



ASX Announcement | 14 August 2020
Althea Group Holdings (ASX:AGH)

Statement Pursuant to Listing Rule 4.7C

14 August 2020: Australian pharmaceutical company Althea Group Holdings Limited (ASX:AGH) ('Althea' or 'the Company') is pleased to provide its "use of funds" statement or expenditure program for funds raised at the Initial Public Offering on 18 September 2018 ('IPO').

In accordance with Listing Rule 4.7C.2, the Company is providing a comparison of the actual expenditure against the estimated expenditure as outlined in the 'Use of Funds' section of the Company's Prospectus.

Use of Funds ¹		
<u>Items</u>	<u>Total</u>	<u>Actual Spend</u>
Marketing and Patient Acquisition	\$5,138,450	\$6,153,940
Advertising & Ongoing Concierge Development	\$900,000	\$2,086,982
Growing Facility Construction and Equipment	\$11,229,811	\$1,779,504 ³
Cultivation and Production Costs	\$1,100,000	\$145,711 ³
Administration and Working Capital	\$3,937,526	\$8,670,591 ⁴
IPO Expenses	\$1,335,364	\$926,000
TOTAL	\$23,641,133 ²	\$19,762,727

¹ Refer to page 29 of the Company's Prospectus dated 4 September 2018.

² Total funds include the \$19.65 million raised at IPO and \$3.99 million on hand prior to IPO.

³ Refer to ASX Announcement dated 29 January 2020, in which Althea announced its proposed Skye facility was under review due to the shift in the international cannabis landscape, particularly with respect to the increasing number of cannabis cultivators (growers). The announcement also referenced Althea's decision to prioritise sales and distribution activities.

⁴ This reflects a strong focus and investment in Althea's sales and distribution activities as a result of the company's mission to become one of the leading suppliers of medicinal cannabis globally. Althea's expansion into key markets, the United Kingdom and Germany, provide significant opportunity when compared to the Australian market on its own. Althea has a unique value proposition which management believes is applicable to other emerging medicinal cannabis markets, including countries such as France, where the Company continues to explore commercial opportunities. Product acquisition (inventory) costs are also included and



are critical to support Althea's growing sales across all markets, which has been greater than anticipated at IPO.

-ENDS-

Authorised by: Robert Meissner, Company Secretary

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Althea Group Holdings Limited (ASX:AGH)

Althea Group Holdings Ltd (ASX:AGH) is a global pharmaceutical company and supplier of medicinal cannabis. Althea also offers a range of education, access and management services to support eligible patients and healthcare professionals in navigating medicinal cannabis treatment pathways.

Althea currently operates within highly regulated medicinal cannabis markets including Australia and the United Kingdom, with plans to expand into emerging markets throughout Asia and Europe.

To learn more, please visit: www.althea.life