

Risk Factors Comparison 2024-12-23 to 2023-12-21 Form: 10-K

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Related to Our Business Approach We cannot assure you that our evaluation of potential strategic alternatives to enhance value for stockholders will be successful; and there may be negative impacts on our business and stock price as a result of the process of exploring strategic alternatives. On December 1, 2023, the Company announced the commencement of a process to explore strategic alternatives, which could include, but not be limited to, a sale of all or parts of the Company, merger or other transaction. The Board has not set a timetable for the completion of this review process and there can be no assurance that it will result in any transaction or outcome. Whether the process will result in any additional transactions, our ability to complete any transaction, and if our Board decides to pursue one or more transactions, will depend on numerous factors, some of which are beyond our control. Such factors include the interest of potential acquirers or strategic partners in a potential transaction, the value potential acquirers or strategic partners attribute to our businesses and their respective prospects, market conditions, interest rates and industry trends. Our stock price may be adversely affected if the evaluation does not result in additional transactions or if one or more transactions are consummated on terms that investors view as unfavorable to us. Even if one or more additional transactions are completed, there can be no assurance that any such transactions will be successful or have a positive effect on stockholder value. Our Board may also determine that no additional transaction is in the best interest of our stockholders. In addition, our financial results and operations could be adversely affected by the strategic process and by the uncertainty regarding its outcome. The attention of management and our Board could be diverted from our core business operations. We have diverted capital and other resources to the process that otherwise could have been used in our business operations, and we will continue to do so until the process is completed. We could incur substantial expenses associated with identifying and evaluating potential strategic alternatives, including those related to employee retention payments, equity compensation, severance pay and legal, accounting and financial advisor fees. In addition, the process could lead us to lose or fail to attract, retain and motivate key employees, and to lose or fail to attract customers or business partners. Furthermore, it could expose us to litigation. The public announcement of a strategic alternative may also yield a negative impact on operating results if prospective or existing service providers are reluctant to commit to new or renewal contracts or if existing customers decide to move their business to a competitor. We do not intend to disclose developments or provide updates on the progress or status of the strategic process until our Board deems further disclosure is appropriate or required. Accordingly, speculation regarding any developments related to the review of strategic alternatives and perceived uncertainties related to the future of the Company could cause our stock price to fluctuate significantly.

Risks Related to Our Agribusiness Operations Adverse weather conditions, natural disasters, including earthquakes and wildfires, and other natural conditions, including the effects of climate change, could impose significant costs and losses on our business. Fresh produce is vulnerable to adverse weather conditions, including windstorms, floods, drought and temperature extremes, which are quite common and may occur with higher frequency or be less predictable in the future due to the effects of climate change. Unfavorable growing conditions can reduce both crop size and crop quality. In extreme cases, entire harvests may be lost in some geographic areas. We purchase crop insurance for certain crops which partially mitigates our exposure. All of our crops are subject to damage from frosts 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. Additionally, a significant portion of our agricultural plantings and our corporate headquarters are located in a region of California that is prone to natural disasters such as earthquakes and wildfires. For example, in December 2017, high winds and the related Southern California wildfires caused a brief power outage at our Santa Paula, California packinghouse and destroyed 14 of our farm worker housing units. While our orchards did not suffer significant damage in the wildfire, the potential for significant damage to a substantial amount of our plantings from a natural disaster in the future continues to exist. Furthermore, if a natural disaster or other event occurs that prevents us from using all or a significant portion of our corporate headquarters, as a result of a power outage or otherwise, or that damages critical infrastructure, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial amount of time. For the foregoing reasons, adverse weather conditions, natural disasters, including earthquakes and wildfires, and other natural conditions, including the effects of climate change, could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects. Our agricultural plantings are potentially subject to damage from disease and pests, which could impose losses on our business and the prevention of which could impose significant additional costs on us. Fresh produce is vulnerable to crop disease and to pests (e. g., Mediterranean Fruit Fly and the Asian Citrus Psyllid (“ ACP ”)), which may vary in severity and effect, depending on the stage of production at the time of infection or infestation, the type of treatment applied and climatic conditions. ACP is an aphid- like insect that is a serious pest to all citrus plants because it can transmit the disease Huanglongbing (“ HLB ”) when it feeds on the plants’ leaves and trees. ACP is a federal action quarantine pest subject to interstate and international quarantine restrictions by the United States Department of Agriculture (“ USDA ”), including a prohibition on the movement of nursery stock out of quarantine areas and a requirement that all citrus fruit be cleaned of leaves and stems prior to movement out of the quarantine area. Due to the discovery of ACP in our orchards, we have experienced costs related to the quarantine and treatment of ACP. In September 2023, two HLB- positive citrus trees were detected on ~~one a~~ residential property in the City of Santa Paula, California. ~~In October 2023,~~ **Following this detection,** the California Department of Food and Agriculture ~~declared established~~ **declared established** a mandatory five- mile- radius quarantine area, **encompassing which includes** approximately 1, 100 acres of Limoneira- owned lemon orchards. **In July 2024, an additional 75 HLB- positive trees were detected on residential properties in the City of Santa Paula. In response, the**

