

ALTHEA GROUP HOLDINGS LTD (ASX:AGH)



INVESTOR PRESENTATION

JOSHUA FEGAN | CHIEF EXECUTIVE OFFICER

JULY 2021

(ASX:AGH)

OVERVIEW



Overview of AGH operations

Althea Group Holdings Ltd (ASX:AGH) is a global leader in the manufacturing, sales and distribution of cannabis-based medicines and recreational cannabis products

CANNABIS-BASED MEDICINES



- Althea is a global leader in the sales and distribution of cannabis-based medicines
- Operating in 6 markets across the globe
- More than 19,250 registered patients
- Growing patient base, generating recurring revenue

- The only Software as a Medical Device included on the Australian Therapeutic Goods Register by a medicinal cannabis company licensed by the Australian Office of Drug Control
- Pivotal to Althea's product positioning, with thousands of users accessing the platform



- 100% owned AGH subsidiary
- One of the UK's leading medicinal cannabis clinics with more than 560 registered patients
- Online telehealth consultations, supporting patients with Chronic Pain, Anxiety, Sleep Disorders and more

Althea is a global leading medicinal cannabis brand

RECREATIONAL CANNABIS PRODUCTS

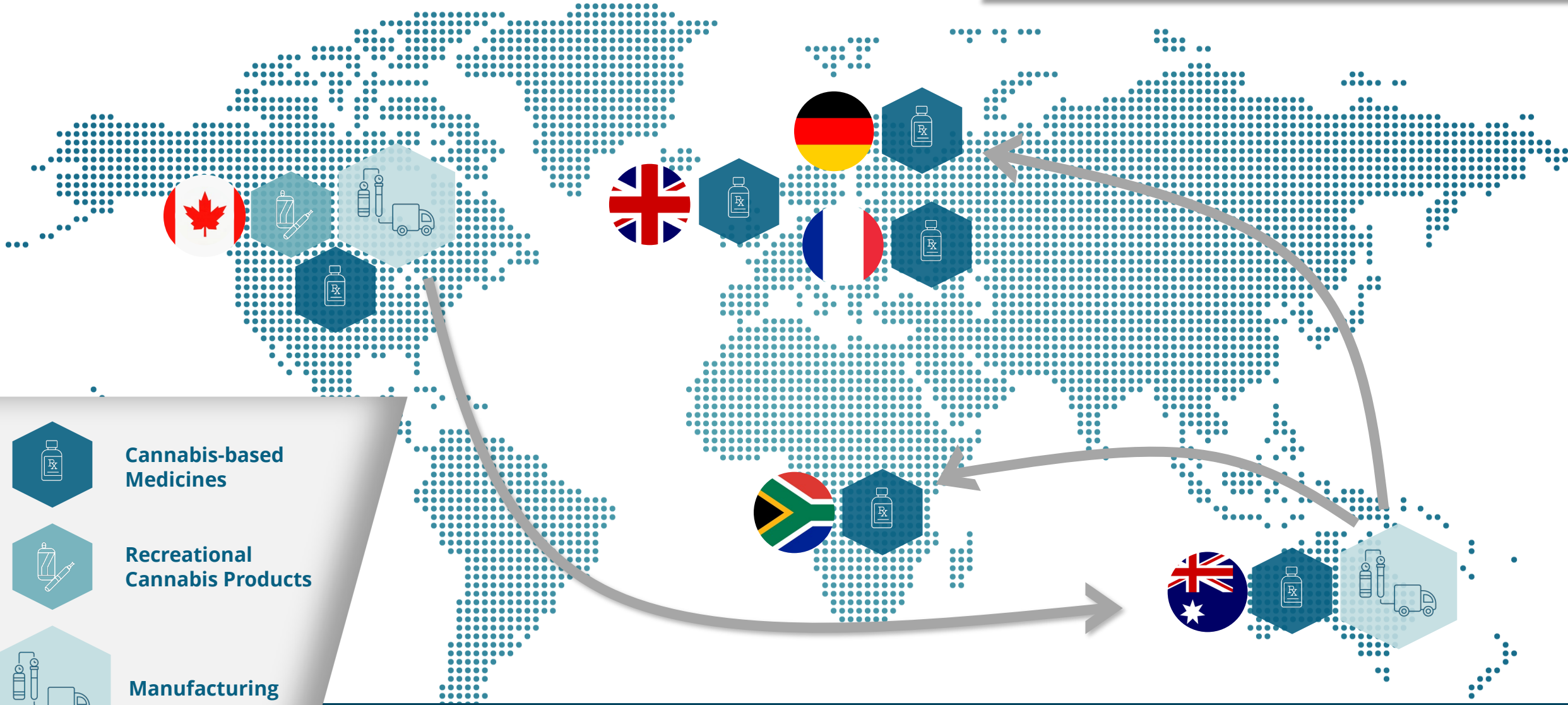


- 100% owned AGH subsidiary
- Peak is a contract manufacturer of legal adult-use cannabis products, based in Canada
- Peak offers brand partners the opportunity to innovate through its industry leading cannabis product development, processing and manufacturing capabilities
- Servicing the USD\$2.5B¹ legal cannabis market in Canada
- Peak manufactures selected Althea medicinal cannabis products

One of Canada's largest recreational cannabis product manufacturers

GLOBAL OPERATIONS

Althea Group Holdings has existing operations in markets worth USD\$20.5B¹



-  Cannabis-based Medicines
-  Recreational Cannabis Products
-  Manufacturing

1. Global Cannabis Market (2020 to 2026) - Emergence of Cannabis Legalization in Asia-Pacific Presents Opportunities - ResearchAndMarkets.com February 16, 2021 (viewed 20/05/21)

Cannabis-based Medicines

Althea offers a comprehensive range of full-spectrum medicinal cannabis products, including cannabis oil and dried flower preparations



Overseas products shown (not Australian products) for illustration purposes only

Recreational Cannabis Products

Peak offers expert formulation and manufacturing of adult-use cannabis products, including cannabis-infused beverages, concentrates, vapes, powders, topicals and creams



