



December 2018

INVESTOR PRESENTATION



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COMPANY PROFILE

ASX Code: AGH

IPO Price: \$0.20

Current Share Price: \$0.205¹

Market Capitalisation: \$40.68 million²

Total Shares on Issue: 203,310,000

Options to acquire shares: 2,675,000

Performance Rights: 5,100,000³

Escrowed Securities: 89,060,000 Shares , 2,675,000
Options and 5,100,000 Performance Rights

Cash as at Bank (7 December 2018): Approximately
\$20.56million

Cash per Ordinary Share: \$0.101

¹ Closing price of Althea Shares on the ASX on 7 December 2018

² Calculated as the total number of Shares on issue in Althea as at 7 December 2018 multiplied by the closing price of Althea Shares on the ASX on 7 December 2018

³ Performance Rights granted by Althea Group Holdings to Joshua Fegan under the LTI Plan

Board

Andrew Newbold: Independent Non Exec Chairman

Qualified lawyer. Extensive business experience and current director of Supra Capital, a Commissioner of the AFL and director of Golf Australia

Joshua Fegan: CEO / Managing Director

Founder of Althea in 2016. Previously held a number of senior management roles at Strathfield Group

Alan Boyd: Non Exec Director

Currently CFO and Co. Sec at Ridley Corp Ltd (ASX:RIC). Previously a director of Avexa Ltd and Zenyth Therapeutics Ltd

Penelope Dobson: Non Exec Director

Pharmacist and experienced global healthcare executive. Previously with Merck and Company and its subsidiaries MSD and Banyu Pharma in Australia, NZ, US and Japan

Gregg Battersby: Non Exec Director (Aphria Inc. representative)

Currently Vice President of Commercial Strategy at Aphria Inc. Previously at Jamieson Labs Ltd

Major Shareholders

Joshua Fegan 28%

Aphria Inc. ~25%

SUMMARY



- Strong month-on-month patient and prescriber growth:
 - **214 patients prescribed** Althea medicinal cannabis products from May 2018 with average month-on-month increase of 174%
 - **70 Healthcare Providers (HCPs)** from May 2018 with average month-on-month increase of 185%
 - 1,832 total SAS B application approvals₁ between May 2018 and November 2018 with average month-on-month increase of 157%₂
 - Althea est. **17% market share**₂ based on SAS B application approvals₁
 - TGA notes “*approval numbers do not equal the actual number of patients*”₁
 - All Althea patients were prescribed under the care of Specialists and / or GPs. Everyday doctors treating **real world patients** (not observational studies)

1: Source: TGA - <https://www.tga.gov.au/access-medicinal-cannabis-products-1>

2 calculated on total SAS B application approvals from May 2018 to November 2018

DISTRIBUTION

- Althea scheduled to receive a large shipment of its five medicinal cannabis products (four oils and one dried flower) by 15th December 2018
- Planning is underway to secure up to 12 months future inventory in Australia for supply until Althea's own production commences in early 2020
- **New Products** – In 1H 2019, Althea plans to launch two additional products:
 - Gel capsules
 - 115ml oromucosal spray (mouth and nose spray)

ALTHEA CONCIERGE

- *Althea Concierge* patient / doctor portal – launched September 2018
 - 285 Patient registrations
 - 132 HCP registrations
- Regular updates of the *Althea Concierge* platform – next major update to feature integration with the official TGA portal
- Increased user uptake will be a particular focus in 1H, 2019
- *Althea Concierge* is a **complimentary service**. Althea believes patients have the right to talk to 'everyday' doctors about medicinal cannabis, including bulk billing clinics

LICENCES & PRODUCTION FACILITY

- Althea has been granted all required Office of Drug Control (ODC) licenses including Import, Cultivation, Manufacturing and Export licenses
- Design of ODC approved state-of-the-art production facility complete
- Planning permit lodged November 2018
- Expected completion of production facility Q4, 2019
- Domestic production early 2020
- Production facility to provide seed-to-sale business model with **existing distribution channel**

