
**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): May 30, 2025

VILLAGE FARMS INTERNATIONAL, INC.

(Exact name of Registrant as Specified in Its Charter)

Ontario
(State or Other Jurisdiction
of Incorporation)

001-38783
(Commission File Number)

98-1007671
(IRS Employer
Identification No.)

90 Colonial Parkway
Lake Mary, Florida
(Address of Principal Executive Offices)

32746
(Zip Code)

Registrant's Telephone Number, Including Area Code: (407) 936-1190

(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 communications 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(s)	Name of each exchange on which registered
Common Shares, without par value	VFF	The Nasdaq Stock Market LLC

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 1.01 Entry into a Material Definitive Agreement.

On May 30, 2025, Village Farms International, Inc. ("VFI", the "Company" or "Village Farms"), Village Farms Canada Limited Partnership ("VFCLP") and Village Farms, L.P. ("VFLP," and together with VFI and VFCLP, the "VF Sellers") completed the transactions (the "Closing") as set forth in the Framework Agreement Regarding Partnership and Membership Interests, Contributions, and Exchanges (the "Framework Agreement") entered into on May 12, 2025 with Vanguard Food GP LLC, Vanguard Food LP ("Vanguard LP") and certain of its subsidiaries (collectively, "Vanguard"), Kennedy Lewis Capital Partners Master Fund II LP ("KL") and Sweat Equities SPV LLC ("Sweat," and together with "KL," the "Initial Investors"). At the Closing, pursuant to the Framework Agreement and subject to the terms and conditions thereof, (a) the VF Sellers contributed certain assets comprising the VF Sellers' produce business (the "Business") to Vanguard, (b) the Initial Investors contributed \$55 million to Vanguard and (c) as consideration for the foregoing, (i) Vanguard Food LP paid the VF Sellers \$40 million (\$5 million of which has been placed in escrow for one year to secure the VF Sellers' indemnification obligations under the Framework Agreement and the TSA (as defined below)), subject to a customary post-Closing purchase price adjustment mechanism, (ii) Vanguard Food LP issued (A) common units representing 37.9% of Vanguard LP's equity ownership to the VF Sellers and (B) preferred and common units representing 62.1% of Vanguard LP's equity ownership to the Initial Investors and (iii) Vanguard Food GP LLC issued membership interests to VFLP, KL and Sweat. The foregoing transactions completed at Closing are collectively referred to herein as the "Transaction". Following the Closing, the VF Sellers have no future obligations to contribute cash to Vanguard and have pre-emptive rights to maintain their ownership interest in Vanguard under the terms of the LP Agreement (as defined below).

Pursuant to the Framework Agreement, the parties entered into the following agreements at Closing: (a) an Amended and Restated Limited Partnership Agreement of Vanguard Food LP (the "LP Agreement"), (b) an Amended and Restated Limited Liability Company Agreement of Vanguard Food GP LLC (the "LLC Agreement"), (c) a Sales, Marketing & Distribution Agreement (the "SM&D Agreement"), (d) a Transition Services Agreement (the "TSA") and (e) a Marfa Greenhouse Facility Sublease (the "Marfa Sublease" and collectively with the LP Agreement, the LLC Agreement, the SM&D Agreement, and the TSA, the "Transaction Agreements"), in each case as described in more detail below.

The parties have appointed Charlie Sweat, Founder of Sweat, as Executive Chairman of Vanguard's Board of Managers. Michael A. DeGiglio, Founder, President, and Chief Executive Officer of VFI, has also been appointed to Vanguard's Board of Managers and will serve as Interim Chief Executive Officer of Vanguard until a permanent replacement has been identified. Steve Ruffini, Chief Financial Officer of VFI, is also serving on Vanguard's Board of Managers.

Following the Closing, VFLP continues to own its 30-acre Monahans greenhouse facility in Texas, and will own and pursuant to the Marfa Sublease, is leasing its 20-acre Marfa I greenhouse to Vanguard. The Marfa I facility is currently expandable to 40-acres and is adjacent to 950 acres of unoccupied land owned by VFLP available for future expansion. In Canada, VFCLP continues to own and operate its 60-acre Delta 1 greenhouse in Delta, British Columbia. At Closing, VFCLP entered into a multi-year supply agreement with Vanguard (the SM&D Agreement) to provide it with fresh produce production from its Delta 1 greenhouse.

