sheet was materially strengthened during the period with the combination of the successful completion of our previously announced equity financing, and the restructuring of our revolving credit facility with BMO on significantly improved terms to Lifecore," stated Paul Josephs, president and chief executive officer of Lifecore.

Second Quarter Developments

New Business

- The company signed two new project agreements during the second quarter with new customers, adding to its early stage development pipeline. This included Nirsum Laboratories selecting Lifecore to provide CDMO services focused on supporting Nirsum's clinical development of its lead development candidate, NRS-033.

Capabilities and Capacity

- During the quarter, the company successfully completed the installation and qualification of its high-speed, multi-purpose 5-head isolator filler, which is now GMP-ready. With the addition of the 5-head isolator filler, which is designed for fill/finish activities for vials, cartridges, and pre-filled syringes, the company has more than doubled its capacity, creating maximum revenue-generating potential of up to $300 million annually, based on historical fiscal year 2024 revenues, projected development pipeline, and new business pricing, volume and other assumptions.

Financial and Corporate

- In September, Lifecore announced that the company received written notice from the Nasdaq Listing Qualifications Department stating that it had regained compliance with the filing and annual meeting requirements in the Nasdaq Listing Rules, and Nasdaq had ceased any action to delist the company's common stock.
- In October, the company announced the successful closing of a $24.3 million private placement of 5,928,775 shares of its common stock with new and existing shareholders.
- In November, the company announced the successful amendment and extension of its revolving credit facility with its existing lender, BMO. The terms of the amendment provide for, among other things, a three-year extension, as well as a reduction in interest rates that the company believes has further strengthened its balance sheet and overall financial position.
- During the second quarter, the company executed multiple key leadership changes, appointing exceptional talent across the organization to execute its ambitious growth strategy. Appointments included Ryan Lake as chief financial officer, Brikkelle Thompson as senior vice president of human resources, Thomas Guldager as vice president, operations, and Jackie Klecker as executive vice president, quality and development services.

Consolidated Second Quarter Fiscal 2025 Financial Results

Revenues for the three months ended November 24, 2024, were $32.6 million, an increase of 8% compared to $30.2 million for the comparable prior year period. The increase in revenues was primarily due to a $1.9 million increase in CDMO revenues, which increase comprised $3.8 million of higher sales volume from the company's largest customer, partially offset by $1.9 million of lower sales volume from other CDMO customers. In addition, hyaluronic acid ("HA") manufacturing revenues increased $0.5 million primarily from increased revenue from a customer due to timing, with increased shipments in the second quarter of 2025.

Gross profit for the three months ended November 24, 2024, was $11.1 million, compared to $10.0 million for the same period last year. The $1.1 million increase in gross profit is primarily due to a $1.6 million increase in CDMO gross profit as a result of price increases to certain customers partially offset by a $0.5 million decrease in HA manufacturing gross profit due to manufacturing variances.

Selling, general and administrative expenses for the three months ended November 24, 2024, were $11.1 million, compared to $9.3 million for the same period last year. The increase was primarily due to increases in non-cash stock-based compensation expense of $1.8 million, the majority of which was related to new hire performance stock unit grants to principal executive officers.

Interest expense was $5.5 million for the three months ended November 24, 2024, an increase compared to $4.1 million for the same period last year. The increase was primarily a result of $1.0 million of increased interest expense related to the Alcon term loan debt, primarily related to amortization of the debt discount. There was also a reduction in capitalized interest of $0.3 million due to decreased fixed asset construction activities.

For the three months ended November 24, 2024, the company recorded net loss of $6.6 million and $0.25 of loss per diluted share, as compared to net income of $14.2 million and $0.39 of income per diluted share, for the same period last year, which included an unusually large favorable $20.7 million non-cash fair market value adjustment to its debt derivative liability associated with its term loan credit facility. Adjusted EBITDA* for the three months ended November 24, 2024, was $6.5 million, an increase of $1.1 million compared to $5.4 million in the prior year period. The increase in Adjusted EBITDA was primarily due to the increase in gross profit.

Consolidated First Six Months Fiscal 2025 Financial Results

Revenues for the six months ended November 24, 2024, were $57.3 million, an increase of 5% compared to $54.7 million for the comparable prior year period. The increase in revenues was due to a $2.0 million increase in HA manufacturing revenues primarily due to higher sales volume from the company's largest customer and a $0.6 million increase in CDMO revenues, which increase comprised $3.3 million of higher sales volume from that customer, partially offset by a customer working down inventory levels built in the prior year period of $2.6 million.

Gross profit for the six months ended November 24, 2024, was $16.5 million, compared to $12.7 million for the same period last year. The $3.8 million improvement in gross profit is due to a $5.1 million increase in CDMO gross profit which reflected a $3.2 million increase due to price increases to certain customers and a $1.9 million increase due to a favorable sales mix, partially offset by a $1.0 million write-down on existing inventories to their net realizable value and a $0.3 million decrease in HA manufacturing gross profit due to manufacturing variances.

Selling, general and administrative expenses for the six months ended November 24, 2024, were $25.9 million, compared to $18.5 million for the same period last year. The increase was primarily due to a $4.4 million increase in professional fees, including legal fees related to the civil litigation related to Yucatan Foods and the stockholder activist settlement. Additionally, non-cash stock-based compensation expense increased by $2.7 million, the majority of which was related to performance stock unit grants to principal executive officers.

Interest expense was $10.8 million for the six months ended November 24, 2024, an increase compared to $8.0 million for the same period last year. The increase was primarily a result of $1.9 million of increased interest expense related to the Alcon term loan debt, primarily related to amortization of the debt discount. There was also a reduction in capitalized interest of $0.6 million due to decreased fixed asset construction activities.

For the six months ended November 24, 2024, the company recorded net loss of $22.8 million and $0.76 of loss per diluted share, as compared to net income of $3.5 million and $0.10 of income per diluted share, for the same period last year, which included an unusually large favorable $20.9 million non-cash fair market value adjustment to its debt derivative liability associated with its term loan credit facility. Adjusted EBITDA* for the six months ended November 24, 2024, was $4.7 million, a $1.3 million increase from $3.4 million in the prior year period. The increase in Adjusted EBITDA was primarily due to the increase in gross profit, partially offset by increased legal and audit costs.

*Adjusted EBITDA is a non-GAAP financial measure (see reconciliation of non-GAAP financial measures in this release).

