



ASX Announcement | 10 February 2021
Althea Group Holdings (ASX:AGH)

Althea completes first shipment of products to Germany

Investment Highlights:

- Althea has completed its first shipment of medicinal cannabis products to Germany
- Initial shipment of 2,000 units valued at approximately \$1,000,000 (EUR640,000)
- Althea has partnered with one of the country's leading pharmaceutical wholesalers of cannabis-based medicines, Nimbus Health GmbH, to launch the brand exclusively in Germany
- Under Althea and Nimbus' agreement, Althea will receive payment for products supplied to Nimbus, along with 50% of net profit
- The German medicinal cannabis market is the largest medicinal cannabis market in Europe and health insurers typically cover the entire cost of medicinal cannabis treatments

10 February 2021: **Australian pharmaceutical company Althea Group Holdings Limited (ASX:AGH) ('Althea', 'the Company' or 'the Licensor')** is pleased to announce that it has completed its first shipment of Althea medicinal cannabis oil products to the Company's local partner in Germany, Nimbus Health GmbH ('Nimbus').

Nimbus is a leading German pharmaceutical wholesaler specialising in the import and distribution of medicinal cannabis products throughout Germany.

The initial shipment of Althea medicinal cannabis oil products valued at approximately \$1,000,000 (EUR640,000) has arrived at the Nimbus facility and will be distributed through a large network of existing partnering pharmacies.

In conjunction with Nimbus, Althea will generate its own sales via new and existing customers and will not rely on third party wholesalers for repeat purchase orders.

Exclusive supply & distribution agreement

Althea announced a Memorandum of Understanding in November 2019, followed by a Supply and Distribution Agreement in May 2020.

Under the agreement, Althea will receive payment for products supplied to Nimbus, along with 50% of net profit. In addition, Althea will retain ownership of all real-world anonymized patient data collected through its industry-leading medical app, Althea Concierge™.

To launch the Althea brand in Germany, Nimbus is adopting the same successful market access strategy implemented by the Company in Australia and the UK.

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Germany a €7.7 billion (A\$12.22 billion) market opportunity

With a population of 82.3 million and a favourable regulatory environment, Germany's medicinal cannabis market is one of the largest in Europe.

The German medicinal cannabis market is the largest medicinal cannabis market in Europe and is anticipated to reach €7.7 billion (A\$12.22 billion) by 2028.¹

In addition, rapid patient growth is expected in the country due to both public and private health insurers typically covering the entire fee for medicinal cannabis, with current approval rates from health insurance providers upwards of 70%.²

With its high-quality products, proven strategy, and partnership with Nimbus, Althea believes it is ideally placed to become a market leader in Germany's burgeoning medicinal cannabis market.

Althea CEO, Joshua Fegan said: "Successfully shipping our first products to Germany is a huge milestone for our European expansion plans and builds on the encouraging results to date from our UK operations. Germany is a key market for global medicinal cannabis and is currently underserved in terms of high-quality medicinal cannabis oil products and the education of Healthcare Professionals. Along with exceptional patient care, these are the pillars of our business."

-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.

Althea currently operates within highly regulated medicinal cannabis markets including Australia, United Kingdom and Germany, with plans to expand the brand into emerging markets across the world.

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

¹ Prohibition Partners, *The Germany Cannabis Report*

² Arcview Market Research & BDS Analytics: *The State of Legal Marijuana Markets*, 6th edition, 2019

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