quarantine area was expanded in September 2024 to account for the new detections. The quarantine area restricts the movement of citrus fruit, trees, and related plant material materials, subject to certain specific protocols. The estimated additional costs to spray insecticides on our orchards within the quarantine area are estimated to be \$ 0.3 million to \$ 0.4 million in for fiscal year 2024-2025. There is can be no assurance that HLB will not be detected on Limoneira orchards in the future. The costs to control these diseases and other infestations vary depending on the severity of the damage and the extent of the plantings affected. Moreover, there can be no assurance that available technologies to control such infestations will continue to be effective. These infestations can increase costs, decrease revenues and lead to additional charges to earnings, which may have a material adverse effect on our business, results of operations and financial condition. Our strategy of marketing and selling our lemons directly to our food service, wholesale and retail customers may not continue to be successful. Directly obtaining and retaining customers, particularly chain stores and other large customers, is highly competitive, and the prices or other terms of our sales arrangements may not be sufficient to retain existing business, maintain current levels of profitability or obtain new business. Industry consolidation (horizontally and vertically) and other factors have increased the buying leverage of the major grocery retailers in our markets, which may put further downward pressure on our pricing and volume and could adversely affect our results of operations. Our earnings are sensitive to fluctuations in market supply and prices and demand for our products. Excess supply often causes severe price competition in our industry and the worldwide lemon market is currently in an over-supplied position. 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. The COVID-19 pandemic also reduced the demand for our products resulting in excess supply. Fresh produce is highly perishable and generally must be brought to market and sold soon after harvest. Some items, such as avocados and oranges, must be sold more quickly, while other items, such as lemons, can be held in cold storage for longer periods of time. The selling price received for each type of produce depends on all of these factors, including the availability and quality of the produce item in the market and the availability and quality of competing types of produce. 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. However, even if market prices are unfavorable, produce items which are ready to be, or have been, harvested must be brought to market promptly. A decrease in the selling price received for our products due to the factors described above could have a material adverse effect on our business, results of operations and financial condition. Our earnings may be subject to seasonal variability. Our earnings may be affected by seasonal factors, including: • the seasonality of our supplies and consumer demand; • the ability to process products during critical harvest periods; and • the timing and effects of ripening and perishability. Increases in commodity or raw product costs, such as fuel and paper, could adversely affect our operating results. Many factors may affect the cost and supply of fresh produce, including external conditions, commodity market fluctuations, currency fluctuations, changes in governmental laws and regulations, agricultural programs, severe and prolonged weather conditions and natural disasters. Increased costs for purchased fruit have negatively impacted our operating results in the past, and there can be no assurance that they will not adversely affect our operating results in the future. The price of various commodities can significantly affect our costs. The cost of petroleum-based products is volatile and there can be no assurance that there will not be further increases in such costs in the future. If the price of oil rises, the costs of our herbicides and pesticides can be significantly impacted. The cost of paper is also significant to us because some many of our products are packed in cardboard boxes for shipment. If the price of paper increases and we are not able to effectively pass these price increases along to our customers, then our operating income will decrease. Increased costs for paper have negatively impacted our operating income in the past, and there can be no assurance that these increased costs will not adversely affect our operating results in the future. Increases in labor, personnel and benefits costs could adversely affect our operating results. We primarily utilize labor contractors to grow, harvest and deliver our fruit to our lemon packinghouse or outside packing facilities. We utilize a combination of employees and labor contractors to process our lemons in our lemon packing facility. Our employees and contractors are in demand by other agribusinesses and other industries. Shortages of labor could delay our harvesting or lemon processing activities or could result in increases in labor costs. Our labor contractors and we are subject to government mandated wage and benefit laws and regulations. For example, the State of California, where a substantial number of our labor contractors are located, passed regulations that will increased-increase minimum wage rates from to \$ 16.15-00 per hour to \$ 15.50 per hour, effective January 1, 2023-2025, and will increase to \$ 16.00 per hour in 2024 due to a cost-of-living increase provision found in the state's minimum wage law. The State of Arizona minimum wage rates also rise each year based on the annual cost of living and will increased-increase from to \$ 12.14-80-70 per hour to \$ 13.85 per hour, effective January 1, 2023-2025, and will increase to \$ 14.35 per hour in 2024. In addition, current or future federal or state healthcare legislation and regulation, including the Affordable Care Act, may increase our medical costs or the medical costs of our labor contractors that could be passed on to us. Changes in immigration laws could impact the ability of Limoneira to harvest its 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 U. S. immigration laws. The states in which we operate are considering or have already adopted new immigration laws or enforcement programs, and the U. S. Congress and the Department of Homeland Security from time to time consider and may implement changes to federal immigration laws, regulations or enforcement programs. Immigration laws have recently been an area of considerable focus by the Department of Homeland Security, with enforcement operations taking place across the country, resulting in arrests and detentions of unauthorized workers. Termination of a significant number of personnel who are found to be unauthorized workers or the scarcity of 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 and avocado