Cannabis-based Medicines

Althea operates a pharmaceutical business model, with a focus on:

Research & Development

- Product development
- Targeting specific illnesses

Medical Affairs

- Quality and Regulatory compliance
- Medical Education

Distribution

- Delivered to and sold via Pharmacy (Rx)

Commercial

- Althea's own in-field pharmaceutical representatives engaging with doctors
- Patient prescription (Rx) generation



Recreational Cannabis Products

Peak has the tools and resources to help our customers get unique, high-quality cannabis products onto retail shelves quickly:

Market insights & Category analysis

Product Development

- In-house formulation expertise

Warehouse & Distribution

Mass Production

- 3,716 square metre state-of-the-art cannabis processing & manufacturing facility

Quality & Regulatory support

- To ensure products meet highest standards



STRATEGY



Cannabis-based Medicines



Medicinal cannabis products are supplied to patients via prescription

> SALES & MARKETING

Increasing patient numbers via:

- Our experienced pharmaceutical representatives engaging with doctors in the field
- Our wholly-owned private medicinal cannabis clinic, MyAccess Clinics

> SCALED FOR GROWTH

Leverage global footprint and early mover advantage in key markets

> HIGH MARGINS & RETURNS

Deliver premium margins, recurring revenue and consistent revenue growth

Recreational Cannabis Products

PEAK ▶



Manufacturing recreational cannabis products to be purchased by adult consumers in retail stores

> CONSUMER PACKAGED GOODS

Generate substantial revenue from the rapidly growing, high margin, Canadian legal cannabis market

> LEVERAGE LEADING BRAND EQUITY

Establish partnerships with legacy Consumer Packaged Goods (CPG) companies to launch blockbuster brands

> PRODUCT DEVELOPMENT & COMMERCIALISATION

Unique production capabilities required to bring to market highly innovative products

BRAND BUILDING

A big pharma approach



MEDICAL EDUCATION

Althea's expert pharmaceutical representatives educating doctors in the field



Doctors write prescriptions for Althea products



DATA

Althea Concierge™ an industry leading medical app to manage doctor and patient relationships



Althea Concierge™ reports real world evidence about the patient's treatment back to the doctor



