



Village Farms International's Cannabis JV Pure Sunfarms Receives Health Canada Approval for State-of-the-Art Processing Center / Pure Sunfarms Remains Top-Selling Dried Cannabis Brand with OCS and Launches New Large Format Package

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– Significantly Expanded Processing Area Will Generate Additional Production Cost Efficiencies, Further Elevate the Quality of Products, Expand Product Offerings and Increase Processing Throughput –

VANCOUVER, March 23, 2020 /CNW/ - Village Farms International, Inc. ("Village Farms" or the "Company") (TSX: VFF; NASDAQ: VFF) today announced its majority-owned joint venture for large-scale, low-cost, high-quality cannabis production, Pure Sunfarms, has received approval from Health Canada to operate the final components of its 65,000 square foot, state-of-the-art processing center located within the 1.1 million square foot Delta 3 greenhouse facility. The significantly expanded processing area will enable Pure Sunfarms to generate additional production cost efficiencies, further elevate the quality of its products, expand its product offerings and increase its processing throughput.

Health Canada's approval of the additional processing area permits Pure Sunfarms to begin operation of:

- 11 additional drying rooms utilizing advanced drying technology and processes to further enhance the quality of Pure Sunfarms product;
- 5 additional packaging rooms;
- 2 additional testing areas;
- 6 additional storage areas; and,
- 7 extraction rooms with equipment capable of processing 35,000 kilograms of biomass annually.

The expanded processing center has been designed to satisfy full European Union GMP compliance and certification requirements, which Pure Sunfarms is currently pursuing. The 65,000 square foot processing centre has capacity to serve both the Delta 3 and Delta 2 greenhouse facilities, with a combined production area of 2.2 million square feet, at full production.

"The approval of this additional processing space enables Pure Sunfarms to enhance our operations and quality processes to further support our commitment to providing our customers with high-quality products at a great price," said Mandesh Dosanjh, President and CEO, Pure Sunfarms. "Pure Sunfarms expects to begin to realize the benefits of this new space in the coming quarter, allowing us to build on our strong performance in the Canadian markets we serve."

"Pure Sunfarms' success is directly attributable to the decades of large-scale growing and operational experience contributed by Village Farms, low-cost production, efficient capital investment, disciplined cost management and the installation of a smart, highly talented and experienced leadership team," said Michael DeGiglio, CEO, Village Farms. "It is a business model that positions Pure Sunfarms to continue to be a leader in the Canadian cannabis sector for years to come. The expansion of this processing area significantly strengthens Pure Sunfarms' capabilities to produce high-quality products, supports its ongoing pursuit of even greater production efficiencies and sets the stage for the introduction of new product formats to build on its leading sales performance in dried cannabis products."

Pure Sunfarms Remains Top-Selling Dried Cannabis Brand with Ontario Cannabis Store for First Two Months of 2020¹

Village Farms also reported that Pure Sunfarms was the top-selling brand of dried flower with the Ontario Cannabis Store (OCS) by dollars sold and kilograms sold for the year to date ended February 29, 2020, achieving a 13.5% market share (by kilograms sold). In addition, for the same period, Pure Sunfarms had two of the top four strains by dollars sold and kilograms sold (Afghan Kush and White Rhino) and Pure Sunfarms' Afghan Kush was the top strain by sales dollars and kilograms sold with the OCS. As previously announced, Pure Sunfarms was the top performing brand of dried flower by both kilograms sold and dollar sales with the Ontario Cannabis Store (OCS) for the three-month period ended December 31, 2019, achieving 13% market share (by kilograms sold).¹

"We are thrilled to see Pure Sunfarms continue its strong sales performance and once again rank as the best-selling dried cannabis brand with the OCS," said Mr. DeGiglio. "Pure Sunfarms has rapidly established itself as a premier dried cannabis brand with high-quality products that consumers want at an attractive price."

Pure Sunfarms Launches New Large-Format 28-Gram Product of High-Quality Cannabis

Village Farms also announced that Pure Sunfarms has launched a new large-format 28-gram (1 ounce) high-quality cannabis product. Pure Sunfarms' 28-gram pack is now available for consumers in British Columbia to purchase online at BC Cannabis Stores, with availability at licensed retailers across the province to follow. The 28-gram pack is expected to be available online at the Ontario Cannabis Store in early April, and at participating retailers shortly thereafter.

"We know that Canadian consumers of recreational cannabis are looking for convenient, quality product, at a price they can count on," said Mandesh Dosanjh, President and CEO, Pure Sunfarms. "At Pure Sunfarms, we pride ourselves on producing B.C. grown cannabis, farmed with care, and we'll continue to do just that with our new large format pack of dried flower. Consumers will receive the same high quality they have come to expect from Pure Sunfarms in every 28-gram package."

Mr. DeGiglio commented, "As a high-quality, low-cost producer, Pure Sunfarms has the advantage of significant pricing flexibility as the Canadian cannabis market continues to evolve to support and grow its strong market share."

Notes

1. Data cited has been calculated by Pure Sunfarms from sales information provided by OCS.

About Village Farms International, Inc.

Village Farms is one of the largest and longest-operating vertically integrated greenhouse growers in North America and the only publicly traded greenhouse produce company in Canada. Village Farms produces and distributes fresh, premium-quality produce with consistency 365 days a year to national grocers in the U.S. and Canada from more than nine million square feet of Controlled Environment Agriculture (CEA) greenhouses in British Columbia and Texas, as well as from its partner greenhouses in British Columbia, Ontario and Mexico. The Company is now leveraging its 30 years of experience as a vertically integrated grower for the rapidly emerging global cannabis opportunity through its majority ownership of British Columbia-based Pure Sunfarms Corp., one of the single largest cannabis growing operations in the world. The Company also intends to pursue opportunities to become a vertically integrated leader in the U.S. hemp-derived CBD market, subject to compliance with all applicable U.S. federal and state laws. Village Farms has established two joint ventures, Village Fields Hemp and Arkansas Valley Green and Gold Hemp, for outdoor hemp cultivation and CBD extraction and is pursuing controlled environment hemp production at a portion of its Texas greenhouse operations, which total 5.7 million square feet of production area.

Cautionary Language

Certain statements contained in this press release constitute forward-looking information within the meaning of applicable securities laws ("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, 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, Pure Sunfarms, the greenhouse vegetable industry or the cannabis and hemp industries, including as to Pure Sunfarms' market share and its ability to increase its processing throughput, elevate the quality of its products, realize additional production cost efficiencies and expand its product offerings, 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", "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.

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 U.S. and Canadian securities regulators, including as detailed in the Company's annual information form and management's discussion and analysis for the year-ended December 31, 2018, as well as the impact of the current global pandemic due to COVID-19 on the business and operations of the Company and Pure Sunfarms.

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 only relate 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.

SOURCE Village Farms International, Inc.

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