operations, financial position, results of operations and cash flows. The lack of sufficient water would severely impact our ability to produce crops or develop real estate. The average rainfall in Ventura and San Luis Obispo Counties in California is substantially below amounts required to grow crops and therefore we are dependent on our surface water rights and rights to pump water from underground aquifers. Extended periods of drought in California may put additional pressure on the use and availability of water for agricultural uses, and in some cases, governmental authorities have diverted water to other uses. As California has grown in population, there are increasing and multiple pressures on the use and distribution of water, which many view as a finite resource. Lack of available potable water can also limit real estate development. Our water resources include water rights, usage rights and pumping rights to the water in aquifers under, and canals that run through, the land we own. Water for our farming operations is sourced from the existing water resources associated with our land, which includes rights to water in the adjudicated Santa Paula Basin (aquifer) and the un-adjudicated Fillmore and Paso Robles Basins (aquifers). We use federal project water in Arizona from the Colorado River through the YMIDD. We also ~~have~~ **acquired** water rights in Chile. California ~~experienced~~ **received** above average precipitation during the 2022- 2023 ~~and 2023- 2024~~ **rainfall season seasons** , after experiencing three years of below average precipitation and drought conditions. The above average precipitation helped to alleviate the drought conditions in California. As of October 31, ~~2023-2024~~ **2023-2024** , the state was free from ~~moderate~~ **extreme** drought conditions and Ventura County was free from any drought conditions. We continue to assess the impact drought conditions may have on our California orchards. In August ~~2021-2023 and August 2024~~ **2021-2023 and August 2024** , the U. S. Bureau of Reclamation (~~the "Bureau"~~) ~~declared~~ **announced that Lake Mead will operate in a Level-Tier 1** shortage ~~condition at Lake Mead in the Lower Colorado River Basin for the first time ever, requiring shortage reductions and water savings contributions for states in the southwest. In August 2022-2024 and 2025~~ **condition at Lake Mead in the Lower Colorado River Basin for the first time ever, requiring shortage reductions and water savings contributions for states in the southwest. In August 2022-2024 and 2025** , ~~respectively~~ **respectively** the Bureau announced Lake Mead to operate in a Tier 2 shortage, which **requires** ~~further increased water restrictions. As a result, in January 2023, Arizona to forfeit~~ **requires** ~~to forfeit~~ **forfeit** approximately ~~21-18~~ **18** % of the state's yearly allotment of water from Lake Mead. In August 2023, the Bureau announced Lake Mead will operate in a Tier 1 shortage in 2024, which requires Arizona to forfeit approximately 18 % of the state's yearly allotment of water from Lake Mead. In response to ~~these~~ **this and prior years'** water shortages, we entered into following agreements during fiscal years 2023 and 2022 and continue to assess the impact these **ongoing** reductions may have on our Arizona orchards. For fiscal year ~~2023-2024~~ **2023-2024** , irrigation costs for our agricultural operations were ~~higher than~~ **similar compared to** fiscal year ~~2022-2023~~ **2022-2023** . Costs may increase as we pump more water than our historical averages and federal, state and local water delivery infrastructure costs may increase to access these limited water supplies. We have an ongoing plan for irrigation improvements continuing ~~in-for~~ **in-for** fiscal year ~~2024-2025~~ **2024-2025** that includes drilling new wells and upgrading existing wells and irrigation systems. We believe we have access to adequate supplies of water for our agricultural operations as well as our real estate development and rental operations and currently do not anticipate that future drought conditions will have a material impact on our operating results. However, if future drought conditions are worse than prior drought conditions or if regulatory responses to such conditions limit our access to water, our business could be negatively impacted by these conditions and responses in terms of access to water and / or cost of water. The use of herbicides, pesticides and other potentially hazardous substances in our operations may lead to environmental damage and result in increased costs to us. We use herbicides, pesticides and other potentially hazardous substances in the operation of our business. We may have to pay for the costs or damages associated with the improper application, accidental release or 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, payment of such costs or damages could have a material adverse effect on our business, results of operations and financial condition. Environmental and other regulation of our business, including potential climate change regulation, could adversely impact us by increasing our production cost or restricting our ability to import certain products into the United States. Our business depends on the use of fertilizers, pesticides and other agricultural products. The use and disposal of these products in some jurisdictions are subject to regulation by various agencies. A decision by a regulatory agency to significantly restrict the use of such products that have traditionally been used in the cultivation of one of our principal products could have an adverse impact on us. Under the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Food, Drug and Cosmetic Act and the Food Quality Protection Act of 1996, the EPA is undertaking a series of regulatory actions relating to the evaluation and use of pesticides in the food