

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

Check this box to indicate that a transaction was made pursuant to a contract, instruction or written plan for the purchase or sale of equity securities of the issuer that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). See Instruction 10.

1. Name and Address of Reporting Person* <u>SMOLYANSKY JULIE</u>  (Last) (First) (Middle) <u>C/O LIFEWAY FOODS, INC.</u> <u>6431 OAKTON STREET</u>  (Street) <u>MORTON IL 60053</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Lifeway Foods, Inc. [ LWAY ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>CEO, President and Secretary</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/31/2023</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, no par value	08/31/2023		M		13,333	A	\$0	2,157,081 <sup>(1)(2)</sup>	D	
Common Stock, no par value								22,216	I	See Footnote <sup>(3)</sup>
Common Stock, no par value								4,636	I	See Footnote <sup>(4)</sup>
Common Stock, no par value								500,000	I	See Footnote <sup>(5)</sup>

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Restricted Stock Units	(6)							(6)	(6)	Common Stock	36,337	36,337	D		
Restricted Stock Units	(7)	08/31/2023		M		13,333		(7)	(7)	Common Stock	13,333	\$0	26,667	D	

**Explanation of Responses:**

1. Includes (i) an award of 47,099 shares of restricted stock which will vest immediately upon issuance and, (ii) 13,333 shares of common stock issuable upon vesting of restricted stock units on August 31, 2023,

(iii) a time-based restricted stock award of 125,000 shares of which 83,334 shares will vest immediately upon issuance and 41,666 shares will vest on April 20, 2024 and (iv) an award of 149,198 shares of restricted stock of which 97,466 shares will vest immediately upon issuance and 48,732 shares will vest on April 29, 2024, in each case contingent on the Reporting Person's continued service on each applicable vesting date.

2. The issuance of all shares is dependent on receipt by the Company of consent and agreement by DanoneWave PBC ("Danone") that such issuance will not constitute a breach of violation of or constitute "New Securities" under that certain Stockholders' Agreement, dated as of October 1, 1999, by and among the Corporation, Danone, Michael Smolyansky and the other stockholders of the Corporation listed therein, as amended by that certain letter agreement dated September 24, 1999 and as further amended from time to time (the "Stockholders' Agreement").

3. Held for the benefit of minor children.

4. Held by the Reporting Person's spouse.

5. Held by Smolyansky Holding LLC of which the reporting person is the beneficial owner of 50%. The reporting person disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

6. Each restricted stock unit has a value equal to one share of common stock. Of such restricted stock units, 12,113 will vest on June 16, 2024, 12,113 will vest on June 16, 2025 and 12,111 will vest on June 16, 2026, contingent on the Reporting Person's continued service on each applicable vesting date. The issuance of shares upon vesting of these restricted stock units is contingent upon receipt by the Company of consent and agreement by Danone that such issuance will not constitute a breach of violation of or constitute "New Securities" under the Stockholders' Agreement.

7. Each restricted stock unit has a value equal to one share of common stock. Of such restricted stock units, 13,333 will vest on August 31, 2024 and 13,334 will vest on August 31, 2025, contingent on the Reporting Person's continued service on each applicable vesting date. The issuance of shares upon vesting of these restricted stock units is contingent upon receipt by the Company of consent and agreement by Danone that such issuance will not constitute a breach of violation of or constitute "New Securities" under the Stockholders' Agreement.

/s/ Julie Smolyansky 09/05/2023

\*\* Signature of Reporting Person      Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**