

ASX Announcement | 13 February 2025
Althea Group Holdings (ASX:AGH)

Conclusion of FY25 Guidance Review

13 February 2025: **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, advises that it has concluded the previously announced review of its FY25 financial guidance.

On 31 October 2024, AGH projected revenue between \$50 million and \$57 million and positive adjusted EBITDA in the range of \$4 million to \$5.5 million. Following a detailed assessment, AGH has revised its guidance for the financial year ending 30 June 2025 to reflect the current business environment and operational outlook.

The Company now expects revenue in the range of \$26 million and \$33 million and positive adjusted EBITDA in the range of \$0.8 million and \$1.1 million, for the full year ending 30 June 2025.

Key Drivers of the Revision

As indicated in AGH's quarterly activities report for the period ending 31 December 2024, released 31 January 2025, the Company outlines below the key factors driving the guidance revision:

- **Reduction in Althea medicinal cannabis sales** – AGH has lowered its forecast for Althea's pharmaceutical cannabis division by approximately 60%, reflecting ongoing market challenges, prolonged supply chain disruptions for high-turnover products, and increasing competitive pressures in Australia and the UK
- **Abandonment of the vape project** – The Company made a strategic decision to withdraw from its planned vape product initiative, which was expected to generate up to \$8.2 million in revenue and \$720,000 in EBITDA in FY25. This decision aligns with AGH's focus on capital efficiency, mitigating regulatory and competitive risks, and prioritising high-growth, defensible market segments

Positive Momentum and Strategic Outlook

While these factors have resulted in a revision of guidance, AGH remains confident in the business's core strengths and future growth drivers:

- **Restructure of Althea** – The Company is actively reshaping its pharmaceutical business to enhance operational efficiency and improve financial sustainability, whilst shifting its focus to business to business (B2B) commercial opportunities. As part of its ongoing review of capital deployment, AGH is assessing strategic alternatives for this segment to maximise shareholder value
- **Peak Canada performance** – Peak Processing Solutions continues to perform as expected, with consistent demand for THC beverages in Canada



- **Momentum in Peak USA** – Following a successful initial THC beverage production run, Peak USA has begun establishing its presence in the emerging US market.

AGH remains disciplined in capital allocation while assessing strategic opportunities to achieve cash flow and sustainable profitability, ultimately creating long-term value for shareholders.

-ENDS-

Authorised by: the Board of the Company

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Althea Group Holdings Limited (ASX:AGH)

Althea Group Holdings Ltd ('AGH') is a global leader in the manufacturing, sales and distribution of cannabis-based medicines and recreational cannabis products. AGH services these sectors via two distinct business units. Peak Processing Solutions, AGH's recreational cannabis business, produces legal cannabis products purchased by adult consumers in retail stores. Althea, the company's pharmaceutical business, offers a comprehensive range of cannabis-based medicines which are made available to patients via prescription.

AGH operates in highly regulated and legal cannabis markets across the world with burgeoning operations in North America, Europe and Australia.

To learn more about Althea Group Holdings, please visit: www.altheagroupholdings.com

For more information on Peak, please visit: www.peakprocessing.com

For more information on Althea, please visit: www.althea.life

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This ASX Announcement contains certain "forward-looking statements". Forward looking words such as, "expect", "anticipates", "should", "will", "believe", "estimate", and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance (as detailed in this ASX Announcement) are forward-looking statements. Forward-looking statements opinions, and estimates provided in this this ASX Announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

This announcement contains forward looking statements that are subject to risk factors associated with the markets in which AGH operates. AGH believes the expectations reflected in these

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statements are reasonable, but they may be affected by a range of uncertainties and variables, many of which are beyond the control of AGH, which could result in the forward statements differing materially. Such forward-looking statements, only speak as to the date of this ASX Announcement. Except as required by applicable laws, AGH does not undertake to publicly update or revise any forward-looking statements, to advise of any change in assumptions on which any such statement(s) is based, or to publish prospective information in the future. No representation or warranty is or will be made by any legal or natural person in relation to the currency, accuracy, reliability or completeness of all or part of this ASX Announcement, or the accuracy, likelihood of achievement of any forecasts, prospects or returns contained in, or implied by, the information or any part of it.

Readers are cautioned not to place undue reliance on forward looking statements, particularly in light of the current economic uncertainties and volatility.