industry. Similarly, in the EU, regulation (EC) No. 1107 / 2009 fundamentally changed the pesticide approval process to hazard criteria based on the intrinsic properties of the substance. These actions and future actions regarding the availability and use of pesticides could have an adverse effect on us. In addition, if a regulatory agency were to determine that we are not in compliance with a regulation in that agency's jurisdiction, this could result in substantial penalties and a ban on the sale of part or all of our products in that jurisdiction. A global economic downturn may have an adverse impact on participants in our industry, which cannot be fully predicted. The full impact of a global economic downturn on customers, vendors and other business partners, such as that seen with the COVID- 19 pandemic, cannot be anticipated. For example, major customers or vendors may have financial challenges unrelated to us that could result in a decrease in their business with us or, in extreme cases, cause them to file for bankruptcy protection. Similarly, parties to contracts may be forced to breach their obligations under those contracts. Although we exercise prudent oversight of the credit ratings and financial strength of our major business partners and seek to diversify our risk to any single business partner, there can be no assurance that there will not be a bank, insurance company, supplier, customer or other financial partner that is unable to meet its contractual commitments to us. Similarly, stresses and pressures in the industry may result in impacts on our business partners and competitors, which could have wide- ranging impacts on the future of the industry. We are subject to the risk of product contamination and product liability claims. The sale of food products for human consumption involves the risk of injury to consumers. Such injuries may result from tampering by unauthorized third parties, product contamination or spoilage, including the presence of foreign objects, substances, chemicals, other agents, or residues introduced during the growing, storage, handling or transportation phases. While we are subject to governmental inspection and believe our facilities comply in all material

respects with all applicable laws and regulations, we cannot be sure that consumption of our 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 by our insurance or by any rights of indemnity or contribution that we may have against others. We maintain product liability insurance; however, we cannot be sure that we will not incur claims or liabilities for which we are not insured or that exceed the amount of our insurance coverage. We are subject to transportation risks. An extended interruption in our ability to ship 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 or supply chain issues could have a material adverse effect on our business, financial condition and results of operations. While we believe we are adequately insured and would attempt to transport our products by alternative means if we were to experience an interruption due to strike, natural disasters or otherwise, we cannot be sure that we would be able to do so or be successful in doing so in a timely and cost-effective manner. Events or rumors relating to LIMONEIRA or our other trademarks and related brands could significantly impact our business. Consumer and institutional recognition of the LIMONEIRA, One World of Citrus®, Santa®, Paula®, Bridal Veil®, Fountain®, Golden Bowl®, Level®, Kiva®, Kachina®, Oxnard Lemon and Trapani Fresh trademarks and related brands and the association of these brands with high quality and safe food products are an integral part of our business. The occurrence of any events or rumors that cause consumers and / or institutions to no longer associate these brands with high quality and safe food products may materially adversely affect the value of our brand names and demand for our products. Government regulation could increase our costs of production and increase legal and regulatory expenses. Growing, packaging, storing and distributing food products are activities subject to extensive federal, state and local regulation, as well as foreign regulation. The U. S. Food and Drug Administration (the “FDA”), the USDA and various state and local public health and agricultural agencies regulate these aspects of our operations. Our business is subject to the FDA Food Safety Modernization Act to ensure food safety. This Act provides direct recall authority to the FDA and includes a number of other provisions designed to enhance food safety, including increased inspections by the FDA of food facilities. The Federal Perishable Agricultural Commodities Act, which specifies standards for the sale, shipment, inspection and rejection of agricultural products, governs our relationships with our fresh food suppliers with respect to the grading and commercial acceptance of product shipments. Import and export controls and similar laws and regulations, in both the United States and elsewhere affect our business. Issues such as health and safety, which may slow or otherwise restrict imports and exports, could adversely affect our business. In addition, the modification of existing laws or regulations or the introduction of new laws or regulations could require us to make material expenditures or otherwise adversely affect the way that we have historically operated our business. Our strategy to expand international supply and marketing may not be successful and may subject us to risks associated with doing business in corrupt environments. While we intend to expand our lemon supply sources to international markets and explore opportunities to expand our marketing of lemons, we may not be successful in implementing this strategy. Additionally, in many countries outside of the United States, particularly in those with developing economies, it may be common for others to engage in business practices prohibited by laws and regulations applicable to us, such as the Foreign Corrupt Practices Act or similar local anti-bribery laws. These laws generally prohibit companies and their employees, contractors or agents from making improper payments to government officials for the purpose of obtaining or retaining business. Failure to comply with these laws could subject us to civil and criminal penalties that could materially and adversely affect our financial condition and results of operations. We depend on our infrastructure to have sufficient capacity to handle our annual lemon production needs. ~~Our We have an infrastructure that~~ has sufficient capacity for our lemon production needs, but if we lose machinery or