

ASX Announcement | 02 February 2024
Althea Group Holdings (ASX:AGH)

Peak signs Contract Manufacturing Agreement with Collective Project

Estimated volume of at least 700,000 cannabis beverage units per annum

Highlights:

- Under the contract manufacturing agreement, Collective Project agrees to appoint Peak for the manufacturing of cannabis-infused beverage products for sale into the Canadian adult-use cannabis market
- Collective Project's existing range of cannabis beverages have annualised sales of approximately 700,000 units with a retail sales value of approximately CAD\$6.5 million (excluding future growth)
- The contract term with Collective Project is 3 years
- Peak estimates that by the end of Q1 2024 it will produce approximately 40% of all cannabis-infused beverages available in Canada

2 February 2024: **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 its wholly-owned subsidiary, Peak Processing Solutions (**'Peak'**), has signed a Contract Manufacturing Agreement ('CMA') with Collective Project, a leading cannabis-infused beverage brand in Canada.

Under the CMA, Peak will manufacture 6 cannabis-infused beverage products on a contract manufacturing basis for Collective Project, for a term of 3 years, to serve the Canadian adult-use market.

Collective Project has been recognised for its artisanal approach to cannabis-infused beverages, creating a fusion of quality, craftsmanship, and unique flavour profiles. Their commitment to excellence aligns seamlessly with Peak's dedication to delivering unparalleled processing solutions for the cannabis industry.

The exceptional performance of Collective Project's Blood Orange Yuzu in the Canadian market deserves special mention. This unique cannabis-infused beverage has become the best-selling single SKU in Canada, commanding an impressive 5.1% market lead in Ontario. This achievement highlights the consumer preference for innovative and high-quality flavours that Collective Project consistently delivers. It underscores the brand's commitment to excellence and sets a benchmark in the rapidly evolving cannabis beverage industry.

Peak establishes commanding position in Canada

Cannabis-infused beverages are a rapidly growing product category within the cannabis industry which currently represents 2.1% of the Canadian adult-use cannabis market, worth approximately CAD\$134.4 million¹.

Collective Project holds an estimated 9.6% market share in the product category, with approximately 700,000 cannabis beverage unit sales per annum, equating to annualised retail sales of approximately CAD\$6.5 million (excluding future growth).

¹ <https://cannabisretailer.ca/2022/trends-in-cannabis-beverages/>



Peak estimates that by the end of Q1 2024 it will produce approximately 40% of all cannabis beverages available in Canada.

AGH CEO, Joshua Fegan said: "This new agreement with Collective Project shows that Peak is best in market, evidenced by the signing of previous, existing and new customers apace. As the demand for high-quality cannabis-infused beverages surges, our collaboration with Collective Project will ensure that consumers receive products of the utmost quality and innovation. This partnership further cements our position as industry leaders in the Canadian market."

Collective Project CEO, Matt Johnston said "The partnership with Peak heralds a significant milestone for Collective Project. Our shared dedication to quality and innovation in the cannabis-infused beverage market makes this collaboration not just strategic, but a benchmark for excellence in the industry. We are excited to work alongside Peak to further solidify our position in the market and continue delivering exceptional products to our consumers."

-ENDS-

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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

For more information on Peak, please visit: www.peakprocessing.com

For more information on Althea, please visit: www.althea.life