MAKING A DIFFERENCE



SOLVING THE PROBLEM

- Althea's response to the medicinal cannabis patient access dilemma:
 - Evidence-based Medical Education
 - Althea representatives work with doctors (specialists, GPs, psychiatrists etc.) face-to-face, helping them understand Althea medicinal cannabis as a treatment option for their patients
 - Regulations
 - Doctors are time poor and can't spend extended periods learning to navigate regulations such as the TGA's Special Access Scheme
 - Althea provides assistance to doctors in understanding the regulatory framework and in the application process to the TGA and relevant state offices
 - Althea Concierge
 - **Everyday doctors** prescribing to **everyday patients**: *Althea Concierge* is a complimentary patient – doctor portal where people considering medicinal cannabis can find a doctor to talk to them responsibly about Althea medicinal cannabis

PATIENT CASE STUDIES

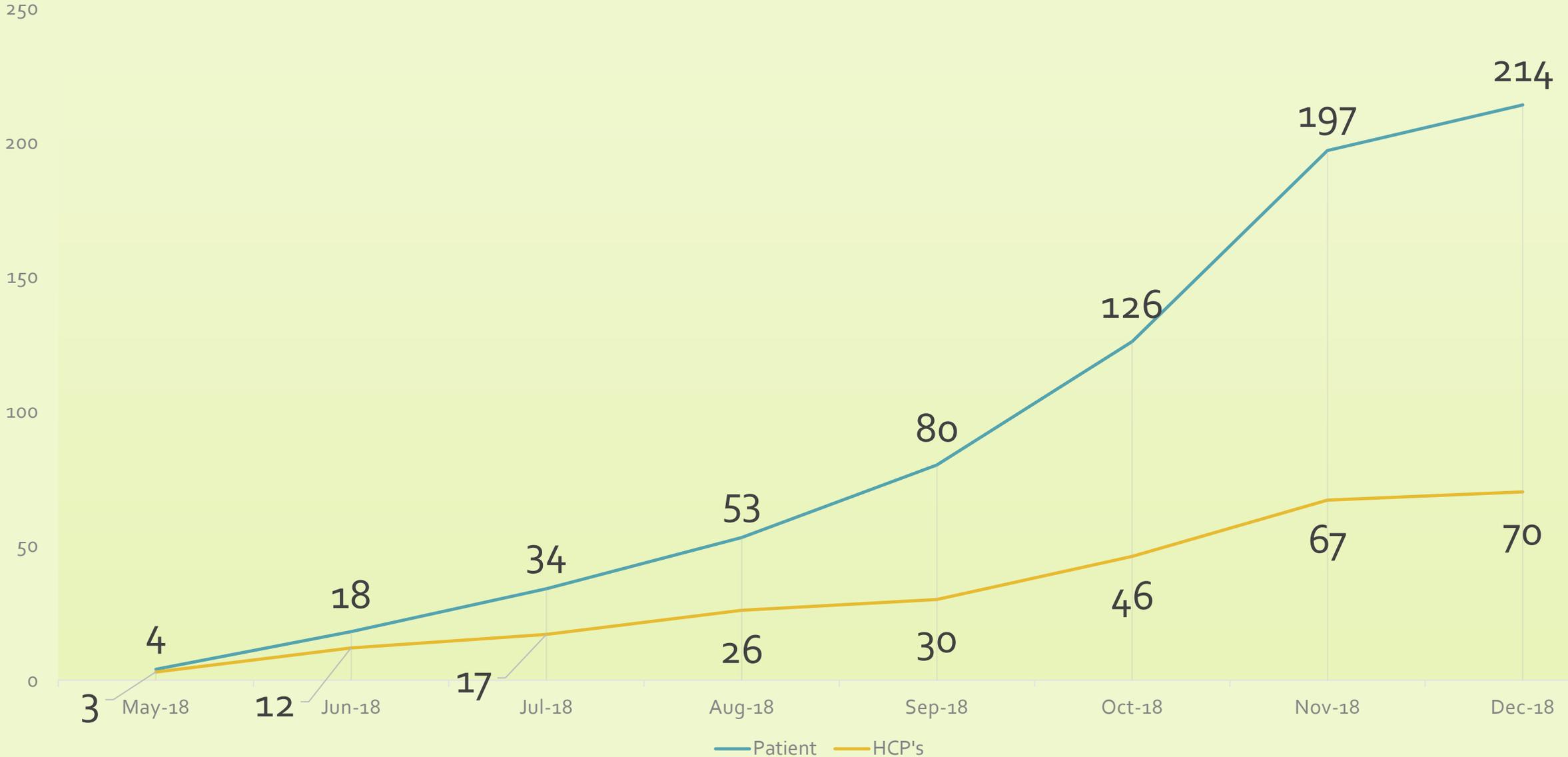
- Patient X: 17 year old female, 5 years post surgery
 - Indications: Chronic pain, spasms, limited physical ability (could not go up stairs)
 - Progress: 1 month post commencing Althea medicinal cannabis dancing and sleeping in her own second floor bedroom
- Patient Y: 5 year old female
 - Indication: Autism
 - Progress: 2 months post commencing Althea medicinal cannabis, calmer, improved sleep, no aggression and developing problem solving skills

