January 6, 2025

Alico, Inc. Announces Strategic Transformation of Agriculture Operations to Unlock Value in Land Holdings

Company announces it will wind down its Alico Citrus division to focus on its long-term diversified land usage and real estate development strategy

Conference call and webcast to discuss announcement at 8:30 am Eastern Time today

FORT MYERS, Fla., Jan. 06, 2025 (GLOBE NEWSWIRE) -- Alico, Inc. ("Alico" or "the Company") (Nasdaq: ALCO), today announces a strategic transformation to become a diversified land company with each of its properties now expected to create profitable agricultural revenue opportunities that are not citrus-related until the Highest and Best Use ("HBU") for these acres can be realized.

Alico owns approximately 53,371 acres of land across eight counties in Florida, as well as approximately 48,700 acres of oil, gas and mineral rights in the state. Alico Citrus, which holds the Company's citrus production operations, has faced increasing financial challenges from citrus greening disease and environmental factors for many seasons. The Company has decided to not spend further capital on its citrus operations after the current crop is harvested in 2025. It will focus its resources on creating new opportunities for profitable growth while also acting prudently on behalf of shareholders.

Alico expects to maintain its commitment to the Florida agriculture industry through diversified farming operations on nearly all its land holdings following this citrus production transition. Alico also expects to entitle certain parcels of its land for commercial and residential development. The Company believes these strategic decisions improve its ability to provide 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.

"For over a century, Alico has been proud to be one of Florida's leading citrus producers and a dedicated steward of its agricultural land, but we must now reluctantly adapt to changing environmental and economic realities. Our citrus production has declined approximately 73% over the last ten years, despite significant investments in land, trees and citrus disease treatments, and the current harvest will likely be lower in volume than the previous season. The impact of Hurricanes Irma in 2017, Ian in 2022 and Milton in 2024 on our trees, already weakened from years of citrus greening disease, has led Alico to conclude that growing citrus is no longer economically viable for us in Florida," said John Kiernan, Alico's President and Chief Executive Officer.

“This difficult decision is expected to provide Alico with a more stable future while maintaining our deep roots in agriculture by meaningfully reducing our working capital requirements for annual citrus production, reducing financial volatility and allowing the Company to focus on profitable non-citrus agricultural opportunities and entitlement work to achieve the HBU for all properties in our real estate portfolio.”

Alico plans to wind down Alico Citrus’ primary operations, which will include reducing most of its citrus production workforce effective immediately. The Company expects that approximately 3,460 citrus acres will be managed by third-party caretakers for another season through 2026.

Mr. Kiernan continued, “This strategic transformation is expected to provide Alico with a more stable future while maintaining our deep roots in agriculture. We recognize the personal impact this decision has on our valued employees and the Company is supporting them through this transition. Through these operational changes, Alico will remain a responsible corporate citizen and steward of both our land and communities, just as we have done for more than 125 years. For decades, while maintaining its agriculture leadership, Alico has opportunistically sold land in Florida for responsible purposes that benefit both the local communities and our shareholders, such as the approximately 40,000 acres of the Alico Ranch that were sold to the State of Florida since 2017 and the 760 acres of land donated in 1992 to establish Florida Gulf Coast University. We’ve explored all available options to restore our citrus operations to profitability, but the long term production trend and the cost needed to combat citrus greening disease no longer supports our expectations for a recovery. Alico thanks our entire Alico Citrus team for their unwavering dedication, hard work, and perseverance. Despite our collective efforts, Alico believes that this strategic decision is not only correct but essential. We remain committed to creating opportunities that will maintain our legacy of stewardship while also acting prudently on behalf of our shareholders, including working with local municipalities to develop plans that will benefit their Florida communities.”

Under this new strategy, Alico:

- Expects to recognize positive cash flow for the remainder of the current fiscal year once land sales that have already been negotiated close, severance and restructuring costs are realized, and harvesting activities conclude.
- Anticipates that cash reserves at the end of the 2025 fiscal year will be sufficient to meet future operating expenses for at least two additional years without any additional land sales being required.
- Estimates that approximately 75% of its current land holdings are likely to remain agriculturally focused for the foreseeable future.
- Expects that approximately 25% of its land holdings have near- and long-term potential for commercial and residential development, with approximately 10% of its acres targeted for development within the next five years.
- Management estimates that the value of our current landholdings could be worth approximately $650 million to $750 million, with 75% of these acres valued for agriculture usage.

Conference Call and Webcast Information

The Company will host a conference call and webcast on Monday, January 6, 2025 at 8:30

am Eastern Time to discuss its strategic transformation.

The conference call can be accessed live over the phone by dialing 1-800-445-7795 in the United States and 1-785-424-1699 from outside of the United States. The participant identification to join the conference call is ALICO. A replay will be available approximately three hours after the call concludes and can be accessed by dialing 1-844-512-2921 in the United States and 1-412-317-6671 from outside of the United States; the passcode is 11157835.

The webcast can be accessed from the Investors tab of Alico's website at https://www.alicoinc.com/ under "News / Events."

About Alico

Alico, Inc. currently operates two divisions: Alico Citrus, currently one of the nation's largest citrus producers, and Land Management and Other Operations, which include land leasing and related support operations. While Alico Citrus will cease operations after the 2024/2025 harvest due to environmental and financial challenges, Alico remains committed to Florida's agriculture industry, and will focus on its long-term diversified land usage and real estate development strategy. Learn more about Alico (Nasdaq: "ALCO") at www.alicoinc.com.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, but are not limited to, statements regarding the Company's strategic transformation, the Company's future cash flow and cash reserves, the future use and estimated value of the Company's land holdings, the Company's expected future profitable growth, expectations for the management of certain acres by third-party caretakers, and any other statements relating to our future activities or other future events or conditions. These statements are based on our current expectations, estimates and projections about our business based, in part, on assumptions made by our management and can be identified by terms such as "if," "will," "should," "expects," "plans," "hopes," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions.

These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including, but not limited to: our ability to successfully develop and execute our strategic growth initiatives and whether they adequately address the challenges or opportunities we face; water use regulations restricting our access to water; 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 result of any significant corporate transactions; any change or the classification or valuation methods employed by county property appraisers related to our real estate taxes; loss of key employees; material weaknesses and other control deficiencies relating to our internal control over financial reporting; 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 certain of the other factors described under the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2024 filed with the Securities and Exchange Commission (the “SEC”) on December 2, 2024. 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.

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