



ASX Announcement | 07 February 2022
Althea Group Holdings (ASX:AGH)

NYSE-listed Dr. Reddy's to acquire Althea's German business partner

Dr. Reddy's Laboratories has entered into a definitive agreement to acquire Nimbus Health GmbH, Althea's sales & distribution partner in Germany

Financial Highlights:

- Global pharmaceutical company Dr. Reddy's Laboratories Ltd. (NYSE:RDY, Mkt Cap USD\$9.3bn) has entered into a definitive agreement to acquire Germany-based specialist medicinal cannabis pharmaceutical wholesaler Nimbus Health GmbH
- Nimbus Health is Althea's product sales & distribution partner in Germany (refer to ASX announcement 01 May 2020)
- Althea's existing agreement with Nimbus Health will remain on foot, under which Althea receives payment for products supplied to Nimbus Health, along with 50% of the net profit on sales
- The acquisition will see Dr Reddy's much larger resource base utilised to further the German market opportunity for Althea's range of industry-leading cannabis-based medicines

07 February 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 Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY, NSEIFSC: DRREDDY), along with its subsidiaries together referred to as '**Dr. Reddy's**') has entered into a definitive agreement to acquire Nimbus Health GmbH ('**Nimbus Health**'), Althea's sales and distribution partner in Germany.

Acquisition Details

Dr. Reddy's explained that the acquisition will allow it to "...build on Nimbus Health's strengths and introduce medical cannabis-based medicines as a promising treatment option for more patients."¹ It further advised that, following the acquisition, the company will be operating under the brand Nimbus Health, as a wholly-owned subsidiary of Dr. Reddy's.

Dr. Reddy's will acquire Nimbus Health for an upfront payment plus performance and milestone-based earn-outs over the next four years. The closing of the transaction is subject to customary closing conditions.

In announcing the acquisition, Dr Reddy's Head of European Generics, Patrick Aghanian commented: "Medical cannabis is increasingly used to address and treat high unmet medical needs, especially in pain management and CNS. Further, with numerous studies being conducted to leverage and

¹ Dr Reddy's (3 February 2022) *Dr. Reddy's Laboratories enters into Definitive Agreement to acquire German medical cannabis firm Nimbus Health GmbH* <https://www.drreddys.com/media/1064138/press-release-dr-reddys-enters-into-da-to-acquire-nimbus-health-gmbh.pdf>



introduce medical cannabis, we believe this is a must-be field for future healthcare delivery. Nimbus Health has established itself as a fast-growing, highly reputable, pioneering platform with an excellent network of trade partners and know-how access, where the German sick-funds fully reimburse medical cannabis. As more European countries adopt the usage of medical cannabis, the ability to leverage and access newer geographies will be key."

Nimbus Health Founder and Managing Director, Linus Maximilian Weber added: "We are very confident that being part of Dr. Reddy's will add significant scale and efficiencies within our operations, and further increase our impact in this quickly developing market. Althea is an industry leading brand of cannabis-based medicines, and we are extremely proud to continue to represent the brand in Germany."

AGH CEO, Joshua Fegan said: "Althea is delighted to welcome Dr Reddy's as a global partner, and we look forward to being part of their journey into medicinal cannabis. This acquisition marks another investment from a globally recognised pharmaceutical company into our industry, and it is fantastic that Althea is a part of that story. I envision further investments to come from 'big pharma', as Althea's cannabis-based medicines, amongst other brands, continue to be prescribed to many tens of thousands of patients across the world."

-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 Europe, North America, Australia and Africa.

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



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

About Dr. Reddy's

Dr. Reddy's: Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY, NSEIFSC: DRREDDY) is an integrated pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its businesses, Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Our major therapeutic areas of focus are gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Dr. Reddy's operates in markets across the globe.

Our major markets include – USA, India, Russia & CIS countries, and Europe.

For more information, log on to: www.drreddys.com

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