Earnings Webcast

Lifecore Biomedical will host a conference call today, January 2, 2025, at 4:30 p.m. ET to discuss the company's second quarter fiscal 2025 financial results. The webcast can be accessed via Lifecore's Investor Events & Presentations page at: https://ir.lifecore.com/events-presentations. An archived version of the webcast will be available on the website for 30 days.

About Lifecore Biomedical

Lifecore Biomedical, Inc. is a fully integrated contract development and manufacturing organization (CDMO) that offers highly differentiated capabilities in the development, fill and finish of sterile injectable pharmaceutical products in syringes, vials and cartridges, including complex formulations. As a leading manufacturer of premium, injectable-grade hyaluronic acid, Lifecore brings more than 40 years of expertise as a partner for global and emerging biopharmaceutical and biotechnology companies across multiple therapeutic categories to bring their innovations to market. For more information about the company, visit Lifecore's website at www.lifecore.com.

Non-GAAP Financial Information

This press release contains non-GAAP financial information, including Adjusted EBITDA. The company has included a reconciliation of Adjusted EBITDA to Net (loss) income, the most directly comparable financial measure calculated in accordance with GAAP. See the section entitled "Non-GAAP Reconciliations" in this release for the company's definition of Adjusted EBITDA and a reconciliation thereof to Net (loss) income.

The company has disclosed these non-GAAP financial measures to supplement its consolidated financial statements presented in accordance with GAAP. These non-GAAP financial measures exclude/include certain items that are included in the company's results reported in accordance with GAAP. Management believes these non-GAAP financial measures provide useful additional information to investors about trends in the company's operations and are useful for period-over-period comparisons. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be the same as similar measures provided by other companies due to the potential differences in methods of calculation and items being excluded/included. These non-GAAP financial measures should be read in conjunction with the company's consolidated financial statements presented in accordance with GAAP.

Important Cautions Regarding Forward-Looking Statements

This press release contains forward-looking statements regarding future events and our future results that are subject to the safe harbor created under the Private Securities Litigation Reform Act of 1995 and other safe harbors under the Securities Act of 1933 and the Securities Exchange Act of 1934. Words such as "anticipate", "estimate", "expect", "project", "plan", "intend", "believe", "may", "might", "will", "should", "can have", "likely" and similar expressions are used to identify forward-looking statements. In addition, all statements regarding our current operating and financial expectations in light of historical results, anticipated capacity and utilization, anticipated liquidity, and anticipated future customer relationships usage are forward-looking statements. All forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially, including such factors among others, as the company's ability to successfully enact its business strategies, including with respect to installation, capacity generation and its ability to attract demand for its services, its ability expand its relationship with its existing customers or attract new customers, the impact of inflation on the company's business and financial condition, indications of a change in the market cycles in the CDMO market; changes in business conditions and general economic conditions both domestically and globally including rising interest rates and fluctuation in foreign currency exchange rates, access to capital; and other risk factors set forth from time to time in the company's SEC filings, including, but not limited to, the Annual Report on Form 10-K for the year ended May 26, 2024 (the "2024 10-K"). For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to our filings with the Securities and Exchange Commission, including the risk factors contained in the 2024 10-K. Forward-looking statements represent management's current expectations as of the date hereof and are inherently uncertain. Except as required by law, we do not undertake any obligation to update forward-looking statements made by us to reflect subsequent events or circumstances.

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LIFECORE BIOMEDICAL, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(In thousands, except share and par values)

	November 24, 2024	May 26, 2024
	(unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 9,455	$ 8,462
Accounts receivable, less allowance for credit losses	20,177	20,343
Accounts receivable, related party	10,126	10,810
Inventories, net	39,214	39,979
Prepaid expenses and other current assets	2,886	1,439
Total Current Assets	81,858	81,033
Property, plant, and equipment, net	150,576	149,165
Operating lease right-of-use assets	2,304	2,442
Goodwill	13,881	13,881
Intangible assets, net	4,200	4,200
Other long-term assets	2,567	3,239
Total Assets	$ 255,386	$ 253,960
LIABILITIES, CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 14,967	$ 16,334
Accrued compensation	4,631	6,165
Other accrued liabilities	9,866	9,354
Current portion of lease liabilities	4,116	4,133
Deferred revenues	426	1,088
Deferred revenues, related party	511	1,025
Current portion of long-term debt, related party	773	773
Total Current Liabilities	35,290	38,872
Long-term debt, less current portion, net, related party	110,528	100,819
Revolving credit facility	8,500	19,691
Debt derivative liability, related party	23,300	25,400
Long-term lease liabilities, less current portion	7,423	4,944
Deferred taxes, net	552	543
Deferred revenues, less current portion, related party	4,880	4,703
Other non-current liabilities	5,153	5,086
Total Liabilities	195,626	200,058
Convertible Preferred Stock, $0.001 par value; 2,000,000 shares authorized; 44,068 and 42,461 shares issued and outstanding, redemption value $44,619 and $42,991	44,311	42,587
Stockholders' Equity:		
Common Stock, $0.001 par value; 75,000,000 and 50,000,000 shares authorized; 36,980,790 and 30,562,961 shares issued and outstanding	37	30
Additional paid-in capital	206,868	177,808
Accumulated deficit	(191,456)	(166,523)
Total Stockholders' Equity	15,449	11,315
Total Liabilities, Convertible Preferred Stock, and Stockholders' Equity	$ 255,386	$ 253,960

LIFECORE BIOMEDICAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited) (In thousands, except share and per share values)

