Emerald Health Pharmaceuticals Begins Enrollment in Phase 2a Study of EHP-101 for the Treatment of Systemic Sclerosis

Multiple clinical study sites initiated in the USA and Australia and first patients dosed

SAN DIEGO, CA, July 27, 2020 – Emerald Health Pharmaceuticals Inc. (EHP), a clinical-stage biotechnology company developing a new class of medicines to treat diseases with unmet medical needs, has begun enrollment and has dosed its first patients with diffuse cutaneous systemic sclerosis (dcSSc) in its Phase 2a clinical study of its lead product candidate, EHP-101, an oral formulation of a patented new chemical entity derived from cannabidiol (CBD).

"The absence of approved treatment options for systemic sclerosis represents an urgent medical need and we are pleased to offer a clinical trial option for a new and promising treatment to patients with systemic sclerosis, even during these difficult and unprecedented times when recruitment and screening of patients for study eligibility was limited due to local regulations around the current pandemic," said Dr. Joachim Schupp, EHP's Chief Medical Officer. "The initiation of our Phase 2 study of EHP-101 represents an important milestone in the clinical advancement of our lead product candidate as a potential novel therapy for patients suffering from this debilitating disease."

The Phase 2a study is a double-blind, randomized, intracohort placebo-controlled, multicenter study to evaluate the safety, tolerability, pharmacokinetics and preliminary efficacy of EHP-101 in up to 36 patients with dcSSc in approximately 30 study centers across Australia, New Zealand and the United States (US). EHP has initiated 6 clinical trial sites and enrolled 2 patients to date.

EHP-101 has been granted Orphan Drug Designation in the US and European Union (EU), and received Investigational New Drug application (IND) clearance and Fast Track Designation by the US FDA for SSc.

EHP remains on track to receive preliminary results from its Phase 2a study in SSc in early 2021, with anticipated study completion in mid-2021.

Further details about the study design and list of operating trial sites can be found on ClinicalTrials.gov (NCT 04166552).

Preparations for the initiation of a Phase 2 study in multiple sclerosis are planned later this year.

About Systemic Sclerosis and EHP-101

Systemic sclerosis (SSc), a severe form of scleroderma, is a rare and chronic autoimmune disease, causing fibrosis of the skin and internal organs, including small blood vessel damage in the skin and multiple other organs in the body such as lung, heart, kidneys, musculoskeletal system and the gastrointestinal tract. The tissues of involved organs become hard and fibrous, causing them to function less efficiently. While the symptoms of SSc vary for each person, it can be life-threatening depending on which parts of the body are affected and the extent of the disease. SSc is subclassified into diffuse cutaneous SSc (dcSSc) or limited cutaneous SSc (lcSSc) based on the extent of skin involvement. Patients with the diffuse form have more areas involved, and measurements of the effects of treatment have been validated by international clinical trial experts for this subset of SSc patients.

The disease is more common in adults, with approximately 80,000-100,000 people affected in the US. Currently, there are no approved treatments specific to SSc. Current therapies for this disease include

mainly drugs that suppress the immune system, are limited in efficacy and may present toxicities. New treatments will be critical to help reduce the symptoms of SSc and prevent further damage to the body.

EHP-101 is an oral formulation of VCE-004.8, a synthetic aminoquinone derivative of CBD with dual peroxisome proliferator-activated receptor gamma (PPARγ) and cannabinoid receptor type 2 (CB_2) agonist activity. Both receptors are therapeutic targets for SSc. EHP-101 also modulates the hypoxia inducible factor (HIF) pathway, expanding the rationale for its development as a novel SSc drug. EHP has received Orphan Drug Designation for EHP-101 in SSc in both the US and EU and Fast Track Designation for systemic sclerosis in the US. The active pharmaceutical ingredient in EHP-101 has been deemed not to be a controlled substance by the US Drug Enforcement Administration (DEA).

About Emerald Health Pharmaceuticals Inc.

Emerald Health Pharmaceuticals is developing product candidates derived from cannabinoids for the treatment of central nervous system, autoimmune, fibrotic and other diseases. The Company has two families of new chemical entities, derived from synthetic cannabidiol (CBD) and cannabigerol (CBG), that it has chemically modified through rational drug design to affect validated receptors and pathways pertinent to targeted diseases. Its first drug product candidate, EHP-101 (a CBD derivative), has completed a Phase 1 clinical study and is entering Phase 2 studies for the treatment of systemic sclerosis and multiple sclerosis. Its second product candidate, EHP-102 (a CBG derivative), is in preclinical development and is being developed initially for the treatment of Huntington's disease and Parkinson's disease. For more information, visit www.emeraldpharma.life or contact at info@emeraldpharma.life.

To the extent statements contained in this news release are not descriptions of historical facts regarding Emerald Health Pharmaceuticals Inc. they should be considered "forward-looking statements," as described in the private securities litigation reform act of 1995, that reflect management's current beliefs and expectations. You can identify forward-looking statements by words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "goal," "hope," "hypothesis," "intend," "may," "plan," "potential," "predict," "project," "should," "strategy," "will," "would," or the negative of those terms, and similar expressions that convey uncertainty of future events or outcomes. Forward-looking statements contained in this news release include, but are not limited to, statements regarding: (i) the success and timing of our product development activities and clinical trials; (ii) our ability to develop our product candidates; (iii) our plans to research, discover, evaluate and develop additional potential product, technology and business candidates and opportunities; (iv) the anticipated timing of clinical data availability; (v) our ability to meet our milestones; and (vi) our expectations regarding our ability to obtain and maintain intellectual property protection. Forward-looking statements are subject to known and unknown factors, risks and uncertainties