MORE INFORMATION



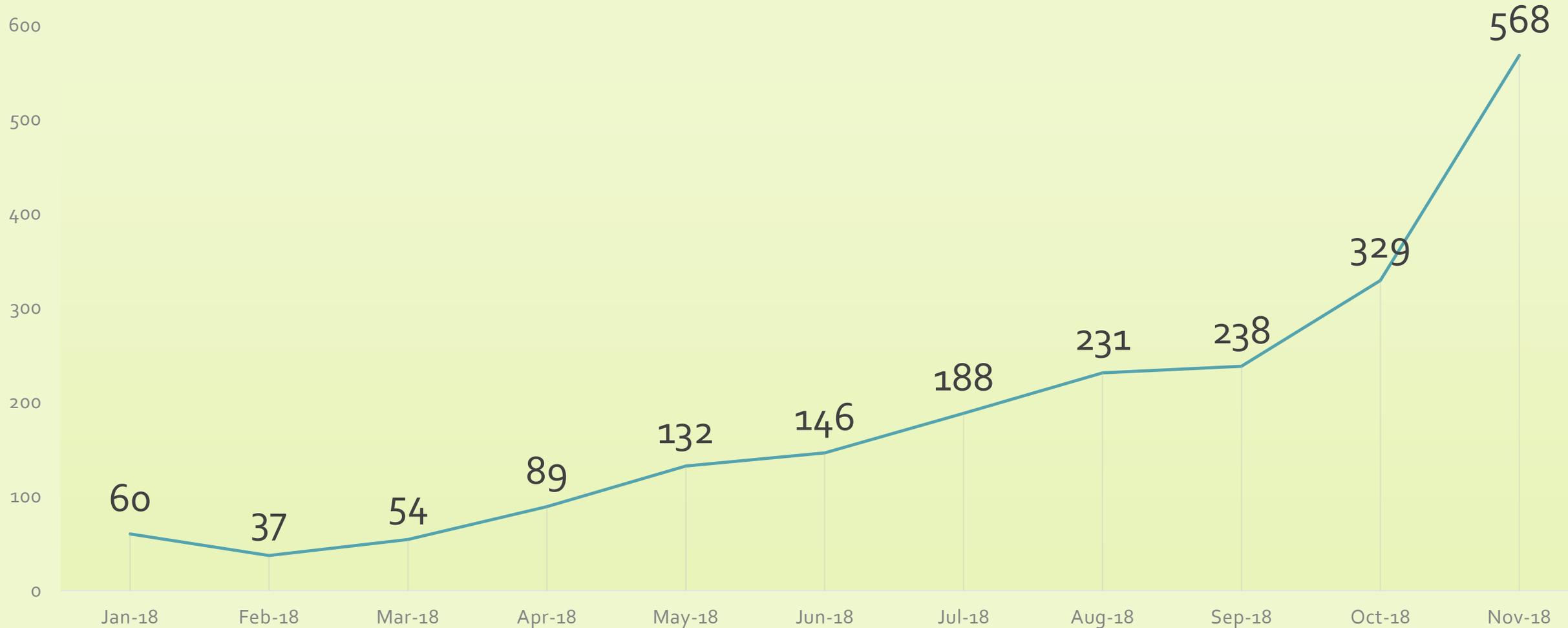
ALTHEA: PATIENT & HCP GROWTH

Althea™



ALTHEA: TGA SAS B APPLICATIONS

Althea™



Based on SAS B Application numbers released by the TGA: <https://www.tga.gov.au/access-medicinal-cannabis-products-1>

