



Village Farms Announces Leli Holland's Receipt of Final Cultivation License and Majority Ownership of 85% of Leli Holland

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– Village Farms Will Contribute to Reshaping the Future of Recreational Cannabis in the Netherlands, the First Major European Country to Permit Large Scale Cultivation and Distribution of Recreational Cannabis –

VANCOUVER, BC, Aug. 9, 2022 /CNW/ - Village Farms International, Inc. ("Village Farms" or the "Company") (NASDAQ: VFF) today announced Leli Holland B.V. ("Leli Holland") has been granted the tenth and final license to cultivate cannabis legally in the Netherlands (the "License") under the Dutch Closed Supply Chain Experiment program (the "Dutch Program"), which is expected to be commence operating next year. Subsequently, Village Farms completed acquisition of 85% of privately held Leli Holland under its previously announced purchase option agreement, enabling Village Farms to directly participate as a Netherlands-based cultivator and distributor of cannabis in the Dutch Program, under which the Netherlands will become the first major European country to permit large scale cultivation and distribution of recreational cannabis.

The Dutch Program is intended to evaluate determine whether and how controlled cannabis can be legally supplied to existing retailers (known as "coffee shops") and what the effects of such would be, specifically in the context of concerns around public order and safety, public health and crime amidst the current Dutch cannabis policy, which tolerates the sale and use of cannabis for recreational purposes but prohibits production and distribution to coffee shops.

"We are so proud to come home to the Netherlands as one of just ten companies that will be licensed to cultivate recreational cannabis and distribute high quality cannabis products to coffee shops in the Netherlands," said Michael DeGiglio, CEO Village Farms. "Village Farms has a long, rich history in the Netherlands and majority ownership of Leli will allow for direct and meaningful participation in the Dutch Program and contribute to reshaping the future of recreational cannabis in the Netherlands. Village Farms' Vice President of European Cannabis, Orville Bovenschen, born and raised in the Netherlands, will lead our cannabis venture there, splitting his time between our head office in Orlando and the Netherlands. We look forward, to bringing our deep expertise and decades of experience in the design, construction, start up and operation of high-performance, low-cost controlled environment agriculture facilities to the Dutch cannabis industry."

"For decades, the Netherlands has been a global pioneer in the decriminalisation of cannabis and the Dutch Program is an historic, positive step in the evolution of the country's cannabis regulation that will make it the first major European country to permit large scale recreational cultivation. Utilizing the existing retail sales channel will benefit Dutch consumers greatly, and very much look forward to supplying these consumers with high quality, safe and tested cannabis, in the participating jurisdictions. We expect that our Dutch roots, combined with our deep Canadian experience, will contribute to a successful pilot program, and the potential of the program to be expanded nationally."

Mr. DeGiglio added, "As cannabis sentiment shifts favorably, we are pursuing, and will continue to pursue, other European opportunities as they unfold. Our direct participation in the Dutch Program, leveraging our position as a top Canadian Licensed Producer with EU-GMP certification, strongly positions Village Farms for success in these markets as they legalize."

About the Netherlands Dutch Closed Supply Chain Experiment

The Dutch Program is scheduled to operate for a minimum of four years with the potential for national expansion. The total supply requirement for the ten approved producers participating in the Dutch Supply Chain Experiment is specified by the Netherlands government to be approximately a minimum of 65,000 kilograms of dried flower annually. A brief description of the Dutch Program can be found at <https://www.government.nl/topics/drugs/controlled-cannabis-supply-chain-experiment>.

About Village Farms International, Inc.

Village Farms leverages decades of experience as a large-scale, Controlled Environment Agriculture-based, vertically integrated supplier for high-value, high-growth plant-based Consumer Packaged Goods opportunities, with a strong foundation as a leading fresh produce supplier to grocery and large-format retailers throughout the US and Canada, and new high-growth opportunities in the cannabis and CBD categories in North America and selected markets internationally.

In Canada, the Company's wholly-owned Canadian subsidiary, Pure Sunfarms, is one of the single largest cannabis operations in the world, the lowest-cost greenhouse producer and one of the best-selling brands.