PRODUCT QUALITY

Pharmaceutical grade products, readily available for patients



Consistent and reliable supply chain - important to doctors and patients

HEALTHCARE PROVIDER

Medicinal cannabis clinic



UNIQUE PATIENT EXPERIENCE

MyAccess Clinics qualified Healthcare Professionals providing simplified access to medicinal cannabis treatments



- Online telehealth consultations leading to prescriptions for Althea products
- Medicines delivered directly to the patient's door

Simple end to end process

OFFERING MORE

Millions of people across the UK suffer from illnesses such as Chronic Pain, Anxiety and Sleep Disorders



A panel of Specialists treating patients with medicinal cannabis for Chronic Pain, Anxiety, PTSD, Sleep Disorders and more

Large addressable market

DELIVERING RESULTS

Over 560 patients currently registered, with strong monthly growth



Creating a platform for recurring revenue

Revenue growth

Contract Manufacturing

IN A RECREATIONAL CANNABIS MARKET

MARKET ANALYSIS

- Supporting customers with identifying the Canadian recreational cannabis market opportunity
- CPG companies looking to diversify their primary businesses (i.e. big alcohol, big tobacco, food and beverage, cosmetics etc.)
- Assisting licenced cannabis producers with product innovation

PRODUCT DEVELOPMENT

- Expertise in developing unique cannabis product formulations
- Mass production capabilities

COMMERCIALISATION

- Canadian provincial board (wholesaler) listing support
- Distribution throughout Canada

STRATEGY

PEAK 

[CLICK HERE to watch](#)

PEAK 

Delivering complete cannabis product solutions

RECENT HIGHLIGHTS



Cannabis-based Medicines



- **Continued patient growth:** Australia 17,650+ patients | UK 1,600+ patients
- **Althea Concierge™ fuelling Healthcare Professional (HCP) growth:** Over 1,100 prescribing HCPs
- **Sales team expansion:** Expert pharmaceutical representatives continuing to expand reach and education of doctors across all jurisdictions
- **Global expansion:** Germany initial patients prescribed - May 2021 | South Africa initial product shipment - June 2021
- **Portfolio growth:** Launch of 20ml “flexi” range in Australia | Solid New Product pipeline

Recreational Cannabis Products

PEAK ▶

- **A Leading Contract Manufacturer:** Offering an innovative portfolio of cannabis-infused beverages, cannabis extracts & concentrates, powders, topicals and small liquids for brands looking to enter the legal cannabis market
- **Growing Brand Partner Portfolio:** Commercial manufacturing agreements entered with Cronos, 48North (Hexo), WeedMD, Tinleys, Collective Arts, EKS and more
- **Ontario Cannabis Store:** Peak has already achieved 7 product listings with the Ontario Cannabis Store, Canada’s largest province by cannabis sales and population⁴

