

ASX Announcement | 30 August 2024  
Althea Group Holdings (ASX:AGH)

## AGH FY24 Annual Report Commentary

30 August 2024: **Althea Group Holdings Limited (ASX:AGH) ('AGH', or 'the Company')** strengthened its global cannabis industry position in FY24. Through its pharmaceutical division, Althea, and recreational cannabis arm, Peak Processing Solutions, AGH is on track for significant growth in FY25. Strategic investments are now driving the Company towards EBITDA-positive results.

### Key Financial Highlights

- **Revenue Growth:** AGH reported a 21% revenue increase, reaching \$30.36 million in FY24, up from \$25.09 million in FY23, driven by strong performances in key markets including the UK and Australia
- **Cost Management and EBITDA:** Strategic cost-saving measures, projected to save \$2.5 million annually from May 2024, drove a 16% improvement in adjusted EBITDA for FY24, reducing the loss to \$6.07 million. The full impact of the measures is expected to be realised in FY25

### Strategic Developments

- **Pharmaceutical Cannabis (Althea):** Althea saw a 46% revenue increase in the UK and a continued strong performance in Australia, solidifying its market leadership in these regions
- **Recreational Cannabis (Peak Processing Solutions):** Peak Canada is poised for a significant improvement in FY25, with enhanced efficiency expected to fuel substantial growth. Despite operational challenges in FY24, this positive shift is anticipated to be driven by large-scale orders from key customers and an optimised cost base
- **Capitalising on US Market Potential:** Leveraging its success in Canada, where Peak Processing Solutions now produces 40% of cannabis-infused beverages, the Company is poised to enter the US market via AGH's US based subsidiary Peak USA Inc. Anticipated to launch in September 2024, the initiative is targeting a market projected to grow from USD\$966.92 million in 2024 to USD\$19.06 billion by 2028

### Impairment of Goodwill

A non-cash impairment of \$17.74 million was recorded for Peak Canada. This adjustment was necessary to align AGH's financials with realistic post-acquisition performance expectations. While this impacted FY24 results, it clears the path for improved profitability in FY25 by ensuring the Company's financials accurately reflect current asset values.

### Additional Cost Savings

Management has identified an additional \$1.5 million in annualised cost savings through supply chain optimisation, expected to be realised throughout FY25. With expected revenue growth, a reduction in non-recurring expenses and \$4 million in annualised savings beginning in May 2024, the Company is well positioned for the year ahead.

-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 Group Holdings, please visit: [www.altheagroupholdings.com](http://www.altheagroupholdings.com)

For more information on Peak, please visit: [www.peakprocessing.com](http://www.peakprocessing.com)

For more information on Althea, please visit: [www.althea.life](http://www.althea.life)