	Three Months Ended		Six Months Ended	
	November 24, 2024	November 26, 2023	November 24, 2024	November 26, 2023
Revenues	$ 19,534	$ 20,522	$ 36,327	$ 37,475
Revenues, related party	13,030	9,628	20,942	17,197
Total Revenues	32,564	30,150	57,269	54,672
Cost of goods sold	21,480	20,193	40,798	41,987
Gross profit	11,084	9,957	16,471	12,685
Operating costs and expenses:				
Research and development	1,924	2,098	4,110	4,244
Selling, general, and administrative	11,119	9,342	25,904	18,538
Total operating costs and expenses	13,043	11,440	30,014	22,782
Operating loss	(1,959)	(1,483)	(13,543)	(10,097)
Interest expense, net	(842)	(832)	(1,810)	(1,625)
Interest expense, related party	(4,623)	(3,241)	(9,023)	(6,385)
Change in fair value of debt derivative liability, related party	1,200	20,700	2,100	20,900
Other expense, net	(304)	(967)	(507)	(1,138)
(Loss) income from continuing operations before income taxes	(6,528)	14,177	(22,783)	1,655
Income tax (expense) benefit	(43)	65	(18)	(23)
(Loss) income from continuing operations	(6,571)	14,242	(22,801)	1,632
(Loss) income from discontinued operations	—	(24)	—	1,832
Net (loss) income	(6,571)	14,218	(22,801)	3,464
Fair value of conversion ratio improvement to preferred stockholders	(2,132)	—	(2,132)	—
(Loss) income available to common stockholders	$ (8,703)	$ 14,218	$ (24,933)	$ 3,464
Basic income or loss per share:				
(Loss) income from continuing operations available to common stockholders	$ (0.25)	$ 0.47	$ (0.76)	$ 0.05
Income from discontinued operations	—	—	—	0.06
Basic (loss) income per share	$ (0.25)	$ 0.47	$ (0.76)	$ 0.11
Diluted income or loss per share:				
(Loss) income from continuing operations available to common stockholders	$ (0.25)	$ 0.39	$ (0.76)	$ 0.05
Income from discontinued operations	—	—	—	0.05
Diluted (loss) income per share	$ (0.25)	$ 0.39	$ (0.76)	$ 0.10
Shares used in income or loss per share computations:				
Basic	34,360,657	30,458,032	32,609,808	30,430,712
Diluted	34,360,657	36,419,103	32,609,808	36,397,352

Non-GAAP Financial Reconciliations

Adjusted EBITDA is a non-GAAP financial measure. We define Adjusted EBITDA as net income or loss before (i) interest expense, net of interest income, (ii) income tax expense (benefit), (iii) depreciation and amortization, (iv) stock-based compensation, (v) change in fair value of debt derivatives, (vi) financing fees (non-interest), (vii) reorganization costs, (viii) restructuring costs, (ix) franchise tax equivalent to income tax, (x) contract cancellation costs, (xi) loss (income) from discontinued operations (xii) stockholder activist settlement costs, and (xiii) start-up costs, as well as any items that may arise from time to time that, in management's judgment, significantly affect the assessment of earnings results between periods. See "Non-GAAP Financial Information" above for further information regarding the Company's use of non-GAAP financial measures.

	Three Months Ended		Six Months Ended	
(in thousands)	November 24, 2024	November 26, 2023	November 24, 2024	November 26, 2023
Net (loss) income (GAAP)	$ (6,571)	$ 14,218	$ (22,801)	$ 3,464
Interest expense, net	5,465	4,073	10,833	8,010
Income tax expense (benefit)	43	(65)	18	23
Depreciation and amortization	2,044	1,987	4,037	3,934
Stock-based compensation	3,372	1,577	5,791	3,110
Change in fair value of debt derivatives	(1,200)	(20,700)	(2,100)	(20,900)
Financing fees (non-interest)	368	1,108	643	1,361
Reorganization costs (a)	2,463	2,162	6,055	4,899
Restructuring costs (a)	404	157	887	147
Franchise tax equivalent to income tax	50	94	100	176
Contract cancellation costs	—	297	—	297
Loss (income) from discontinued operations	—	24	—	(1,832)
Stockholder activist settlement (a)	78		1,260	—
Start-up costs	—	487	—	726
Adjusted EBITDA	$ 6,516	$ 5,419	$ 4,723	$ 3,415

(a) Restructuring, reorganization and stockholder activist settlement costs of $2.9 million and $8.2 million were incurred for the three and six months ended November 24, 2024, respectively. Restructuring, reorganization and stockholder activist settlement costs of $2.3 million and $5.0 million were incurred for the three and six months ended November 26, 2023, respectively. These costs primarily related to elevated accounting fees associated with the fiscal 2024 audit, legal expenses, consulting fees and severance costs from the restructuring reductions in force and former CEO in fiscal year 2024 and former CFO departure in fiscal year 2025.

2025 Guidance Compared to Fiscal Year 2024 Results

(in thousands)	Fiscal Year Ending May 25, 2025 (estimate)			Fiscal Year Ended May 26, 2024
Net (loss) income (GAAP) (a)	$ (28,600)	—	$ (26,600)	$12,013
Interest expense, net	22,000			18,090
Income tax expense (benefit)	—			183
Depreciation and amortization	8,300			7,954
Stock-based compensation	10,900			6,201
Change in fair value of debt derivatives	(4,900)			(39,500)
Financing fees (non-interest)	700			3,513
Reorganization costs (b)	7,600			9,796
Restructuring costs (b)	1,400			1,656
Franchise tax equivalent to income tax	300			272
Contract cancellation costs	—			567
Loss (income) from discontinued operations	—			(2,682)
Stockholder activist settlement (b)	1,300			459
Start-up costs	—			1,684
Adjusted EBITDA	$ 19,000	—	$ 21,000	$20,206

(a) We previously estimated net loss to be $25.9 million to $23.9 million, which we now estimate will be $28.6 million to $26.6 million. The increase is due to higher stock-based compensation, interest expense, former CFO severance, and elevated legal expenses related to the civil litigation.

(b) We previously estimated restructuring, reorganization, stockholder activist settlement costs to be $9.9 million, which we now estimate will be approximately $10.3 million of which $8.2 million was incurred in the six months ended November 24, 2024. The overage is due to former CFO severance and elevated legal expenses related to the civil litigation.


Lifecore®
BIOMEDICAL
January 2025

Important Information Regarding Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements, among other things, relate to the Company's growth drivers and expected levels of our organic growth; the impact of our investment in development and commercial initiatives; financial guidance, including timing of revenues and EBITDA; our ability to manage costs and to achieve our financial goals; our ability to operate under lending covenants; our ability to maintain sufficient liquidity to operate the business; our ability to pay our debt under our credit agreement and to maintain relationships with CDMO commercial partners and develop additional commercial and development partnerships. The words "anticipate", "believe", "could", "goal, "objective", "estimate", "upcoming", "expect", "intend", "may", "might", "plan", "predict", "project", "will". "should", "can have", likely and similar terms and phrases may be used to identify forward-looking statements in this presentation. The forward-looking statements in this presentation are only predictions.