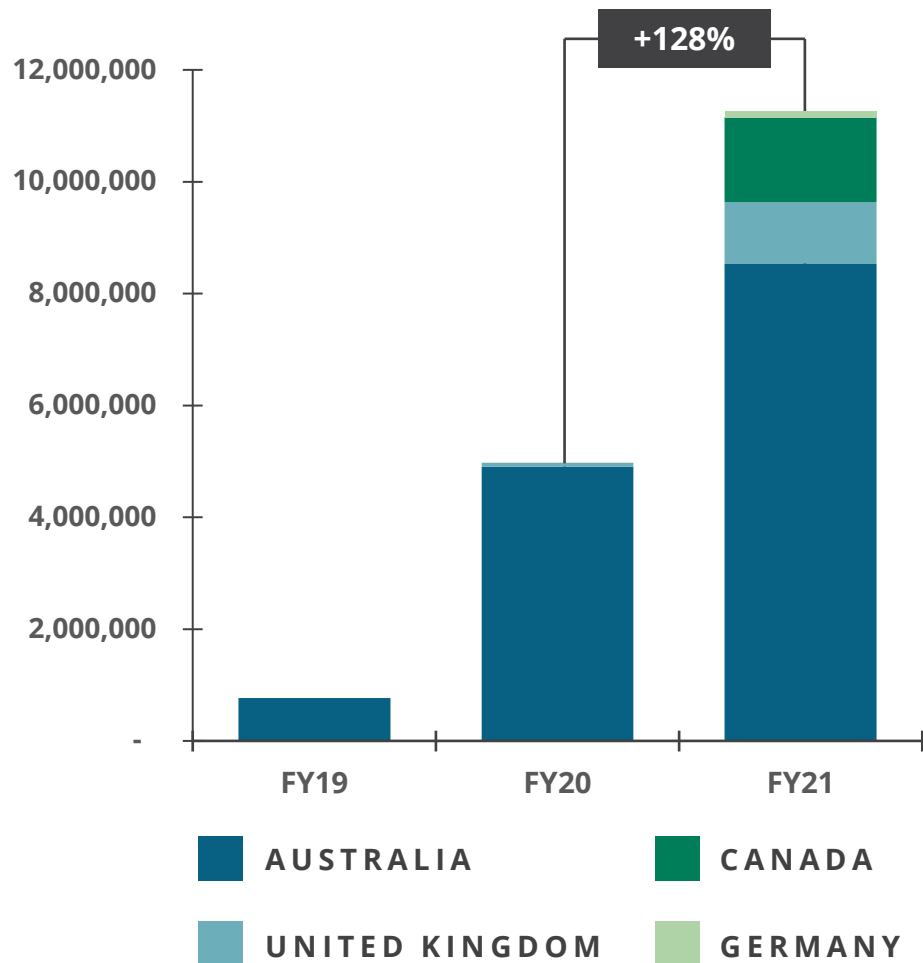
INVESTOR UPDATE



FULL YEAR RESULTS

Ending
30 JUNE 2021

STRONG GROWTH



\$11.55M¹

Revenue
FY 2021

+128%

On FY 2020

\$1.55M¹

Record revenue
in June 2021

GROSS MARGIN

Cannabis-based medicines



52%¹
Actual



49%¹
Actual

Recreational cannabis
products



43%²
Expected FY22

Australia - Continued Growth

CONTINUED GROWTH UNDERPINNED BY BIG PHARMA APPROACH

- First sale May 2018
- \$8.5M¹ revenue FY2021
- 52% Gross margin
- Over 25% Market share
- Growing and sustainable revenue base, via large prescriber network
- Althea Concierge™ providing competitive advantage and leading to enhanced brand loyalty

