



Village Farms International Partners with One of Asia-Pacific's Leading Cannabinoid Platforms, Altum International, to Target Asia-Pacific CBD and Cannabis Markets

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VANCOUVER, BC, Aug. 4, 2020 /CNW/ - Village Farms International, Inc. ("Village Farms" or the "Company") (NASDAQ: VFF) (TSX: VFF) today announced that it has executed a binding agreement ("the Agreement") to acquire 6.6% of Australia-based Altum International Pty Ltd ("Altum"), one of the Asia-Pacific's leading cannabinoid platforms, subject to the completion of certain conditions, which are expected to be finalized in the next several weeks. Under the terms of the Agreement, Village Farms has the option to increase its ownership in Altum on similar terms.

Altum's mission is to bring the life-changing benefits of cannabinoids (with focus on CBD) to consumers across the Asia-Pacific region through a comprehensive platform for the large-scale importation, distribution and marketing of CBD, composed of three channels, with an overriding focus on regulatory compliance for each specific country market:

- Proprietary Consumer Brands – Fully-owned consumer brands, currently consisting of *Felix and Co* (www.felixandco.com), *Kind Cannabis* and *tsubomi*;
- Commercial Inputs – A range of cost-competitive, compliant and effective premium CBD ingredients through its *LIFE* brand (www.lifecbd.asia), designed for seamless addition to foods, beverages, cosmetics and other consumer packaged goods; and,
- Retail – Retail sales and educational and experiential stores for both Altum and partner products.

Altum has initially focused on opportunities in Hong Kong, which has one of the most progressive attitudes and regulatory regimes for CBD in the Asia-Pacific region. It has already launched a broad range of CBD products under its *Felix and Co* brand to very favorable customer feedback and strong initial sales traction. In its Commercial Input channel, Altum is supplying craft brewers for CBD-infused beer, as well as market-wide coffee chains and juice bars for beverages and edibles, and is in advanced discussions for supply agreements to provide inputs for a range of other products, including pet food, cosmetics, and spa products for hotels. In June 2020, Altum opened a boutique café and retail concept store in Hong Kong named *Found* – Asia's first dedicated CBD consumer outlet. Altum plans to pursue its business strategy throughout the Asia-Pacific region, including but not limited to Greater China, Japan, South Korea, Thailand, Australia and New Zealand, with the goal to be commercially active in at least three additional countries in the next 12 months.

Altum is also pursuing high-THC medical cannabis opportunities in Australia and New Zealand, where medicinal cannabis is already legal in both countries, and intends to pursue recreational cannabis opportunities in each of those countries should legalization occur. Altum is well positioned to capitalise on the medicinal cannabis opportunity in New Zealand via a 49% interest in Kariki Pharma Limited (www.karikipharma.com). Kariki is a New Zealand-domiciled medicinal cannabis company focused on creating a suite of pharmaceutical quality medicinal cannabis for New Zealand, Australian, Asian, and European patients and export markets. New Zealand intends to hold a national referendum on the legalization of the recreational use of cannabis on 19 September 2020.

"On the heels of our recent investment in the Netherlands, our partnership with Altum represents another meaningful step to leverage our three decades of experience in vertically integrated, intensive agriculture, as well as our cannabis success in Canada, for international CBD and cannabis opportunities," said Michael DeGiglio, CEO, Village Farms International. "Village Farms is at a place where, with well-established North American operations, continuously refined and enhanced for optimized performance and growth, we are able to turn our attention to strategic, early-stage international opportunities where CBD and cannabis are being legalized in our pursuit of well-researched capital allocation for the generation of outsized, long-term returns."

"With approximately 4.5 billion people – more than four times that of the U.S., Canada and Europe combined – the Asia-Pacific market represents one such sizeable but nascent opportunity, with the addressable market for cannabis alone forecast to reach US\$10 billion by 2024. Altum is an outstanding organization at the very forefront of the emerging CBD industry in the Asia-Pacific region and represents a capital efficient means by which to participate in this significant opportunity, as well as the legal medical, and potentially the legal recreational, cannabis markets in Australia and New Zealand."

"For a year now, we have watched Altum successfully execute on its business plan and now very much look forward to working collaboratively with Altum's exceptional leadership team, with its deep experience throughout the Asia-Pacific region, including extensive consumer packaged goods experience, and the vision, plan and capability to be the leader throughout this market. We also look forward to exploring the numerous synergistic opportunities that exist amongst our businesses."

Ean Alexander, Chief Executive Officer, Altum International stated, "We are thrilled to commence our partnership with Village Farms, as we grow the strength and depth of our three commercial channel types across the Asia-Pacific region in the coming year. This is truly a win-win outcome for both

parties and our respective shareholders, as together we will be able to scale Altum's business in what we expect will be one of the world's largest cannabinoid consumer markets – with significant additional potential in the over-the-counter and prescription cannabis markets. As a partner, we expect Village Farms to be invaluable in enabling a sustainable, long-term competitive advantage for Altum via its complementary skill sets based on decades of agricultural experience, including specific modern best practice know-how in cannabis cultivation at scale, and a pipeline of product innovation and category expertise."

Notes

1. Source: Prohibition Partners, *Asian Cannabis Report 2019*

About Altum International Pty Ltd

Altum is delivering significant positive change for consumers in Asia-Pacific markets. With its comprehensive range of B2B and B2C cannabinoid products, Altum navigates a complex regulatory landscape in order to meet an exploding regional demand for the next generation of consumer wellness; all powered by quality, cost-competitive and highly effective cannabinoids.

With a global mindset and regionally oriented team, Altum is creating sustainable value for its shareholders and partners through first-to-market, safe and compliant access to cannabinoids for customers. For more information, visit www.altum.group.

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 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 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 the largest greenhouse operations in country, is well positioned for the potential federal legalization of high-THC cannabis. Internationally, Village Farms is strategically targeting nascent, legal cannabis and CBD opportunities with significant long-term potential.

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.

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