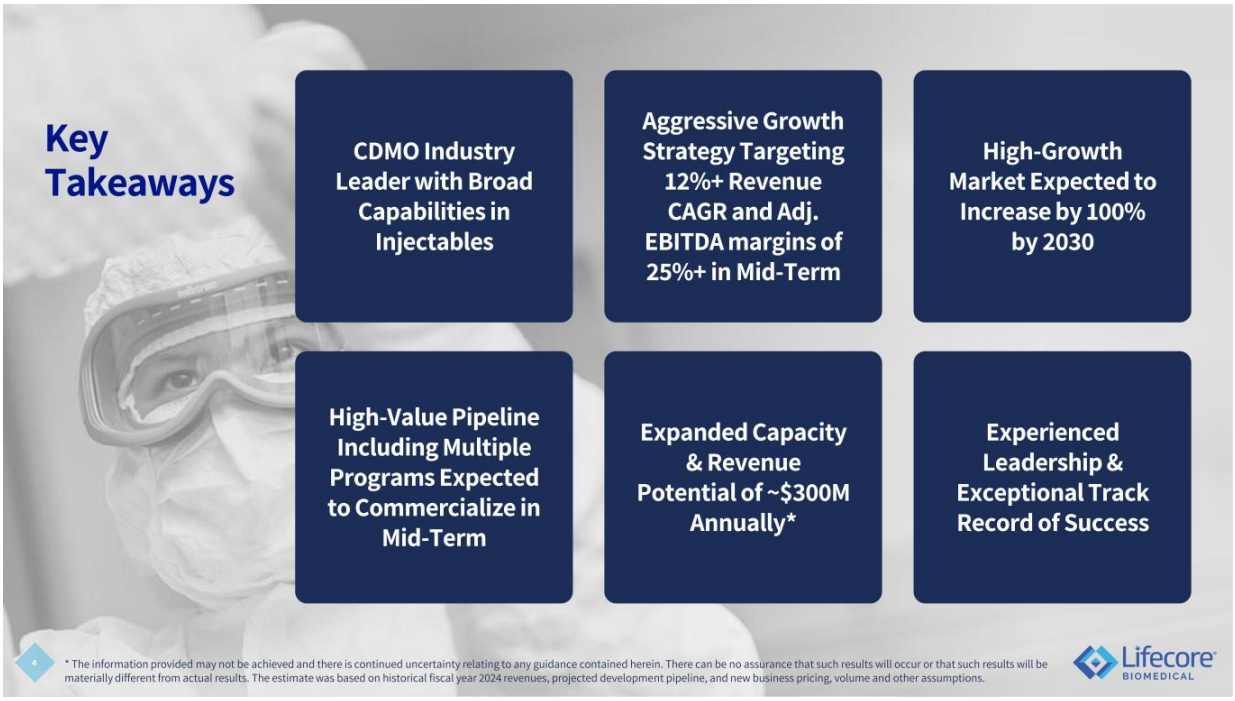
Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Factors that could cause the company's actual outcomes to differ materially from those expressed in or underlying these forward-looking statements include, but are not limited to, unstable market and macroeconomic conditions, including any adverse impact on the customer ordering patterns or inventory rebalancing or disruption in raw materials or supply chain; demand for the company's services, which depends in part on customers' research and development funding, their clinical plans and the market success of their products; customers' changing inventory requirements and manufacturing plans; customers and prospective customers decisions to move forward with the company's manufacturing services; the average profitability, or mix, of the products the company manufactures; the company's ability to enhance existing or introduce new services in a timely manner; fluctuations in the costs, availability, and suitability of the components of the products the company manufactures, including active pharmaceutical ingredients, excipients, purchased components and raw materials, or the company's customers facing increasing or new competition; the Company's ability to successfully enact its business strategies, including with respect to installation, capacity generation and its ability to attract demand for its services; the Company's ability to remain current with its reports with the Securities and Exchange Commission (the "SEC"); the Company's ability to collect on customers' receivable balances; the extent to which health epidemics and other outbreaks of communicable diseases could disrupt our operations; and other risks and uncertainties discussed in our filings with the Securities and Exchange Commission at www.sec.gov. These forward-looking statements are based on information currently available to us, and we assume no obligation to update any forward-looking statements except as required by applicable law.

Any historical or projected financial information contained in this presentation are not intended to be indicative of future financial results. The events and circumstances reflected in these forward-looking statements, may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. Undue reliance should not be placed on the forward-looking statements. Moreover, we operate in a dynamic industry and economy. New risk factors could emerge from time to time, and it is not possible for our management to predict all uncertainties that the Company may face.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial information including Adjusted EBITDA. The Company has included a reconciliation of Adjusted EBITDA to Net (loss) income, the most directly comparable financial measure calculated in accordance with GAAP. We define Adjusted EBITDA Net (loss) income as determined under GAAP excluding (i) interest expense, net of interest income, (ii) income tax expense (benefit), (iii) depreciation and amortization, (iv) stock-based compensation, (v) change in fair value derivatives, (vi) financing fees (non-interest), (vii) reorganization costs, (viii) restructuring costs, (ix) franchise tax equivalent to income tax, (x) contract cancellation costs, (xi) loss (income) from discontinued operations, (xii) stockholder activist settlement costs, and (xiii) start-up costs.

The Company has disclosed these non-GAAP financial measures to supplement its consolidated financial statements presented in accordance with GAAP. These non-GAAP financial measures exclude/include certain items that are included in the Company's results reported in accordance with GAAP. Management believes these non-GAAP financial measures provide useful additional information to investors about trends in the Company's operations and are useful for period-over-period comparisons. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be the same as similar measures provided by other companies due to the potential differences in methods of calculation and items being excluded/included. These non-GAAP financial measures should be read in conjunction with the Company's consolidated financial statements presented in accordance with GAAP.


