



# Enhancing Health Through Cannabis Science

TSXV: EMH

OTCQX: EMHTF

## Market Information

Price:	\$1.72 <sup>1</sup>
Market Cap:	257.0 M <sup>1</sup>
Cash:	\$2.6 M <sup>2</sup>
	+ \$25.0 M Convertible Debenture <sup>3</sup>
	+ \$3.9 M ATM Facility <sup>4</sup>
O/S Shares:	151.4 M <sup>2</sup>
3 M Avg Vol:	674 K <sup>5</sup>
52W H/L:	\$1.67 - \$5.40 <sup>1</sup>

<sup>1</sup>19/09/16 <sup>2</sup>19/06/30 <sup>3</sup>19/09/10

<sup>4</sup>from 19/06/30 to 19/08/28

<sup>5</sup>TSX.V + OTCQX

Strategic Investor, Emerald Health Sciences, owns 27% f/d

## Recent Updates

**19/09/16** Pure Sunfarms launched its branded product line, including eight products for the recreational market, and began shipping to the Ontario Cannabis Store.

**19/09/11** Announced partnership with HelloMD, a leading online cannabis healthcare company, to further streamline and enhance Emerald's patient onboarding experience.

**19/09/09** Pure Sunfarms, Joint venture, receives license amendment permitting it to sell cannabis products directly to provincial/territorial wholesalers and authorized private retailers.

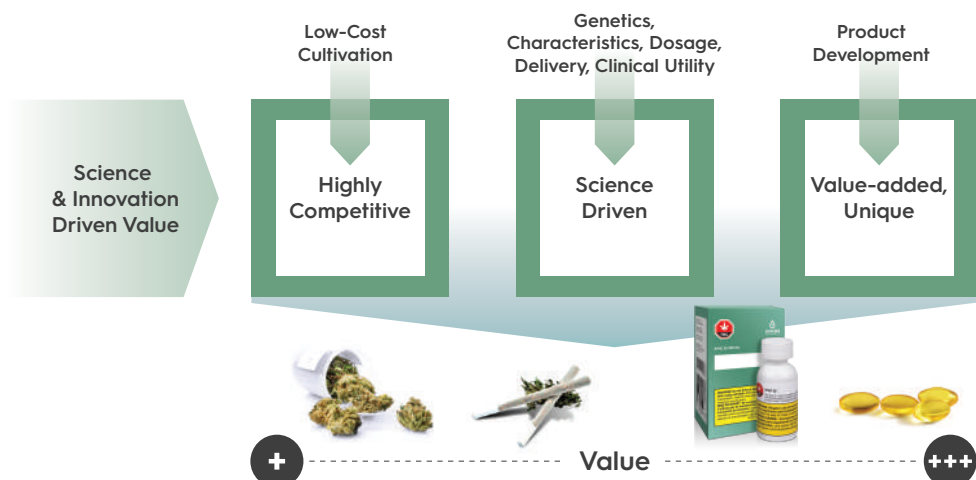
**19/09/04** Pure Sunfarms enters cannabis supply agreement with British Columbia Liquor Distribution Branch.

## Overview

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

## Strategic Direction

- **Pure Sunfarms (PSF):** Emerald continues to drive the success of its 50%-owned JV, which has announced impressive financials with \$32 million in sales in 2Q19. PSF has the potential to show significant growth from the expansion of its business model and capabilities to include processed and branded products.
- **British Columbia and Québec:** Emerald is completing the licensing and build-out of its 100%-owned facilities: an indoor and outdoor organic cannabis cultivation operation in BC and an indoor, climate-controlled cultivation operation focused on high-quality, differentiated, craft cannabis strains in Québec. It is anticipated that both facilities will be fully licensed and operational by the onset of 2020.
- **Distribution:** Emerald supplies the recreational market from coast to coast and has secured agreements with the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Prince Edward Island, Newfoundland and Labrador and the Yukon territory.
- **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, including one with Factors R&D Technology. Value-added proprietary products portfolio with unique formulations and dosage forms is being advanced.
- **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 250 locations, intending to reach 1000 stores by year-end.
- **Marketing and sales:** Producing and selling cannabis products with higher margin, like SYNC 25 CBD oil.



## Strategic Partnerships

### Village Farms

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

### 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.

### Emerald Hemp

Contracted for approximately 1000 acres of Canadian hemp biomass annually for large-scale CBD extraction.

### Emerald Bioceuticals

Partner in Emerald Naturals, and provided exclusive Canadian distribution rights for the award-winning Endo product line.

## Production & Processing

Operations	Value Assets	Location	Size	Production Capacity
Pure Sunfarms	<b>ONE OF WORLD'S LARGEST GREENHOUSE FACILITIES</b> 50%-owned JV Achieved full production run-rate in first greenhouse Extraction/processing oils, concentrates and edibles	British Columbia	2 x 1.1 million sq. ft.	150,000 kg
Organic	<b>PURPOSE-BUILT ORGANIC OPERATION</b> Two greenhouses & outdoor growing New, built-for-purpose, state-of-the-art facility	British Columbia	150,000 sq. ft. + 12-acres (outdoor)	20,000 kg
Verdélite	<b>PREMIUM INDOOR CANNABIS PRODUCTION FACILITY</b> Craft strains Packaging & processing Upcoming extraction capacity	Québec	88,000 sq. ft.	5,000 kg
Commerce Circle	<b>MEDICAL CANNABIS HUB OPERATION</b> Research, processing & storage Plant genetics, breeding & next generation product development Extraction capabilities	British Columbia	10,000 sq. ft.	N/A

## 2Q19 Financial Highlights

### Emerald

- Sales increase of 94% over Q1 to \$5.1M
- Adjusted EBITDA of \$1.9M, up \$5.4M from Q1
- Net loss improved to \$0.5M from \$3.7M in Q1

### Pure Sunfarms 50% JV

- Sales increase of 125% over Q1
- EBITDA was \$25.0M or 78%
- Gross margin was 84%
- Net income before tax exceeded \$43.8M

## Contact

invest@emeraldhealth.ca  
1-800-757-3536 ext: 5  
emeraldhealth.ca

## Endo Line: Cannabis-Free Products



**Endo health 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**  
President &  
Executive Chairman



**Riaz Bandali**  
Chief Executive  
Officer



**Rob Hill, CPA, CA**  
Chief Financial  
Officer



**Thierry Schmidt**  
Chief Commercial  
Officer & President,  
Verdélite



**Sean Rathbone,  
MBA, BMEch**  
Chief Operating  
Officer