

ALTHEA GROUP HOLDINGS LTD



EUROPEAN EXPANSION AND STRATEGIC GROWTH PLAN

FOCUSED ON SHAREHOLDER VALUE

MARCH 2021

(ASX:AGH)

AGH BUSINESS OPERATIONS:

VERTICAL INTEGRATION & RELATED DIVERSIFICATION

AGH is a global leader in the manufacturing, sales and distribution of cannabis-based products for medicinal use (pharmaceutical products) and cannabis-based consumer packaged goods (non-pharmaceutical products)


Pharmaceutical Cannabis Products

**Non-Pharmaceutical
Cannabis Products**


**Manufacturing
and Distribution**




INVESTMENT PROPOSITION



ASX-listed, global cannabis company with burgeoning operations in Europe, North America, Australia and Africa



Strong financial performance, news flow and cash position



Massive market opportunity - Undervalued against peer group



Secured all Australian Office of Drug Control requisite cannabis licences, including cultivation, manufacturing and export



First mover advantage across Europe



Experienced and relevant management



A GLOBAL CANNABIS COMPANY



Pharmaceutical
Cannabis Products



Non-Pharmaceutical
Cannabis Product



Manufacturing and
Distribution

TIMELINE OF GLOBAL EXPANSION



PHARMACEUTICAL
CANNABIS PRODUCTS:

UNIQUE VALUE PROPOSITION

Althea is a leading supplier of cannabis-based products for medicinal use (CBPMs), also known as medicinal cannabis

Creating demand

Innovative support platform

Prescription fulfilment



PREMIUM QUALITY PRODUCTS

- Althea has a comprehensive range of full-spectrum cannabis-based products for medicinal use (CBPMs), including cannabis oil and dried flower preparations



MARKET ACCESS

- Infield Sales Team working with Healthcare Professionals to generate prescriptions of Althea Products
- Althea does not rely on wholesalers for purchase orders. We are order makers



ALTHEA CONCIERGE™

- Althea Concierge™ is a Therapeutic Goods Administration (TGA) registered medical device that simplifies the prescribing and patient management process for Althea CBPMs
- Customers can select Althea products online through Althea Concierge™ and have them delivered directly to the patients door, creating an omnichannel experience for patients

HUGE MARKET OPPORTUNITY

AUSTRALIA

- HY 2021 sales \$4.4M up 238% on prior year
- Over 25% market share
- Oceania market to be worth USD\$1.55B by 2024⁷

UK

- HY 2021 sales up 6,663% on prior year
- 32% market share
- UK market forecast £1B by 2021⁶