Key Takeaways
CDMO Industry Leader with Broad Capabilities in Injectables
Aggressive Growth Strategy Targeting 12%+ Revenue CAGR and Adj. EBITDA margins of 25%+ in Mid-Term
High-Growth Market Expected to Increase by 100% by 2030
High-Value Pipeline Including Multiple Programs Expected to Commercialize in Mid-Term
Expanded Capacity & Revenue Potential of ~$300M Annually*
Experienced Leadership & Exceptional Track Record of Success
* The information provided may not be achieved and there is continued uncertainty relating to any guidance contained herein. There can be no assurance that such results will occur or that such results will be materially different from actual results. The estimate was based on historical fiscal year 2024 revenues, projected development pipeline, and new business pricing, volume and other assumptions.
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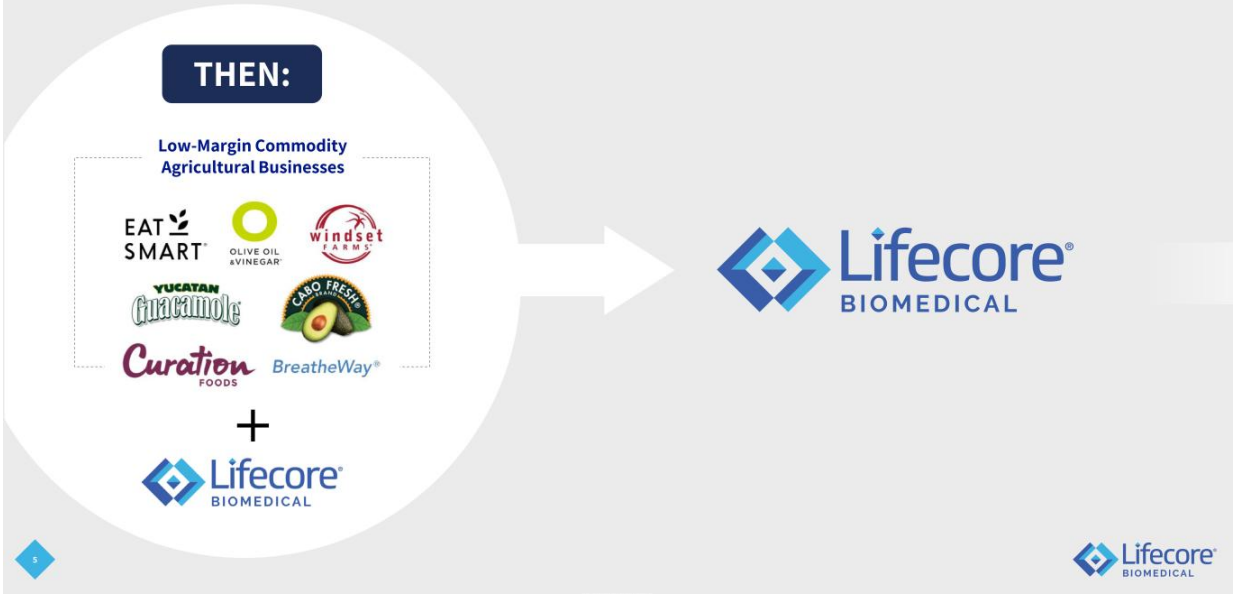
Our Journey: Transformation to Standalone CDMO




Our Journey: Transformation to Standalone CDMO
NOW:
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Best-in-class technical capabilities
Strengthened financial position
Doubled revenue-generating capacity
Enhanced business development resources & strategy
Nasdaq / regulatory compliance
Leadership transition complete
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Lifecore at a Glance

Fully integrated CDMO offering development and fill/finish of sterile injectable pharmaceuticals

Approx.

450

Employees

Inclusive, Performance-Driven Culture

Projected Revenues* (FY2025E)

$126.5M - $130M

Projected Adj. EBITDA* (FY2025E)

$19M - $21M

- **Founded in 1965**
- **Leader in Sodium Hyaluronate (HA)**
- **Global Regulatory Capabilities**

* See disclaimers on slides 2 & 3, and non-GAAP reconciliations on slide 26

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Campus Overview

248,000 sqft State-of-the-art facilities, within 2 square miles

~450 Employees

Site 1 – HQ (Lyman Blvd.)
150,000 sqft

Manufacturing Operations
- Sodium hyaluronate manufacturing (fermentation)
- Drug and medical device formulation and filling
- Secondary packaging
- Microbiology and analytical quality control laboratories
- Warehousing: 6,400 sqft CRT; 1,500 sqft cooler
- Distribution

Contract Development
- Pilot laboratory

Site 2 (Lakeview Drive)
78,000 sqft

Manufacturing Operations
- Final packaging
- Warehousing: 16,400 sqft CRT; 4,000 sqft cooler
- Distribution
- Quality control laboratory
- Particulate lab

Contract Development
- Analytical development laboratory

Site 3 (Shelby Court)
20,000 sqft

Manufacturing Operations
- Receipt, inspection, & warehousing of raw materials and components
- 10,000 ft² CRT; 1,795 sqft cooler

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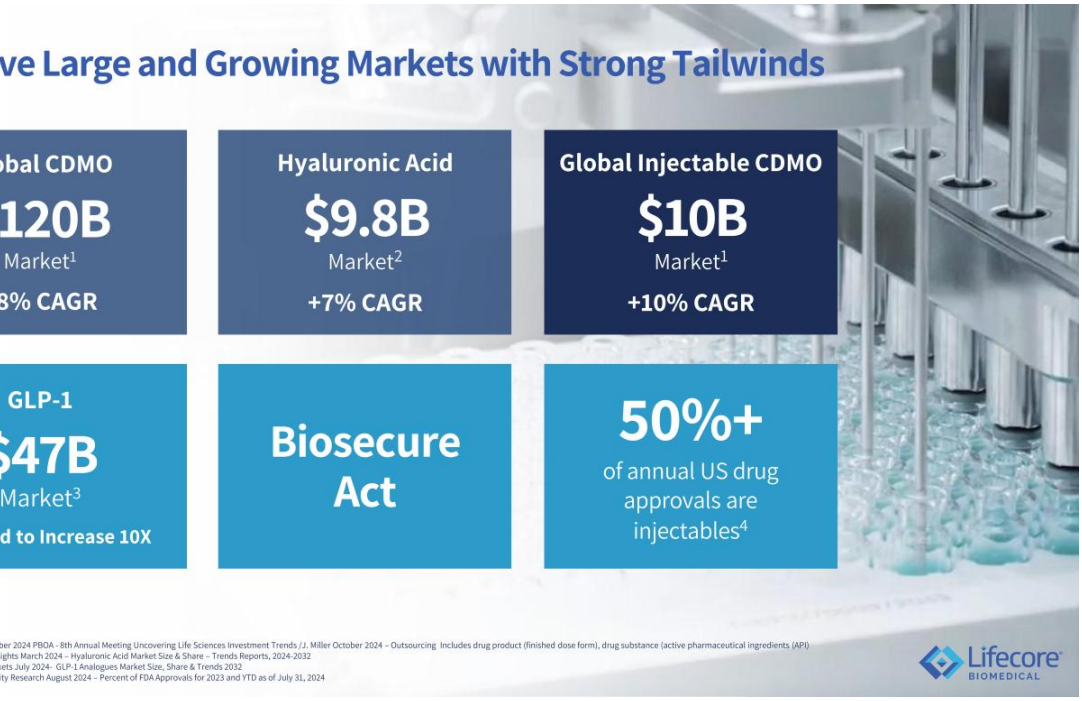
We Serve Large and Growing Markets with Strong Tailwinds



