

ASX Announcement | 4 April 2019  
Althea Group Holdings (ASX:AGH)

## Althea passes 500 Patient Milestone; March 2019 Quarterly Activities Statement and Appendix 4C

### Investment Highlights:

- 511 Patients have been prescribed Althea medicinal cannabis products from May 2018, with an average month-on-month increase of 146%
- 128 Healthcare Professionals have prescribed Althea medicinal cannabis from May 2018, with an average month-on-month increase of 131%
- Althea accrued more than 100 patients in a month for the first time
- Unaudited sales for January to March 2019 of \$182,801
- Quarter-on-quarter sales increase of 151%

Thursday 04 April 2019: **Australian medicinal cannabis company Althea Group Holdings Limited (ASX:AGH) ('Althea' or 'the Company')** is pleased to provide the following update with regards to the uptake of its medicinal cannabis products in Australia, along with reporting on its activities for the quarter ended March 31, 2019.

Althea surpassed its 500-patient milestone this week, following an extremely successful quarter for product sales. In addition to the patient record, unaudited sales grew by 151% quarter-on-quarter to \$182,801 for the period.

Chief Executive Officer of Althea, Mr Joshua Fegan, explains “We experienced very strong growth in the recent quarter, particularly in the back half when doctors returned from their January holidays. We further expanded our Medical Science Liaison team in March, and we are already seeing great results, with the first few days of April being the best start to any month on record. Our team remains committed to educating Healthcare Professionals and supporting patient access to Althea’s pharma-grade medicinal cannabis products.”

In addition to reaching 511 patients, 128 Healthcare Professionals (HCP’s) around Australia have already prescribed Althea medicinal cannabis products. The company believes increasing the number of HCP’s utilising its *Althea Concierge* platform is key to significantly increasing the number of patients being prescribed medicinal cannabis in Australia.

Mr Fegan said, “*Althea Concierge* has been a godsend for doctors who otherwise would not have the time, or capacity, to submit applications on behalf of patients to the TGA and their respective State office, which is required before they can prescribe medicinal cannabis. We have feedback from prescribing doctors that they are able to complete applications in fewer than 5 minutes using *Althea Concierge*, a far cry from the alternative application methods which can take doctors hours.”

Althea believes its proprietary *Althea Concierge* platform, along with its RACGP accredited medical education portal, *MEDIC*, is providing doctors with the tools required to quickly progress along the medicinal cannabis adoption ladder.

For personal use only

## March 2019 Quarterly Activities Statement and Appendix 4C

Althea produced its most successful quarter to date, ending March 31, 2019, with unaudited sales revenue up 151% quarter-on-quarter. This result is despite the seasonal effect experienced in January, a time of year in which many primary care doctors take leave.

### Outlook

Althea expects the quarter ending June 30, 2019, to be a defining period for the company as it pushes to improve on its recent feat of on-boarding more than 100 new patients in a month. The company has recently added more personnel to its Medical Science Liaison team, with the aim of visiting more doctors and in turn, generating more Althea medicinal cannabis prescribers.

The company is also witnessing increases in the number of multiple-patient prescribers, a positive indicator that Althea prescribers are becoming increasingly confident in treating their patients with Althea medicinal cannabis.

Althea has planned a comprehensive advertising campaign for the promotion of its medical education portal, *MEDIC*, and *Althea Concierge* through dedicated healthcare media. The campaign will commence in April and is part of Althea's long-term strategic marketing plan.

**Ends**

### For further information, please contact:

#### **Althea**

**Josh Fegan**  
CEO & Managing Director  
M: 1300 70 20 20  
E: [contact@althea.com.au](mailto:contact@althea.com.au)

#### **Media Enquiries**

**Julia Maguire**  
The Capital Network  
M: +61 419 815 386  
E: [julia@thecapitalnetwork.com.au](mailto:julia@thecapitalnetwork.com.au)

#### **Australian Investors**

**PAC Partners Securities**  
M: 03 8633 9834  
E: [enquiries@pacpartners.com.au](mailto:enquiries@pacpartners.com.au)

#### **Althea Group Holdings Limited (ASX:AGH)**

Althea is a patient-focussed medicinal cannabis company. Althea has become a leading supplier of medicinal cannabis products in Australia since it was founded in Melbourne in 2017 and was granted necessary licences and permits to import, cultivate, manufacture and supply medicinal cannabis for eligible patients in Australia in 2018. Through strategic supply and distribution partnerships, Althea has become a significant supplier of five Althea branded medicinal cannabis products in Australia.

For personal use only

Althea's focus on patient care underpins its business strategy and its innovative web-based platform and mobile application, known as Althea Concierge, is designed to educate and support patient access to medicinal cannabis in Australia and the United Kingdom. Althea has also engaged a team of medical science liaisons to assist medical practitioners to become prescribers, and pharmacists to become suppliers, of Althea products.

To learn more, or register for Althea Concierge, please visit: [www.althea.com.au](http://www.althea.com.au)

MEDIC (Medical Education in Cannabinoids) online education: [www.mymedic.org.au](http://www.mymedic.org.au)

For personal use only

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Althea Group Holdings Limited

**ABN**

786 269 669 43

**Quarter ended ("current quarter")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	135	245
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(48)	(67)
(c) advertising and marketing	(132)	(1,167)
(d) leased assets		
(e) staff costs	(442)	(849)
(f) administration and corporate costs	(757)	(1,946)
1.3 Dividends received (see note 3)		
1.4 Interest received	90	98
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,154)</b>	<b>(3,687)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(293)	(719)
(b) businesses (see item 10)		
(c) investments		

For personal use only

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(293)</b>	<b>(719)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		21,650
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		(900)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other		
<b>3.10 Net cash from / (used in) financing activities</b>		<b>20,750</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	20,092	2,300
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,154)	(3,687)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(293)	(719)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		20,750

For personal use only

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>18,644</b>	<b>18,644</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	3,389	4,877
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (Term Deposit / Bank Guarantees)	15,255	15,215
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>18,644</b>	<b>20,092</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
136

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
1

For personal use only

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

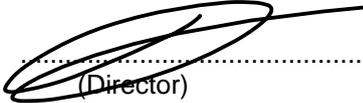
9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(70)
9.3 Advertising and marketing	(610)
9.4 Leased assets	
9.5 Staff costs	(490)
9.6 Administration and corporate costs	(625)
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>(1,795)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

For personal use only

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  ..... Date: ..... 4<sup>th</sup> April 2019 .....

(Director)

Print name: .....Joshua Fegan.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

For personal use only