facilities due to natural disasters or mechanical failure, we may not be able to operate at a sufficient capacity to meet our lemon production needs. This could have a material adverse effect on our business, which could impact our results of operations and our financial condition. Risks Related to Our Indebtedness We may be unable to generate sufficient cash flow to service our debt obligations. To service our debt, we require a certain amount of cash. Our ability to generate cash, make scheduled payments or refinance our obligations depends on our successful financial and operating performance. Our financial and operating performance, cash flow and capital resources depend upon prevailing economic conditions and various financial, business and other factors, many of which are beyond our control. These factors include among others: • economic and competitive conditions; • changes in laws and regulations; • operating difficulties, increased operating costs or pricing pressures we may experience; and • delays in implementing any strategic projects. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. If we are required to take any actions referred to above, it could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure you 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. Restrictive covenants in our debt instruments restrict or prohibit our ability to engage in or enter into a variety of transactions, which could adversely restrict our financial and operating flexibility and subject us to other risks. Our revolving and non-revolving credit and term loan facilities contain various restrictive covenants that limit our ability to take certain actions. In particular, these agreements limit our ability to, among other things: • incur additional indebtedness; • make certain investments or acquisitions; • create certain liens on our assets; • engage in certain types of transactions with affiliates; • merge, consolidate or transfer substantially all our assets; and • transfer and sell assets. Our revolving and non-revolving credit facility with the AgWest Farm Credit Facility contain a financial covenant that requires us to maintain compliance with a specific debt service coverage ratio on an annual basis. ~~At~~ ~~In September 2023, Farm Credit West, PCA (the “Lender”) modified the covenant to defer measurement as of~~ October 31, 2023-2024 and resume a ~~we were in compliance with the~~ debt service coverage ratio of 1.25:

1. ~~0 measured as of October 31, 2024.~~ Our failure to comply with this covenant in the future may result in the declaration of an event of default under our AgWest Farm Credit Facility. Any or all of these covenants could have a material adverse effect on our business by limiting our ability to take advantage of financing, merger and acquisition or other corporate opportunities and to fund our operations. Any future debt could also contain financial and other covenants more restrictive than those imposed under our line of credit and term loan facilities. A breach of a covenant or other provision in any credit facility governing our current and future indebtedness could result in a default under that facility and, due to cross- default and cross- acceleration provisions, could result in a default under our other credit facilities. Upon the occurrence of an event of default under any of our credit facilities, the applicable lender (s) could elect to declare all amounts outstanding to be immediately due and payable and, with respect to our revolving credit facility, terminate all commitments to extend further credit. If we were unable to repay those amounts, our lenders could proceed against the collateral granted to them to secure the indebtedness. If the lenders under our current or future indebtedness were to accelerate the payment of the indebtedness, we cannot assure you that our assets or cash flow would be sufficient to repay in full our outstanding indebtedness. Despite our current indebtedness levels and the restrictive covenants set forth in agreements governing our indebtedness, we may still incur significant additional indebtedness, including secured and guaranteed indebtedness. Incurring more indebtedness could increase the risks associated with our overall indebtedness. Subject to the restrictions in our credit facilities, we may incur significant additional indebtedness. If new debt is added to our current debt levels, the related risks that we now face could increase. In January 2018, LLCB entered into a \$ 45. 0 million unsecured Line of Credit Loan Agreement and Promissory Note (the “ Loan ”) with Bank of America, N. A. to fund early development activities. Effective as of February 22, 2023, the ~~Loan maturity date was extended to February 22, 2024, and the maximum borrowing amount was reduced to \$ 35. 0 million. The Loan contains certain customary default provisions and LLCB may prepay any amounts outstanding under the Loan without penalty. The obligations under the Loan are were~~ **guaranteed by certain principals from Lewis and us. Defaults by LLCB In May 2024, the Loan and corresponding guarantee were cancelled. Our real estate development activities could increase our indebtedness require future loans that may result in future guarantees**. 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 AgWest Farm Credit Facility is subject to variable rates, which generally change as interest rates change. We bear the risk that the rates we are charged by our lender 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 AgWest Farm Credit Facility, which could materially adversely affect our business, financial condition and results of operations. Our Company’ s debt agreement with AgWest Farm Credit used LIBOR as a reference rate, which was converted to the Secure Overnight Financing Rate (“ SOFR ”) on January 1, 2023. Global capital and credit market issues affect our liquidity, increase our borrowing costs and may affect the operations of our suppliers and customers. The global capital and credit markets ~~have~~ experienced increased volatility and disruption over the past several years, making it more difficult for companies to access those markets. We depend in part on stable, liquid and well- functioning capital and credit markets to fund our operations. Although we believe that our operating cash flows and existing credit facilities will permit us to meet our financing needs for the foreseeable future, there can be no assurance that continued or increased volatility and disruption in the capital and credit markets will not impair our liquidity or increase our costs of borrowing. Our business could also be negatively impacted if our