Global CDMO
$120B
Market[1]
+8% CAGR

Hyaluronic Acid
$9.8B
Market[2]
+7% CAGR

Global Injectable CDMO
$10B
Market[1]
+10% CAGR

GLP-1
$47B
Market[3]
Expected to Increase 10X

Biosecure Act

50%+
of annual US drug approvals are injectables[4]

1. Jefferies September 2024 PBOA - 8th Annual Meeting Uncovering Life Sciences Investment Trends /J. Miller October 2024 – Outsourcing Includes drug product (finished dose form), drug substance (active pharmaceutical ingredients (API)
2. Global Market Insights March 2024 – Hyaluronic Acid Market Size & Share – Trends Reports, 2024-2032
3. Markets and Markets July 2024 - GLP-1 Analogues Market Size, Share & Trends 2032
4. William Blair Equity Research August 2024 – Percent of FDA Approvals for 2023 and YTD as of July 31, 2024

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Executing Three-Pronged Growth Strategy
1
Maximizing Existing Customer Business
2
Advancing Programs Towards Commercialization
3
Driving New Business
10
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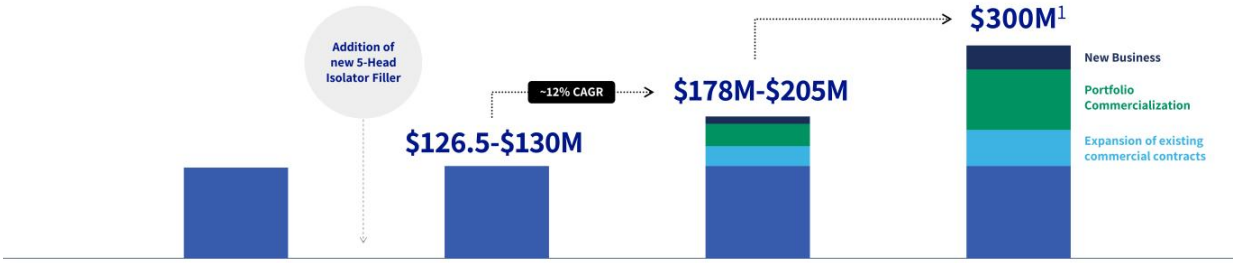
Mid-Term and Long-Term Revenue Outlook

Revenue growth driven by maximization of existing customer base, portfolio commercialization, and new business



	FY 2024	FY 2025	Mid-Term	Long-Term
Available Capacity	20M Units	45M Units	45M Units	45M Units
Capacity Utilization	50%	20%	~40%	~100%

FOCUSED ON MAXIMIZING UTILIZATION OF AVAILABLE CAPACITY

For illustrative purposes only, timing, estimates, assumptions and the actual growth of revenue and capacity utilization may vary significantly, and we may not be able to achieve our anticipated financial goals. The information provided is illustrative only; the growth cycle may not be achieved and there is continued uncertainty relating to any guidance contained herein. There can be no assurance that such results will occur or that such results may be materially different from actual results.

1. Based on estimates derived from internal testing and historical capacity data. There can be no assurance that such results will occur or that such results will be materially different from actual results.

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MAXIMIZING EXISTING CUSTOMER BUSINESS 1

Expanding Existing Customer Relationships

Know our customers

Establish trust and reliability

Establish Lifecore as a partner-of-choice for the future CDMO needs of existing customers

Anticipate customers' growing needs

Efficient onboarding of new programs

Consistent engagement

Focus on commercial excellence

Maintain/increase margin profile

Lifecore prides itself on building long-term relationships, with multiple customer relationships ranging from

20 yrs to nearly **40 yrs**[1]

1. As of Q1FY25

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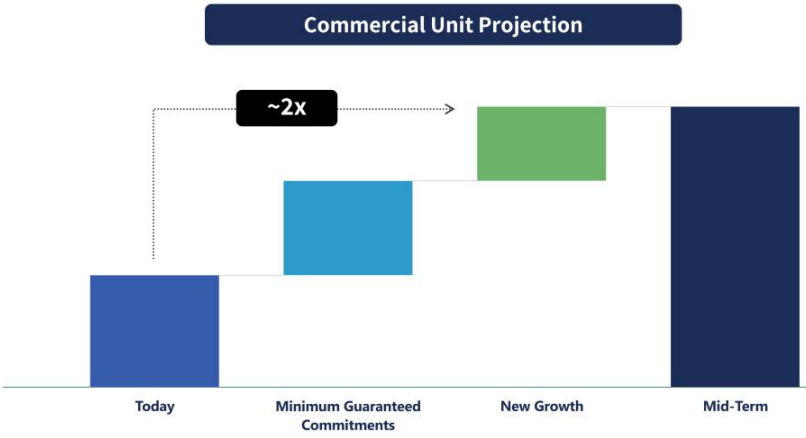
MAXIMIZING EXISTING CUSTOMER BUSINESS 1

Fill & Finish: Pathway to Doubling Commercial Demand



- Significant inflection point expected from minimum volumes beginning in 2027
- Potential upside to contractual minimums

For illustrative purposes only, timing, estimates, assumptions and the actual capacity utilization may vary significantly, and we may not be able to achieve our anticipated financial goals. The information provided is illustrative only, the growth cycle may not be achieved and there is continued uncertainty relating to any guidance contained herein. There can be no assurance that such results will occur or that such results may be materially different from actual results.

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MAXIMIZING EXISTING CUSTOMER BUSINESS 1

HA Fermentation: Strong & Steady Demand

Lifecore manufactures >20 commercially approved HA injectable products

LIFECORE'S PREMIUM SODIUM HYALURONATE:

More than

150 million[1]

doses sold worldwide

Proven Applications Worldwide:

- Ophthalmology
- Orthopedics
- Drug delivery
- Biomaterials
- Aesthetics
- Oncology
- Pain management

1. As of September 2024

ADVANCING PROGRAMS TOWARDS COMMERCIALIZATION 2

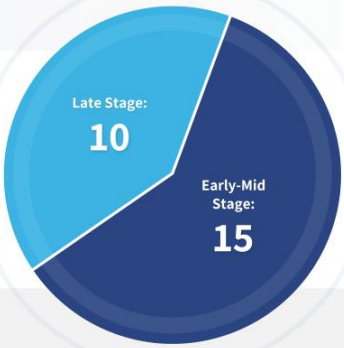
Strong, Diverse Pipeline

Total Pipeline Represents

$100M - $200M[1]

in Incremental Commercial Revenue Potential

Active Projects[2]



- Impactful commercial revenue potential over the mid-term
- Strong development project pipeline: vials, syringes, cartridges
- Diversification across broad customer base

