



ASX Announcement | 9 July 2021
Althea Group Holdings (ASX:AGH)

Peak signs CAD\$1.25M contract with 48North Cannabis Corp. subsidiary

Investment Highlights:

- AGH's Canadian subsidiary Peak Processing Solutions has executed a manufacturing agreement with Delshen Therapeutics Corp., a wholly owned subsidiary of 48North Cannabis Corp. (CVE: NRTH)
- Peak will supply four products for 48North's market leading cannabis wellness brand, Latitude
- Minimum order quantities are valued at approx. CAD\$1.25 million
- Peak is expected to become EBITDA positive by the end of 2021

9 July 2021: **Althea Group Holdings Limited (ASX: AGH) ('AGH' or 'the Company')**, a global leader in the manufacturing, sales, and distribution of pharmaceutical cannabis products and cannabis-based consumer packaged goods, is pleased to announce that the Company's Canadian subsidiary, Peak Processing Solutions ('Peak'), has signed a manufacturing agreement with Delshen Therapeutics Corp., a wholly owned subsidiary of 48North Cannabis Corp. (CVE: NRTH), a leading Canadian cannabis licensed operator and brand marketer.

Under the agreement, Peak will manufacture four products for 48North's well-known Latitude brand. The four products are: a CBD body lotion, a 1:1 THC/CBD body lotion, CBD bath salts, and a 1:1 THC/CBD bath salts. The 1:1 bath salt product is already on the market, performing strongly and the only item of its kind currently available.

The two-year, non-exclusive, agreement includes minimum order quantities ('MOQs') with a combined value of approximately CAD\$1.25 million. The MOQs, which operate on a per product basis, are required to be purchased over a period of 12 months from the date the first purchase order for each product is accepted by Peak.

48North is a Canadian Licensed Producer well known in the Canadian cannabis market for producing premium products. 48North is an early mover in the industry and has brands that span the medical, recreational, wellness and cannabis accessory sectors and the agreement with Peak will provide 48North with additional manufacturing capabilities.

48North CEO, Charles Vennat said: "We are pleased to be partnering with Peak to produce a number of our leading products. Given the in-market reputation of these products, we do not make such decisions lightly. From our time working with the team at Peak, we have full confidence that Peak are the perfect partner to produce our Latitude products."

AGH CEO, Joshua Fegan said: "This agreement with 48North is once again recognition that Peak is becoming a major player in the Canadian legal cannabis market. The opportunity to supply the well-known Latitude brand will enable the team at Peak to demonstrate their ability to produce fantastic

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topical and bath products, which consumers will love. In addition to this latest 48North agreement, Peak continues to make great progress with more and more of our client's products getting picked-up by the provincial distributors and hitting dispensary shelves. After receiving our Health Canada license in September 2020, Peak is expected to become EBITDA positive by the end of 2021."

Peak Processing Solutions

Peak Processing Solutions, a wholly owned subsidiary of AGH, is a full 360-degree recreational and medical cannabis licenced producer, specialising in the formulation and production of innovative cannabis-infused products. Operating from a purpose-built state-of-the-art 3,716 square metre facility in Ontario, Canada, Peak offers its partners access to a broad range of cannabis production capabilities that enable the development of products and brands that can capitalise on the rapidly growing Canadian recreational and medical cannabis markets.

-ENDS-

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About Althea Group Holdings Limited (ASX:AGH)

Althea Group Holdings Ltd (ASX:AGH) is a global leader in the manufacturing, sales and distribution of pharmaceutical cannabis products and cannabis-based consumer packaged goods. Althea also offers a range of education, access and management services to support eligible patients and Healthcare Professionals in navigating medicinal cannabis treatment pathways.

Althea operates in highly regulated and legal cannabis markets across the world with burgeoning operations in Europe, North America, Australia and Africa.

To learn more, please visit: www.althea.life

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