

ASX Announcement | 11 November 2022
Althea Group Holdings (ASX:AGH)

Althea signs a non-binding MoU with Nimbus Health GmbH

A global co-promotion and drug development program

Financial Highlights:

- Althea has executed a non-binding memorandum of understanding with Nimbus Health GmbH, a wholly-owned, medical cannabis focussed step-down subsidiary of the global pharmaceutical company Dr. Reddy's Laboratories Ltd.
- Under the proposed transaction and subject to definitive agreement, Althea and Nimbus Health would join forces exclusively to promote, market, sell and distribute both Althea and Nimbus Health products throughout Europe and other jurisdictions
- Nimbus will also evaluate the takeover of AGH's MyAccess Clinics business in Europe
- Althea and Nimbus Health are contemplating a joint development project for medical cannabis products to be approved as a prescription medicine by either the United States' Food and Drug Administration, Australia's Therapeutic Goods Administration or Europe's European Medical Agency ('Target Product')
- Under the proposed transaction, the parties will ultimately use that Target Product approval from the FDA, TGA or EMA, to gain approval for the Target Product in further key jurisdictions
- Nimbus Health to sponsor the development and approval of the Target Product(s)

11 November 2022: **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 announce that the Company's medical cannabis subsidiary, Althea Company Pty Ltd (**'Althea'**), has signed a non-binding memorandum of understanding (MoU) with Nimbus Health GMBH (**'Nimbus Health'**), a wholly-owned, medical cannabis focussed step-down subsidiary of Dr. Reddy's Laboratories Ltd.

MoU background

Althea is an Australian licensed producer, supplier and exporter of pharmaceutical grade medical cannabis products. Althea also offers a range of educational, access and management services to support eligible patients and Healthcare Professionals in navigating medical cannabis treatment pathways.

Althea currently operates within highly regulated medicinal cannabis markets including Australia, the United Kingdom, Germany and South Africa, with plans to expand into emerging markets throughout Europe.

Nimbus Health is a GMP and GDP-certified medical cannabis company based in Germany, and is a wholly-owned step-down subsidiary of Dr. Reddy's Laboratories LTD.



Under the 'Proposed Transaction' Althea and Nimbus Health would join forces exclusively to promote, market, sell and distribute both Althea and Nimbus Health products throughout Europe and other jurisdictions. Althea and Nimbus Health will enter a 120 day exclusive negotiation period.

Proposed Transaction

Distribution and Sales and Marketing of Althea products

Subject to execution of a formal agreement, Althea to engage Nimbus Health as its co-promotion partner to import, distribute, market, promote and sell Althea branded finished products in the United Kingdom, Poland, Spain, Denmark and France, and any other jurisdictions as agreed between the parties.

Nimbus Health and Althea will equally share in the net profit of all Althea Products sold by Nimbus Health.

Distribution and Sales and Marketing of Nimbus Health products

Subject to the execution of a formal agreement, Nimbus Health to engage Althea exclusively as its co-promotion partner to import, market, promote and sell Nimbus Health branded finished or unregistered products in the United Kingdom, Australia, and any other jurisdictions to be agreed between the parties ('Althea Jurisdictions').

Nimbus Health's products will be complementary to (and will not conflict with) Althea's products and would be suitable for the relevant Althea Jurisdictions.

MyAccess Clinics Takeover

Nimbus Health will also evaluate the takeover of AGH's MyAccess Clinics business in Europe. Subject to shareholder and regulatory approval, this would include the current UK operation and would extend to planned EU expansion countries.

Product Marketing Authorisation

Althea and Nimbus Health are contemplating a joint development project for medical cannabis product(s) to be approved as a prescription medicine by either the United States Food and Drug Administration (FDA) or Australian Therapeutic Goods Administration (TGA) or European Medical Agency (EMA), or any similar local authority, hereinafter called a 'Target Product'.

The Parties will ultimately use that Target Product approval from the FDA, TGA or EMA, to gain approval for the Target Product in further key jurisdictions.

The Target Product(s) is to be registered by Althea in Nimbus Health's name but would incorporate Althea's name in the brand name.

Under the proposed arrangement, Nimbus Health would own the Target Product(s) for a specific indication(s) agreed by the parties. Althea will receive the exclusive right to manufacture the Nimbus Target Product(s) for a minimum period of 5 years.

Althea will receive ongoing royalties from all gross revenue generated by Nimbus Health from the Target Product(s).

Nimbus Health will be the sole sponsor for the development and approval (end-to-end) of the Target



Product(s).

-ENDS-

Authorised by: Robert Meissner, Company Secretary

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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. Althea, the company's pharmaceutical business, offers a comprehensive range of cannabis-based medicines which are made available to patients via prescription. Peak Processing Solutions, AGH's recreational cannabis business, produces legal cannabis products purchased by adult consumers in retail stores.

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

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

About Nimbus Health

Nimbus Health is a fully licensed pharmaceutical wholesaler and manufacturer from Germany with own warehouse facilities and an independent sales force to promote medical cannabis-based products to pharmacists. Its mission is to supply seriously ill patients with the highest grade medical cannabis products from reliable sources consistently and sustainably. Nimbus Health is a wholly-owned step-down subsidiary of the global pharma company Dr. Reddy's Laboratories Ltd.

To learn more about Nimbus Health, please visit: <https://nimbus.health/>