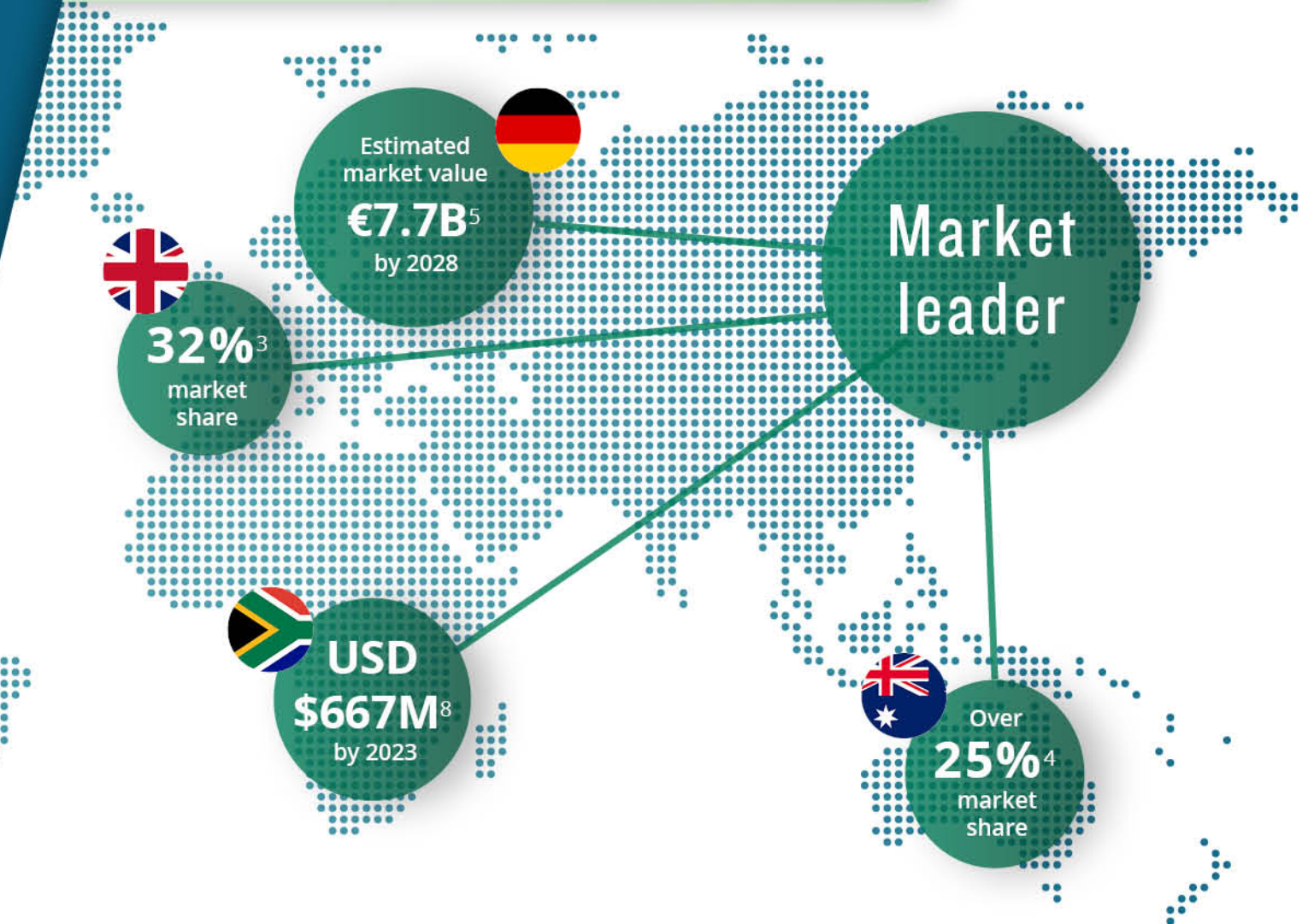
GERMANY

- First shipment of 2,000 products, February 2021, valued at \$1M
- Estimated value will be €7.7B by 2028

SOUTH AFRICA

- First shipment second half 2021, valued at approximately \$650K
- Estimated value of USD\$667M by 2023

Althea is a **leading** medicinal cannabis brand in markets worth USD\$10B



1. ASX Announcement, Althea Group Holdings (ASX:AGH) 25 February 2021 2. Althea Group Holdings Limited, Half-Year Financial Report, for the period ended - 31 December 2020 3. LYPHE estimate - Lyphe Source provided at the very start - <https://lyphegroup.com/the-medical-cannabis-clinics-hits-milestone/> - 31/12/20 4. ASX 2020 AGM CEO Address, 26th November 2020 5. Prohibition Partners, The Germany Cannabis Report, <https://prohibitionpartners.com/2019/10/28/the-germany-cannabis-report-key-insights/> 6. <https://mgcpharma.com.au/wp-content/uploads/2018/07/The3rdEditionoftheEuropeanCannabisReport.pdf> - page 31 7. <https://prohibitionpartners.com/2020/04/08/prohibition-partners-oceania-cannabis-market-could-be-worth-us1-55b/> 8. Prohibition Partners, The African Cannabis Report, page 42. <https://freevectormaps.com>. Copyright © Free Vector Maps.

PHARMACEUTICAL CANNABIS PRODUCTS:

ALTHEA & LBR SELECTED FOR FRENCH MEDICINAL CANNABIS TRIAL

Althea has been selected to supply the French National Agency for Medicines and Health Products Safety (ANSM) with second-source medicinal cannabis products for their national pilot program, which aims to assess the relevance and feasibility of legalising medicinal cannabis in France

A maximum of 3,000 patients will be prescribed CBPMs as part of the trial and will be divided into five treatment areas, including:

- Treatment-resistant neuropathic pain
- Pharmaco-resistant seizure disorders
- Intractable cancer-related or cancer treatment-related symptoms
- Palliative care
- Multiple sclerosis pain or other central nervous system disorders

POTENTIAL ADDRESSABLE MARKET
OPPORTUNITY

€9.5B
medicinal
cannabis market*
est. at 2028¹

Participation in the ANSM trial is expected to provide Althea with a significant early mover advantage, in the anticipated legalised French medicinal cannabis market



