



Emerald Health Therapeutics to Launch Award-Winning Endocannabinoid Based Products into Canadian Grocery, Natural Health Product, and Pharmacy Stores

New joint venture, Emerald Health Naturals, secures exclusive Canadian rights to sell proprietary non-cannabis health products that support the human endocannabinoid system

Initiative leverages natural health product development, marketing and sales expertise of Emerald Health Bioceuticals, VANC Pharmaceuticals and GAB Innovations to establish brand and sales in strategic distribution channels

Victoria, BC, April 17, 2018 – Emerald Health Therapeutics Inc. (EHT) (TSXV: EMH; OTCQX: EMHTF; Frankfurt: TBD) launched today a multi-pronged program to market and sell a proprietary, award-winning non-cannabis line of endocannabinoid-supporting nutritional products in Canadian grocery, natural health product, and pharmacy stores. EHT has entered into a 51:49 joint venture, to be called Emerald Health Naturals (EHN), with San Diego-based Emerald Health Bioceuticals, Inc. (EHB). EHN has secured exclusive Canadian marketing and sales rights to EHB's unique nutritional supplements, which use non-cannabis, non-psychoactive plant-based ingredients to provide potentially beneficial support to the body's endocannabinoid system.

In this initiative, EHN has agreed to acquire the assets of GAB Innovations (GAB) and has granted non-exclusive sub-distribution rights to VANC Pharmaceuticals (VANC). Both GAB and VANC have established networks and a history of sales success in the natural health product and pharmacy channels. Gaetano Morello, ND, the founder of GAB, has been appointed CEO of EHN.

Market research commissioned by EHT identified that approximately 6 of 10 current legal cannabis users also use natural health products. This strong consumer overlap between the two markets creates a unique opportunity for EHT to establish its health brand and begin sales of endocannabinoid-supporting products in natural health product channels. These channels are not expected to be authorized to sell cannabis under the anticipated Canadian federal cannabis regulations for recreational use expected in 2018. If these channels are approved in the future, EHT would be well positioned to leverage its brand and channel presence to introduce its cannabis-based products into these channels.

“As familiar and trusted sources of health products, we believe that pharmacy, natural health product, and grocery stores will become important channels for products that beneficially affect the endocannabinoid system,” said Chris Wagner, CEO of EHT. “This acclaimed non-cannabis product line gives us first-mover advantage in these channels and positioning if they are approved to sell cannabis-based products in the future. These channels would also be ideal for new products we are developing around advancements in formulation, delivery, and dosing.”



“We were recently honored with the Best New Supplement Award at one of the largest natural product trade shows, a testament to the quality and innovativeness of our product line,” noted Jade Beutler, CEO of EHB. “We look forward to introducing these natural health products to the Canadian marketplace, which along with other legal cannabis markets is showing tremendous appetite for non-psychoactive products that may provide wellness benefits.”

EHT is leveraging multiple relationships to launch this initiative:

- Formed a joint venture with San Diego-based **Emerald Health Biocenticals**. EHT will receive 51% of the shares of EHN in exchange for an investment of \$5,000,000. EHB will receive 49% of the shares of EHN in exchange for granting the joint venture exclusive Canadian distribution rights with respect to EHB’s product line.

EHB developed and launched its over-the-counter product line of cannabis-free nutritional supplements in the U.S. The products feature PhytoCann-Complex™, EHB’s proprietary formulation designed to support the body’s endocannabinoid system and its central role in the orchestration, maintenance, and balance of health and wellbeing. The products include Endo Sleep™, Endo Inflammation™, Endo Brain™, Endo Bliss™, Endo Calm™.

EHB’s management and scientific advisory board (SAB) comprise experts in natural health medicine, product development, and marketing. They have decades of experience working with active ingredients, desired formulations, delivery and dosage forms, and have access to source ingredients and industrial-scale, pharmaceutical quality manufacturing. For example, the SAB includes Michael T. Murray, ND, a leading authority on natural medicine, and Giovanni Appendino, PhD, a thought leader who has researched cannabis and cannabinoids for over 15 years. CEO Jade Beutler and the EHB leadership team have built significant, commercially successful natural health product brands.

EHB is a 70%-owned subsidiary of Emerald Health Sciences Inc. (Sciences), which also owns approximately 37% of the issued and outstanding shares of EHT. There will be no change in the share ownership of EHT by Sciences as a result of the joint venture. The joint venture with EHB was approved by the independent directors of EHT.

