



ASX Announcement | 25 February 2021
Althea Group Holdings (ASX:AGH)

Althea reports 175% revenue growth for 1H FY2021

25 February 2021: **Australian pharmaceutical company Althea Group Holdings Limited (ASX:AGH) ('Althea' or 'the Company')** today released its half-year financial report for the period ended 31 December 2020.

The Company continued to achieve strong growth during the 31 December 2020 half year, resulting in revenue of \$5,098,000, an increase of 175.3% on the prior corresponding period (31 December 2019: \$2,277,000). Althea has earned a significant share of the growing Australian and UK medicinal cannabis markets, resulting in the promising sales reported.

The loss for the consolidated entity after providing for income tax amounted to \$8,274,000. Most of the incurred losses (\$5,250,000) stem from employment expenses related to the build-out of our commercial functions in Australia, North America and Europe, costs incurred launching products across Australia, Europe and North America, and an increase in our corporate support functions.

Australia

Althea has continued to experience solid growth in the sale of its medicinal cannabis products in Australia, underpinned by developing the Healthcare Professional (HCP) prescribing community via our infield sales team and Althea Concierge™, a proprietary medical device that simplifies the prescribing and patient management process for medicinal cannabis. With our infield sales team and unique Althea Concierge™ platform, we are able to educate HCPs about the benefits of Althea products and streamline the entire process required to prescribe medicinal cannabis.

As a result of this strategy, our patient and prescribing HCP numbers continued to skyrocket in H1 FY21. Althea ended the calendar year with 12,273 patients in Australia, more than triple than at the end of the previous year (CY19 – 4,018 patients). In addition to the strong growth in patients, the number of HCPs that have prescribed Althea medicinal cannabis products reached a total of 834, more than double than in the prior corresponding period.

United Kingdom

Althea UK continued to achieve significant revenue growth during H1 FY21. We ended the year strongly in the emerging market, recording sales of \$209,706 in December 2020, an increase of 90% from November 2020, further evidence of Althea's first-mover advantage in the territory.

This positive momentum is being driven by our infield sales teams' efforts to educate and onboard additional prescribing specialists.

Althea's wholly-owned UK subsidiary MyAccess Clinics has also continued to grow at a healthy rate. The clinic is experiencing solid growth in both new patient and follow-up appointments, with the latter helping to generate solid repeat business.

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Canada

In September, Althea's wholly-owned Canadian subsidiary Peak Processing Solutions obtained its Standard Processing Licence from Health Canada, which allows Peak's state-of-the-art facility to officially start producing and selling cannabis products.

Prior to December 2020, Peak had already signed contracts with a total forecasted revenue of up to CAD\$4.65M, over the twelve-month period from November 2020.

In December, Peak entered into a further agreement with The Tinley Beverage Company (CSE:TNY) for the manufacture and distribution of three cannabis-infused beverages into the Canadian adult-use cannabis market. Under the agreement, Peak holds exclusivity for the manufacture and distribution of the three Tinley's products in Canada.

The agreements to date are evidence of Peak's growing presence in the Cannabis 2.0 sector. Peak continues to attract strong interest from other leading companies in the space and has a solid pipeline of potential opportunities it is working through.

Germany

In November 2020, Germany's health regulator (BfArM) granted all necessary licences for the sale and distribution of Althea products in Germany. Immediately following this, Althea commenced arrangements for the shipment of an initial order of 2,000 Althea products valued at approximately \$1M, to our local partner in Germany, Nimbus Health GmbH. In February 2021, that shipment arrived.

A comprehensive marketing strategy incorporating an infield sales team and Althea Concierge™ is in the final stages of planning, with customer interactions commencing shortly.

Althea CEO, Joshua Fegan said: "I am very proud of our Australian and UK teams for producing record revenue in the second half of 2020. Generating market leading sales at the same time as scaling the business for growth throughout Europe and North America, requires a solid team of qualified and dedicated people. The Company has recruited well across all strategic business units and remains on track to deliver on its corporate objectives."

-ENDS-

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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.

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

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

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