suppliers or customers experience disruptions resulting from tighter capital and credit markets or a slowdown in the general economy. Risks Related to Our Real Estate Development Operations We are involved in a cyclical industry and are affected by changes in general and local economic conditions. The real estate development industry is cyclical and is affected by changes in general and local economic conditions, including: • employment levels; • availability of financing; • interest rates; • consumer confidence; • demand for the developed product, whether residential or industrial; • supply of similar product, whether residential or industrial; and • local, state and federal government regulation, including eminent domain laws, which may result in taking for less compensation than the owner believes the property is worth. The process of project development and the commitment of financial and other resources occur long before a real estate project comes to market. A real estate project could come to market at a time when the real estate market is depressed. It is also possible in a rural area like ours that no market for the project will develop as projected. A recession in the global economy, or a downturn in national or regional economic conditions, could adversely impact our real estate development business. Future economic instability or tightening in the credit markets could lead to another housing market collapse, which could adversely affect our real estate development operations and those of our equity method investments. Future real estate sales, revenues, financial condition, results of operations and equity in earnings of investments could suffer as a result. Our business is sensitive to economic conditions in California, where our real estate development properties are located. Higher interest rates and lack of available financing can have significant impacts on the real estate industry. Higher interest rates generally impact the real estate industry by making it harder for buyers to qualify for financing, which can lead to a decrease in the demand for residential, commercial or industrial sites. Any decrease in demand will negatively impact our proposed developments. **In During** 2023 and 2022, the Board of Governors of the Federal Reserve System took actions in tightening the monetary policy that resulted in higher interest rates prevailing in the marketplace. **During 2024, the Board of Governors of the Federal Reserve System took actions in easing the monetary policy by cutting interest rates.** Market interest rates may ~~continue to~~ increase in the future and the increase may materially and negatively affect us. Lack of available credit to finance real estate purchases can also negatively impact demand. Any downturn in the economy or consumer confidence can also be expected to result in reduced housing demand and slower industrial development, which would negatively impact the demand for land we are developing. We are subject to various land use regulations and require governmental approvals for our developments that could be denied. In planning and developing our land, we are subject to various local, state, and federal statutes, ordinances, rules and regulations concerning zoning, infrastructure design, subdivision of land and construction. All of our new developments require amending existing general plan and zoning designations, so it is possible that our entitlement

applications could be denied. In addition, the zoning that ultimately is approved could include density provisions that would limit the number of homes and other structures that could be built within the boundaries of a particular area, which could adversely impact the financial returns from a given project. In addition, in the past, many states, cities and counties (including Ventura County) have approved various “slow growth” or “urban limit line” measures. If unforeseen regulatory challenges with East Areas I and II occur, we may not be able to develop these projects as planned. Third-party litigation could increase the time and cost of our real estate development efforts. The land use approval processes we must follow to ultimately develop our projects have become increasingly complex. Moreover, the statutes, regulations and ordinances governing the approval processes provide third parties the opportunity to challenge the proposed plans and approvals. As a result, the prospect of third-party challenges to planned real estate developments provides additional uncertainties in real estate development planning and entitlements. Third-party challenges in the form of litigation would, by their nature, adversely affect the length of time and the cost required to obtain the necessary approvals. In addition, adverse decisions arising from any litigation would increase the costs and length of time to obtain ultimate approval of a project and could adversely affect the design, scope, plans and profitability of a project. We are subject to environmental regulations and opposition from environmental groups that could cause delays and increase the costs of our real estate development efforts or preclude such development entirely. Environmental laws that apply to a given site can vary greatly according to the site’s location and condition, the present and former uses of the site, and the presence or absence of sensitive elements like wetlands and endangered species. Environmental laws and conditions may (i) result in delays, (ii) cause us to incur additional costs for compliance, mitigation and processing land use applications, or (iii) preclude development in specific areas. In addition, in California, third parties have the ability to file litigation challenging the approval of a project, which they usually do by alleging inadequate disclosure and mitigation of the environmental impacts of the project. While we have worked with representatives of various environmental interests and wildlife agencies to minimize and mitigate the impacts of our planned projects, certain groups opposed to development may oppose our projects vigorously, so litigation challenging their approval could occur. Recent concerns over the impact of development on water availability and global warming increases the breadth of potential obstacles that our developments face. Our real estate development projects are concentrated entirely in California. All of our real estate development projects are located in California, and our business is especially sensitive to the economic conditions within California. Any adverse change in the economic climate of California, and any adverse change in the political or regulatory climate of