1. Assumes full realization of management's estimates for annual commercial revenue potential from pipeline projects at peak sales. Information presented is not risk and probability adjusted and the actual revenue realization may vary significantly. This does not assume new customer additions or attrition. There can be no assurance that such results will occur or that such results will be materially different from actual results.
2. Projects are defined as individual drugs or devices for which Lifecore provides manufacturing services; as of 09/24

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ADVANCING PROGRAMS TOWARDS COMMERCIALIZATION 2

Late-Stage Development Portfolio: Impactful Revenue Potential[1]

Customer	Product Type	2025	2026	2027	2028
Specialty Pharma	Med Device				
Large Pharma	Med Device				
Specialty Pharma	NDA*				
Specialty Pharma	Med Device				
Specialty Pharma	NDA				
Specialty Pharma	NDA				
Specialty Pharma	Med Device				
Specialty Pharma	Med Device				
Specialty Pharma	NDA				
Specialty Pharma	Med Device				

*Large Pharma company retains commercial rights to product

1. Assumes full realization of management's estimates for annual commercial revenue potential from pipeline projects as of Sept. 2024 at peak sales (not risk-adjusted). Information presented is not risk and probability-adjusted, and the actual revenue realization may vary significantly. There can be no assurance that such results will occur and that such results will be materially different from actual results.

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DRIVING NEW BUSINESS 3
Attracting New High-Value Business
Strategically expand target market
Installation of 5-head filler
Expanding business development & brand awareness
17
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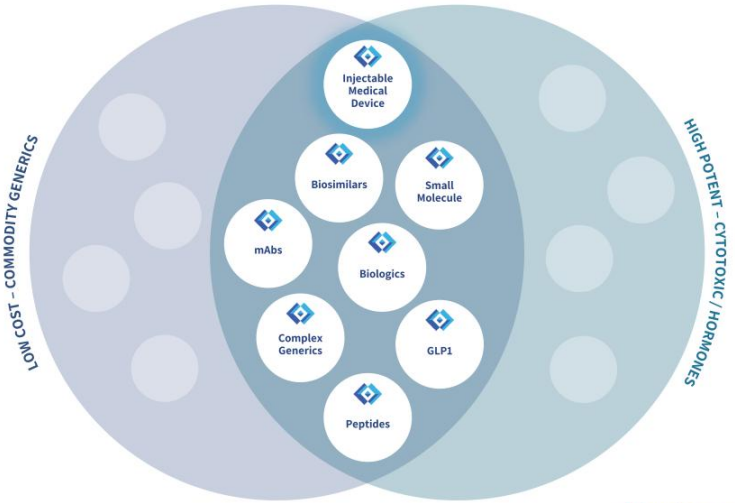
DRIVING NEW BUSINESS 3

Strategically Expand Target Markets

- Expanding beyond high-viscosity legacy
- Attractive therapeutic areas
- NCEs in Phase 2, Phase 3
- Unique, injectable delivery systems
- Ophthalmic and orthopedic medical devices
- Commercial site transfers



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DRIVING NEW BUSINESS 3

Expanded Targets Lead to Growing Pipeline

- Strong, diverse and growing universe of 50+ potential future business opportunities[1]
- Mix of both large and specialty pharma
- Subset of opportunities are HA-related, representing a broadening of our pipeline
- Significant number of late-stage development or commercial site transfer programs

1. As of Sept. 2024

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DRIVING NEW BUSINESS 3

New Technology Opens Door to New Business

State-of-the-Art, 5-Head Isolator Filler

- Full isolator technology, state-of-the-art containment
- Significantly expanded available capacity
- Broad capability: vials, syringes & cartridges
- Strengthens compliance

* Based on estimates derived from internal testing and historical capacity data. There can be no assurance that such results will occur or that such results will be materially different from actual results.

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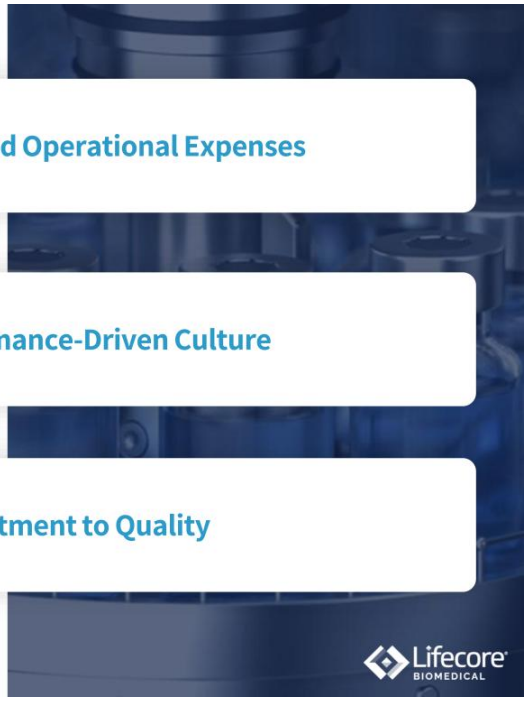
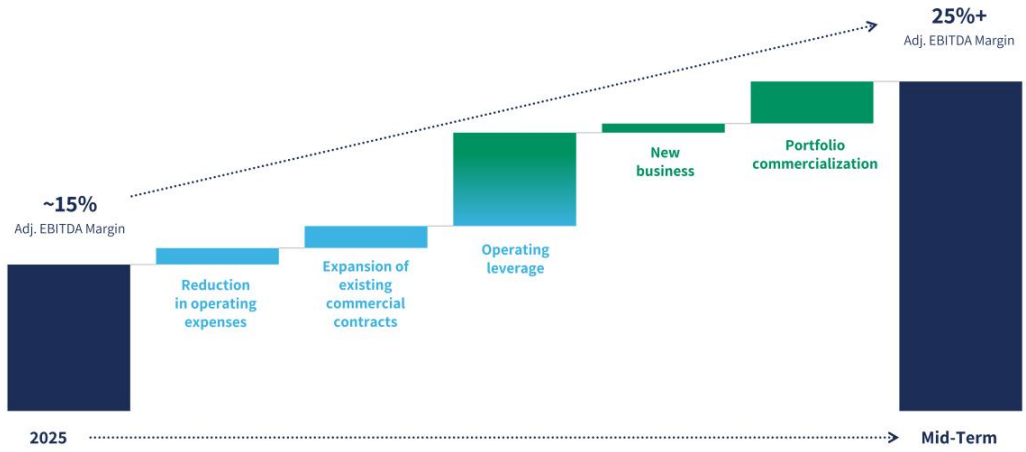
Sustaining Objectives Support Value Creation

- Reduced Operational Expenses
- Performance-Driven Culture
- Commitment to Quality



Efficiency and Revenue Growth Drive Margin Improvement



For illustrative purposes only, timing, estimates, assumptions and the actual growth of adjusted EBITDA may vary significantly; we may not be able to manage our costs and achieve our anticipated financial goals. The information provided is illustrative only, the growth cycle may not be achieved and there is continued uncertainty relating to any guidance contained herein. There can be no assurance that such results will occur or that such results may be materially different from actual results.

