For personal use only

$2.55m raised via Placement & Business Update

- AGH has received binding commitments to raise $2.55m (before costs) via a share placement with an issue price of $0.018 per share (**Share Placement**)
- Funds raised will be used to fund growth initiatives, customer development activities and selected capital expenditure projects
- Strategic reset of AGH now complete
- AGH is now a singularly focused THC beverage manufacturer, through its wholly owned subsidiary, Peak Processing (**Peak**), based in Canada, with emerging operations in the United States
- Canada's market-leading THC beverage manufacturer, Peak is well-positioned to leverage its best-in-class beverage manufacturing abilities, underpinned by its proprietary Envision Emulsion™ technology, and favourable regulatory and market conditions to drive scalable growth in Canada and US markets

AGH Limited (ASX: AGH) ("AGH" or **"the Company")** is pleased to announce it has secured binding commitments via a share placement and provides a Business Update under its new leadership team, led by Interim CEO, Mr Barry Katzman.

1. Share Placement

AGH has received binding commitments for the issue of approximately 141.7 million ordinary shares (**Placement Shares**) utilising its existing ASX Listing Rule 7.1 and 7.1A capacity, at $0.018 each to raise a total of $2.55 million (before costs) (**Share Placement**).

The offer of the Placement Shares was made to sophisticated and professional investors in Australia and successfully closed, accepting binding commitments of $2.55 million (before costs).

Mr Katzman commented: "With AGH's strategic transformation now complete, the capital raise comes at the perfect time to drive growth and strengthen financial outcomes at Peak. We'll be investing in targeted growth initiatives, customer development activities and selected capital expenditure projects. The strong support from our shareholders is highly encouraging, and we look forward to delivering on our strategic growth plans across both Canadian and US markets."

The Share Placement was managed by Taurus Capital Group Pty Ltd ACN 622 499 834 (**Lead Manager**). The Lead Manager will receive a fee of 6% of the total amount raised under the Share Placement and will be issued a total of 22.0 million unlisted options, with an exercise price of $0.025 and an expiration date of 30 September 2028 (**Options**).

The Shares under the Share Placement and the Lead Manager Options will be issued following the lodgement of a cleansing prospectus by AGH pursuant to sections 713 and 708A(11) of the *Corporations Act 2001* (Cth).

The indicative timetable is summarised in Schedule 1. The terms of the Options are summarised in Schedule 2.

2. Business Update

Peak Processing – Overview

Peak is one of Canada's leading contract THC beverage manufacturers, operating a ~9.0 million can per annum beverage facility in Windsor, Ontario. Peak holds a national market share of ~35% in Canada and has a capital-light expansion path into the US. The business has produced over 500,000 cans in the US and in FY25, produced revenue of ~$15.5 million.

THC Market – Growth Drivers

AGH believe that the market for THC beverages in Canada is experiencing strong year-on-year growth, regulatory loosening and positive changes in consumer preferences that will ultimately drive growth in market share in the coming years. Key growth drivers include:

- Emerging direct-to-store distribution, moving away from traditional government wholesaling
- Introduction of multi-packs in addition to single purchase cans
- Early adoption of corkage service in selected restaurants
- On-premise consumption at festivals and events
- Public consumption in some Canadian Provinces
- Low THC percentage products as an introductory product to non-legacy 'mainstream' users
- Increasing demand and acceptance from traditional alcohol consumers seeking alternatives to alcoholic beverages.

In the US, market developments vary by state; however, one notable trend is emerging: the distribution of THC beverages, principally through mainstream alcohol retail outlets, is becoming embedded with 10%+ of shelf space in the outlets, including select major alcohol retailers that are dedicated to this category.

Mr Katzman commented: "These emerging trends of gradual regulatory reform and greater consumer access and acceptance in a nascent category distinctly reminds me of the growth and establishment of the Estate wine industry's evolution during my 18 years in that sector. For Peak, we are ideally positioned to capitalise on expanded access, increased consumer acceptance and more conventional retail opportunities which translates into category growth and ultimately accelerated revenue opportunities."

Peak's Competitive Advantage

Peak has a consolidated position in the Canadian market that serves as a solid platform for growth:

- 250+ stock-keeping units (SKUs) developed, with 84 SKUs in market
- ~30% of top top-performing SKUs in Canada are manufactured by Peak
- Expertise in every beverage type: seltzers, teas, juices, sodas, lemonades, iced coffees, mocktails, energy drinks
- Long term contracts with industry-leading beverage manufacturers and licenced producers

For personal use only

such as Boston Beer, Collective Project and Cookies
- Patent-pending Envision Emulsion™ – used by approximately 80% of Partner brands

Mr Katzman commented: "Peak's reputation for top quality THC beverages in every conceivable format, stellar fulfilment results and unicorn role as Canada's leading co-manufacturer of THC beverages positions the Company to continue to increase its market share in Canada's buoyant cannabis market where THC beverages outpace the industry in year-on-year growth.

