



ASX Announcement | 18 October 2019
Althea Group Holdings (ASX:AGH)

Althea completes acquisition of Peak Processing Solutions

INVESTMENT HIGHLIGHTS:

- Althea completes acquisition of Peak Processing Solutions, a Canadian-based contract extraction and manufacturing company
- Media reports suggest that Canada's cannabis industry is expected to double to A\$5.4 billion by the end of 2020¹

17 October 2019: **Australian medicinal cannabis company Althea Group Holdings Limited (ASX:AGH) ('Althea' or 'the Company')** is pleased to announce the completion of the transaction to acquire Peak Processing Solutions, a Canadian-based contract extraction and manufacturing company.

Completion of the acquisition follows Althea's successful completion of a A\$30 million Institutional capital raise. Details of the acquisition were provided in the Company's Investor Presentation released to the ASX dated 25 July 2019.

Peak was established to operate under the new Canadian regulations, specialising in the extraction, toll processing, and contract manufacturing of cannabis-infused edibles, drinks, nutraceuticals and cosmetics products. In support of this early-mover strategy, Peak has applied for one of the industry's first large-scale (infused) cannabis processing licences which is expected to be granted by early 2020.

Althea CEO Josh Fegan said: "Yesterday marked the commencement of Health Canada accepting applications from companies seeking to produce cannabis-derived goods such as edibles, beverages and vaping products. Peak's trajectory makes it well placed to launch products early on in this new segment of the Canadian adult use cannabis market. Media reports suggest that Canada's cannabis industry is expected to double to A\$5.4 billion by the end of 2020, up from A\$2.3 billion in 2019, with sales of new cannabis infused products accounting for approximately A\$1.3 billion."

Mr Fegan added: "Peak is well positioned to capitalise on the next generation of adult use cannabis offerings in Canada and we expect Althea shareholders to realise exceptional return on the Peak investment. The Peak completion of the Peak acquisition is yet another successful milestone achieved by the Company in our short history."

-ENDS-

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¹ <https://edition.cnn.com/2019/10/17/business/canada-cannabis-legalization-2-0/index.html>



Althea Group Holdings Limited (ASX:AGH)

Althea is an Australian licensed producer, supplier and exporter of pharmaceutical grade medicinal cannabis and is listed publicly on the Australian Securities Exchange (ASX:AGH). Althea also offers a range of education, access and management services to support eligible patients and healthcare professionals in navigating medicinal cannabis treatment pathways.

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

To learn more, please visit: www.althea.life