



FOR IMMEDIATE RELEASE

Althea enters UK medicinal cannabis market

- Althea becomes one of the first medicinal cannabis companies to enter the UK market
- Research by Prohibition Partners suggests that medical cannabis can treat up to 2.9 million patients in the UK¹
- Aphria Inc supports Althea's market entry with executed cannabis product acquisition and trademark licence agreements
- Supply of medicinal cannabis products anticipated to be available to eligible patients from approximately March 2019; with plans to export Althea's Australian manufactured products for UK distribution by 2020
- Althea to apply its proven patient acquisition strategy in the UK through on-ground medical representatives and the Althea Concierge education platform to replicate its successful entry into the highly regulated Australian market

Australia, 07 February 2019: Australian medicinal cannabis company Althea Group Holdings Limited (**Althea**) (ASX:AGH) today announced expansion and extension of its patient acquisition model into the United Kingdom (**UK**) through the acquisition of a new UK subsidiary company, Althea MMJ UK Ltd (**Althea UK**).

With a population of 66 million people and research suggesting that there is potential for medical cannabis to treat up to 2.9 million patients², Althea believes there are significant opportunities in the UK medicinal cannabis market.

Althea's UK entry has been supported by Aphria Inc. (**Aphria**) (TSX:APH) which has entered into a new cannabis product acquisition agreement and trademark licence agreement with Althea UK.

In line with Aphria's strategic partnership with Althea's Australian subsidiary, these agreements will provide Althea UK with high quality and consistent medicinal cannabis supply allowing Althea UK to focus on patient access and product sales.

Althea UK expects to commence supplying eligible patients with Althea medicinal cannabis products from approximately March 2019. Althea will be one of the first companies to enter the UK medicinal cannabis market following the 1 November 2018 legislative change enabling cannabis-based medicinal products to be prescribed by doctors.

Althea UK will initially be supplied with Aphria manufactured medicinal cannabis products until Althea's Australian production facility is operational – projected for 2020. Althea expects that the UK will create a second significant distribution channel for Althea's Australian grown and manufactured products.

Althea CEO Joshua Fegan said: "The UK's highly regulated framework for prescribing, supplying and possessing medicinal cannabis products is very similar to that of Australia. We know focusing on improving patient access to medicinal cannabis and educating medical

¹ Prohibition Partners, *The European Cannabis Report*, January 2019, 4th Edition, p.83

² Prohibition Partners, *The European Cannabis Report*, January 2019, 4th Edition, p.83



practitioners on treatment is the key to establishing market share, so the UK market entry will be based on our three-phased business model successfully implemented in Australia.”

Since entering the Australian market in May 2018, 93 registered healthcare professionals are now prescribing Althea medicinal cannabis products to more than 328 patients across Australia, representing approximately 20% of the total market.

“Focused on early revenue generation through importation and distribution of products, the education of healthcare professionals and scalable long-term supply of high-quality products, our approach is unique globally and the model can be rolled out in other countries where patient access is similarly highly regulated,” added Fegan.

Aphria President, Jakob Ripshtein, said: “We’re proud to be one of the first Licensed Producers to support patients in the UK with access to high-quality medicinal cannabis products following the recent legislation change through this extension of our strategic partnership with Althea.”

Althea UK is expecting medicinal cannabis import permits from the UK Home Office by mid-February. Althea has appointed a highly respected UK pharmaceutical Physician to lead the new venture as Althea UK’s National Medical Director, bringing over 10 years of clinical and pharmaceutical experience, particularly in the area of pain management.

Patient acquisition through Althea’s medical education and technology platform

Althea’s Concierge medical education technology platform coupled with expert on-the-ground medical representatives are expected to be Althea UK’s primary drivers of patient access to medicinal cannabis across the UK.

“The Concierge platform will provide comprehensive medical education for healthcare professionals, including clinical evidence, in support of Althea UK products,” explains Mr Fegan. “The platform will streamline the registration process and facilitate patient referrals from primary care doctors to Althea UK specialist prescribers.”

Althea UK’s sales strategy will leverage IP from Althea’s Australian operations, with a focus on growing one-on-one patient and medical practitioner relationships through a team of medical science liaisons supported by the digital Concierge platform. Medical education will be outsourced under an exclusive partnership with specialist medical affairs partner, Ashfield Healthcare, similar to Althea’s Australian operations.

Althea Group Holdings has allocated \$AUD2.5m of year 1 funding to Althea UK. Althea UK was acquired by Althea for nominal consideration from its CEO and Managing Director, Joshua Fegan.

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**About Althea**

Althea is a patient-focussed medical cannabis company. Althea has become a leading supplier of medical cannabis products in Australia since it was founded in Melbourne in 2017 and was granted necessary licences and permits to import, cultivate, produce and supply medicinal cannabis for eligible patients in Australia in 2018. Through strategic supply and distribution partnerships, Althea has become a significant supplier 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.

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

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