



# Enhancing Health Through Cannabis Science

TSXV: EMH

OTCQX: EMHTF

## Market Information

Price:	\$0.25 <sup>1</sup>
Market Cap:	46.5 M <sup>1</sup>
Cash:	\$2.5 M <sup>2</sup>
F/D Shares:	235.1 M <sup>3</sup>
Add'l Cash:	\$4.0 M <sup>4,5</sup>
<small>(post 19Q4 financials)</small>	
3 M Avg Vol:	1.06 M <sup>6</sup>
52W H/L:	\$3.85 - \$0.12 <sup>1</sup>

<sup>1</sup>20/05/19 <sup>2</sup>19Q4 financials: 19/12/31  
<sup>3</sup>19Q4 filing date: 20/05/13  
<sup>4</sup>Financings (\$3M): 20/02/06 + 20/02/14  
<sup>5</sup>Warrants exercised (\$1M): 20/04/09  
<sup>6</sup>TSX.V + OTCQX

## Recent Updates

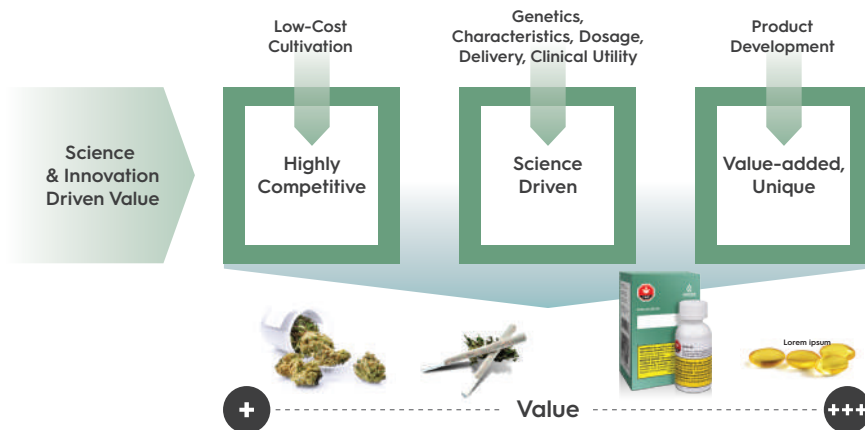
- 20/04/29** Announces plan to launch of rapid onset nanoemulsion cannabinoid & terpene product line in June
- 20/04/06** Releases first harvest of premium cannabis from its 100%-owned cultivation facility in Richmond, BC
- 20/03/31** Pure Sunfarms, JV, expands credit facility with existing lender by up to \$59M
- 20/03/23** Pure Sunfarms, JV, receives Health Canada approval for processing centre
- 20/03/09** Signs LOI with Sigma Analytical Services
- 20/03/09** Emerald Health Therapeutics, Pure Sunfarms, and Village Farms Settle All Disputes

## 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

- British Columbia and Québec:** Emerald's 100%-owned facilities on the East and West Coasts of Canada are in full production. Verdélite is a premium craft operation with an 88,000 square foot indoor facility in Québec; Emerald Richmond is a health and wellness-oriented organic greenhouse (78,000 square feet operational).
- 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.
- Pure Sunfarms (PSF):** This 41.3%-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.
- 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
<b>Organic</b>	<b>NEW PURPOSE-BUILT ORGANIC OPERATION</b> First greenhouse: full production Second greenhouse: near completion	<b>British Columbia</b>	<b>78,000 sq. ft.</b> <b>78,000 sq. ft.</b>	<b>3,400 kg</b>
<b>Verdélite</b>	<b>PREMIUM INDOOR CANNABIS PRODUCTION FACILITY</b> Craft strains Packaging, processing & pre-rolls	<b>Québec</b>	<b>88,000 sq. ft.</b>	<b>5,000 kg</b>
<b>Commerce Circle</b>	<b>MEDICAL CANNABIS HUB OPERATION</b> Research, processing & storage Plant genetics, breeding & next generation product development Small-batch extraction	<b>British Columbia</b>	<b>10,000 sq. ft.</b>	<b>N/A</b>
<b>Pure Sunfarms</b>	<b>ONE OF WORLD'S LARGEST GREENHOUSE FACILITIES</b> 41.3%-owned JV Full production Large-scale post-harvest processing facility	<b>British Columbia</b>	<b>1.1 million sq. ft.</b>	<b>75,000 kg</b>

## Financial Highlights

### Emerald - Q4 and 2019 Year End

- Net sales were \$20.3M in 2019
- Adjusted EBITDA at \$12.4M in 2019
- SG&A expenses in Q4 of \$5.7M, down from \$10.3M in Q3

### Pure Sunfarms - Q1 2020

- Net sales were \$18M
- EBITDA was \$6.7M
- EBITDA margin was 37%
- Gross margin of 52%

## 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