DISTRIBUTION

- Althea commenced importing and supplying medicinal cannabis to patients in Australia in May 2018
- Althea maintains an extensive medical education program, employing medical science liaisons all over the country, to assist Healthcare Providers (HCP) with prescribing Althea medicinal cannabis
- Althea's **world-first** *Althea Concierge* platform - a patient and doctor portal facilitates access to medicinal cannabis through education and technology
- Althea has a long term supply agreement with Aphria Inc., one of the largest Canadian cannabis companies licensed by Health Canada:
 - Planning underway to secure up to 12 months future inventory in Australia for supply until Althea's own production commences in early 2020
- A 3PL warehousing and distribution agreement with Melbourne-based pharmaceutical company ensures Althea is able to store controlled substances until its own facility is complete

PRODUCT RANGE

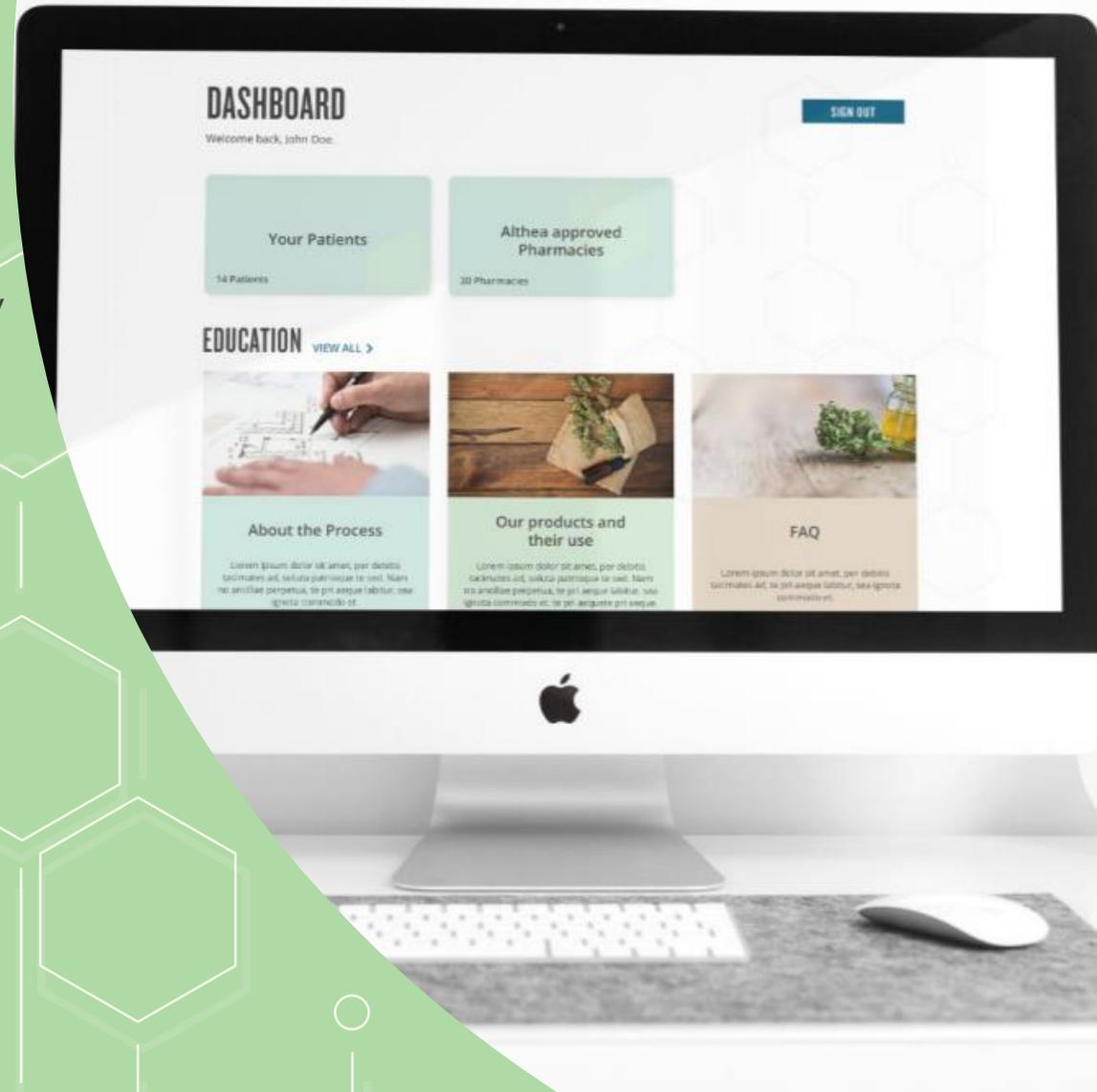
- Althea currently sells four oil products and one dried flower product to eligible patients in Australia
- The benefits of Althea's medicinal cannabis oil include:
 - Providing patients with a slower and longer release of medicinal cannabis which is beneficial for treatment of specific conditions
 - Versatility of administering Althea's medicinal cannabis
- The benefits of Althea's medicinal cannabis dried flower include:
 - Providing patients the ability to smoke Althea's medicinal cannabis for a quicker onset of medicinal cannabis
 - Providing patients that have difficulty with swallowing pills with an alternative option to administering medicinal cannabis

