

AGH Full Year Results 2025

- Strategic reset of AGH complete
- During FY25 AGH exited its pharmaceutical businesses in Australia and the UK and reset its C-suite and Board
- The business of AGH is now via Peak Processing (“Peak”) - a singular focused THC beverage manufacturer based in Canada with emerging operations in the United States
- As a continuing business, Peak in FY25:
 - Increased revenue to \$15.5 million, a 27% increase on prior period
 - Improved its Underlying EBITDA loss
- Peak also delivered key metrics such as:
 - Improving its estimate of Canadian THC beverage manufactured market share to ~35%,
 - Improving its key customer On Time in Full (“OTIF”) to 96.7%
- Peak is well positioned to leverage its proprietary Envision Emulsion™ technology (used in approximately 80% of SKUs) and regulatory tailwinds to drive scalable growth in Canada and US markets

AGH Limited (ASX: AGH) (“AGH” or “the Company”), today releases its Appendix 4E preliminary financial report for the year ended 30 June 2025 (FY25).

FY25 marked a pivotal year for AGH, with the sale of its Australian and UK Pharmaceutical businesses, as well as changes to the senior management team and the Board.

The Appendix 4E and unaudited accounts released today reflect this change of business.

The outcome of this strategic activity is that AGH now operates one business, **Peak Processing (“Peak”)**, which is a fast-moving consumer goods (FMCG) manufacturing business based in Canada, delivering THC beverages and extracts to the Canadian market. In addition, this capability has allowed AGH to establish a foothold in the emerging THC beverage market in the United States.

During the year Peak solidified its position as Canada’s leading contract THC beverage manufacturer, holding a national market share of ~35% with approximately 80% of the Company’s brand portfolio from contract manufacturing partners. Revenue growth of 27% was achieved, creating encouraging financial momentum to build on in future years.

The AGH business and personnel changes and refocus have not been without their challenges, but the Board is confident that the underlying focus and business are well-positioned to deliver growth in FY26 and beyond.

AGH’s underlying operational performance for its Continuing Operations showed significant improvement, driven by disciplined cost management and revenue momentum in the Company’s core THC beverage manufacturing division as shown in the table below:

Continuing Operations \$AUD million	FY25	FY24	% movement
Revenue	\$15.5	\$12.2	27%
Gross Profit %	48.2%	52.5%	(8%)
Underlying EBITDA (Peak) ^{(1) (2)}	(\$0.2)	(\$2.1)	90%
Underlying EBITDA (Peak USA) ^{(1) (2)}	(\$0.3)	-	n/a
Underlying Corporate Overhead ⁽²⁾	(\$1.2)	(\$0.9)	33%
AGH Group Underlying EBITDA ^{(1) (2)}	(\$1.7)	(\$3.0)	43%
OTIF	96.70%	45.84%	+110.95
Estimated Market Share	33%	25%	+32%

Note:

- (1) Underlying EBITDA has been adjusted for discontinued operations, deconsolidation of subsidiaries and one-off and non-recurring items that were incurred as a result of the realignment of the AGH business.
- (2) The above underlying EBITDA references in the above table are unaudited. The unaudited information aims to provide shareholders with a greater understanding of the underlying performance of the ongoing consolidated entity.

Operational Highlights and Market Leadership

Peak validated AGH's strategic shift to the THC beverage sector, establishing the Company as Canada's market leader and the only true contract manufacturer.

Peak's ongoing growth in national market share is underpinned by high barriers to entry, including build costs, a 2-year license timeline, restricted capital access, plus the technical complexities in cannabinoid solubility, precision dosing, and stability.

Furthermore, approximately 80% of the SKUs produced at Peak utilise the Company's proprietary and patent-pending emulsion Envision, developed at Peak specifically for THC-infused beverages, with widely recognised industry-leading stability and efficacy results.

Canada's domestic market, which is shielded from imports of any THC beverages, provides a significant strategic and structural advantage, as Peak competes solely with domestic peers. Consequently, it can leverage nationwide distribution across all provinces and expertise in diverse formats, including seltzers, teas, juices, sodas, lemonades, iced coffees, mocktails, and energy drinks.

