



# Enhancing Health Through Cannabis Science

TSXV: EMH

OTCQX: EMHTF

## Market Information

Price:	\$0.31 <sup>1</sup>
Market Cap:	49.9 M <sup>1</sup>
Cash:	\$6.38 M <sup>2</sup>
	+\$2.5 M Financing <sup>3</sup>
	+\$1.5 M Financing <sup>4</sup>
O/S Shares:	160.9 M <sup>5</sup>
3 M Avg Vol:	1.197 M <sup>6</sup>
52W H/L:	\$4.66 - \$0.26 <sup>1</sup>

<sup>1</sup>20/01/28 <sup>2</sup>19/09/30 <sup>3</sup>19/11/29 <sup>4</sup>19/12/30  
<sup>5</sup>20/01/07 <sup>6</sup>TSX.V + OTCQX

## Recent Updates

**19/12/23** Entered into multi-year extraction and white label service agreement with Valens.

**19/11/27** Pure Sunfarms, 50% JV, secured a cannabis supply agreement with Alberta Gaming, Liquor & Cannabis.

**19/11/12** Received organic certification for cannabis production at Metro Vancouver operation.

**19/11/07** Selected as new supplier of medical cannabis products for distribution into STENOCARE's established Danish pharmacy and hospital channels.

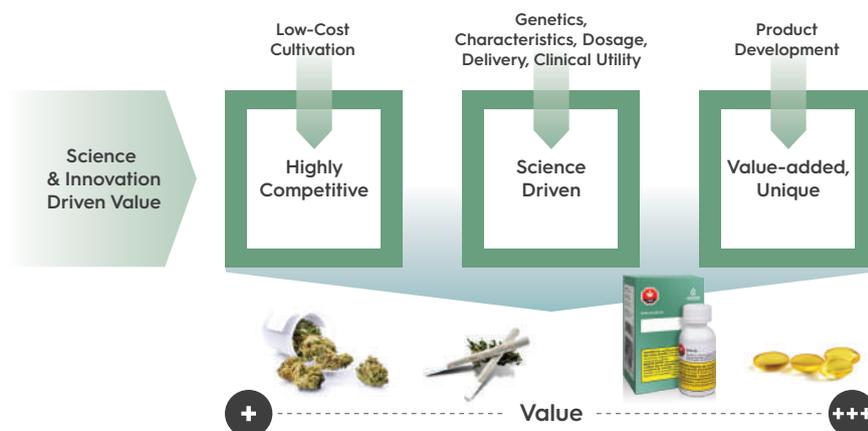
**19/10/22** Fulfilled first shipment of premium cannabis products to the Nova Scotia Liquor Corporation (NSLC) for the adult-use market.

## Overview

A Canadian licensed producer committed to creating new consumer experiences with recreational and wellness-oriented cannabis products. With an emphasis on innovation and production excellence, Emerald has built a platform of distinct operating assets designed to uniquely serve the Canadian marketplace and international opportunities.

## Strategic Direction

- **Pure Sunfarms (PSF):** This 50%-owned JV's fully operational 1.1 million square foot facility is producing high quality, affordably priced products. PSF continues to focus on expanding its sales territories and brand presence as well as developing value-added oils and Cannabis 2.0 products.
- **British Columbia and Québec:** Emerald's 100%-owned facilities on the East and West Coasts of Canada are in full production and transitioning into their commercial stages. Verdélite is a premium craft operation with an 88,000 square foot indoor facility in Québec; Metro Vancouver is a health and wellness-oriented organic greenhouse (78,000 square feet operational) and outdoor operation.
- **Distribution:** Emerald supplies the Canadian recreational cannabis market and has secured agreements with nearly every province and territory. Emerald signed its first international supply agreement with STENOCARE to distribute medical cannabis in Denmark. Additionally, both Verdélite and Pure Sunfarms are licensed to distribute their unique packaged, branded dried cannabis products.
- **Cannabis 2.0 strategy:** Emerald is advancing the extraction of THC, CBD and resin at its facilities, while concurrently securing third-party, large-scale extraction and value-added product manufacturing capabilities through strategic partnerships. The product development team is advancing unique formulations and dosage forms for wellness purposes.
- **Unique branding opportunity:** 51%-owned JV, Emerald Naturals, began distribution of its health product line aimed at modulating the endocannabinoid system to potentially improve health & wellness. The products are distributed through health food, grocery and pharmacy channels and are currently available in over 313 locations, including Whole Foods and Alive Health Center.



## Strategic Partnerships

**Village Farms**  
Partner in Pure Sunfarms and brings decades of large-scale greenhouse growing experience.

**Valens**  
Proprietary extraction and white label product development services.

**STENOCARE**  
Distributor of medical cannabis in Denmark and additional international markets.

**Emerald Bioceuticals**  
Partner in Emerald Naturals, and provided exclusive Canadian distribution rights for the award-winning Endo

**Factors R&D Technology**  
Access to 1 million kg extraction and softgel encapsulation facility.

**Indena**  
Exclusive CBD extraction and Phytosome® technology for superior formulation and bioavailability.

## Production & Processing

Operations	Value Assets	Location	Size	Production Capacity
Pure Sunfarms	<b>ONE OF WORLD'S LARGEST GREENHOUSE FACILITIES</b> 50%-owned JV Full production Extraction/processing oils, concentrates and edibles	British Columbia	1.1 million sq. ft. greenhouse	75,000 kg
Organic	<b>PURPOSE-BUILT ORGANIC OPERATION</b> Two greenhouses & outdoor growing First greenhouse in full production Certified organic	British Columbia	2 x 78,000 sq. ft. greenhouses + 12-acres (outdoor)	Over 18,200 kg planned capacity
Verdélite	<b>PREMIUM INDOOR CANNABIS PRODUCTION FACILITY</b> Craft strains Packaging, processing & pre-rolls	Québec	88,000 sq. ft.	4,800 kg
Commerce Circle	<b>MEDICAL CANNABIS HUB OPERATION</b> Research, processing & storage Plant genetics, breeding & next generation product development Small-batch extraction	British Columbia	10,000 sq. ft.	N/A

## Q319 Financial Highlights

### Emerald

- Net sales doubled to \$9.3M from Q2
- Second consecutive quarter of positive adjusted EBITDA at \$2.4M
- SG&A expenses of \$10.1M, down from \$12.4M in Q2
- \$5.5M working capital, up from \$4.2M in Q2

### Pure Sunfarms 50% JV

- Cannabis sales were \$24M
- EBITDA was \$18.2 or 74%
- Gross margin\* of 69%
- YTD EBITDA is \$44.3M

\*before non-cash adjustments to the fair value of inventory and biological assets

## Contact

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## Endo Line: Cannabis-Free Products



**Endo products** are novel cannabis-free herbal and botanical health supplements which contain Emerald's proprietary PhytoCann® Complex. The products naturally support the body's endocannabinoid system and potential response to common conditions like stress, anxiety, cognition, sleep and pain. The award-winning supplements are marketed by Emerald Naturals and sold through conventional retail channels.

## Leadership



**Avtar Dhillon, MD**  
Executive Chairman



**Riaz Bandali**  
President &  
Chief Executive Officer



**Jenn Hepburn**  
Chief Financial Officer