- Appointed **Gaetano Morello, ND**, as CEO of EHN. Dr. Morello is a clinician at the Complex Chronic Disease Program at BC Women’s Hospital in Vancouver and a private practice in West Vancouver. He treats complex chronic diseases including fibromyalgia, chronic fatigue syndrome, myalgic encephalomyelitis, and chronic Lyme disease. He has seen first-hand not only the benefits of authorized cannabis on this population but also other plant extracts targeting the endocannabinoid system. He serves on the Quality Assurance Committee for the College of Naturopathic Physicians of British Columbia and other health and medical panels. Dr. Morello has a B.Sc. in Cell Biology/Nutrition from the University of British Columbia and a Doctorate in Naturopathic Medicine from Bastyr University.



- EHN has acquired certain assets of **GAB**, a company founded by Dr. Morello that has been a distributor of nutritional supplements into natural health channels since 1996. GAB has represented some of North America's leading manufacturers of natural health supplements including Enzymatic Therapy, a leading manufacturer of natural supplements; Thorne Research, a leading physician brand in both Canada and the U.S.; as well as Terry Naturally, Wisdom Sweet Leaf, and others. GAB has represented hundreds of SKUs to a network of over 2,000 health food and pharmacy stores across the country. GAB recently sold its proprietary Sealicious® omega-3 product line to Natural Factors, one of Canada's largest producers of natural supplements.
- Granted **VANC Pharmaceuticals Inc.** (TSXV: VANC, OTCQB: NUVPF) a non-exclusive right to distribute EHN's endocannabinoid-supporting products to Canadian pharmacies. VANC has a well-established sales team and key relationships with Canada's largest pharmaceutical wholesalers as well as pharmacy and grocery chains. VANC will concurrently issue to EHN 3,030,303 warrants to purchase shares of VANC.

"We believe the sales potential for cannabis products in pharmacies is significant and providing these products through the pharmacy channel would be a natural fit as pharmacists play a key role in promoting public safety through education and awareness. We will take a lead role to develop this channel with Emerald Health Naturals, starting with these cannabis-free endocannabinoid-supporting products," said Bob Rai, CEO and Director of VANC.

"Our mission is to broadly realize the medicinal benefits of a range of products that interact with the endocannabinoid system, which plays a vital role in modulating key functions of the human body. Emerald Health Bioceuticals and its internationally recognized advisors have created a unique product line that we believe can assist the endocannabinoid system in its role," said Dr. Morello, CEO of EHN. "As a practitioner of natural medicine for over 26 years, and having assessed hundreds of patients using legally authorized cannabis, I believe Canada's steps to legalize recreational cannabis will be beneficial for patients with many medical conditions. I am excited about the potential of EHT's cannabis and non-cannabis products, and to take on a role to help realize the medicinal and commercial potential of these products."

Completion of the transactions set out in this press release are subject to the approval of the TSX Venture Exchange.

Join us on our journey of making lives better through cannabis science.

About the Endocannabinoid System (ECS)

The ECS is a biological system with a vital role in regulating human health and disease. A lack of endocannabinoid "tone" may have adverse consequences in various physiological processes. The ECS is activated by endocannabinoids produced naturally in the body, but also by cannabis or non-cannabis plant-based cannabinoids that mimic those produced in the body. Phyto-Cann™ Complex is formulated with non-cannabis herbal and botanical cannabinoids that may favorably impact the ECS, along with health and wellness.



About VANC Pharmaceuticals Inc.

[VANC Pharmaceuticals](#) aims to become the partner of choice for forward-thinking pharmacies across Canada. With an established sales force, distribution network, and team of highly experienced professionals in pharmacy, point-of-care testing and health technology, VANC's goal is to provide pharmacists with innovative, value-added products and services to expand their scope of practice and support their evolving role as front-line healthcare providers.

About Emerald Health Therapeutics

Emerald Health Therapeutics (TSXV: EMH; OTCQX: EMHTF; Frankfurt: TBD) is a Licensed Producer under Canada's Access to Cannabis for Medical Purposes Regulations and produces and sells dried cannabis and cannabis oil for medical purposes. It is adding a 500,000 ft² greenhouse in Metro Vancouver to serve the anticipated legal Canadian adult-use cannabis market starting in 2018. Emerald owns 50% of a joint venture with Village Farms International, Inc. that is converting an existing 1.1 million ft² greenhouse in Delta, BC to grow cannabis. Emerald's team is highly experienced in life sciences, product development and large-scale agribusiness. Emerald Health Therapeutics and Emerald Health Bioceuticals are both part of the [Emerald Health group](#), which includes multiple companies focused on developing cannabis and cannabinoid products with potential wellness and medical benefits.

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We cannot guarantee that any forward-looking statement will materialize and readers are cautioned not to place undue reliance on these forward looking statements. These forward-looking statements involve risks and uncertainties related to, among other things, failure to obtain regulatory approvals; failure to obtain necessary financing; results of production and sale activities; results of scientific research; regulatory changes; availability of products; changes in prices and costs; demand for products; as well as the risk factors described in the Company's annual information form and other regulatory filings. 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. The



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