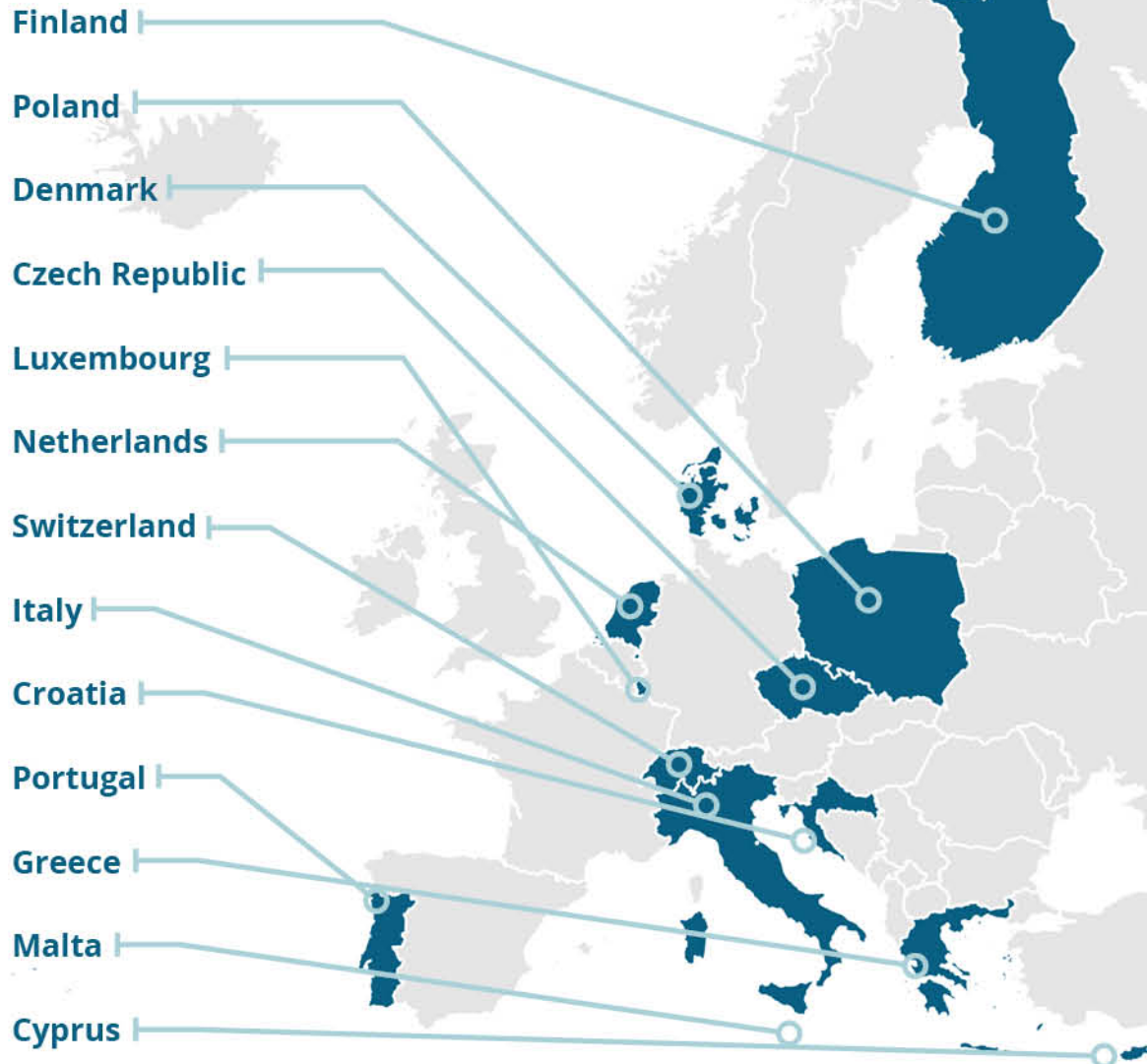
STRONG COMMERCIAL PARTNERSHIP

Laboratoires Bouchara Recordati (LBR)

- LBR is part of Recordati (XMIL:REC), an international pharmaceutical group headquartered in Italy with a market capitalisation of €10B
- LBR is Althea's official partner for the pilot and are exploring further commercial opportunities together



