



Althea Group Holdings Limited  
ACN 626 966 943  
30 Dove Street, Cremorne  
3121, Victoria, Australia  
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30 November 2018

Althea Group Holdings Limited (**ASX:AGH**) is pleased to provide the following address to be delivered by its CEO Joshua Fegan at the company's Annual General Meeting held in Melbourne today.

On behalf of Althea, I would like to extend a warm welcome to those in attendance at our inaugural AGM.

We have witnessed significant developments in the medicinal cannabis industry in 2018, both domestically and internationally. Major announcements with respect to legalisation of medicinal cannabis have been made in countries such as the United Kingdom, Greece, Denmark and this week somewhere much closer to home, in South Korea.

There are also movements in other Asian jurisdictions including Thailand, Malaysia and in New Zealand. Medicinal cannabis is shifting from a fringe industry within a small number of countries, quickly becoming a truly global industry.

Reports indicate that by 2028, the medicinal cannabis industry within Oceania will be worth an estimated AUD\$11 billion, with Australia the leading marketplace<sup>1</sup>.

2018 has also proven to be a year of significant development for Althea. The company listed successfully on the ASX on September 21<sup>st</sup> and at that point in time had the following licences:

- Licence to import narcotic, psychotropic and precursor substances
- Licence to sell or supply wholesale Schedule 8 or Schedule 9 Poisons
- Licence to cultivate and produce cannabis for the purpose of patient supply

At the time of listing we had commenced importation and supply of five Althea branded medicinal cannabis products; with 57 patients prescribed Althea medication by their doctor.

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<sup>1</sup> Source: Prohibition Partners report dated 26 October 2018, <https://www.prohibitionpartners.com/european-country-review-part-2/2018/10/26/oceanias-cannabis-industry-poised-to-take-on-the-global-market>



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Such accomplishments meant that Althea had a rock-solid foundation. This foundation was recognised by the market and was reflected by strong Institutional support and the heavy oversubscription of Althea shares at IPO.

Since listing on the ASX, Althea has continued to focus on, and drive, its three-stage business model built on:

1. Revenue generation
2. Sales driven growth, and
3. Scalable domestic production

Althea has already executed on a number of its objectives, including but not limited to the launch of Althea's medical education platform *Althea Concierge* in late September. We also signed a distribution agreement with a major independent cannabis distributor in Western Australia, complementing our existing distribution channels in Victoria, South Australia, Queensland and New South Wales.

In October, Althea reached the 100-patient milestone. At the time of that announcement, 42 healthcare professionals were prescribing Althea medicinal cannabis products. Althea's medical liaisons assured a 100% approval rate on all TGA applications, a record we maintain to this day.

November saw Althea build upon its 100-patient milestone, quickly surpassing 150 patients, along with a sharp increase up to 54 prescribing doctors.

Significantly in November, Althea was granted two key licences from the Office of Drug Control (**ODC**):

- A Manufacture licence, and
- A Licence to Export medicinal cannabis

The addition of the Export licence, and in particular the Manufacture licence, rounded out the licences necessary for Althea to become a fully-fledged, seed-to-sale, Australian producer of medicinal cannabis.

These suite of ODC licences pave the way for Althea's products to be manufactured in Victoria, distributed across Australia and exported to markets throughout the world.



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On November 12<sup>th</sup>, Althea lodged a planning permit with council for its ODC approved, fully scalable, 4,080m<sup>2</sup> cultivation, extraction and manufacturing facility.

On the same day, Althea announced that 285 patients and 93 doctors had registered to the *Althea Concierge* medical education platform, since its release only a few weeks earlier. Some 300 pharmacies had also registered within *Althea Concierge*.

It is no surprise that most patients prescribed medicinal cannabis via the special access scheme in Australia to date were prescribed through observational studies, which are undertaken in hospitals.

It is important to note that not one of the patients prescribed Althea medicinal cannabis in Australia received the product as part of an observational study.

Althea believes that all eligible healthcare professionals should consider Althea medicinal cannabis products as a viable treatment option. I am very proud to say that all patients prescribed Althea medicinal cannabis occurred under the watchful eye of not only specialists, but “everyday” doctors including general practitioners.

*Althea Concierge* is proving that with the right combination of clinical evidence and regulatory guidance, mainstream acceptance of medicinal cannabis by the medical community is indeed possible.

As of today, Althea medicinal cannabis products have been prescribed to 194 patients in Australia, under the care of 67 prescribing doctors.

Althea’s immediate focus will remain on rapidly building its doctor prescriber base which will ultimately increase the number of patients who are prescribed Althea medicinal cannabis. Short and medium targets include reaching 1,000 patients, along with completion of the Althea production facility in late 2019.

Althea will also continue to monitor global and regional trends, assessing options for commercial opportunities in other markets, complementing our growing Australian operation and delivering further value to our shareholders.

I would like to thank our shareholders, Althea’s board of directors and finally, the medical community, for all their support in our growing business.