Investments in margin growth and operational efficiency were key themes pursued by Peak management in FY25, and the focus will continue into FY26 with further facility upgrades, including expanded production capacity and automation, plus improved efficiency to meet seasonal demand peaks.

Additionally, during the year, Peak launched its own proprietary brands in select provinces in Canada. While the initial volumes were small, the low-THC style brands have shown good sell-through, and Peak is highly encouraged that this coupled with continued loosening of retail selling rules is the first small step towards THC beverages becoming a mainstream beverage in Canada.

A pivotal milestone was advancing Peak USA, replicating the Company's Canadian capital-light model. Product development and administrative costs are centralised in Canada, supported by a unique mobile emulsion facility with customised equipment enabling hemp-based production of Peaks proprietary emulsion Envision at any designated location.

Post balance date, Peak USA completed a third production run of ~153,600 cans, bringing a total produced to date of approximately 534,000 cans. In addition, Peak USA has relocated its emulsion laboratory to a new site in Florida for improved operational and supply chain efficiency.

Funding

AGH was well supported by its shareholders during the year, as demonstrated by the successful completion of several capital raising initiatives, which secured \$6.0 million through equity issuances and convertible debt to support strategic investments in Peak's growth, including infrastructure enhancements, production scaling, and working capital strengthening.

Discontinued Businesses

During the year, AGH exited its two pharmaceutical businesses. Firstly, the MyAccess Clinics (UK and Ireland) were sold for a cash consideration of \$1.0 million, and secondly, the assets of Althea Company Pty Ltd (Australian operations) were also sold for a cash consideration of \$1.0 million. Both exits were the result of a strategic decision to exit these loss-making businesses that operated in the highly competitive cannabis pharmaceutical sector.

Compliance Issues

During the year, AGH identified several compliance issues that had occurred over a number of years. AGH took swift action to remedy these matters and change personnel, including the appointment of an external Company Secretary. This process was time-consuming, expensive, and distracting, generating significant one-off costs. AGH can now focus on growing the Peak business.

Leadership Transitions

In July 2025, there was a change in executive leadership, reflecting Peak's single-point focus. The Board of AGH appointed Mr. Barry Katzman as Interim CEO. With over two and a half years of leadership at Peak Processing Solutions, and over 20 years in the North American beverage sector, Mr. Katzman brings deep expertise and a proven track record to the role. His appointment comes at a pivotal moment as the Company sharpens its focus on becoming a leading THC beverage manufacturer.

Mr. Brian Mbesha was appointed Chief Financial Officer effective 9 June 2025, bringing over two decades of senior finance experience across manufacturing and contract services.

Outlook

Entering FY26 streamlined and growth-oriented, AGH anticipates improved underlying financial outcomes from revenue expansion in Canada and the United States, the further success of its proprietary own-brand products, and enhanced margins driven by a continued focus on driving operational efficiencies through the business. With proprietary technology, regulatory tailwinds, and capital-light expansion into the US, AGH is well-positioned for scalable growth in FY26 and beyond.

-ENDS-

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

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About Althea Group Holdings

Althea Group Holdings Ltd (ASX:AGH) is a leading FMCG organisation specialising in the manufacturing, sales, and distribution of THC beverages. Through its innovative business unit, Peak Processing Solutions, AGH develops premium, compliant products that resonate with adult consumers in regulated global markets, including USA and Canada.

Learn more about Althea Group Holdings at www.altheagroupholdings.com

Visit www.peakprocessing.com to explore Peak Processing Solutions

Important Information

This announcement contains certain 'forward-looking statements' that are based on management's beliefs, assumptions and expectations and on information currently available to management. The words 'expect', 'anticipate', 'estimate', 'intend', 'believe', 'guidance', 'should', 'could', 'may', 'will', 'predict', 'plan' and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, future operating performance, earnings, financial position and performance or production are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

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