52%

Gross
Margin

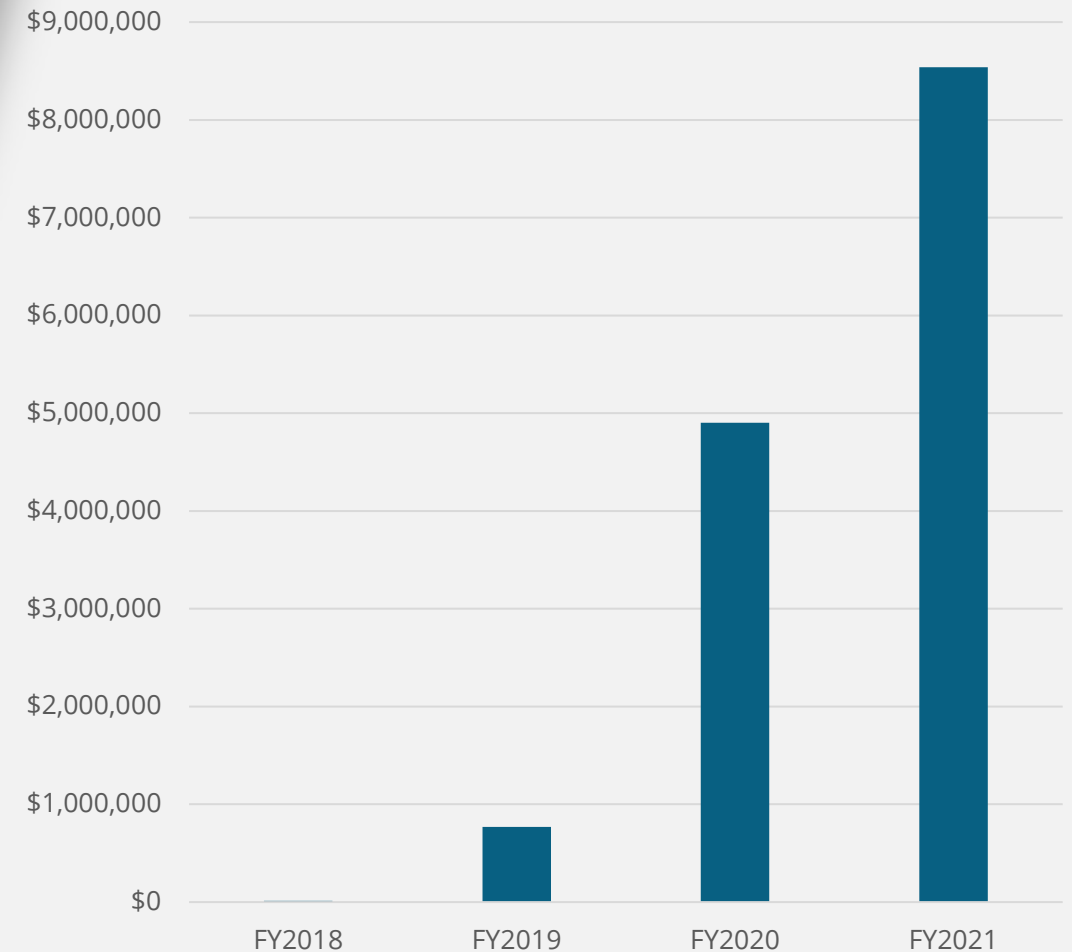
\$8.5M¹

FY2021
Revenue

+25%

Market
Share

Annual Revenue - Australia

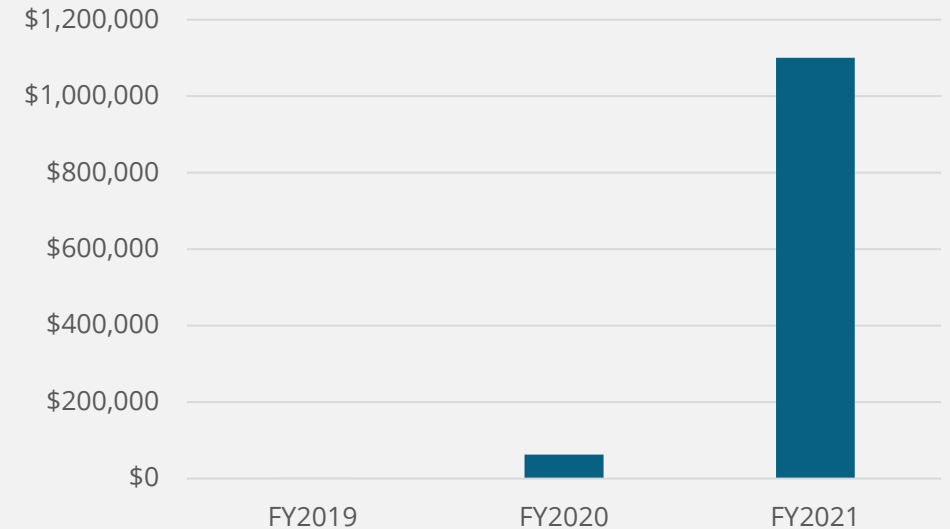


United Kingdom – A Strong Base

EARLY MOVER ADVANTAGE PRIMED FOR ACCELERATED GROWTH

- First sale late 2019
- \$1.1M¹ revenue FY2021
- 49% Gross margin
- 32% Market share
- UK operations have continued to expand steadily
 - Underpinned by ongoing education of UK Specialists
 - Experienced pharmaceutical representative team
 - UK localisation of Althea Concierge™
 - Expansion of second channel – MyAccess Clinics

