

ENHANCING HEALTH THROUGH CANNABIS SCIENCE



emerald HEALTH THERAPEUTICS

TSXV :	EMH
OTCQX :	EMHTF
Price:	\$1.89 ¹
Market Cap:	286.1 M ¹
Cash:	\$2.6 M ²
O/S Shares:	150.9 M ³
3 M Avg Vol:	686K ⁴
52W H/L:	\$1.67 - \$5.92 ¹

¹19/08/28 ²19/08/30 ³19/08/28
⁴TSX.V + OTCQX

Strategic investor, Emerald Health Sciences, owns 26.7% 1/d

RECENT ADVANCES

19/08/28 Reported Q2 2019 financial results, showing sales double second quarter in a row.

19/07/30 Appointed Riaz Bandali as Chief Executive Officer and Thierry Schmidt as its Chief Commercial Officer.

19/07/15 Received cultivation license from Health Canada for the 12-acre outdoor grow area at its organic cannabis operation in Metro Vancouver; the annual yield will be approximately 10,000kg of organic cannabis.

19/07/11 Pure Sunfarms achieved its full production run-rate of 75,000 kilograms of dried cannabis at its 1.1 million square foot Delta 3 greenhouse in Delta, British Columbia.

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, Manitoba, Ontario, Québec, PEI, Newfoundland and Labrador and the Yukon territory. Emerald now has a significant presence in the Canadian recreational market, as it now supplies uninterrupted from coast to coast.
- Purchased 836 acres of harvested hemp chaff in 2018 and 1200 acres in 2019; the 2019 harvest is conservatively estimated to yield 3500 kg of 2% CBD extract. Emerald established a wholly owned subsidiary, Emerald Health Therapeutics Hemp USA Inc., to seek US hemp supply and export CBD product to the USA.
- Emerald is advancing its intellectual property portfolio through a research agreement with Emerald Biotech Espana 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 conservative 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 Bioceticals Inc. to create Emerald Health Naturals (EHN), securing exclusive rights to sell the award-winning Endo Product line of non-cannabis health supplements in Canada. Over 1,000 retail stores have been targeted for distribution by the end of 2019.
- Launched wholly-owned organic operation in Metro Vancouver, which includes two 78,000 square foot greenhouses and 12 acres of outdoor agriculture land, with the option to expand outdoor grow to 24 acres.
- Launched Verdélite, a Québec-based 88,000 sf purpose-built licensed cannabis production and processing 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.

EMERALD HEALTH THERAPEUTICS & VILLAGE FARMS PARTNERSHIP



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

METRO-VANCOUVER: ORGANIC CANNABIS OPERATION



- Two 78,000 square foot greenhouses and 12 acres of outdoor cultivation
- Purposefully designed for organic cultivation with the goal to exceed 30,000 kg of annual 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. On October 17, 2019, the regulatory framework will include ingestible and edible products. Emerald is expanding capacity and developing innovative downstream value added products for the growing 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.

INTELLECTUAL PROPERTY & PRODUCT INNOVATION: HIGH MARGIN FOCUS



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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