LEGAL MEDICINAL CANNABIS IN EUROPE



EUROPE EXPANSION

EUROPE MARKET IS RAPIDLY GROWING

- Europe will be the world's largest legal cannabis market in next 5 years

EUROPE OFFERS A SIGNIFICANT ADDRESSABLE MARKET

- Forecasted addressable market of 10.2M patients with a total addressable market of C\$46B+ by 2027
- Projected CAGR of 29.6% from 2027

AGH PERFECTLY POSITIONED

- AGH established a European headquarters in London in 2019
- AGH CEO relocated to the UK in 2020
- AGH has an early mover advantage in Europe, with existing operations in its three largest markets: Germany, UK and France



GROWTH PLAN SUMMARY

ESTABLISHED MARKETS

UK | Scale Operations

- **Scale up operations in 2021** – Increasing the infield sales team and engaging with more Healthcare Professionals
- **Accelerate patient growth**

GERMANY | Product Launch & Education

- **Product launch** – Althea products now available in market, with the infield sales team undertaking product training and will commence interactions with Healthcare Professionals imminently
- **Focus on Healthcare Professional education** – Althea medicinal cannabis products are expected to resonate with the wider German medical community, with Althea Concierge™ the cornerstone to Althea's market access

EUROPE - EMERGING MARKETS

Establish the Althea brand in further European territories

- **Lead** – Build on position as a medicinal cannabis market leader across Europe
- **Support & education** – Expand Althea Concierge™ adoption across European markets
- **Upsize & develop sales teams** – To reach more Healthcare Professionals, educating them about Althea medicinal cannabis
- **Develop new product offerings** – Innovate and expand portfolio to meet patients current and future requirements
- **Support pilot program** – Fully support French Pilot Program and prepare for national launch (pending legislative approvals)





MANUFACTURING AND DISTRIBUTION



- State-of-the-art 3,716 sqm cannabis processing and manufacturing facility located in Tecumseh, Ontario, and fully licensed by Health Canada
- The facility is one of Canada's first large-scale independent cannabis processing facilities and is capable of manufacturing cannabis-infused beverages, concentrates, topicals, tinctures, vaporizer pens and more



- Cannabis cultivation
- EU-GMP manufacturing and further processing (via contract) of CBPMs



- AGH can export goods from its Canadian and Australian operations to jurisdictions where cannabis is legal and permitted to be imported



MANUFACTURING AND DISTRIBUTION:

PEAK PROCESSING SOLUTIONS

Peak is a leading contract manufacturer of recreational cannabis products in Canada

SERVICES

- Formulation & product development
- White label & private contract manufacturing
- Contract packing & distribution



PEAK

USD
\$2.7B¹

cannabis market
edibles and
alternative
products

MARKET
OPPORTUNITY

PEAK FORECASTED
REVENUE

up to
**CAD
\$4.65M**
by November
2021

Source: <https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/c-and-ip/ca-en-consumer-nurturing-new-growth-en-aoda-may31.pdf>.
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GROWING PARTNER PORTFOLIO

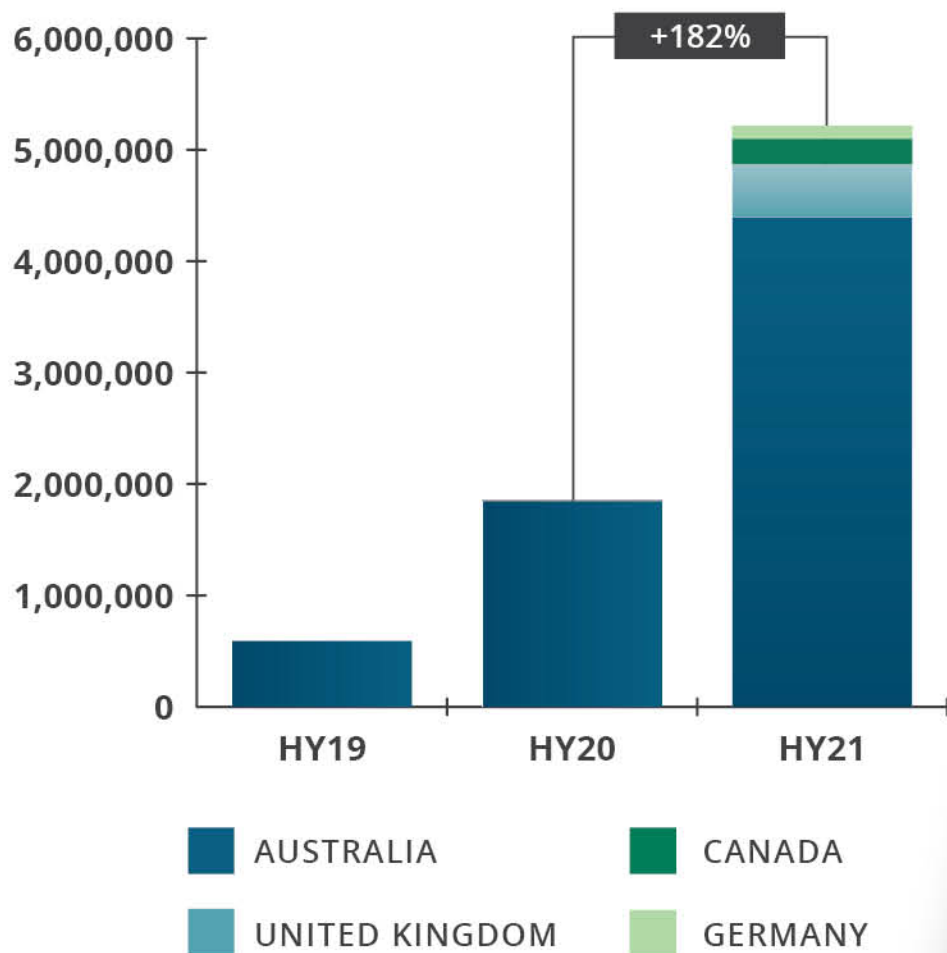
Peak customers include leading cannabis brands