California or Ventura County, could adversely affect our real estate development activities. Ultimately, our ability to sell or lease lots may decline as a result of weak economic conditions or restrictive regulations. If the real estate industry weakens or instability of the mortgage industry and commercial real estate financing exists, it could have an adverse effect on our real estate activities. If the residential real estate market weakens or instability of the mortgage industry and commercial real estate financing exists, our residential real estate business could be adversely affected. An excess supply of homes available due to foreclosures or the expectation of deflation in house prices could also have a negative impact on our ability to sell our inventory when it becomes available. We rely on contractual arrangements with third-party advisors to assist us in carrying out our real estate development projects and are subject to risks associated with such arrangements. We utilize third-party contractor and consultant arrangements to assist us in operating our real estate development division. These contractual arrangements may not be as effective in providing direct control over this business division. For example, our third-party advisors could fail to take actions required for our real estate development businesses despite their contractual obligation to do so. If the third-party advisors fail to perform under their agreements with us, we may have to rely on legal remedies under the law, which may not be effective. In addition, we cannot assure you that our third-party advisors would always act in our best interests. If we are unable to complete land development projects within forecasted time and budget expectations, if at all, our financial results may be negatively affected. We intend to develop land and real estate properties as suitable opportunities arise, taking into consideration the general economic climate. New real estate development projects have a number of risks, including the following: • construction delays or cost overruns that may increase project costs; • receipt of zoning, occupancy and other required governmental permits and authorizations; • development costs incurred for projects that are not pursued to completion; • earthquakes, hurricanes, floods, fires or other natural disasters that could adversely affect a project; • defects in design or construction that may result in additional costs to remedy or require all or a portion of a property to be closed during the period required to rectify the situation; • our ability to raise capital; • the impact of governmental assessments such as park fees or affordable housing requirements; • governmental restrictions on the nature and size of a project or timing of completion; and • the potential lack of adequate building / construction capacity for large development projects. If any development project is not completed on time or within budget, our financial results may be negatively affected. If we are unable to obtain required land use entitlements at reasonable costs, or at all, our operating results would be adversely affected. The financial performance of our real estate development activities is closely related to our success in obtaining land use entitlements for proposed development projects. Obtaining all of the necessary entitlements to develop a parcel of land is often difficult, costly and may take several years, or more, to complete. In some situations, we may be unable to obtain the necessary entitlements to proceed with a real estate development or may be required to alter our plans for the development. Delays or failures to obtain these entitlements may have a material adverse effect on our financial results. We could experience a reduction in net income or reduced cash flows if we are unable to obtain reasonably priced financing to support our real estate development projects and land development activities. The real estate development industry is capital intensive, and development requires significant up-front expenditures to develop land and begin real estate construction. Accordingly, we have and may continue to incur substantial indebtedness to finance our real estate development and land development activities. Although we believe that internally generated funds and current and available borrowing capacity will be sufficient to fund our capital and other expenditures, including additional land acquisition, development and construction activities, and the amounts available from such sources, may not be adequate to meet our needs. If such sources were insufficient, we would seek additional capital in the form of debt from a variety of potential sources,

including bank financing. The availability of borrowed funds to be used for additional land acquisition, development and construction may be greatly reduced, and the lending community may require increased amounts of equity to be invested in a project by borrowers in connection with new loans. The failure to obtain sufficient capital to fund our planned expenditures could have a material adverse effect on our business and operations and our results of operations in future periods. We may encounter risks associated with the real estate joint ventures we entered into in November 2015 and October 2022 with the Lewis Group of Companies including: • the joint ventures may not perform financially or operationally as expected; • land values, project costs, sales absorption or other assumptions included in the development plans may cause the joint ventures' operating results to be less than expected; • the joint ventures may not be able to obtain project loans on acceptable terms; • the joint venture partners may not be able to provide capital to the joint ventures in the event external financing or project cash flows are not sufficient to finance the joint ventures' operations; • the joint venture partners may not manage the project properly; and • disagreements could occur between the joint venture partners that could affect the operating results of the joint ventures or could result in a sale of a partner's interest or the joint ventures at undesirable values. We may encounter other risks that could impact our ability to develop our land. We may also encounter other difficulties in developing our land, including: • natural risks, such as geological and soil problems, earthquakes, fire, heavy rains and flooding and heavy winds; • shortages of qualified trades people; • reliance on local contractors, who may be inadequately capitalized; • shortages of materials; • increases in the cost of certain materials; and • environmental remediation costs.

