



Melbourne-founded medicinal cannabis company lists on the ASX in \$19.65m IPO

- \$19.65m raised in heavily oversubscribed Initial Public Offer predominantly supported by institutional investors and current strategic shareholder Aphria Inc.
- Funding to increase the growth of current sales of medicinal cannabis brands and enable design, construction, commissioning and completion of a fully scalable medicinal cannabis cultivation, extraction and manufacturing facility
- Sales of five Althea branded medicinal cannabis products underway since May '18 in Australia

Melbourne, Australia, 21 September 2018: Althea Group Holdings Limited ("Althea") (**ASX:AGH**), has successfully completed the fund raising for its proposed listing on the Australian Securities Exchange ("ASX") via an Initial Public Offering ("IPO"). Demand for shares in Althea significantly exceeded the proposed maximum fund raising under the IPO of A\$19.65 million.

Focused on importing, cultivating, producing and supplying medicinal cannabis for eligible patients across Australia, the company issued 98.25 million new shares at \$0.20 per share in the IPO, giving it a market capitalisation of \$40.6 million upon listing.

Althea's focus is on its strategic partnerships and a three-stage business model built on early revenue generation, sales driven growth and scalable domestic production. The Melbourne-founded company has engaged a team of medical science liaisons who are working to assist medical practitioners to become prescribers, and pharmacists to become suppliers, of Althea products.

Althea conducted a targeted institutional investor roadshow as part of its fund raising initiatives in Australia and internationally with PAC Partners, the Lead Manager of the IPO.

In addition to strong interest from institutional and professional investors globally, the capital raising was backed by one of the largest Canadian medicinal cannabis companies listed on the Toronto Stock Exchange, Aphria Inc. (TSX:APH), which took a cornerstone position in the IPO by subscribing for a further 17.0 million shares which has resulted in a 25% holding in Althea (\$3.4m investment). Having previously invested \$5.0m in pre-IPO funding, Aphria continue to be hands on in their support of Althea's growth strategy in Australia.

Through an exclusive product supply agreement with Aphria, Althea commenced importing and supplying five Althea branded medicinal products to eligible patients in Australia in cannabis oil and dried flower form and achieved the first stage of its business plan by generating sales revenue from May 2018.



"Our aim is to educate and support patient access to medicinal cannabis in Australia. Our measured three-stage growth plan supports Althea's vision to become a leading and trusted medicinal cannabis brand in Australia," Joshua Fegan, CEO and Managing Director of Althea said.

Funds from the IPO will enable Althea to increase brand awareness for its medicinal cannabis products in the medical community and also fund the design, construction, commissioning and completion of a fully scalable 4,080m² medicinal cannabis cultivation, extraction and manufacturing facility.

"We are a patient-focused medicinal cannabis company offering a complimentary service that provides a simple pathway for healthcare professionals and patients to obtain information about accessing and prescribing medicinal cannabis." Fegan said.

"Looking ahead, we intend to double down on our medical education program and leverage technology to build a greater understanding of medicinal cannabis for patients and healthcare professionals through Althea Concierge, our web-based platform and free-to-download mobile app."

Subject to receipt of the required planning and building approvals and certain regulatory licences and permits, the third stage of the Althea business model will be to grow and manufacture its own high-quality medicinal cannabis products, with the intention to commence the construction of a 4,080m² cultivation, extraction and manufacturing facility on a 10-acre parcel of land in Skye, Victoria.

The scalable facility is expected to produce approximately 3 tonnes of cannabis each year.

A copy of the Prospectus for the IPO is available at www.althea.com.au/investors

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Background information

Althea was founded in Melbourne in 2017 with a view to acquiring the necessary licences and permits to import, cultivate, produce and supply medicinal cannabis for eligible patients across Australia. Through strategic supply and distribution partnerships, Althea has been able to commence sales of five Althea branded medicinal cannabis products in Australia.

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. 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.

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