

ASX Announcement | 17 October 2024
Althea Group Holdings Limited (ASX:AGH)

Sale of MyAccess Clinics to Montu Group UK Ltd

Highlights:

- AGH has executed an Asset Sale Deed for the sale of the MyAccess Clinics business in the UK and Ireland to Montu Group UK Ltd ('Montu UK')¹ for a purchase price of A\$1.0 million
- Subject to certain conditions, Montu UK has committed to purchasing a minimum of 10,300 units of Althea products on commercial terms in the UK, over the 24 months from completion and Althea products will remain on the clinic's formulary for 3 years from completion
- Following the sale, A\$1.5 million in annual operating costs will be eliminated, in addition to the previously announced \$4.0 million in annualised cost savings in effect from May 2024
- Althea's stable customer base, driven by its market position, allows the company to focus more on Peak Processing Solutions, a wholly owned subsidiary. AGH will continue expanding in North America, particularly in the high-growth cannabis beverages sector

17 October 2024: **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 the execution of an Asset Sale Deed for the sale of the MyAccess Clinics business to Montu UK. The sale is subject to certain conditions precedent and is expected to complete in the coming weeks.

The transaction will allow AGH to focus on key growth opportunities, particularly the expanding cannabis beverages sector through Peak Processing Solutions ('Peak'), while maintaining a strong presence in the UK medicinal cannabis market.

The material terms of the deed are as follows:

- The purchase price is A\$1.0 million
- Completion is subject to the following conditions precedent:
 - Transfer of patient information
 - Execution of an IP Assignment Deed for the assignment of intellectual property rights
 - Provision and verification of data relating to patient numbers
- Completion will occur 5 business days from the date on which the above conditions have been satisfied (or waived by Montu UK)
- The Asset Sale Deed otherwise contains terms customary for a transaction of this nature, including in relation to representations and warranties

Strategic rationale

Althea's strong market position and stable customer base underscore the ongoing health of the business. The divestment of MyAccess Clinics allows the Company to sharpen its focus on key growth markets, especially cannabis beverages. Althea's early investment in the UK has built a valuable

¹ For clarity, Montu UK is a separate trading entity to Montu Group Pty Ltd in Australia and is not a subsidiary.



growth platform, and the sale enables AGH to reallocate resources to its expanding North American operations. This strategic move will also generate approximately A\$1.5 million in annual operating cost savings, on top of the previously announced \$4.0 million in annualised cost savings set to take effect from May 2024.

Ongoing collaboration

Under the terms of the deed and subject to certain conditions, Montu UK will continue to offer Althea products to clinic patients for 3 years. Montu UK's undertaking includes purchasing a minimum of 10,300 units of Althea products over 24 months from completion.

AGH CEO, Joshua Fegan said: "The sale of MyAccess Clinics is a strategic move that allows us to concentrate on key growth areas, particularly the high-growth cannabis beverages market in North America, while maintaining a strong foothold in the UK medicinal cannabis market. This transaction is a win-win, enabling the Company to focus on building Peak Processing Solutions into a global leader in cannabis beverages while ensuring Althea products remain a strong source of revenue for AGH."

-ENDS-

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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 North America, Europe and Australia.

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

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

For more information on MyAccess Clinics, please visit: www.myaccessclinics.com

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

