

Emerald Health Therapeutics, Inc. Restates Q1 Financial Statements to Meet PCAOB Standard

Vancouver, British Columbia--(Newsfile Corp. - August 12, 2022) - Emerald Health Therapeutics, Inc. (CSE: EMH) (OTCQB: EMHTF) ("Emerald" or the "Company") announces that it has identified matters which require the Company to make restatements (the "Restatements") in respect of its interim consolidated financial statements for the three months ended March 31, 2022 and 2021 (the "Restated Q1 Financial Statements") and related management discussion and analysis (the "Restated MD&A") relating to (a) cash and cash equivalents (b) revenue from sale of goods and (c) impairment of assets.

The Restatements were identified during a review conducted by MNP LLP ("MNP"), the Company's auditor, in accordance with the standards established by the Public Company Accounting Oversight Board (United States) ("PCAOB") to satisfy the requirements for inclusion of the Company's previously filed financial statements and management's discussion and analysis into the Skye Bioscience, Inc. ("Skye") proxy statement in Form 14A in connection with the previously announced arrangement involving the Company and Skye.

Readers of the Restated Q1 Financial Statements and Restated MD&A should note that the Restatements do not materially change the Company's overall cash position, and do not impact the value of the Company's assets.

A summary of the material Restatements is described below:

- a. certain cash payments had not previously been recognized and as a result, the Restatements include adjustments to reflect the proper application of cash payments received, decreasing the Company's cash balance as of March 31, 2022 by \$111,000;
- b. previously unrecognized commission revenue was identified and pass-through sales were noted as not eliminated; as such, the Restatements include adjustments to reflect the proper elimination of pass-through sales and recognition of commission revenue, resulting in a decrease of \$167,000 to accounts receivable in the unaudited condensed interim consolidated statement of cash flows for the three months ended March 31, 2022; and
- c. previously unidentified indicators of impairment for biological assets were noted and accordingly, the Restatements include adjustments to reflect the Company's assessment of impairment expense, resulting in a restatement of the balances of inventory write-down and changes in inventory and biological assets in the unaudited condensed interim consolidated statement of cash flows for the three months ended March 31, 2022 to reflect net adjustments of \$771,000 and a decrease of \$488,000, respectively.

Further details of such matters together with a discussion of various other non-material restatements and adjustments can be found in Note 3 to the Restated Financial Statements and in the Restated M&A, both of which are available under the Company's profile on SEDAR at www.sedar.com.

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

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