

AGH to Focus on THC Beverage Market with Definitive Agreement for Sale of Althea Pharmaceutical Assets

Althea Group Holdings Limited (ASX:AGH) (AGH, or the **Company**), a global leader in the manufacturing, sales and distribution of THC beverages, is pleased to advise that, further to its announcement dated 7 May 2025 following the execution of a binding term sheet (**Binding Term Sheet**), the Company has now executed a definitive Asset Sale Agreement (**Agreement**) on the terms of the Binding Term Sheet for the sale of certain assets of its wholly owned subsidiary, **Althea Company Pty Ltd**, to **Tasmanian Botanics Pty Ltd**.

The execution of this Agreement marks a key milestone in AGH's strategic transition to focus entirely on its high-growth North American THC-infused beverage operations under the Peak Processing Solutions banner.

AGH CEO & Managing Director, Joshua Fegan said:

"The formalisation of this asset sale marks a transformative milestone for AGH, allowing us to channel our full resources and expertise into leading the rapidly expanding THC beverage market in North America through Peak Canada and Peak USA. We are excited about the significant opportunities ahead."

Transaction Overview

- **Purchaser:** Tasmanian Botanics Pty Ltd
- **Consideration:** \$1.0 million (including \$50,000 deposit already paid), plus a 50% net profit share on sales of specified residual pharmaceutical inventory
- **Assets Sold:** Althea trademarks, brand goodwill, website, phone number, and pharmacy/prescriber data
- **Exclusions:** Inventory and plant and equipment, contracts, employees, and non-specified IP
- **Condition precedent to completion:** Nil
- **Completion:** Completion is anticipated to occur in early June 2025, with title and possession of the assets transferring at that time
- **Revenue Sharing:** Tasmanian Botanics will act as AGH's agent for a six-month period post-completion to sell the remaining Althea-branded inventory

Application of Funds

Proceeds from the sale will be directed towards strengthening the balance sheet through targeted debt repayment.

No Impact to AGH Board or Executive Management

The transaction will not result in any changes to AGH's Board or executive leadership team.

-ENDS-

The Board of Althea Group Holdings Ltd authorised this announcement to be lodged with the ASX.

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About Althea Group Holdings

Althea Group Holdings Ltd (ASX:AGH) is a leading FMCG organisation specialising in the manufacturing, sales, and distribution of THC beverages. Through its innovative business unit, Peak Processing Solutions, AGH develops premium, compliant products that resonate with adult consumers in regulated global markets, including USA and Canada.

Learn more about Althea Group Holdings at www.altheagroupholdings.com

Visit www.peakprocessing.com to explore Peak Processing Solutions