NEW PRODUCTS

- Althea will add two additional products, **gel capsules** and a **15ml spray**, to its product range in the first half of 2019
- The benefits of Althea's medicinal cannabis gel capsules include:
 - Controlled dosage in a familiar preparation
 - A slower and longer onset, beneficial for treatment of specific conditions
 - A more discreet administration method
- The benefits of Althea's medicinal cannabis 15ml spray include:
 - Cost-effective for new patients to trial Althea medicinal cannabis
 - Higher margins per ml
 - Offers patients a fast and discreet delivery method

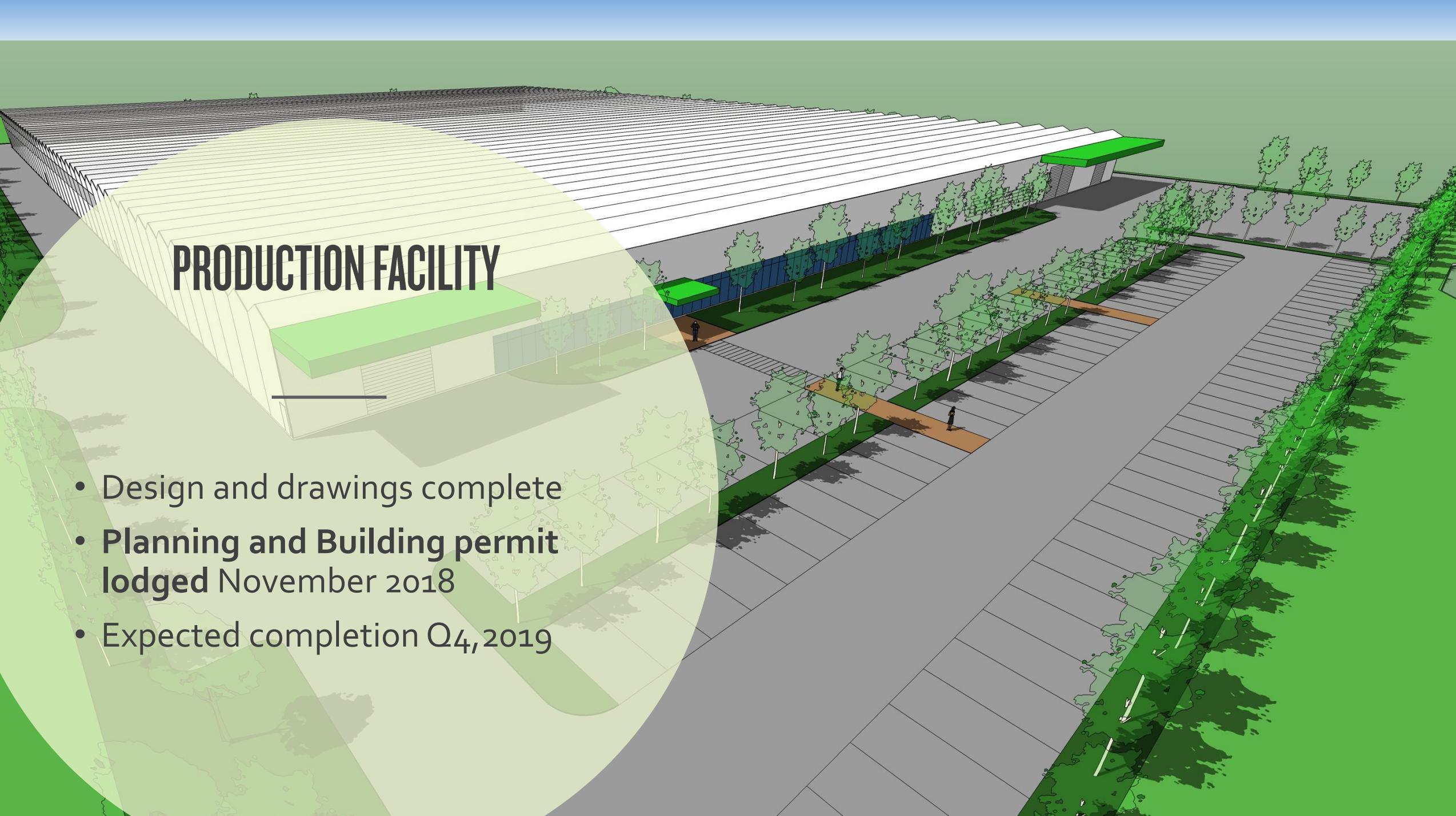
ALTHEA CONCIERGE

- 285 patient registrations and 132 HCP registrations since September 2018, creating a growing channel that is proactively engaged with Althea, its products and educational content
- Althea intends to accelerate its sales efforts to supply more medicinal cannabis products to eligible patients seeking treatment in Australia by investing in its complimentary *Althea Concierge* service, provide regular updates to the platform and through targeted awareness campaigns and activities
- The *Althea Concierge* platform features a collaborative patient treatment plan, which enables:
 - Patients to keep track of their treatment plan in real-time and record notes about their progress and wellbeing
 - Medical practitioners to maintain their patients' virtual patient treatment plan and monitor patient progress
- To further support patient access, the *Althea Concierge* platform also contains a directory of registered medical practitioners and pharmacists with the relevant licences and approvals to prescribe and supply Althea's medicinal cannabis products



LICENCES

- The Office of Drug Control (ODC) has granted Althea the full suite of applicable licenses in Australia for it to execute its business plan, including:
 - **Cultivation and Manufacture licence** – providing Althea with the right to grow and manufacture its own medicinal cannabis products at its upcoming facility. Althea intends to use these licences to produce its own medicinal cannabis products for distribution in the Australian market from 2020
 - **Import licence** - providing Althea with the right to import finished medicinal cannabis products ready for distribution to patients in Australia. Althea is expecting its second major shipment of Althea medicinal cannabis products from Canada in December 2018
