

ENHANCING HEALTH THROUGH CANNABIS SCIENCE



emerald
HEALTH THERAPEUTICS

TSXV : EMH
OTCQX : EMHTF

Price: \$4.18¹
Market Cap: \$597.13 M¹
Cash: \$52.9 M²
Add. Funding: \$10.8M*
O/S Shares: 136.8 M²
3 M Avg Vol: 1.49 M³
52W H/L: \$2.04 - \$5.92¹

¹19/04/01 ²18/09/30 ³TSX.V + OTCQX

*Recent financing: \$10.8M gross proceeds; 4.0M shares (18/12/07)

Strategic investor, Emerald Health Sciences, owns 28.6% f/d

RECENT ADVANCES

19/04/01 Emerald's JV, Pure Sunfarms, acquired a second 1.1 million sq ft greenhouse, doubling potential production capacity to 150,000 kg. Emerald has also entered into an agreement with Pure Sunfarms to purchase 25% of cannabis production from 2020 - 2022.

19/03/29 Fulfilled its first purchase order of cannabis from Yukon and adds supply agreements with Alberta and Saskatchewan.

19/03/11 Pure Sunfarms' received the seventh amendment to its cultivation license for its 1.1 sq ft greenhouse, completing the 1.03 million sq ft of production space in 16 grow rooms.

EMERALD HEALTH THERAPEUTICS INC.

Leveraging industry-leading life sciences, cannabis and greenhouse growing expertise to achieve highly competitive low cost, value-added cannabis products with potential wellness and medical benefits.

COMPANY HIGHLIGHTS

- One of the industry's most qualified management teams in life sciences, cannabis cultivation & large-scale agri-business. Management & board members have raised over \$1B for development-stage companies and run clinical trials with aggregate budgets exceeding \$1B.
- Entered into a strategic alliance with Factors R&D Technology, Inc, a division of Factors Group of Nutritional Companies Inc, Canada's largest nutritional supplement marketer and manufacturer. The exclusive arrangement provides access to an industrial-scale production facility, capable of processing up to 1M kg of biomass annually and softgel production capacity of up to 600M capsules per year.
- Secured cannabis supply agreements with the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Newfoundland and Labrador and the Yukon territory. Emerald is advancing prospective supply agreements with all remaining provinces and territories in order to develop a significant presence in the recreational market.
- Purchased 500 acres of harvested hemp chaff in 2018 and up to 1,000 acres in 2019 to 2022 from Emerald Health Hemp, Inc. CBD extract from hemp biomass will be used in Emerald's medical and adult-use products.
- Emerald is advancing its intellectual property portfolio through a recent research agreement with VivaCell Biotechnologies Spain and the filing of 17 provisional US patent applications. Emerald is developing unique cannabinoid formulations and dosage forms for precise and consistent medical-use and improved adult-use products. The Defined Dose™ formulations will be used in smoke, vape and edible Emerald products.



STRATEGIC STEPS TO CREATE PROMINENT INDUSTRY POSITIONING

- Emerald's 50/50 joint venture, Pure Sunfarms, includes decades of large-scale greenhouse growing experience and two 1.1 million square foot licensed commercial production facilities, with a combined production capacity of 150,000 kilograms. The JV strategically positions Emerald for large-scale, low-cost, high-quality cannabis production, targeting costs below \$1/gram.
- Entered into a 51:49 partnership with San Diego-based Emerald Health Bioceuticals Inc. (EHB) to create Emerald Health Naturals (EHN). Secured exclusive Canadian rights to sell award-winning non-cannabis health products that support the endocannabinoid system through natural health product, grocery, and pharmacy sales channels.
- Acquiring Northern Vine Laboratories, a Licensed Dealer with an R&D facility, allows Emerald to provide analytical testing services, import and export oils and advance product innovation and development plans.
- Launched Verdélite, a Québec-based 88,000 sf purpose-built licensed cannabis production facility with 23 independent growing rooms, 200 cannabis strains and 12 processing and packaging rooms. The facility will include an analytical testing laboratory as well as a research centre for product innovation and extraction technology.



PRODUCTION SCALABILITY

- 2.2 M sf of hybrid greenhouse with a production capacity of 150,000 kg; representing one of Canada's largest cannabis growing facilities.
- Option on one additional greenhouse with 2.6 M sf.

LOW COST GROWING

- Decades of large-scale greenhouse growing experience plus extensive cannabis growing expertise in optimally configured facility.
- The goal is to produce cannabis at less than \$1/gram.

QUÉBEC: VERDÉLITE



- Licensed Producer in Saint-Eustache, Québec, near Montréal
- 88,000 sf facility with planned 50,000 sf indoor growing area
- Low-cost energy and water for efficient production

LOOKING AHEAD

The world's largest legal market for recreational cannabis

On October 17, 2018, the Canadian government legalized cannabis for recreational adult-use. Emerald is expanding capacity to meet the demand and growth of the medicinal and adult-use markets.

Legalization makes Canada the world's largest federally legal market for recreational cannabis, which Deloitte estimates may exceed \$7.2B in 2019.

The Marijuana Policy Group suggested that 25% of users in the medical use market will generate 85% of the demand. In Colorado, where a fully legal market policy is enforced, 38% of medical users consume cannabis near daily compared to adult use which is 16% near daily.

INTELLECTUAL PROPERTY & PRODUCT INNOVATION: HIGH MARGIN FOCUS

Demonstrate clinical utility

SCIENCE DRIVEN

Genetics, characteristics, dosage, delivery and

VALUE ADDED, UNIQUE

Low cost cultivation

HIGHLY COMPETITIVE

↑
VALUE
↓



LEADERSHIP

Emerald is distinguished by an established board of directors and management team with extensive experience in pharmaceutical research, product and intellectual property development, large-scale agriculture, and marketing.

Executive Chairman and President, Avtar Dhillon, is a life science entrepreneur with more than 35 years' experience building public companies through M&A, establishing dominant IP portfolios, and leading innovative scientific and farming enterprises. As a founder/co-founder or lead investor in dozens of life science companies, he has raised over \$1B in public and private financings. Currently, Dr. Dhillon serves as an active board member and chairman for a number of life science and investment companies, and is Chairman of the Cannabis Canada Council.

Emerald's dynamic team of leaders have decades of experience in clinical research, GMP production practices, quality control, regulatory processes, developing intellectual property, and commercialization of some of the world's most successful consumer goods on a global scale.

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