Annual Revenue - United Kingdom



UK patient growth reflecting similar growth pattern to the Australian experience

MYACCESS CLINICS GROWTH

560+

Registered Patients

Expanded **patient capacity** with more Specialist prescribers

17%

Average MoM patient booking to prescription growth

65%

Returning patients, establishing recurring revenue stream

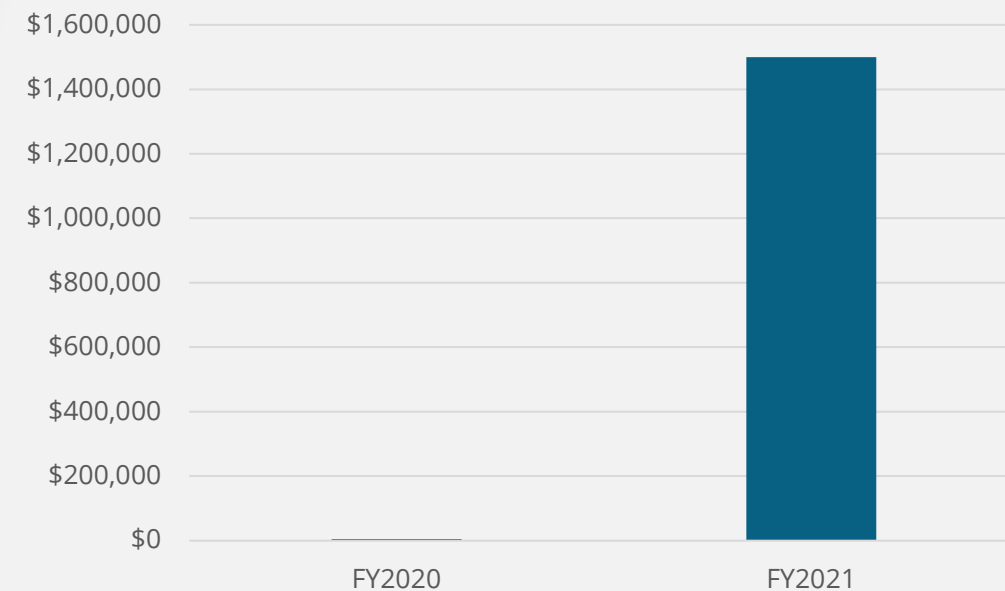
Canada – Rapid Growth

- First sale October 2020
- \$1.52M¹ revenue FY2021
- Granted its Standard Processing license from Health Canada in September 2020
- Peak has already executed several contract manufacturing agreements with a selection of well-known cannabis and consumer brands
- Peak manufactures selected Althea medicinal cannabis products



48^N

Annual Revenue - Canada



50+

SKUs either ranged or under development

Gross margins of approximately

43%

Peak is expected to become **EBITDA** positive by the **end of 2021**

GROWTH DRIVERS



Cannabis-based Medicines



- Deliver incremental growth in current and nascent markets – Australia, UK, Germany and South Africa
- A measured push into new markets, focusing on a widening Europe
- Extensive new product development program underway designed to increase uptake
- Scaled for growth – bottom line profitability improves as sales increase