The following descriptions of the Transaction Agreements do not purport to be complete and are subject to, and qualified in their entirety by reference to, the Transaction Agreements, copies of which will be filed with the Securities and Exchange Commission no later than the filing date of the Company's next quarterly report on Form 10-Q.

Amended and Restated Limited Partnership Agreement of Vanguard Food LP

As contemplated by the Framework Agreement, at the Closing, Vanguard Food GP LLC, Sweat, KL, VFCLP and VFLP entered into the LP Agreement, which sets forth the structure, governance, and financial arrangements of Vanguard LP. The LP Agreement establishes Vanguard Food GP LLC as the general partner, with limited partners (initially consisting of VFLP, VFCLP, KL and Sweat) holding preferred, common, and incentive units. The general partner has full control over the partnership's activities, while limited partners have specific rights, including approval rights over certain major decisions (so long as they hold an ownership percentage of Vanguard Food LP of at least 15% or, in the case of Village Farms, the two-year lock-up period has not expired) and preemptive rights to purchase new securities.

The LP Agreement's financial provisions provide for the allocation of net income, net loss, and distributions among partners based on their respective partnership units. Non-liquidating distributions will be made pro rata to holders of preferred, common and incentive units, while preferred units are entitled to a 1.3x liquidation preference in the event of any liquidating distributions.

The LP Agreement includes detailed provisions concerning the transfer and sale of units, including a two-year lock-up period, a right of first offer, drag-along rights and tag-along rights. Limited partners cannot transfer their units except as permitted by the LP Agreement. The right of first offer requires that units be offered to existing partners before being sold to third parties. Drag-along rights allow majority partners to compel minority partners to participate in a sale under certain conditions. Tag-along rights enable minority partners to join in a sale initiated by the Initial Investors or Village Farms (so long as Village Farms has an ownership percentage of Vanguard Food LP of at least 15%), ensuring they can sell their units on the same terms.

Amended and Restated Limited Liability Company Agreement of Vanguard Food GP LLC

As contemplated by the Framework Agreement, at the Closing, Vanguard Food GP LLC, Sweat, KL and VFLP entered into the LLC Agreement, which sets forth the terms and conditions governing the operations and management of Vanguard Food GP LLC and, since

Vanguard Food GP LLC is its general partner, Vanguard Food LP. The LLC Agreement provides for a single class of membership interests to be held by holders of common and preferred units of Vanguard Food LP.

Management of Vanguard Food GP LLC is vested in a board of managers, which is to be composed of five managers: two designated by VFCLP, two designated by Sweat and KL, and the chief executive officer of Vanguard LP, who will initially be appointed as promptly as practicable following the Closing. Until the appointment of the chief executive officer, the Executive Chairman of the board (Charlie Sweat, who is one of Sweat's and KL's board designees) will have a casting vote. Any matter other than certain major decisions can be approved by a majority of managers at a meeting in which a quorum is present. Any major decision requires the approval of each Initial Investor with an ownership percentage of Vanguard Food LP of at least 15% and VFCLP so long as either (a) Village Farms has an ownership percentage of Vanguard Food LP of at least 15% or (b) the two-year lock-up period under the LP Agreement has not yet expired.

No transfers of membership interests are permitted unless approved by the unanimous consent of the Initial Investors and VFCLP. However, members are allowed to transfer their membership interests to affiliates. If a member ceases to be affiliated to a holder of common or preferred units of Vanguard Food LP, its membership interest will automatically be canceled unless transferred to another affiliate of the applicable holder.

Sales, Marketing & Distribution Agreement

As contemplated by the Framework Agreement, VFCLP and Vanguard entered into the SM&D Agreement effective as of Closing, which sets forth the terms, conditions, rights and obligations governing the sales, marketing and distribution by Vanguard of all hydroponically grown tomatoes produced at VFCLP's British Columbia greenhouse growing facilities. The sales price paid by Vanguard is based on amounts paid by Vanguard's customers, net of a marketing fee to be received by Vanguard.

