



Althea Group Holdings Limited

ACN 626 966 943

Level 37, 360 Elizabeth Street, Melbourne
3000, Victoria, Australia

P. 1300 70 20 20



ALTHEA DECEMBER 2018 QUARTERLY ACTIVITIES STATEMENT AND APPENDIX 4C

FOR IMMEDIATE RELEASE

- 310 patients currently using Althea products with 178 patients added in the December 2018 quarter
- 89 registered Healthcare Professionals now prescribing Althea products throughout Australia; 45 commencing in the December 2018 quarter
- Althea's *Concierge* medical education and patient access platform continues to grow

Melbourne, Australia, 31 January 2019: Medicinal cannabis company, Althea Group Holdings Limited ("**Althea**") (**ASX:AGH**) is pleased to report on its activities for the quarter ended December 31, 2018.

Althea experienced its most productive quarter to date ending December 2018, with half of its current prescriber base added during the period. 74% of the quarter's new patients commenced treatment with Althea medicinal cannabis in the months of November and December.

Althea supplies its medicinal cannabis products to pharmacies on commercial trading terms for resale through to Althea patients.

Outlook

Chief Executive Officer of Althea, Mr Joshua Fegan, said "Althea continues to lead the way for patient access to medicinal cannabis in Australia and the December 2018 quarter is further evidence of that. Our work with medical professionals all over the country is accelerating and patients continue to gain access to Althea medicinal cannabis as a result of our patient-focused approach."

"Althea is committed to continuing its efforts to help Australian patients gain access to Althea's range of medicinal cannabis in 2019, as we employ more people to educate doctors and implement innovative ways for them to learn more about Althea medicinal cannabis."

Althea's *Concierge* medical education platform continues to grow with 165 registered Healthcare Professionals signing up, which is considered a crucial first step to becoming an Althea medicinal cannabis prescriber.



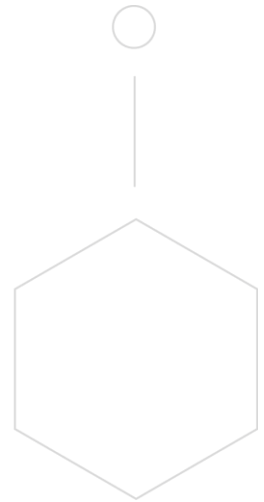


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For more information about Althea visit www.althea.com.au

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About Althea

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.

Althea:

Josh Fegan, CEO & Managing Director

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Investors:

PAC Partners Securities

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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 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	82	110
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(9)	(18)
(c) advertising and marketing	(373)	(1,036)
(d) leased assets		
(e) staff costs	(282)	(407)
(f) administration and corporate costs	(586)	(1,189)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	8
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)		
1.9 Net cash from / (used in) operating activities	(1,164)	(2,533)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(305)	(426)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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)		
2.6 Net cash from / (used in) investing activities	(305)	(426)

3. Cash flows from financing activities		
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		
3.10 Net cash from / (used in) financing activities		20,750

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	21,560	2,300
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,164)	(2,533)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(305)	(426)
4.4 Net cash from / (used in) financing activities (item 3.10 above)		20,750

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	20,092	20,092

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,877	21,560
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (Term Deposit / Bank Guarantees)	15,215	
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,092	21,560

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

**Current quarter
\$A'000**

123

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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

**Current quarter
\$A'000**

16

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8. Financing facilities available <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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(12)
9.3 Advertising and marketing	(485)
9.4 Leased assets	
9.5 Staff costs	(355)
9.6 Administration and corporate costs	(550)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(1,402)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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		

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: .....
(Director)

Date: 31/01/2019

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.