Recreational Cannabis Products

PEAK ▶

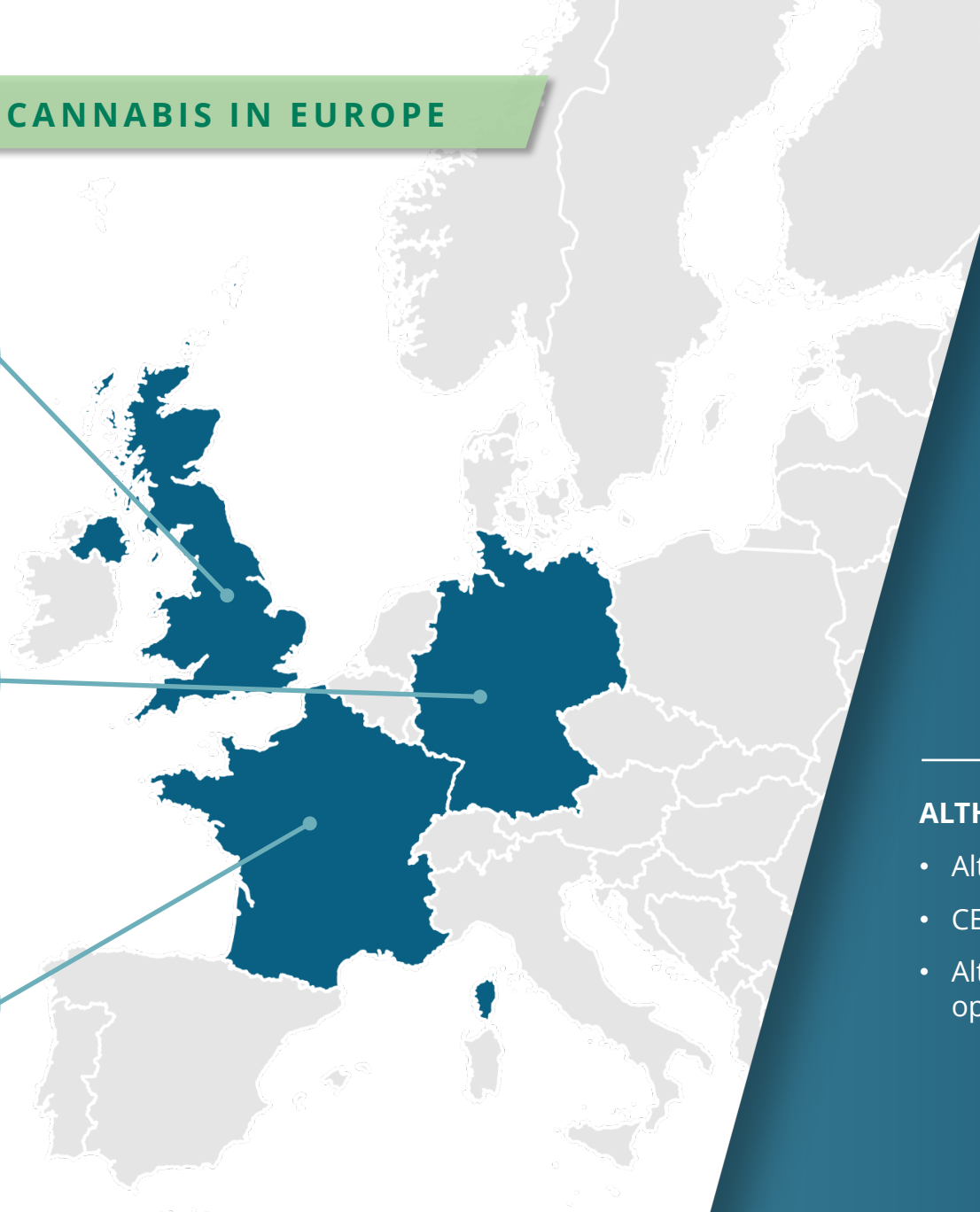
- Peak Processing Solutions has a strong pipeline of new customers
- Peak Processing Solutions to develop and produce a portfolio of 'in-house' cannabis brands
- Scope for more countries to legalise recreational cannabis use, including the USA

MEDICINAL CANNABIS IN EUROPE

United Kingdom
Market forecast
£1.3B¹
by 2024

Germany
Estimated market value will be
€840M²
by 2024

France
Total Population
67.06M



EUROPEAN MARKET IS RAPIDLY GROWING

- Europe will be the world's largest medicinal cannabis market in next 5 years

ADDRESSABLE MARKET

- Forecasted addressable market of 10.2M patients with a total addressable market of €3.2B³ by 2025
- Projected CAGR of 29.6%³ in 2025 from 2021

FRENCH MEDICINAL CANNABIS TRIAL

- Althea and Laboratoires Bouchara Recordati (LBR) selected to supply the French National Agency for Medicines and Health Products Safety (ANSM), with second source products for their national pilot program

ALTHEA PERFECTLY POSITIONED

- Althea established a European headquarters in London in 2019
- CEO relocated to the UK in 2020 to oversee expansion
- Althea has an early mover advantage in Europe, with existing operations in its three largest markets: Germany, UK and France

1. The UK Cannabis Report 2019, Prohibition Partners p46 (viewed 20/05/21)

2. The European Cannabis Report Edition 6, 2021 p94 Prohibition Partners (viewed 20/05/21)

3. The European Cannabis Report Edition 6, 2021 p93 Prohibition Partners (viewed 20/05/21)

EXPERIENCED & RELEVANT LEADERSHIP TEAM



Andrew Newbold | Chairman & Independent Non-Executive Director

- Extensive experience as director of numerous private companies and not-for-profit organisations
- 20 years' experience as a commercial lawyer and has played an integral role in the development of various businesses.