"In the US, our strategic partnership with a new third-party manufacturing site in Florida, ideally suited for THC beverages, combined with the deployment of Peak's Envision Emulsion facility at that site, positions us to leverage our expertise in a burgeoning market to rapidly scale to higher volume manufacturing."

Peak's growth – FY26 Strategic Initiatives

Peak is well-positioned to drive growth within Canada and expand into the US market in FY26 through the following near-term strategic initiatives:

- Expansion of new products through new entrants into THC beverages in Canada
- Extension of new products from existing customers
- Expansion and new listings from Peak's proprietary brands
- Increase in sales of live resin extraction to third parties as ancillary revenue
- Introduction of US third-party brands into Canada
- Introduction of Canadian third-party brands into US
- Initiation of multi-packs for selected Canadian clients.

Mr Katzman commented: "These initiatives collectively signal clear market momentum, and Peak is strategically placed to capitalise on this shift. Spanning both our existing client base and a pipeline of new opportunities, these developments provide a strong foundation for growth in the coming quarters."

-ENDS-

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

Althea Group Holdings Ltd
Barry Katzman M.B.A
Interim CEO
M: +1-905-651-5506
E: bkatzman@altheagroupholdings.com

Media & Investor Enquiries
NWR Communications
Melissa Tempra
P: +61 417 094 855
E: melissa@nwrcommunications.com

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

For personal use only

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.

Forward-looking statements, including projections, guidance on future operations, earnings, estimates or production targets (if any), are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. This announcement contains statements that are subject to risk factors associated with Althea's business activities. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Althea or any of its advisers). Presentation, representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Any forward-looking statements in this announcement speak only as of the date of this announcement. Subject to any continuing obligations under applicable law or regulation (including the listing rules of ASX), Althea disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this announcement to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

For personal use only

Schedule 1 – Indicative Timetable

Indicative Timetable – Share Placement and Options	
Trading Halt	Monday, 15 September 2025
ASX Placement Announcement / Resume Trading	Wednesday, 17 September 2025
Lodgement of Prospectus with ASIC and the ASX	Wednesday, 24 September 2025
Settlement for the Share Placement	Thursday, 25 September 2025
Issue of Placement Shares and Options	Friday, 26 September 2025
Quotation of Placement Shares	Monday, 29 September 2025

This timetable is indicative only and may be subject to change without notice. AGH reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

For personal use only

Schedule 2

Key terms of the Options

(a) **Entitlement**: Subject to, and conditional upon any adjustment in accordance with these conditions, each Option entitles the holder to subscribe for one (1) Share upon payment of the Exercise Price.

(b) **Exercise Price**: The Exercise Price for each Option is $0.025 per Option.

(c) **Expiry Date**: Each Option will expire at 5:00pm (Melbourne time) on 30 September 2028. An Option not exercised before that Expiry Date will automatically lapse.

(d) **Exercise period**: Each Option is exercisable at any time from the date of its issue until 5:00pm on the Expiry Date.

(e) **Exercise notice**: Each Option may be exercised during the exercise period specified in these conditions by forwarding to the Company the Exercise Notice together with payment (in cleared funds) of the Exercise Price for the number of Shares to which the Exercise Notice relates.

(f) **Partial exercise**: The Option may be exercised in full or in parcels of at least 2,000,000 Options (or such lesser amount in the event the holding of Options by an Optionholder is less than 2,000,000 Options).

(g) **Timing of issue of Shares on exercise**: Within fifteen (15) Business Days after the Exercise Notice is received, the Company will:

   a. allot and issue the number of Shares as specified in the Exercise Notice and for which the Exercise Price has been received by the Company in cleared funds,

   b. apply for official quotation on the ASX for the Shares issued pursuant to the exercise of the Option (and issue a cleansing notice or cleansing prospectus, as appropriate).

(h) **Participation in new issues**: The Option does not confer any right on the Optionholder to participate in a new issue of securities without exercising the Option. An Optionholder will be given at least five (5) Business Days prior to the record date for the new issue of securities, to exercise its Option.

(i) **Shares issued on exercise**: Shares issued as a result of the exercise of the Option will rank pari passu in all respects with all other Shares then on issue.

(j) **Dividend**: The Option does not confer any rights to dividends. Shares issued upon the exercise of the Option will only carry an entitlement to receive a dividend if they were issued on or before the Record Date for the dividend.

(k) **Adjustment for pro rata issue**: In the event of a pro rata issue of Shares by the Company (except a bonus issue), the Exercise Price for the Option will not be adjusted in accordance with ASX Listing Rule 6.22.2.

(l) **Adjustment for bonus issue**: If there is a bonus issue to Shareholders, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the Record Date for the bonus issue.

(m) **Adjustment for reorganisation of** capital: If the Company reorganises its capital, the rights of the Optionholder (and the Exercise Price) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital, at the time of the reorganisation.

(n) **Not quoted**: The Company will not apply for quotation of the Option on the ASX.

(o) **Transferability**: The Option is only transferable up until it lapses, with the Company's prior written consent.

For personal use only