In the US, wholly-owned Balanced Health Botanicals is one of the leading CBD brands and e-commerce platforms in the country. Subject to compliance with all applicable US federal and state laws and stock exchange rules, Village Farms plans to enter the US high-THC cannabis market via multiple strategies, leveraging one of the largest greenhouse operations in the country (more than 5.5 million square feet in West Texas), as well as the operational and product expertise gained through Pure Sunfarms' cannabis success in Canada.

Internationally, Village Farms is targeting selected, nascent, legal cannabis and CBD opportunities with significant medium- and long-term potential, with an initial focus on the Asia-Pacific region and the Netherlands in Europe.

Cautionary Statement Regarding Forward-Looking Information

This Press Release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is subject to the safe harbor created by those sections. This Press Release also contains "forward-looking information" within the meaning of applicable Canadian securities law. We refer to such forward-looking statements and forward-looking information collectively as

"forward-looking statements". Forward-looking statements may relate to the Company's future outlook or financial position and anticipated events or results and may include statements regarding the financial position, business strategy, budgets, expansion plans (including internationally as a result of our acquisition of Leli Holland), litigation, projected production, projected costs, capital expenditures, financial results, taxes, plans and objectives of or involving the Company. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the Company, the greenhouse vegetable industry or the cannabis industry are forward-looking statements. In some cases, forward-looking information can be identified by such terms as "outlook", "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "try", "estimate", "predict", "potential", "continue", "likely", "schedule", "objectives", or the negative or grammatical variation thereof or other similar expressions concerning matters that are not historical facts. The forward-looking statements in this Press Release are subject to risks that may include, but are not limited to: our limited operating history, including that of Rose LifeScience Inc. ("Rose"), Balanced Health Botanicals, LLC ("Balanced Health"), Pure Sunfarms, Inc. ("Pure Sunfarms") and our operations of growing hemp in the United States; the legal status of Pure Sunfarms, Rose and Balanced Health cannabis business; risks relating to the integration of Balanced Health and Rose into our cannabis business; risks related to international expansion through our investment in Leli Holland; risks relating to obtaining additional financing, including our dependence upon credit facilities; potential difficulties in achieving and/or maintaining profitability; variability of product pricing; risks inherent in the cannabis, hemp, CBD, cannabinoids, and agricultural businesses; market position, ability to leverage current business relationships for future business involving hemp and cannabinoids, the ability of Pure Sunfarms and Rose to cultivate and distribute cannabis in Canada; existing and new governmental regulations, including risks related to regulatory compliance and licenses (e.g., Pure Sunfarms ability to obtain licenses for its Delta 2 greenhouse facility as well as additional licenses under the Canadian act respecting cannabis to amend to the Controlled Drugs and Substances Act, the Criminal Code and other Acts, S.C. 2018, c. 16 (Canada) for its Delta 3 greenhouse facility), and changes in our regulatory requirements; risks relating to conversion of our greenhouses to cannabis production for Pure Sunfarms; risks related to rules and regulations at the U.S. federal (Food and Drug Administration and United States Department of Agriculture), state and municipal levels with respect to produce and hemp; retail consolidation, technological advances and other forms of competition; transportation disruptions; product liability and other potential litigation; retention of key executives; labor issues; uninsured and underinsured losses; vulnerability to rising energy costs; environmental, health and safety risks, foreign exchange exposure, risks associated with cross-border trade; difficulties in managing our growth; restrictive covenants under our credit facilities; natural catastrophes; the ongoing and developing COVID-19 pandemic; and tax risks.

The Company has based these forward-looking statements on factors and assumptions about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. Although the forward-looking statements contained in this Press Release are based upon assumptions that management believes are reasonable based on information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond the Company's control, that may cause the Company's or the industry's actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the factors contained in the Company's filings with securities regulators, including this Press Release. In particular, we caution you that our forward-looking statements are subject to the ongoing and developing circumstances related to the COVID-19 pandemic, which may have a material adverse effect on our business, operations and future financial results.

When relying on forward-looking statements to make decisions, the Company cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future results, performance, achievements, prospects and opportunities. The forward-looking statements made in this Press Release relate only to events or information as of the date on which the statements are made in this Press Release. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

SOURCE Village Farms International, Inc.

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