General Risks and Risks Related to Our Common Stock 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. However, only a few well-established companies operate on an international, national and regional basis with one or several product lines. We face strong competition from these and other companies in all our product lines. 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 or to introduce new products and packaging more quickly and with greater marketing support. • We cannot predict the pricing or promotional actions of our competitors or whether those actions will have a negative effect on us. 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. Currency exchange fluctuation may impact the results of our operations. We distribute our products both nationally and internationally **and have foreign subsidiaries with functional currencies besides the U. S. dollar**. Our international sales are primarily transacted in U. S. dollars. Our results of operations are affected by fluctuations in currency exchange rates in both sourcing and selling locations **and our foreign subsidiaries**. In the past, periods of a strong U. S. dollar relative to other currencies have led international customers, particularly in Asia, to find alternative sources of fruit. We are dependent on key personnel and the loss of one or more of those key personnel may materially and adversely affect our prospects. We currently depend heavily on the services of our key management personnel. The loss of any key personnel could materially and adversely affect our results of operations or financial condition. Our success will also depend in part on our ability to attract and retain additional qualified management personnel. Inflation can have a significant adverse effect on our operations. Inflation can have a major impact on our agribusiness operations. The farming operations are most affected by escalating costs, unpredictable revenues (due to an oversupply of certain crops) and very high irrigation water costs. High fixed water costs related to our farm lands will continue to adversely affect earnings. Prices received for many of our products are dependent upon prevailing market conditions and commodity prices. Therefore, it is difficult for us to accurately predict revenue, and we cannot pass on cost increases caused by general inflation, except to the extent reflected in market conditions and commodity prices. System security risks, data protection breaches, cyber-attacks and systems integration issues could disrupt our internal operations or services provided to customers, and any such disruption could reduce our expected revenue, increase our expenses, damage our reputation and adversely affect our stock price. Computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of third parties, create system disruptions or cause shutdowns. Computer programmers and hackers also may be able to develop and deploy viruses, worms, and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the system. The costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, packing, distribution or other critical functions. Portions of our IT infrastructure also may experience interruptions, delays or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be more expensive, time consuming, disruptive and resource-intensive. Such disruptions could adversely impact our ability to fulfill orders and interrupt other processes. Delayed sales, lower margins or lost customers resulting from these disruptions could adversely affect our financial results, stock price and reputation. The acquisition of other businesses could pose risks to our operating income. We intend to continue to consider acquisition prospects that complement our business. While we are not currently a party to any agreement with respect to any acquisitions, we may acquire other businesses in the future. Future acquisitions by us could result in accounting charges, potentially dilutive issuances of equity securities, and increased debt and contingent liabilities, any of which could have a material adverse effect on our business and the market price of our common stock. Acquisitions entail numerous risks, including the integration of the acquired operations, diversion of management's attention to other business concerns, risks of entering markets in which we have limited prior experience, and potential loss of key employees of acquired organizations. We may be unable to successfully integrate

businesses or the personnel of any business that might be acquired in the future, and our failure to do so could have a material adverse effect on our business and on the market price of our common stock. **Additionally, in fiscal year 2024 we recorded an impairment charge on our most recently acquired foreign subsidiary, and we may incur further impairment charges on this or other foreign subsidiaries in the future.** The value of our common stock could be volatile. Investing in our common stock involves a high degree of risk. There are numerous and varied risks, known and unknown, that may prevent us from achieving our goals. The risks described here are not the only ones we will face. If any of these risks or other risks actually occurs, our business, financial condition, results of operations or future prospects could be materially and adversely affected. In such event, the trading price of our common stock could decline and investors in our common stock could lose all or part of their investment. The overall market and the price of our common stock may fluctuate greatly and we cannot assure you that you will be able to resell shares at or above market price. The trading price of our common stock may be significantly affected by various factors, including: • quarterly fluctuations in our operating results; • changes in investors' and analysts' perception of the business risks and conditions of our business; • our ability to meet the earnings estimates and other performance expectations of financial analysts or investors; • unfavorable commentary or downgrades of our stock by equity research analysts; • fluctuations in the stock prices of our peer companies or in stock markets in general; and • general economic or political conditions. Concentrated ownership of our common stock creates a risk of sudden change in our share price. As of October 31, ~~2023~~ **2024**, directors and members of our executive management team beneficially owned or controlled approximately ~~3-8~~ **3-9**% of our common stock. Investors who purchase our common stock may be subject to certain risks due to the concentrated ownership of our common stock. The sale by any of our large stockholders of a significant portion of that stockholder's holdings could have a material adverse effect on the market price of our common stock. In addition, the registration of any significant amount of additional shares of our common stock will have the immediate effect of increasing the public float of our common stock and any such increase may cause the market price of our common stock to decline or fluctuate significantly. Our charter documents contain provisions that may delay, defer or prevent a change of control. Provisions of our certificate of incorporation and bylaws could make it more difficult for a third-party to acquire control of us, even if the change in control would be beneficial to stockholders. These provisions include the following: • division of our board of directors into three classes, with each class serving a staggered three-year term; • removal of directors by stockholders by a supermajority of two-thirds of the outstanding shares; • ability of the board of directors to authorize the issuance of preferred stock in series without stockholder approval; and • prohibitions on our stockholders that prevent them from acting by written consent and limitations on calling special meetings. We incur increased costs as a result of being a publicly traded company. As a company with publicly traded securities, we ~~have incurred~~ **incur**, and will continue to incur, significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002, as well as rules promulgated by the SEC and NASDAQ, require us to adopt corporate governance practices applicable to U. S. public companies. These rules and regulations may increase our legal and financial compliance costs, which could adversely affect the trading price of our common stock.