



Village Farms International's Cannabis Joint Venture Pure Sunfarms Begins Shipping Cannabis 2.0 Products and Bottled Oils

August 25, 2020 12:00 PM EDT

– Pure Sunfarms' Full Spectrum Vapes in 510 Thread Cartridges and Pure Sun CBD Oil to be Available to Consumers in British Columbia in the Coming Days, with Ontario and Alberta to Follow –

VANCOUVER, BC, Aug. 25, 2020 /CNW/ - Village Farms International, inc. ("Village Farms" or the "Company") (NASDAQ: VFF) (TSX: VFF) today announced its majority-owned joint venture for large-scale, low-cost, high-quality cannabis production, Pure Sunfarms, has begun shipping its first Cannabis 2.0 and bottled oil products. Shipments will initially be to British Columbia, with shipments to Ontario and Alberta planned to begin shortly.

"At Pure Sunfarms, flower is at the core of what we do. It's our growing experience and our commitment to quality that has really inspired our evolution into Cannabis 2.0," said Mandesh Dosanjh, President & CEO, Pure Sunfarms. "All Pure Sunfarms' vape and oil products are made from our naturally-grown, signature strains, always using the best parts of the flower, to provide a safe and smooth experience from start to finish."

Mr. Dosanjh added, "Pure Sunfarms has taken a pragmatic, thoughtful and measured approach to our product strategy, first establishing a commanding position in the dried flower market, and then leveraging our brand, reputation and experience to enter new, large, higher value product categories. Vapes have already become the second largest category with the Ontario Cannabis Store after dried flower, and bottled oils are the fourth largest category with the OCS after dried flower, vapes and pre-rolls¹."

"For three consecutive quarters – since first launching its branded retail products last September – Pure Sunfarms has had the leading market share of all dried flower brands in Canada's largest provincial market, Ontario²," said Michael DeGiglio, Chief Executive Officer, Village Farms. "Pure Sunfarms will bring the same winning value proposition that underpins that performance – high-quality products that consumers want at an attractive price – to its Cannabis 2.0 and bottled oil products, and we are confident consumers will embrace these new products as enthusiastically as they have Pure Sunfarms' dried flower products. Pure Sunfarms' goal is to be the number one or number two brand in every product category that is entered."

"As the low-cost greenhouse producer in Canada, with a focus on continuously elevating quality, Pure Sunfarms has a significant pricing advantage in the market, which we expect will continue to not only drive market share in the legal market but also enable the company to continue to lead the Canadian cannabis industry in the conversion of the illicit market, which still comprises the vast majority of consumer purchases. Also, the addition of these high value products is expected to enhance Pure Sunfarms' already very healthy gross margin going forward, especially when the company begins its own extraction operations, which are ready for start up and subject only to Health Canada licensing, expected in the months ahead."

Pure Sunfarms' vape cartridges feature full spectrum extract, which preserves the cannabinoids and terpenes from the original flower and maintains the aromas and flavors true to cultivar. Pure Sunfarms' Full Spectrum Vapes feature 0.5g of single-strain, BC-grown cannabis extract, and are available in three of their best-selling strains: Afghan Kush, White Rhino, and Island Honey. Each vape cartridge is fitted with a ceramic mouthpiece, features a glass tank, ceramic heating coil, and is compatible with a standard 510 thread cartridge battery.

Pure Sunfarms' Pure Sun CBD Oil is made purely with BC-grown, whole flower Pure Sun CBD cultivar (aka Cannatonic), hand-selected for its unique potential to produce consistently CBD-rich flowers. Pure Sun CBD Oil comes in a 30mL amber bottle, and is available in both a 1:10 or 1:30 THC: CBD formulation so consumers can customize their CBD experience to meet their individual needs.

Pure Sunfarms will continue to add Cannabis 2.0 products to its portfolio in the months ahead.

Notes

1. Data cited has been calculated by Pure Sunfarms from sales information provided by OCS.
2. By kilograms sold for the three-month periods ended December 31, 2019, March 31, 2020 and June 30, 2020. Defined as sales of Pure Sunfarms products by the OCS to retailers and directly to consumers via its web site. Market share performance is based on calculations by Pure Sunfarms from sales information provided by the Ontario Cannabis Store (OCS).

About Village Farms International, Inc.

Village Farms is one of the largest and longest-operating vertically integrated greenhouse growers in North America. Village Farms produces and distributes fresh, premium-quality produce with year-round to national grocers in the U.S. and Canada from more than nine million square feet of Controlled Environment Agriculture (CEA) greenhouses in Canada and the U.S., as well as from its partner greenhouses in Canada and Mexico. The Company is leveraging its 30 years of experience as a large-scale, low-cost vertically integrated grower for the rapidly emerging global cannabis and CBD opportunities. In Canada, British-Columbia-based Pure Sunfarms (majority-owned by Village Farms) is one of the single largest cannabis operations in the world and one of the best-selling brands in the country. In the U.S., subject to compliance with all applicable U.S. federal and state laws, the Company is pursuing a strategy to become a leading developer and supplier of branded and white-labeled CBD products targeting "big box" and other major retailers and consumer packaged goods companies, and with one of the largest greenhouse operations in country, is well positioned for the potential federal legalization of high-THC cannabis.

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, 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 our Pure Sunfarms Corp. joint venture for the production of cannabis in Canada (our "Joint Venture") and our start-up operations of growing hemp in the United States; the legal status of our Joint Venture; 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 and agricultural businesses; the ability of our Joint Venture to cultivate and distribute cannabis in Canada, existing and new governmental regulations, including risks related to regulatory compliance and licenses (e.g., our Joint Venture's 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 our Joint Venture; 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 our most recent Annual Report on Form 10-K, our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each of which is available at www.sec.gov, as well as our filings on SEDAR, available at www.sedar.com. 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.

For further information: Lawrence Chamberlain, Investor Relations, (416) 519-4196,
lawrence.chamberlain@loderockadvisors.com