The initial term of the SM&D Agreement ends upon termination of the SM&D Agreement in respect of each facility. The SM&D Agreement may be terminated in respect of the Delta 1 Facility if Vanguard undergoes a change of control transaction, or if, no earlier than the beginning of the 2027 calendar year, VFCLP ceases to produce hydroponically grown tomatoes at the facility. The SM&D Agreement may be terminated in respect of the Delta 2 Facility on December 31, 2025, unless VFCLP elects to continue to grow hydroponically grown tomatoes at the Delta 2 Facility beyond such date, in which case the agreement terminates on December 31, 2026 in respect of the Delta 2 Facility. Either party may terminate the whole agreement in the event of a material breach of the other party that has not been cured, and there is an additional termination right in the event VFCLP and Vanguard are not able to agree to renegotiate terms if certain revenue targets are not met for the 2026 calendar year.

Transition Services Agreement

As contemplated by the Framework Agreement, the VF Sellers and Vanguard entered into a Transition Services Agreement effective as of Closing, which sets forth the terms, conditions, rights and obligations governing the provision (subject to reasonable limitations) of certain services and licenses to trademarks and other intellectual property, in each case on a transitional basis, as reasonably necessary to enable continuity of the Business being transferred to Vanguard pursuant to the Framework Agreement as that Business's systems and operations separate from the VF Sellers' retained business.

The TSA contemplates pricing for services on a pass-through basis based on reasonable allocations for services shared between the Business being transferred to Vanguard and the retained business of the VF Sellers.

The TSA terminates when all services provided thereunder are no longer provided, which shall be no later than 12-months from Closing, unless otherwise agreed by the VF Sellers and Vanguard. Either party may terminate the whole agreement in the event of a material breach of the other party that has not been cured and in the event certain insolvency events occur.

Marfa Sublease

As contemplated by the Framework Agreement, Agro Power Development, Inc. ("Agro"), a wholly owned subsidiary of VFI, entered into the Marfa Sublease in order to sublease its interest in certain property located in Marfa, Texas to Vanguard LP effective as of the Closing. The property is currently leased by Agro from the County of Presidio, Texas and contains approximately 155 acres of land. The Marfa Sublease is established as a "triple-net" sublease, which means that the tenant is responsible for all expenses associated with the property. The lease term mirrors the underlying County land lease held by Agro, which initially expires in 2032, but Agro can extend for two additional 10-year terms. The lease is subject to a sublease termination provision that allows VFCLP to use all or a portion of the Marfa 1 greenhouse, if certain Sublease Termination Conditions are met and Agro gives notice, in any given year, on or before February 1. The Marfa Sublease contains customary indemnification and other terms, and requires an annual rental payment of \$100,000.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On May 30, 2025, the Company completed the Transaction, as described in Item 1.01 of this Current Report, which is incorporated by reference into this Item 2.01. In addition, included in Item 9.01 of this Current Report is unaudited pro forma financial information giving effect to the Transaction.

Item 9.01 Financial Statements and Exhibits.**(b) Pro forma financial information**

Unaudited pro forma financial information giving effect to the Transaction is filed as Exhibit 99.1 and incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description
99.1	Unaudited Pro Forma Condensed Consolidated Financial Information of Village Farms International, Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Village Farms International, Inc.

Date: June 5, 2025

By: /s/ Stephen C. Ruffini

Name: Stephen C. Ruffini

Title: Executive Vice President and Chief Financial Officer

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated balance sheet and statements of operations are based upon the historical consolidated financial statements of Village Farms International, Inc. (the "Company"). The unaudited pro forma condensed consolidated financial information has been prepared to illustrate the effect of the transaction (the "Transaction") by the Company associated with the Framework Agreement Regarding Partnership and Membership Interests, Contributions, and Exchanges, dated as of May 12, 2025 (the "Framework Agreement"), by and among the Company, Village Farms Canada Limited Partnership ("VFCLP") and Village Farms, L.P. ("VFLP," and together with the Company and VFCLP, the "VF Sellers"); Vanguard Food GP LLC, Vanguard Food LP and certain of its subsidiaries (collectively, "Vanguard"); Kennedy Lewis Capital Partners Master Fund II LP ("KL") and Sweat Equities SPV LLC ("Sweat," and together with "KL," the "Initial Investors"). For a detailed description of the Transaction, please see Note 1 of the accompanying unaudited pro forma condensed consolidated financial information.

