

Emerald Health Therapeutics, Inc. Reports 2022 Q2 Results

Vancouver, British Columbia--(Newsfile Corp. - August 31, 2022) - Emerald Health Therapeutics, Inc. (CSE: EMH) (OTCQB: EMHTF) ("Emerald" or the "Company") has reported financial results for the quarter ended June 30, 2021.

Selected Financial Information

The financial information presented for the years below was derived from financial statements prepared in accordance with IFRS and is expressed in Canadian dollars.

Reported in \$000s	Q2 2022	Q2 2021
Total revenue	1,282	3,777
Net loss attributable to the Company	(1,835)	(13,596)
Net loss per share (basic and diluted)	(0.01)	(0.07)
	June 30, 2022	December 31, 2021
Total assets	33,906	40,892
Total liabilities	6,069	7,242
Cash & cash equivalents	15,518	18,512

Key Activities

Through the second quarter of 2022 the Company continued to execute on its transition from the recreational and medical cannabis business to pharmaceutical development, as announced on November 29, 2021.

Proposed plan of arrangement

Subsequent to the reporting period, on August 19, 2022, the shareholders of Emerald approved the Plan of Arrangement ("Arrangement") with Skye Bioscience, with 87.07% in favour out of votes cast by shareholders for that resolution.

On August 25, 2022, the Supreme Court of British Columbia issued a final order approving the plan of arrangement with Skye and declaring that the arrangement was procedurally and substantively fair and reasonable.

Completion of the Arrangement remains subject to approval by the shareholders of Skye, which is expected to be obtained at a meeting of Skye shareholders to be held no later than October 4, 2022. Upon receiving Skye shareholder approval, the transaction is expected to close prior to October 15, 2022, subject to Skye obtaining listing approval from the CSE and satisfaction of other customary conditions.

Discontinuation of prior operations

At its Victoria, BC operation, the lease on one of the Company's two facilities expired on February 28, 2022, and the lease on the other facility expired on May 31, 2022. The Company fully wound down all operations at the Victoria facilities as of June 1, 2022. The Company continued to rent both facilities on a month-to-month basis to maintain its Health Canada license, issued under the Cannabis Act to permit

the production and sale of cannabis products, as an asset to be sold.

At its St. Eustache, QC operation, growing and processing of cannabis continued until June 30, 2022. In the first quarter of 2022, the Company retained agents to assist in the sale of the cannabis production operation as a continuing operation. The Company has not yet entered into a binding sale agreement with respect to this facility and the sale process is ongoing.

Throughout the discontinuation process, the Company retained its cannabis sales agreements with the various provinces and continued to sell newly produced and inventoried cannabis dried flower and oils at a reduced volume until June 30, 2022.

On April 14, 2022, the Company entered into an agreement with the landlord for its Metro Vancouver greenhouse facility under which the lease obligation related to the facility, which extended to 2047, would be terminated effective December 31, 2022, in exchange for transfer to the landlord of the non-leased equipment and greenhouses owned by the Company at the site. The Company also has an option to terminate the lease prior to December 31, 2022.

On April 28, 2022, the Company entered into an amended agreement with FlowerPod LLC for the sale of certain patents held by the Company, amending the December 28, 2021, binding term sheet payment schedule from a payment on closing of US\$1M and a promissory note of US\$500K due on the anniversary of the closing bearing an interest rate of 10% per annum to US\$750K on closing and a US\$750K promissory note due on the anniversary of the closing bearing 10% interest per annum. The Company continues to retain the two-year interest-bearing promissory note issued by FlowerPod on May 6, 2021, in the amount of US\$350K.

Other matters

On July 8, 2022, Emerald Health Sciences Inc. transferred its 39,401,608 Common Shares to its shareholders as a Return of Capital but continues to hold 86 Common Shares and its common share purchase warrants.

Emerald's unaudited financial statements and management discussion and analysis for the three months ended June 30, 2022, are available on the Company's [website](#) and SEDAR.

Please visit www.emeraldhealth.ca for more information or contact:

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Neither the Canadian Securities Exchange nor the Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements: Certain statements made in this press release that are not historical facts are forward-looking statements and are subject to important risks, uncertainties and assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. Such statements include but are not limited to: the anticipated closing of the Arrangement, the sale of the Company's licenses, brands and processing equipment related to its Victoria, BC locations, the sale of its facilities in St. Eustache, QC, or the termination, including the early termination option, of the lease for the Company's Metro Vancouver greenhouse.

We cannot guarantee that any forward-looking statement will materialize, and readers are cautioned not to place undue reliance on these forward-looking statements. Such statements are subject to the risks that the Company may not obtain the necessary consents and approvals or satisfy the necessary conditions precedent to complete the Arrangement, that the Company may not be able to enter into agreements to sell its assets in Victoria, BC, may not be able to enter into agreements to sell its assets in St. Eustache, QC at all or on terms that are acceptable to the Company

as well as the risk factors described in Emerald's annual financial statements, management's discussion and analysis and other regulatory filings. These statements are not historical facts but instead represent management beliefs regarding future events, many of which, by their nature are inherently uncertain and beyond management control.

The forward-looking statements contained in this press release represent our expectations as of the date hereof. Forward-looking statements are presented for the purpose of providing information about management's current expectations and plans and allowing investors and others to obtain a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Emerald undertakes no obligations to update or revise such statements to reflect new circumstances or unanticipated events as they occur unless required by applicable law.



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