



## emerald HEALTH THERAPEUTICS

TSXV : EMH  
OTCQX : EMHTF

Price: \$3.42<sup>1</sup>  
Market Cap: \$468.2M<sup>1</sup>  
Cash: \$72.7 M<sup>2</sup>  
O/S Shares: 135.5 M<sup>2</sup>  
3 M Avg Vol: 1.88 M<sup>3</sup>  
52W H/L: \$1.44 - \$9.68<sup>1</sup>

<sup>1</sup>18/10/22 <sup>2</sup>18/06/30 <sup>3</sup>TSX.V + OTCQX

Strategic investor, Emerald Health Sciences, owns 32%

### RECENT ADVANCES

**18/10/16** Filed 17 provisional US patent applications covering Emerald's unique Defined Dose™ dosage forms and formulations

**18/10/10** Northern Vine received approval from Health Canada to export to USA and import CBD from the Netherlands, Colombia and China

**18/10/03** Entered into a research agreement with VivaCell Biotechnologies to evaluate proprietary cannabis products

**19/09/26** Secured long-term supply of hemp for CBD extraction from Emerald Health Hemp, Inc.

**18/09/10** Selected as an authorized cannabis supplier by the Newfoundland Labrador Liquor Corporation

## EMERALD HEALTH THERAPEUTICS INC.

Leveraging industry-leading life sciences, cannabis and greenhouse growing expertise to achieve highly competitive low cost, value added products for the large legal medical and future recreational cannabis market in Canada.

### 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, Ontario, Newfoundland and Labrador. Emerald will allocate approximately 13,000 kg of product to the BCLDB. Product quantities for the Ontario Cannabis Retail Corporation and the Newfoundland Labrador Liquor Corporation will be disclosed once details from these provinces are released.
- Established agreement to purchase up to 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 a 1.1 million square foot licensed commercial production facility. 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.
- Retained top marketing and branding agency, DDB, to conduct the branding, marketing and sales of Emerald branded products. Recent developments include the #DiscussCannabis campaign to raise awareness of cannabis-related topics across Canada.



**PRODUCTION SCALABILITY**

- 1.1M sf greenhouse facility that represents one of Canada’s largest single cannabis growing facilities.
- Option on two additional greenhouses with 3.7M 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.

**LOOKING AHEAD**

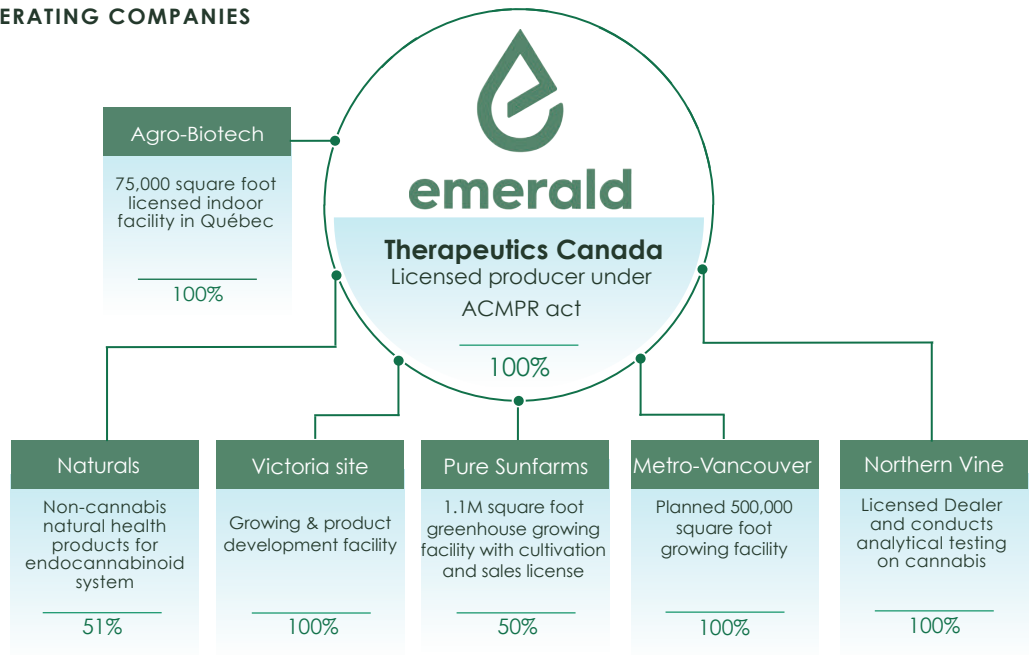
**The world’s largest legal market for recreational cannabis**

On June 19, 2018, the Canadian government approved the Cannabis Act, legalizing cannabis for recreational adult-use. Wholesales and retail sales began on October 17, 2018. Emerald is expanding capacity to meet the demand and growth of the anticipated legal adult-use market.

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.

**OPERATING COMPANIES**



**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, 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.

Chief Executive Officer, Chris Wagner, has more than 25 years’ experience in commercialization and product development in the life sciences industry. As the Global Team Leader at Eli Lilly, Mr. Wagner launched 15 biologic and small molecule products and directed global marketing for several notable brands, including Prozac®, Cialis®, and Zyprexa®, which alone achieved annual sales of over \$4B per year. He has since used his entrepreneurial, marketing and leadership skills to guide Aspreva Pharmaceuticals, Sirius Genomics, and Contextual Genomics from start-up to success.

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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