The unaudited pro forma condensed consolidated balance sheet as of March 31, 2025 has been prepared by including the unaudited historical condensed consolidated balance sheet of the Company as of March 31, 2025, adjusted to reflect the pro forma effect as if the Transaction had been consummated on that date. The interim unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 2025 and the unaudited pro forma condensed consolidated statements of operations for the years ended December 31, 2024 and 2023 have been prepared by including the Company's historical condensed consolidated statements of operations, adjusted to reflect the pro forma effect as if the Transaction had been consummated on January 1, 2023.

The historical consolidated financial statements referred to above for the Company were included in its Quarterly Report on Form 10-Q for the three months ended March 31, 2025 (unaudited) and Annual Reports on Form 10-K for the years ended December 31, 2024 and 2023, each previously filed with the Securities and Exchange Commission (the "SEC"). The accompanying unaudited pro forma condensed consolidated financial information and the historical consolidated financial information presented herein should be read in conjunction with the historical consolidated financial statements and notes thereto of the Company.

The unaudited pro forma condensed consolidated balance sheet and statements of operations include pro forma adjustments which reflect transactions and events that (a) are directly attributable to the Transaction, (b) are factually supportable, and (c) with respect to the statements of operations, have a continuing impact on consolidated results of operations. The pro forma adjustments are described in the accompanying notes to the unaudited pro forma condensed consolidated financial information.

The unaudited pro forma condensed consolidated financial information was prepared for informational purposes only and is not necessarily indicative of the financial position or results of operations that would have occurred if the Transaction had been completed on the dates indicated, nor is it indicative of the future financial position or results of operations of the Company. Assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed consolidated financial information. The accounting for the Transaction is dependent upon final balances related to the assets and liabilities at the closing date that have yet to progress to a stage where there is sufficient information for a definitive measurement. Due to the fact that the unaudited pro forma condensed consolidated financial information has been prepared based upon preliminary estimates and account balances other than those on the actual Transaction closing date, the final amounts recorded for the Transaction may differ materially from the pro forma condensed consolidated financial information presented.

The unaudited pro forma condensed consolidated financial information does not reflect future events that may occur after the Transaction, including potential restructuring and related general and administrative cost savings. The pro forma adjustments are subject to change and are based upon currently available information.

VILLAGE FARMS INTERNATIONAL INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2025
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Historical	Pro Forma Adjustments		Pro Forma
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 15,125	\$ 26,000	A	\$ 41,125
Restricted cash	—	5,000	A	5,000
Trade receivables, net	34,954	—		34,954
Inventories, net	51,459	(6,391)	B	45,068
Other receivables	38	—		38
Prepaid expenses and deposits	3,298	(1,295)	B	2,003
Total current assets	104,874	23,314		128,188
<i>Non-current assets</i>				
Property, plant and equipment, net	189,813	(15,463)	B	174,350
Investments	2,656	3,530	A	6,186
Goodwill	42,368	—		42,368
Intangibles, net	24,474	—		24,474
Deferred tax asset	918	—		918
Right-of-use assets	9,213	(5,053)	B	4,160
Other assets	2,788	—		2,788
Total assets	\$ 377,104	\$ 6,328		\$ 383,432
LIABILITIES				
<i>Current liabilities</i>				
Line of credit	\$ 5,000	\$ (5,000)	A	\$ —
Trade payables	15,305	—		15,305
Current maturities of long-term debt	4,819	—		4,819
Accrued sales taxes	8,392	—		8,392
Accrued loyalty program	763	—		763
Accrued liabilities	15,034	4,000	A	19,034
Lease liabilities - current	2,552	(1,476)	B	1,076
Income tax payable	1,673	—		1,673
Other current liabilities	1,023	—		1,023
Total current liabilities	54,561	(2,476)		52,085
<i>Non-current liabilities</i>				
Long-term debt	34,384	(3,000)	A	31,384
Deferred tax liability	19,213	—		19,213
Lease liabilities - non-current	7,932	(4,006)	B	3,926
Other liabilities	3,061	—		3,061
Total liabilities	119,151	(9,482)		109,669
Commitments and contingencies (note 11)				
MEZZANINE EQUITY				
Redeemable non-controlling interests	9,616	—		9,616
SHAREHOLDERS' EQUITY				
Common stock, no par value per share - unlimited shares authorized; 112,337,049 shares issued and outstanding at March 31, 2025.	387,349	—		387,349
Additional paid in capital	30,749	—		30,749
Accumulated other comprehensive loss	(18,042)	—		(18,042)
Retained earnings	(151,719)	15,810	C	(135,909)
Total shareholders' equity	248,337	15,810		264,147
Total liabilities, mezzanine equity and shareholders' equity	\$ 377,104	\$ 6,328		\$ 383,432

See notes to unaudited pro forma condensed consolidated financial information.

