

ASX Announcement | 28 February 2025
Althea Group Holdings (ASX:AGH)

AGH advances towards profitability with major 1H FY25 financial turnaround

Highlights:

- Net loss reduced to \$1.5 million, a substantial improvement from the \$9.0 million adjusted loss in 1H FY24 and the \$5.3 million adjusted loss in 2H FY24
- Peak Processing Solutions revenue surged to \$8.2 million, marking a 57.9% increase compared to 1H FY24, driven by strong demand for THC beverages
- Strategic restructuring and cost-saving initiatives delivered a \$7.5 million year-on-year reduction in losses, improving cash generation and positioning AGH for long-term profitability
- \$2 million in loan proceeds received in December 2024, with an additional \$4 million funding commitment secured in February 2025, set to be converted into equity at an upcoming general meeting

28 February 2025: **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, today announces its financial results for the half-year ended 31 December 2024, marking a significant financial turnaround as the Company continues executing cost-saving and operational efficiency measures.

For the period, AGH reported a net loss of \$1.5 million, a dramatic improvement compared to the \$9.0 million adjusted loss in the first half of FY24 (1H FY24) and the \$5.3 million adjusted loss in the second half of FY24 (2H FY24). This underscores the material impact of AGH's cost reduction initiatives, improved capital allocation, and ongoing business transformation efforts.

While revenue for the period was \$10.6 million, reflecting a decline from \$14.9 million in 2H FY24, AGH achieved a significant 83.0% EBITDA improvement from 1H FY24 and 71.3% from 2H FY24. This turnaround reflects management's decisive rightsizing, operational efficiencies, and cost controls, strengthening AGH's financial position and moving it closer to profitability. A portion of the revenue decline relates to the strategic exit from discontinued UK pharmaceutical operations in 1H FY25.

AGH Managing Director, Joshua Fegan, commented: *"These results reflect the disciplined execution of our transformation strategy. AGH is in a far stronger financial position, with a significantly reduced cost base and an operational model that continues to improve. While we are not yet profitable, this half-year result demonstrates how close we are to achieving that milestone. The impressive growth at Peak Processing Solutions is a major highlight, reinforcing the strength of our recreational cannabis strategy and the momentum in our THC beverage business. With secured funding in place and a clear path forward, we remain focused on further operational efficiencies and strengthening*



our market position to deliver long-term value for shareholders."

Peak Processing Solutions, AGH's recreational cannabis business, delivered strong revenue growth, with sales rising to \$8.2 million in 1H FY25, a healthy 57.9% increase compared to 1H FY24. This performance highlights the growing demand for Peak's THC-infused beverages and reinforces its position as a leading contract manufacturer in the segment. The continued expansion of Peak's customer base and product portfolio remains a key driver of AGH's revenue strategy.

The Company's financial position was further strengthened by the successful receipt of \$2 million in loan proceeds in December 2024 and a \$4 million funding commitment in February 2025. These loan notes are intended to be converted into equity at an upcoming general meeting, further bolstering the Company's balance sheet and supporting ongoing operational improvements.

-ENDS-

The Board of Althea Group Holdings Ltd authorised this announcement to be lodged with the ASX.

For more information, please visit www.altheagroupholdings.com

For further information, please contact:

Althea Group Holdings Ltd
Joshua Fegan
CEO & Managing Director
M: 1300 70 20 20
E: jfegan@altheagroupholdings.com

Media & Investor Enquiries
Media & Investor Relations
P: +613 9650 5096
E: investors@althea.life

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

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

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

PEAK 


Althea[™]