HALF YEAR RESULTS

Ending
31 DEC 2020

STRONG GROWTH



\$5.1M
REVENUE
HY 2021

+175%
on the prior
corresponding
period

Cash on hand at 31 Dec 2021 \$8.64M. AGH received a further \$3.7M in January 2021 from its oversubscribed share purchase plan offering



↑ REVENUE UP
138%¹



↑ REVENUE UP
6663%¹



RECENT ANALYST COVERAGE

COMPANY	ALTHEA GROUP AGH:AU
Recommendation	Spec Buy PT \$1.48
Revenue FY'21F	\$20.5m
Growth	305%
Revenue FY'22F	\$45.1m
Growth	120%
EV / Revenue FY'21F	7.7x
EV / Revenue FY'22F	3.5x



EXPERIENCED & RELEVANT LEADERSHIP TEAM



Andrew Newbold | Chairman & Independent Non-Executive

- Extensive experience as director of numerous private companies and not-for-profit organisations
- 20 years' experience as a commercial lawyer and has played an integral role in the development of various businesses



Joshua Fegan | Chief Executive Officer & Founder

- Founder of Althea Group with extensive experience in business building, sales and marketing
- Proven business and strategy skills and previously held numerous senior management roles at national value-based retailer, Strathfield Group



Penny Dobson | Independent Non-Executive Director

- Accomplished business executive in healthcare industry and trained pharmacist in New Zealand, three decades at global pharma Merck & Co, in a variety of commercial roles
- Currently Deputy Chair of the Australian Nuclear Science and Technology Organisation Board, and a non-executive director at Invetus Pty Ltd



Alan Boyd | Independent Non-Executive Director

- Chief Financial Officer and Company Secretary of Ridley Corporation, an ASX-listed provider of high-performance animal nutrition solutions
- Alan has occupied the same position with listed biotechnology companies Avexa Limited and Zenyth Therapeutics Limited



KEY MARKET STATISTICS

Listed on ASX:
21 September 2018

Top 10 Shareholders	Total
Joshua Michael Fegan	56,250,000
HSBC Custody Nominees (Australia) Limited	16,500,484
National Nominees Limited	11,225,231
Mancann Pty Limited	10,000,000
Hootch Pty Limited	7,500,000
CS Third Nominees Pty Limited	4,436,794
J P Morgan Nominees Pty Limited	2,710,320
Citicorp Nominees Pty Limited	2,454,530
PAC Partners Securities Pty Ltd	2,249,255
Mr Philip John Cawood	1,950,000
% Holdings of top 10	44.12%

Key Market Statistics ¹	Althea Group AGH:AU
ASX code	AGH
Listing price (Date of listing)	\$0.20
Share price (12 March 2021)	\$0.515
Market capitalisation	135.6m
Shares on issue	262.4m
GISC clarification	Pharmaceutical, Biotechnology & Life Sciences



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ALTHEA GROUP HOLDINGS LIMITED

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