

ASX Announcement | 20 November 2023  
Althea Group Holdings (ASX:AGH)

## AGH completes CAD\$4.6m (AUD\$5.32m) Sale & Leaseback

### Highlights:

- AGH has completed the sale of the Company's Canadian property, as announced on 16 October 2023
- The Company has also signed an agreement to lease back the land and building for up to 15 years
- The property sale generated CAD\$4.6m (approx. AUD\$5.32m)
- The proceeds have been applied to the repayment of the entirety of AGH's debt, including the full repayment and redemption of the outstanding convertible notes
- Following the repayment of the convertible notes and Canadian loan, the Company's balance sheet has been substantially strengthened, with the net proceeds of the transaction of approx. AUD\$1.2m adding to the 30 September 2023 cash balance, for a total of AUD\$4.8m

20 November 2023: **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 it has completed the sale agreement, announced to the ASX on 16 October 2023, with a private investor in Canada, as part of a sale and leaseback of its property in Ontario, Canada ('the Property'), for the amount of CAD\$4.6 million (AUD\$5.32 million).

The Property was purchased by AGH in 2019 for CAD\$2.6 million and is home to the Company's wholly-owned subsidiary, Peak Processing Solutions ('**Peak**'), a Health Canada specially licensed contract manufacturer of adult-use cannabis products. Peak is unaffected by the sale and leaseback and is business as usual.

Key terms of the sale and lease back agreements were detailed in a previous ASX announcement on 16 October 2023.

### Convertible Note redemption

The Company has completed its business with Obsidian Global GP, LLC ('Obsidian') including the early redemption of the Convertible Notes ('the Notes') and termination of the Convertible Note Agreement ('Agreement'), which was agreed between the parties (ASX announcement 3 February 2023).

### Repayment of Canadian loan

The Company has also completed its business with its lenders in Canada and has extinguished the CAD\$2 million loan facility early and without penalties (ASX announcement 30 January 2023).

**AGH CEO, Joshua Fegan said:** "AGH would like to thank all parties to this transaction for their time and effort in closing out these multiple deals, simultaneously. With our balance sheet strengthened and another positive cash flow positive quarter (December 2023) in sight, the Company is well positioned to meet its goals and objectives in 2024 and beyond."



-ENDS-

*Authorised by: Robert Meissner, Company Secretary*

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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)