 - **Export licence** – providing Althea with the right to distribute its Australian produced medicinal cannabis products. This license will provide Althea with the ability to export Althea medicinal cannabis products, if appropriate opportunities arise, into other jurisdictions and when such expansion is supported by an appropriate business case
 - Althea is one **of only a small number of companies** in Australia to be **granted** the above licenses for medicinal cannabis.¹



PRODUCTION FACILITY

- Design and drawings complete
- **Planning and Building permit lodged** November 2018
- Expected completion Q4, 2019

PRODUCTION FACILITY (CONT.)

- Althea has entered into a 30 year lease for a 10-acre parcel of land in Victoria and has received its Office of Drug Control licences for cultivation and manufacture
- Althea plans to grow and manufacture its own high-quality medicinal cannabis for supply to eligible patients in Australia. Althea expects to distribute its Althea medicinal cannabis products through its existing distribution channels in early 2020
- The establishment by Althea of a medicinal cannabis cultivation, cannabinoid extraction and manufacturing facility is a key milestone in Althea's business plan, as it transitions to Australian grown versions of its imported medicinal cannabis products
- The ODC approved 4,080 m² cultivation, extraction and manufacturing facility is fully scalable with the option to increase to 21,000 m². Althea initially aims to produce approximately 3,000 Kgs of cannabis each year and **up to 20,000 Kgs** at maximum capacity
- Subject to a supportive business case, Althea may in the future choose to expand this facility beyond its initial first stage to supply increased domestic demand and / or to allow for the servicing of any future export market

GLOBAL DEMAND POTENTIAL

- The export of medicinal cannabis products from Australia was legalised in February 2018 through the *Narcotic Drugs Amendment (Cannabis) Regulations 2018*. The primary driver for the legalisation of exports is to enhance the viability of the medicinal cannabis industry within Australia, in turn improving supply of medicinal cannabis for Australian patients. It allows Australian producers to access overseas markets where importation is legal¹
- A number of jurisdictions have recently made medicinal cannabis legal or have announced that they intend to legalise medicinal cannabis in the near future, including the United Kingdom (pop. 66m) and South Korea (pop. 51m)
- As and when appropriate opportunities arise Althea may consider and assess the business case and potential to extend its business model to access potential **export demand**

¹ . Source: ODC www.odc.gov.au/publications/export-medicinal-cannabis