Joshua Fegan | Chief Executive Officer & Founder

- Founder of Althea Group with extensive experience in business building, sales and marketing
- Proven business and strategy skills and previously held numerous senior management roles at national value-based retailer, Strathfield Group



Penny Dobson | Independent Non-Executive Director

- Accomplished business executive in healthcare industry and trained pharmacist in New Zealand, three decades at global pharma Merck & Co, in a variety of commercial roles
- Currently Deputy Chair of the Australian Nuclear Science and Technology Organisation Board, and a non-executive director at Invetus Pty Ltd



Alan Boyd | Independent Non-Executive Director

- Chief Financial Officer and Company Secretary of Ridley Corporation, an ASX-listed provider of high-performance animal nutrition solutions
- Alan has occupied the same position with listed biotechnology companies Avexa Limited and Zenyth Therapeutics Limited

Legal Disclaimer

Althea Group Holdings Limited ACN 626 966 943 (Company) has prepared this presentation (Presentation) dated 27 July 2021 to provide current and prospective investors in the Company with an update in relation to the Company, its subsidiaries and their activities. The information in this Presentation discusses the Company's operations and product range. It is not intended as a promotion of the Company's products. This Presentation contains summary information about the Company, its subsidiaries and their activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth). This Presentation has not been and will not be filed with or approved by any regulatory authority in Australia, including the Australian Securities and Investments Commission (ASIC), or any other jurisdiction. The historical information in this Presentation is, or is based upon, information that has been lodged with the Australian Securities Exchange (ASX) and released on the ASX Market Announcements Platform. This Presentation should be read in conjunction with the Company's other periodic and continuous disclosure announcements which are available at www.asx.com.au (Company Code: AGH) or www.althea.life.

This Presentation does not constitute and should not be considered as an offer, invitation or recommendation to subscribe for or purchase any security in the Company in any jurisdiction. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Company's securities have not been, and will not be, registered under the U.S. Securities Act of 1993 (Securities Act) or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States without registration except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable U.S. State securities laws. Neither this Presentation nor anything contained in it forms the basis of any contract or commitment and no agreement to subscribe for securities will be entered into on the basis of this Presentation. This Presentation does not take into account any recipient's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of any security in the Company.

To the maximum extent permitted by law, no representation, warranty or undertaking (express or implied) is made, and no responsibility is accepted by the Company or any of its affiliates, related bodies corporate, partners, shareholders, directors, officers, employees, representatives, consultants or advisers or any other person (Parties) as to the adequacy, accuracy, completeness or reasonableness of any statement or any of the information contained in or referred to in this Presentation or as to any other related matter. To the maximum extent permitted by law, none of the Parties takes any responsibility for any loss or damage suffered as a result of any inadequacy, incompleteness or inaccuracy in any such statement or information. To the maximum extent permitted by law, the Parties do not accept any liability to any person for any direct, indirect or consequential loss or damage arising from the use of this material. This Presentation is not a recommendation by any of the Parties that any recipient invest in the Company.

Past performance information provided in this presentation may not be a reliable indication of future performance. This Presentation contains certain forward-looking statements and comments about future events. Forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of the Company, are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct, and which may cause the actual results or performance of the Company to be materially different from any results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this Presentation. Forward looking statements should not be relied on as an indication or guarantee of future performance. No representation, warranty or undertaking is made that any projection, forecast, assumption or estimate contained in this Presentation should or will be achieved. Recipients must conduct their own independent investigation, evaluation and analysis of the matters and data set out in this Presentation and rely entirely on such investigation and analysis. Recipients must form their own opinion as to whether or not to enter into any arrangements with the Company. The distribution of this document in jurisdictions outside Australia may be restricted by law. If you are outside Australia, you may not be a person to whom an offer of securities in the Company may lawfully be made under the applicable laws in the jurisdiction in which you are situated without registration, lodgment or approval of a formal disclosure document or other filing in accordance with the laws of that foreign jurisdiction. Any such restrictions should be observed. By accepting this Presentation, you agree to be bound by the foregoing limitations and conditions.