

The Valens Company

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Valens GroWorks strikes major white label deal with BRNT with a revenue potential of over \$50M

Valens GroWorks Corp (CVE:VGW) (OTCMKTS:VGWCF), a vertically integrated provider of extraction products and services said Thursday that it struck a multi-year white label agreement with BRNT Ltd, a cannabis ancillary company to launch a line of cannabis vape pens in Canada.

In a statement, the Kelowna, British Columbia-based extraction company said that under the terms of deal, Valens will provide high-quality cannabis extracts, filling services and national distribution of a line of custom-formulated BRNT-branded vape pens.

Investors responded well, sending shares nearly 3.3% to C\$2.78 in Toronto on Thursday and more than 4.5% to US\$2.14 on the OTC Markets.

READ: Valens GroWorks earned net income of \$5.9 million in fiscal 3Q

The initial term of the agreement will be for two years, with two successive one-year renewal options, and relates to the production and sale of a guaranteed minimum of 2.2 million BRNT-branded vape pens.

Large revenue generator

Valens estimates that the deal gives it gross revenue earning potential of over \$50 million in the first two years, subject to final acceptance from provincial distributors, including the proposed price per unit.

Under the terms of the agreement, the two parties will split economics through a profit share structure reflective of the respective efforts of each party. Valens expects the first shipment to take place in the first fiscal quarter of 2020.

The company currently holds all required licensing from Health Canada to carry out its obligations under the pact.

"As Valens begins official production of next generation products for Cannabis 2.0, we are excited to be collaborating with BRNT to bring to market a line of differentiated, high quality, concentrate vape products for Canadian consumers," said Valens GroWorks CEO Tyler Robson.

The Valens boss said BRNT has shown "impressive sales growth" and market understanding through its ancillary offerings.

"In pairing their retail and product knowledge with Valens' processing and product development capabilities we believe this provides a solid foundation to provide a product with strong consumer appeal," added Robson.

BRNT was founded by three University of Alberta students who saw an untapped market for aesthetically pleasing cannabis accessories. It provides high-quality cannabis accessories that are available in over 170 stores across Canada with international expansion underway. Its newest line is the popular Made By vaporizers with uniquely

Price: 2.58

Market Cap: \$329.49 m

1 Year Share Price Graph



Share Information

Code: VLNS

Listing: TSX

52 week	High	Low
	4.1	1.75

Sector: Cannabis

Website: thevalenscompany.com

Company Synopsis:

The Valens Company is a multi-licensed, vertically-integrated cannabis company focused on being the partner of choice for leading Canadian and international cannabis brands by providing best-in-class, proprietary services including CO2, ethanol, hydrocarbon, solvent-less and terpene extraction, analytical testing, formulation and white-label product development.

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designed hardware.

"Valens has demonstrated a commitment to cannabis extraction on a global scale that is driven by passion and quality," said BRNT Group CEO Simon Grigenas.

"It was a natural fit for BRNT to collaborate with Valens to bring the Made By vaporizers brand to life with a partner that can mirror our globally recognized signature design aesthetic and brand development capabilities," he added.

Valens GroWorks is a cannabis processor, formulator and product developer. The Canadian firm offers a range of services, which include numerous types of proprietary extraction, analytical testing, formulation as well as white label product development. On the extraction side, Valens offers CO2, ethanol, hydrocarbon, solvent-less and terpene extraction.

—(Adds stock price)—

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