



ASX Announcement | 27 July 2021
Althea Group Holdings (ASX:AGH)

Quarterly Results and Highlights for the period ending 30 June 2021

*AGH achieves its best quarter ever with record sales in June,
\$11.55M unaudited revenue for FY2021 - up 128% on previous year*

Financial Highlights: Group

- Unaudited revenue for FY2021 of \$11.55 million – a 128% increase from the previous year - notwithstanding a COVID -19 affected year
- Unaudited revenue for the Quarter of \$3,358,074 – a 111% increase from the previous corresponding period
- Record monthly sales of \$1.55 million in June
- Cash receipts of \$2,848,436 for the Quarter – an increase of 86% from the previous corresponding period

Territory

- **Australia** – \$8.5M unaudited revenue for FY2021 and 52% gross margin
- **UK** – \$1.1M unaudited revenue for FY2021 and 49% gross margin
- **Canada** – AGH's wholly owned subsidiary, Peak Processing Solutions, recorded sales of \$610,126 in June, \$1.52M unaudited revenue for FY2021 and approximately 43% gross margin
- **Germany** – initial patients prescribed in May 2021 and the business is expected to contribute significant revenues in the new financial year
- **South Africa** - initial product shipment occurred in June 2021

27 July 2021: **Althea Group Holdings Limited (ASX:AGH) ('AGH', or 'the Company')**, a global leader in the manufacturing, sales and distribution of cannabis-based medicines and recreational cannabis products, is pleased to present its Appendix 4C cash flow statement and operational update for the quarter ended 30 June 2021 ('Quarter', 'Reporting Period').

Financial update for the Quarter

Althea achieved \$2,848,436 in receipts from customers and unaudited revenue of \$3,358,074 during the Reporting Period.

Highlights during the Quarter include:

- AGH reporting unaudited revenue of \$3,358,074 – a 111% increase from the previous corresponding period
- Cash receipts of \$2,848,436 – an increase of 86% from the previous corresponding period

Althea Group Holdings Limited | ABN 78 626 966 943

A. Level 37, 360 Elizabeth Street, Melbourne, 3000, Victoria, Australia

E. info@althea.life

P. 1300 70 20 20

W. althea.life



- AGH's Canadian business achieved record monthly revenue in June of \$610,126 - an increase of 157% from the previous month
- AGH achieved record sales of \$1,554,861 in June

Operational update

AGH wishes to invite shareholders to read further about the Company's activities during the Reporting Period, in addition to providing a general overview of the organisation, as outlined in a new investor presentation accessible via [this link](#).

AGH CEO, Joshua Fegan said The June quarter was an exceptionally strong period for AGH and a reminder of the underlying demand for cannabis-based products in both our pharmaceutical and recreational cannabis businesses, following a COVID-19 affected March quarter, of particular note, is the fact that we now have over 19,250 patients worldwide using Althea medicines. With record sales in June, improving macro market and our recreational business in Canada (Peak) taking off, there has not been a better time for the Company."

In item 6 of the Appendix 4C cash flow report for the Quarter, payments to Related Parties of \$185,000 comprised of salary paid to Chief Executive Officer and their associates and fees paid to Non-Executive Directors.

-ENDS-

Authorised by: Robert Meissner, Company Secretary

For further information, please contact:

Althea

Josh Fegan

CEO & Managing Director

M: 1300 70 20 20

E: contact@althea.life

Media Enquiries

Dan Francome

Media Relations

P: +613 9650 5096

E: dfrancome@althea.life

Investor Relations

Julia Maguire

Investor Relations Partner

M: +61 419 815 386

E: julia@thecapitalnetwork.com.au

Althea Group Holdings Limited (ASX:AGH)

Althea Group Holdings Ltd (ASX:AGH) is a global leader in the manufacturing, sales and distribution of pharmaceutical cannabis products and cannabis-based consumer packaged goods. 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 operates in highly regulated and legal cannabis markets across the world with burgeoning operations in Europe, North America, Australia and Africa.

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

Althea Group Holdings Limited | ABN 78 626 966 943

A. Level 37, 360 Elizabeth Street, Melbourne, 3000, Victoria, Australia

E. info@althea.life

P. 1300 70 20 20

W. althea.life



facebook.com/Altheagroupholdings



linkedin.com/company/althea-group-holdings



@althea_group_holdings



@Altheacompany

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Althea Group Holdings Limited

ABN

78 626 966 943

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		2,848	10,298
1.2 Payments for			
(a) research and development		(35)	(84)
(b) product manufacturing and operating costs		(1,425)	(6,226)
(c) advertising and marketing		(324)	(1,095)
(d) leased assets		(121)	(400)
(e) staff costs		(2,810)	(10,186)
(f) administration and corporate costs		(741)	(3,533)
1.3 Dividends received (see note 3)			
1.4 Interest received			5
1.5 Interest and other costs of finance paid		(4)	(12)
1.6 Income taxes paid			
1.7 Government grants and tax incentives		2	1,213
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		(2,610)	(10,020)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities			
(b) businesses			
(c) property, plant and equipment		(173)	(2,238)
(d) investments			
(e) intellectual property		(151)	(610)
(f) other non-current assets			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(324)	(2,848)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		9,781
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(549)
3.5	Proceeds from borrowings		89
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		9,321

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,718	10,397
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,610)	(10,020)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(324)	(2,848)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)		9,321
4.5	Effect of movement in exchange rates on cash held	(23)	(89)
4.6	Cash and cash equivalents at end of period	6,761	6,761

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,380	9,337
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	381	381
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,761	9,718

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(185)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,610)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,761
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	6,761
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.59
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2021

Authorised by: Robert Meissner

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.