

## Q&A with Dr. Michael Murphy, Chairman and CEO of Alternate Health Corp. providing a Medical Marijuana Patient Management System, Blood analysis, Toxicology Labs, Clinical Research, Nutraceutical Products, Security and Control Services to the Medical Cannabis Industry



**Dr. Michael Murphy**  
Chairman and Chief Executive Officer

**Alternate Health Corp.**  
(CSE: AHG, OTC: AHGIF)  
[www.alternatehealth.ca](http://www.alternatehealth.ca)

**Interview conducted by:**  
Lynn Fosse, Senior Editor  
CEOCFO Magazine

**CEOCFO: Dr. Murphy, what is the focus at Alternate Health Corp today?**

**Dr. Murphy:** The main focus for Alternate Health Corp is revenue growth through developing our software/technical division (CanaCard/CanaPass) as well as the clinical laboratory. The fit between the two divisions grows over time as well with the partners on the software side opening doors to the lab side as well as partners on the lab opening doors to the software side. By focusing on growing revenues, Alternate Health Corp. enables our research division and product development division to lead the way in the emerging “cannabis as medicine” market.

**CEOCFO: Are there many software solutions in general or many as comprehensive as Alternate Health?**

**Dr. Murphy:** To the best of our knowledge, and through vast contact and presentations with potential customers...there is no rival to CanaCard/CanaPass.

**CEOCFO: Have people been looking for such a system? Do they not yet realize that it is needed? How do you bridge that gap?**

**Dr. Murphy:** The market is absolutely looking for our system...hundreds of doctor requests is growing to thousands of requests overnight, BUT we are highly selective in picking doctors to represent our brand(s). By associating our software with top industry names, we position Alternate Health Corp. high above our competitors.

**CEOCFO: Like many other fields, but in this one certainly, there is so much noise in just about every facet. How do you grab attention to explain what you offer?**

**Dr. Murphy:** Most other companies in the space offer a single product or concept, have significant debt and positive earnings are not forecast in their immediate future. Alternate Health offers multiple layers of innovation and expertise that covers almost the entire medical cannabis space. We offer a software solution to an area that is sorely needed, but has not been addressed before, world class research and development, a laboratory solution, and proprietary product development and formulation in the CBD space. Alternate Health also posted positive earnings its first quarter and has experienced an 87% increase in revenue growth from Quarter 1 to Quarter 2. We think this is what will gather attention to our offering.

**CEOCFO: Do doctors care about the quality and how it is grown or are many jumping on the bandwagon and not paying enough attention, researching or considering what is going on?**

**Dr. Murphy:** Absolutely doctors will care about the quality and consistency of the product. We plan to develop our products from only organically grown hemp in a manner that has consistency in concentration and bioavailability.

**CEOCFO: Is the target audience people that are looking for different methods and different means of getting relief as opposed to just people who are jumping on, “ Okay, pot is legal, let us see what we can do here?”**

**Dr. Murphy:** Our target audience is anyone that will benefit from adding CBD to their medical regimen. We know from many studies by our own NIH as well as studies in Israel and Europe that cannabinoids are very beneficial in multiple different medical conditions. We plan to expand on this knowledge with our studies and our proprietary products we develop. The person that is looking for “pot” as expressed in your question is not going to be seeking out our products. CBD from hemp has no psychoactive properties, thus no recreational opportunities exist. It is unfortunate that CBD is still listed as a schedule 1 drug even though there is no abuse potential and multiple institutions have proven its effectiveness in multiple disease processes. One of the definitions of a schedule 1 drug is that it has no proven medical benefit.

**CEOCFO: Do you have an answer for that?**

**Dr. Murphy:** Like so many things, education and a thorough understanding of the drug will be paramount to changing the governmental and social prejudices.

**CEOCFO: With so much opportunity how do you decide where to focus?**

**Dr. Murphy:** It is fairly easy. We have established the four pillars of our company which are research, technology, product development and the laboratory. Around these areas we have recruited an amazing board and specialists within each department to focus on their respective areas. We are now laser focused to be the best that we can be at what we do.

**“Alternate Health will be the leader in the cannabis space. We will make the finest and most respected products that are offered. We will continue to unleash the amazing applications of the cannabinoids through research. Physician’s medical records, tracking of prescriptions, and governmental reporting will be revolutionized using our disruptive software systems and finally our state of the art laboratory will continue to provide physicians with accurate toxicology testing for cannabis and narcotic administration.”- Dr. Michael Murphy**

**CEOCFO: Alternate Health is a public company. Would you tell us about your 2<sup>nd</sup> Quarter results?**

**Dr. Murphy:** Quarter two revenue of 7.2 million was up 87% over first Quarter revenue. We had a 3.6 million dollar loss due to a non cash charge of 3.4 million related to equity awards to management and directors and a \$200,000 dollar foreign exchange fluctuation from the 1<sup>st</sup> Quarter. On an adjusted EBITDA basis, we were positive at 25,000 dollars.

**CEOCFO: Has the investment community been paying attention? Do they understand?**

**Dr. Murphy:** That is always the biggest issue of a new public company, especially when starting out on the CSE and the US OTC, is getting eyes on your stock. Once people see and understand what Alternate Health has and is accomplishing, the word will spread quickly. My goal is for the company to stay focused on our mission and let the market do what it will do.

**CEOCFO: What is the structure for your companies? Are they all subsidiaries?**

**Dr. Murphy:** Alternate Health Corp. is the parent company with two wholly owned subsidiaries, Alternate Health Inc. and Alternate Health USA.

**CEOCFO: Where do you see the most movement in the next year?**

**Dr. Murphy:** Technology and research. We will see tremendous traction for our CanaCard system across the US and Canada in 2018. This system was recently endorsed by the American Medical Marijuana Physicians Association and is being very well received by the medical community. Our research initiatives will also be very active in 2018. We hope to accomplish 3 very important studies utilizing CBD against various medical illnesses as well as the development of several proprietary CBD formulations.

**CEOCFO: Do you need to reach out to people in a given state who may be voting on an initiative or is it more getting it on the ballot and the other side will sort of take care of itself?**

**Dr. Murphy:** I think the public is pushing this through because they get it. The public understands that the medical application of CBD and THC will be very good for the people of this country. Our job will be to continue to get the word

out, perform appropriate research to validate the effectiveness of the treatment, and develop world class products that the public can take and know that they are consistent in dose and produced from organically certified land.

**CEOCFO: What, if anything, has changed in your approach as you have been going through the different steps in developing Alternate Health? What have you learned?**

**Dr. Murphy:** I have become acutely aware that focusing on educating the public and our elected officials on the safety and effectiveness of hemp derived CBD is sorely needed. There is no doubt in my mind on the effectiveness and usefulness of these products. We will continue to prove through research both here in the United States and collaboratively with scientist around the world that CBD and THC deserve a spot in a physician's treatment options.

**CEOCFO: Why pay attention to Alternate Health?**

**Dr. Murphy:** Alternate Health will be the leader in the cannabis space. We will make the finest and most respected products that are offered. We will continue to unleash the amazing applications of the cannabinoids through research. Physician's medical records, tracking of prescriptions, and governmental reporting will be revolutionized using our disruptive software systems and finally our state of the art laboratory will continue to provide physicians with accurate toxicology testing for cannabis and narcotic administration.