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40+ Years of Strong Track Record with Global Regulatory Bodies

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Experienced Management Team with Proven Ability to Execute

Paul Josephs
President &
Chief Executive Officer

Joined: 2024

30+ years experience

- President & Chief Executive Officer at Woodstock Sterile Solutions
- Head of CDMO-Global Business Development at Viatris (formerly Mylan)

Ryan Lake
Chief Financial Officer

Joined: 2024

24+ years experience

- Extensive senior financial and strategic life sciences leadership experience
- Chief Financial Officer of Societal CDMO, Recro Pharma, Baudax Bio, Aspire Bariatrics, DSM Biomedical, Kensey Nash

Thomas Guldager
VP of Operations

Joined: 2024

20+ years experience

- Senior executive, manufacturing and site leader at Xellia Pharmaceuticals

Jackie Klecker
EVP Quality and
Development Services

Joined: 2001

30+ years experience

- Served in various roles at Lifecore surrounding Quality Assurance and Regulatory Affairs

Darren Hieber
SVP of Corporate
Development & Partnerships

Joined: 2021

20+ years experience

- VP of Business Development, Drug Product at Catalent

Brikkelle Thompson
SVP of Human Resources

Joined: 2024

24+ years experience

- Head of Human Resources - the Americas at Teleflex
- VP of Human Resources at Nonin Medical

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Financial Highlights

Revenue and Adjusted EBITDA were strong and in line with fiscal year guidance

Second quarter fiscal 2025 financial results

- Revenues: $32.6 million, 8% increase from Q2 fiscal 2024
- Net loss: $6.6 million
- Adjusted EBITDA: $6.5 million, up $1.1 million from Q2 fiscal 2024

Full year fiscal 2025 guidance

- Revenue: $126.5 to $130 million
- Net loss: $(28.6) to $(26.6) million
- Adjusted EBITDA: $19 to $21 million

Second quarter fiscal 2025 developments

Signed Multiple Development Agreements with New Customers

Strengthened Balance Sheet with PIPE Financing, Raising Approximately $24.3 Million

Favorable Restructuring of Credit Facility with BMO

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Reconciliation of Non-GAAP Financial Measures

To supplement the company's financial results determined by U.S. generally accepted accounting principles ("GAAP"), the company has disclosed in the table below the following non-GAAP information about Adjusted EBITDA. [1]

Adjusted EBITDA is net (loss) income as determined under GAAP excluding (i) interest expense, net of interest income, (ii) income tax expense (benefit), (iii) depreciation and amortization, (iv) stock-based compensation, (v) change in fair value of debt derivatives, (vi) financing fees (non-interest), (vii) reorganization costs, (viii) restructuring costs, (ix) franchise tax equivalent to income tax, (x) contract cancellation costs, (xi) loss (income) from discontinued operations, (xii) stockholder activist settlement costs, and (xiii) start-up costs.

The company believes that non-GAAP financial measures, such as Adjusted EBITDA, are helpful in understanding its business as it is useful to investors in allowing for greater transparency of supplementation information used by management. Adjusted EBITDA, is used by investors, as well as management in assessing the company's performance. Non-GAAP financial measures should be considered in addition to, but not as substitute for, reported GAAP results. Further, non-GAAP financial measures, even if similarly titled, may not be calculated in the same manner by all companies, and therefore should not be compared.

Second quarter fiscal 2025 results:

	Three Months Ended	
(in thousands)	**November 24, 2024**	**November 26, 2023**
Net (loss) income (GAAP)	(6,571)	14,218
Interest expense, net	5,465	4,073
Income tax expense (benefit)	43	(65)
Depreciation and amortization	2,044	1,987
Stock-based compensation	3,372	1,577
Change in fair value of debt derivatives	(1,200)	(20,700)
Financing fees (non-interest)	368	1,108
Reorganization costs	2,463	2,162
Restructuring costs	404	157
Franchise tax equivalent to income tax	50	94
Contract cancellation costs	—	297
Loss (income) from discontinued operations	—	24
Stockholder activist settlement	78	—
Start-up costs	—	487
Adjusted EBITDA	**$ 6,516**	**$ 5,419**

Full year fiscal 2025 guidance vs. fiscal 2024

	Twelve Months Ended	
(in thousands)	**May 25, 2025**	**May 26, 2024**
Net (loss) income (GAAP) (a)	(28,600) - (26,600)	12,013
Interest expense, net	22,000	18,090
Income tax expense (benefit)	—	183
Depreciation and amortization	8,300	7,954
Stock-based compensation	10,900	6,201
Change in fair value of debt derivatives	(4,900)	(39,500)
Financing fees (non-interest)	700	3,513
Reorganization costs (b)	7,600	9,796
Restructuring costs (b)	1,400	1,656
Franchise tax equivalent to income tax	300	272
Contract cancellation costs	—	567
Loss (income) from discontinued operations	—	(2,682)
Stockholder activist settlement (b)	1,300	459
Start-up costs	—	1,684
Adjusted EBITDA	**$ 19,000 - 21,000**	**$ 20,206**

1. See disclaimers and important information on Slides 2 and 3

Reorganization costs include costs not expected to be incurred on a normalized basis associated with Lifecore becoming a stand-alone entity, divestitures, litigation related with former owners of acquired businesses, restatements of financial statements and change in auditors.

Restructuring costs are related to board approved actions consisting primarily of employee severance, lease cost of exited facilities, and costs associated with divested businesses.

(a) We previously estimated net loss to be $25.9 million to $23.9 million, which we now estimate will be $28.6 million to $26.6 million. The increase is due to higher stock-based compensation, interest expense, former CFO severance, and elevated legal expenses related to the civil litigation.

(b) We previously estimated restructuring, reorganization, stockholder activist settlement costs to be $9.9 million, which we now estimate will be approximately $10.3 million of which $8.2 million was incurred in the six months ended November 24, 2024. The overage is due to former CFO severance and elevated legal expenses related to the civil litigation.

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Thank you!