VILLAGE FARMS INTERNATIONAL INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Historical	Transaction Accounting Adjustments		Pro Forma
Sales	\$ 77,074	\$ (37,370)	D	\$ 39,704
Cost of sales	(65,734)	40,171	D	(25,563)
Gross profit	11,340	2,801		14,141
Selling, general and administrative expenses	(16,779)	2,477	D	(14,302)
Interest expense	(706)	158	A	(548)
Interest income	75	—		75
Foreign exchange (loss) gain	(84)	—		(84)
Other income (expense)	22	25	D	47
Loss before taxes and loss from equity method investments	(6,132)	5,461		(671)
Recovery of (Provision for) income taxes	(983)	—		(983)
Loss from equity method investments	—	(2,010)	E	(2,010)
Loss including non-controlling interests	(7,115)	3,451		(3,664)
Less: net (income) loss attributable to non-controlling interests, net of tax	412	—		412
Net loss attributable to Village Farms International, Inc. shareholders	<u>\$ (6,703)</u>	<u>\$ 3,451</u>		<u>\$ (3,252)</u>
Basic loss per share attributable to Village Farms International, Inc. shareholders	<u>\$ (0.06)</u>			<u>\$ (0.03)</u>
Diluted loss per share attributable to Village Farms International, Inc. shareholders	<u>\$ (0.06)</u>			<u>\$ (0.03)</u>
Weighted average number of common shares used in the computation of loss per share (in thousands):				
Basic	<u>112,337</u>			<u>112,337</u>
Diluted	<u>112,337</u>			<u>112,337</u>

See notes to unaudited pro forma condensed consolidated financial information.

VILLAGE FARMS INTERNATIONAL INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Historical	Transaction Accounting Adjustments		Pro Forma
Sales	\$ 336,181	\$ (143,466)	D	\$ 192,715
Cost of sales	(288,781)	138,382	D	(150,399)
Gross profit	47,400	(5,084)		42,316
Selling, general and administrative expenses	(71,048)	10,026	D	(61,022)
Interest expense	(3,365)	558	A	(2,807)
Interest income	914	—		914
Foreign exchange (loss) gain	(2,843)	—		(2,843)
Other income (expense)	4,015	100	D	4,115
Goodwill and intangible asset impairments	(11,939)	—		(11,939)
Other impairments	(439)	—		(439)
Loss before taxes and loss from equity method investments	(37,305)	5,600		(31,705)
Recovery of (Provision for) income taxes	1,662	—		1,662
Loss from equity method investments	—	(1,911)	E	(1,911)
Loss including non-controlling interests	(35,643)	3,689		(31,954)
Less: net (income) loss attributable to non-controlling interests, net of tax	(207)	—		(207)
Net loss attributable to Village Farms International, Inc. shareholders	<u>\$ (35,850)</u>	<u>\$ 3,689</u>		<u>\$ (32,161)</u>
Basic loss per share attributable to Village Farms International, Inc. shareholders	<u>\$ (0.32)</u>			<u>\$ (0.29)</u>
Diluted loss per share attributable to Village Farms International, Inc. shareholders	<u>\$ (0.32)</u>			<u>\$ (0.29)</u>

See notes to unaudited pro forma condensed consolidated financial information.

