



Althea
Group
Holdings



Investor Presentation

Althea Group Holdings
Q1 FY25 Business Update

Ticker: AGH:ASX

Date: 31 October 2024

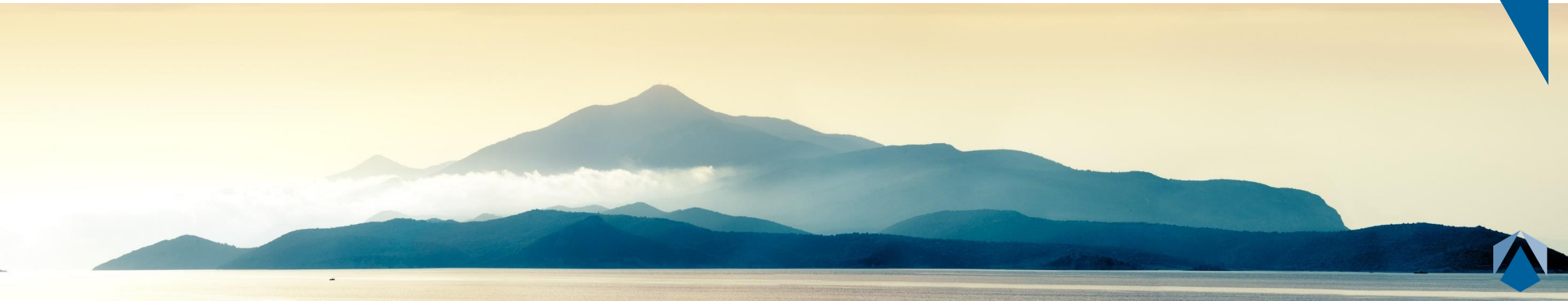
PEAK ▶

Althea™

Introduction

In our recent September quarterly results, we demonstrated strong momentum and resilience in a competitive market.

This presentation highlights our financial performance, key operational achievements, and strategic initiatives that position us for continued growth. As we move forward, our outlook remains optimistic, refining and reaffirming our FY25 guidance and strategic focus on enhancing shareholder value through our core business and expanding into new markets.



Financial Highlights

REVENUE

\$8.3m

(unaudited)

Driven by record recreational cannabis revenue of \$6.2 million

and pharmaceutical cannabis revenue of 2.1 million.

CASH FLOW

Positive Operating cash flow of

\$304,000

supported by cost-saving initiatives

FY25 GUIDANCE REFINED & REAFFIRMED

Revenue of

\$50m – \$57m

EBITDA between

\$4m – \$5.5m



Key Operational Achievements

Cost Reduction Program

- On track to deliver **\$4.0 million in annualised savings.**

MyAccess Clinics Business Divestment

- Sold for **\$1.0 million, cutting \$1.5 million in annual costs** and improving focus on core business.

US Expansion

- **New emulsion lab in Florida**, joint venture with Flora Growth for cannabis-infused beverages.





PEAK ▶

Peak Canada
Recreational
Cannabis Highlights

Peak Canada – Recreational Cannabis Growth

RECORD
QUARTERLY
REVENUE

\$6.2m

CASH RECEIPTS

\$5.2m

Cannabis Beverage Production

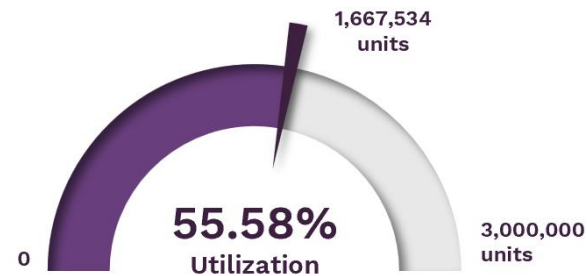
- Record demand aligns with improved production efficiencies. Growth is set to accelerate as Peak optimises operations to meet rising demand for its manufacturing services.

Product Diversification

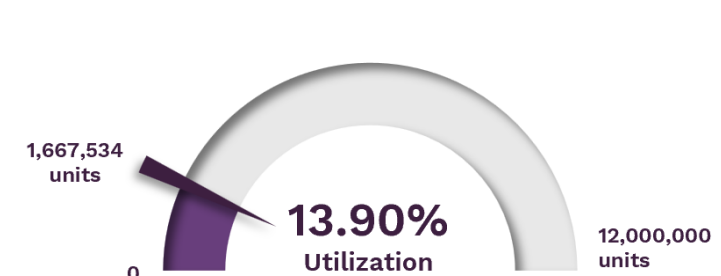
- Broad capabilities across multiple product lines:
 - Vapes:** Capacity for 8,000 units/day, meeting demand with fast delivery.
 - Topicals, Extraction & Packaging:** Targeting wellness market growth and supporting diverse client needs.

Capacity vs Utilisation

Q1FY25 - Capacity vs Utilisation



FY25 - Capacity vs Utilisation



A photograph of a beverage canning line. A row of silver aluminum cans is moving along a conveyor belt. The cans are in the foreground, and the line recedes into the background. The image is partially covered by a dark purple diagonal overlay on the left side. The text 'PEAK ▶' is written in white on this overlay.

PEAK ▶

Peak USA
Expansion and Market
Positioning

Peak USA – Expansion and Market Positioning

US CANNABIS BEVERAGE MARKET GROWTH

Projected market growth at

54.3% CAGC

targeting

\$19.06b

By 2028*.

Production & Distribution Expansion

- Establishment of an emulsion lab in Florida for THC infusion consistency.

Product Launch with Flora Growth

- **Melo Seltzers:** Flavours include Wild Berries, Grapefruit, and Strawberry (5mg THC).
- **Cloud Cola:** Flavours include Vintage Cola, Root Beer, and Orange Creamsicle (10mg THC).

Customer Expansion

- Ongoing discussions with new US customers to extend market reach.





Althea Pharmaceutical Cannabis Performance

Althea – Pharmaceutical Cannabis Performance

▶ QUARTERLY REVENUE

\$2.1m

▶ CASH RECEIPTS

\$2.3m

In cash receipts

Supply Chain Recovery

- Transition to new suppliers completed, with improved pricing and reliable stock flow expected to boost gross margins.

Revenue Recovery and Growth

- Full product availability to resume by November 2024, positioning Althea to regain previous record levels (\$4.9 million in quarterly receipts) and drive market share expansion.

Strategic Focus

- Leveraging enhanced supplier agreements for better margins and consistent product availability, with plans to expand offerings across high-growth therapeutic areas.



Strategic Initiatives

▲ COST REDUCTION SUCCESS

Annualised \$4.0 million in savings from restructuring and operational efficiencies.

▲ DIVESTMENT FOCUS

Sale of MyAccess Clinics business for \$1.0 million, reducing \$1.5 million in annual costs and sharpening focus on core segments.

▲ MANAGEMENT ALIGNMENT

25% cash salary reduction for Directors, CEO and CFO, converting to performance rights (for AGM approval).

▲ GOVERNANCE STRENGTHENING

Search for FMCG experienced director to guide North American growth and support strategic objectives.



Focus on Shareholder Value

Financial Optimisation

- Positive cash flow from cost management, divestitures, and efficient capital allocation.

Refined and Reaffirmed FY25 Guidance

- Revenue of between \$50 to 57 million with positive EBITDA of \$4 to 5.5 million, with the financial results expected to be more pronounced in the second half of the fiscal year.

Asset and Structure Review

- Ongoing evaluation to align assets with growth objectives and optimise shareholder returns.

CEO Vision

- Strong financial base, unique cannabis beverages, and targeted growth initiatives build a defensible moat for long-term value creation.



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