



## ALTERNATE HEALTH CORP. REPORTS THIRD QUARTER 2017 FINANCIAL RESULTS AND MEDICARE LICENSE APPROVAL

**SAN ANTONIO, TX. December 1, 2017** – [Alternate Health Corp](#) (“Alternate Health” or the “Company”) (CSE:AHG) (OTC:AHGIF), an international medical cannabis company that uses best-in-class technology, research, education, production and laboratories to increase the awareness, regulatory compliance, and appropriate usage of cannabinoids in modern medical practices, today announced its results for the third quarter ended September 30, 2017. All dollar references are in Canadian dollars unless otherwise noted.

### Third Quarter 2017 Financial Highlights

- Q3 Revenue of \$1.7 million was down compared to \$3.9 million in Q1 and \$7.2 million in Q2, but was up substantially compared to \$55K in Q3 of 2016.
- Adjusted EBITDA of (\$1.5) million in Q3 compared to \$25K in Q2 2017 and (\$166)K in Q3, 2016.
- Net loss of \$2.4 million compared to a net loss of \$3.6 million in Q2 of 2017 and \$211K in Q3, 2016.
- Working capital of \$6 million in Q3 2017 compared to \$7.5 million in Q2 of 2017 and \$0.5 million in Q3 2016.

As previously announced, Q3 was a planned transition quarter with an expected dip in revenues as the Company’s wholly owned subsidiary, Alternate Health Labs Inc. converted its San Antonio laboratory from a Reference Lab to a Clinical Lab. This transition resulted in a temporary decrease in revenues that totaled \$1.7 million in Q3 compared to \$7.5 million in Q2. With the transition now successfully completed, the Company expects its laboratory revenues will be back on course in December.

There were no major capital expenditures or investments in the 3<sup>rd</sup> quarter and cash was used principally to fund operations. With the Lab conversion completed, the Company expects its consolidated operations to be cash flow positive in Q1 2018. The third quarter loss of \$2.4 million includes an \$800,000 non-cash charge relating to equity awards computed using fair market valuation modelling as required under accounting guidance.

*Note – Alternate Health Corp (“the Company”) was formed in January 2017 from a reverse take-over of a privately held operating company, Alternate Health Inc. (“AHI”). Per the accounting guidance, the Company’s current year quarterly operating statements are compared to the same prior year periods of AHI. Similarly, the Company’s balance sheets for the current year quarter end periods are compared to the same prior year periods for AHI.*

### Management Commentary

“While the anticipated decrease in revenue for the 3<sup>rd</sup> quarter is disappointing, it was projected in July because of the planned temporary closing and restructuring of our San Antonio Laboratory. We are delighted to have received approval of our Medicare license and to now be able to function as a full Clinical lab. This will prove over time to be but a small pause in the direction of this Company. Importantly, I remain confident of achieving the 12-month projections released last month.” said Dr. Murphy, the Company’s Chairman and CEO.

## Third Quarter 2017 Operational Highlights

- Installation of our CanaPass software platform in National Access Cannabis' 11 Canadian clinics serving 12,000 clients progressed well, and should be substantially completed by year end.
- Installed CanaPass in Florida clinics and made meaningful inroads into other states.
- Negotiated the acquisition of our Blockchain Mobile Payment software application completed in November. Its addition to our software platform provides a much-needed payment solution and point of sale technology to the Cannabis industry with full transparency for government transaction tracking and reporting. Alternate's platform can accept crypto currencies in its electronic wallet.
- AHL's conversion to a full clinical lab that is expected to provide long term stable income.

## Third Quarter 2017 Corporate Financial Summary

\$ in Millions, except per share data or otherwise noted	2017	Third Quarter			First Nine Months		
		Q2	2017	2016	Change	2017	2016
Revenue	\$ 7.2	\$ 1.7	\$ -	\$ 1.7	12.8	\$ 0.1	\$ 12.7
IFRS Net Loss	\$ (3.6)	\$ (2.4)	\$ (0.2)	\$ (2.15)	\$ (6.6)	\$ (0.4)	\$ (6.20)
IFRS Net Loss per share	\$(0.07)	\$(0.05)	\$(0.01)	\$(0.04)	\$(0.14)	\$(0.01)	\$(0.12)
EBITDA (1)	\$ (3.6)	\$ (2.3)	\$ (0.2)	\$ (2.16)	\$ (6.6)	\$ (0.3)	\$ (6.3)
EBITDA Margin	(51%)	(137%)	(10%)	(127%)	(51%)	(1%)	\$(0.50)
Non-IFRS adjusted							
Net Income (Loss) (2)	\$ 34k	\$ (1.6)	\$ (0.2)	\$ (1.4)	\$ (0.4)	\$ (0.4)	\$ -
Adjusted EBITDA (2)	\$ 25k	\$ (1.5)	\$ (0.2)	\$ (1.4)	\$ (0.2)	\$ (0.3)	\$ (0.1)
Adjusted EBITDA Margin	0%	(91%)	(9%)	(82%)	(1%)	0%	(1%)

(1) Earnings before interest, taxes, depreciation, and amortization

(2) A reconciliation of IFRS to non-IFRS adjusted results is included in this press release and our Management Discussion and Analysis dated November 29, 2017 and available at [WWW.sedar.com](http://WWW.sedar.com)

## STOCK OPTIONS

The Company also wishes to announce that it has granted incentive stock options to certain officers of the Company for the right to purchase up to an aggregate of 120,000 common shares of the Company, exercisable at the price of CAD\$2.00 per share for five years. The stock options granted will be in accordance with the Company's Stock Option Plan and will have the required four months hold period legend, pursuant to the Policies of the CSE and regulatory authorities.

## About Alternate Health Corp.

[Alternate Health Corp.](#) (CSE: AHG, OTCQB: AHGIF) is an international medical cannabis company that uses best in class technology, research, education, production and laboratories to increase the awareness, regulatory compliance, and appropriate usage of cannabinoids in modern medical practices. The company is strategically positioned in all facets of the medical cannabis value chain through the innovative integration of proprietary technology and know-how, acquisitions and partnerships, deep direct knowledge of and experience with improving patient outcomes, and management expertise. Alternate Health is well positioned to reinvest internal operating cash flow in its platform over the long term, creating an attractive investment profile for its shareholders.

Alternate Health resides in the cannabis sector along with companies like GW Pharmaceuticals (OTCMKTS:GWPRF), AXIM Biotechnologies Inc. (OTCMKTS:AXIM), Canopy Growth Corporation (TSE:WEED), and Aphria Inc. (TSE:APH). Alternate Health is differentiated from other cannabis companies by its focus on ancillary services for patients, healthcare professionals and regulatory providers rather than selling a commodity.

For more information about Alternate Health Corp., visit [www.alternatehealth.ca](http://www.alternatehealth.ca)

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