VILLAGE FARMS INTERNATIONAL INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Historical	Transaction Accounting Adjustments		Pro Forma
Sales	\$ 285,603	\$ (125,276)	D	\$ 160,327
Cost of sales	(236,177)	120,638	D	(115,539)
Gross profit	49,426	(4,638)		44,788
Selling, general and administrative expenses	(65,501)	8,988	D	(56,513)
Interest expense	(4,509)	533	A	(3,976)
Interest income	1,018	—		1,018
Foreign exchange (loss) gain	602	—		602
Other income (expense)	5,616	100	D	5,716
Goodwill and intangible asset impairments	(14,020)	—		(14,020)
Loss before taxes and loss from equity method investments	(27,368)	4,983		(22,385)
Recovery of (Provision for) income taxes	(7,451)	—		(7,451)
Loss from equity method investments	—	(1,686)	E	(1,686)
Loss including non-controlling interests	(34,819)	3,297		(31,522)
Less: net (income) loss attributable to non-controlling interests, net of tax	21	—		21
Net loss attributable to Village Farms International, Inc. shareholders	<u>\$ (34,798)</u>	<u>\$ 3,297</u>		<u>\$ (31,501)</u>
Basic loss per share attributable to Village Farms International, Inc. shareholders	<u>\$ (0.32)</u>			<u>\$ (0.29)</u>
Diluted loss per share attributable to Village Farms International, Inc. shareholders	<u>\$ (0.32)</u>			<u>\$ (0.29)</u>
Weighted average number of common shares used in the computation of loss per share (in thousands):				
Basic	<u>108,728</u>			<u>108,728</u>
Diluted	<u>108,728</u>			<u>108,728</u>

See notes to unaudited pro forma condensed consolidated financial information.

Notes to Unaudited Pro Forma Condensed Consolidated Financial Information
(In thousands, except per share amounts)

1 Description of Transaction

On May 30, 2025, the VF Sellers completed the Transaction pursuant to the terms set forth in the Framework Agreement. Under the terms of the Transaction, the Company privatized its Texas-based, 40-acre Marfa II and 40-acre Fort Davis greenhouse assets, most of its produce-related intellectual property, with the exception of the Village Farms name, and transferred both of its produce distribution facilities, produce employees, as well as operational control of these facilities to Vanguard, and received \$40,000 in cash and received 37.9% equity ownership interest in Vanguard.

2 Basis of Presentation

The unaudited pro forma condensed consolidated financial information is prepared pursuant to Article 11 of Regulation S-X. The unaudited pro forma condensed consolidated balance sheet and statements of operations are based upon the historical consolidated financial statements of the Company, which were included in its Annual Reports on Form 10-K for the fiscal years ended December 31, 2024 and 2023, and its Quarterly Report on Form 10-Q for the three months ended March 31, 2025, each previously filed with the SEC. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2025 has been prepared by including the unaudited historical condensed consolidated balance sheet of the Company as of March 31, 2025, adjusted to reflect the pro forma effect as if the Transaction had been consummated on that date. The interim unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 2025 and the unaudited pro forma condensed consolidated statements of operations for the years ended December 31, 2024 and 2023 have been prepared by including the Company's historical condensed consolidated statements of operations, adjusted to reflect the pro forma effect as if the Transaction had been consummated on January 1, 2023.

3 Pro Forma Adjustments

The following pro forma adjustments are included in the unaudited pro forma condensed consolidated balance sheet and/or the unaudited pro forma condensed consolidated statements of operations:

- A** Reflects cash proceeds of the \$40,000 sale price (after purchase price adjustments of (\$1,000) relating to estimated net working capital and giving effect to \$5,000 placed in escrow for one year to secure the VF Sellers' indemnification obligations under the Framework Agreement and the Transition Services Agreement, dated May 30, 2025, by and among the VF Sellers and Vanguard) and the estimated fair value of the 37.9% equity received in Vanguard of \$3,530 which is represented as an equity method investment. This is partially offset by a \$3,000 accrual for estimated transaction costs, a \$1,000 accrual for expected capital expenditures, a \$5,000 repayment of the Company's revolving credit facility with a Canadian chartered bank, which was made at closing of the Transaction, and a \$3,000 repayment on a term loan with a Canadian creditor. The effect of the payment on the revolving credit facility and the term loan is a decrease in interest expense of \$558 and \$533 for the years ended December 31, 2024 and 2023, respectively, and \$158 the three months ended March 31, 2025.
- B** Reflects the elimination of assets and liabilities included in the Transaction.
- C** Reflects the effect on retained earnings related to the estimated gain on sale attributable to the Transaction.
- D** Reflects the elimination of the historical revenues and expenses attributable the assets and liabilities transferred in the Transaction.
- E** Reflects the Company's share of net loss attributed to Vanguard.