Althea Group Holdings Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Althea Group Holdings Limited
ABN:	78 626 966 943
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	down	23.1%	to	23,041
Loss from ordinary activities after tax attributable to the owners of Althea Group Holdings Limited	down	74.0%	to	(8,347)
Loss for the year attributable to the owners of Althea Group Holdings Limited	down	74.0%	to	(8,347)

Comments

* The revenue figure comprises $15,562,000 from continuing operations and $7,479,000 from discontinued operations (30 June 2024: $12,235,000 from continuing operations and $17,727,000 from discontinued operations).

The loss for the consolidated entity after providing for income tax amounted to $8,347,000 (30 June 2024: $32,057,000), and includes the following significant items:

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000 Restated *
Consolidated loss after income tax expense	(8,347)	(32,057)
Add:		
Loss after income tax expense from discontinued operations	**3,504**	**5,984**
Consolidated loss after income tax expense from continuing operations	**(4,843)**	**(26,073)**
Depreciation and amortisation	1,715	1,582
Finance costs	796	1,013
Interest revenue	(68)	(4)
Net loss on deconsolidation of subsidiaries	64	-
EBITDA from continuing operations	**(2,336)**	**(23,482)**
Non-recurring transaction expenses:		
Impairment of Peak Goodwill	-	17,737
Loss from completed projects	-	1,637
Loss on disposal of assets	6	603
Legal fees	328	313
Termination payments **	-	183
Peak USA JV start up and product development costs	310	-
Adjusted EBITDA loss from continuing operations after non-recurring items	**(1,692)**	**(3,009)**

* The above consolidated statement of comprehensive income for the year ended 30 June 2024 has been restated for discontinued operations. Refer to note 4 of this Preliminary Final Report.

** Termination payments for FY25 included in discontinued operations result.

The above adjusted loss before income tax expense and adjusted EBITDA table is unaudited. The unaudited information aims to provide shareholders with a greater understanding of the underlying performance of the ongoing consolidated entity.

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Recorded in the Consolidated loss before income tax expense from continuing operations for the year ended 30 June 2025 of $8,347,000 was (i) a non-cash loss from deconsolidation of subsidiaries upon the liquidation Althea MMJ UK Limited, MMJ Clinic Group Limited and MMJ Clinic Group Ireland Limited of $64,000, and (ii) a loss from Discontinued Operations of $3,504,000. Excluding these two non-recurring items, the Company recorded an EBITDA loss from continuing operations for the year ended 30 June 2025 of $2,336,000. The EBITDA loss from continuing operations adjusted for non-recurring items for the year ended 30 June 2025 was $1,692,000.

Recorded in the Consolidated loss before income tax expense from continuing operations for the previous financial year ended 30 June 2024 of $32,057,000 was (i) a non-cash impairment adjustment to the consolidated entity's goodwill balance of $17,737,000, and (ii) a loss from operations discontinued in the 2025 financial year of $5,984,000. Excluding these two non-recurring items, the Company recorded an EBITDA loss from continuing operations for the year ended 30 June 2024 of $5,745,000. The EBITDA loss from continuing operations adjusted for all non-recurring items for the year ended 30 June 2024 was $3,009,000.

Other than as announced progressively through the ASX Announcements Platform, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

On 16 July 2024, the company announced its successful completion of a $2,000,000 placement. 101,333,100 ordinary shares were issued to new and existing shareholders at a price of $0.020 per share. The proceeds from the placement, excluding fees, were settled on 22 July 2024.

On 22 July 2024, the company announced the incorporation of joint venture (JV) entity, Peak USA JV LLC, owned 50:50 with Flora Growth Corporation, through its wholly owned subsidiary, Peak USA Inc..

On 29 August 2024, Mr Andrew Newbold, Chairman since the Initial Public Offering, resigned and was succeeded by Mr Vaughan Webber.

On 12 September 2024 the Company announced that it had secured an emulsion manufacturing facility in Florida, US, a location selected for its proximity to the headquarters of the JV partner.

On 29 October 2024, the consolidated entity announced the completion of the sale of certain assets of its MyAccess Clinics business in the UK and Ireland. The assets sold included the transfer of patient information, intellectual property rights and data relating to patient numbers. This led to the cessation of its operations as a medical clinic in the UK and accordingly, the financial results of all the UK operations have been classified as Discontinued Operations. The remainder of the UK operations is expected to be wound up in the next 12 months. Revenues from the contract previously managed in Althea MMJ UK Limited were operated from Australia following the sale.

On 2 December 2024, the Company announced it had requested of the ASX that its securities be placed in a trading halt and the appointment of Mr Adam Gallagher as Company Secretary. The Company’s Chief Financial Officer, and also formerly its Company Secretary, was terminated on 18 December 2024.

On 24 December 2024, the consolidated entity secured commitments of $2,000,000 under a loan notes placement. Under the placement, 2.0 million loan notes were issued as a pure debt instrument, however, the loan notes may become convertible into ordinary shares, subject solely to shareholder approval at a general meeting. 100,000,000 ordinary shares were subsequently issued on 29 April 2025 at $0.02 (2 cents) per share to noteholders upon receipt of shareholder approval in an EGM held on 7 April 2025.

On 10 January 2025, the Company announced that Peak Canada had entered into a multi-year (20 months plus automatic 3 year renewal process) manufacturing agreement with prominent US-based beverage company The Boston Beer Company.

On 31 January 2025, the Company advised that positive Court Orders had been received following the Company’s application to seek curative orders with respect of the Company’s failures to lodge Cleansing Notices for various issues of shares. As a consequence, the Company confirmed its intent to seek reinstatement of its shares on the ASX on 3 February 2025.

On 31 January 2025, following receipt of shareholder approval on 29 November 2024, the company issued 20,066,620 options to the lead manager of the placement with a grant date in October 2024. The options have a three year expiry from grant date and an exercise price of $0.039 for 10,033,310 of the total options granted, and $0.046 for the remaining 10,033,310 options granted. Each of these two option tranches was subsequently topped up by a further 100,000 options on identical terms.

Following the retirement of non-executive director Penelope Dobson on 31 January 2025, Mr Matt Adams was appointed as a non-executive director on 17 February 2025.

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On 17 February 2025, the consolidated entity announced it had secured $4,000,000 AUD (exclusive of fees) in funding through both a share placement and loan notes placement. Under the loan notes placement, 1.5 million loan notes were issued as a pure debt instrument, however the loan notes may become convertible into ordinary shares, subject solely to shareholder approval at a general meeting. Between 24 February 2025 and 29 April 2025, the company issued 125,000,000 ordinary shares at $0.02 (2 cents) per share under the share placement. On 29 April 2025, 75,000,000 ordinary shares were issued at $0.02 (2 cents) per share to noteholders upon receipt of shareholder approval in an EGM held on 7 April 2025.

On 31 May 2025, the consolidated entity announced the completion of the sale of certain assets of its Althea Company Pty Ltd business in Australia. The assets sold included Althea trademarks, brand goodwill, website, phone number, and pharmacy/prescriber data. This transaction led to the cessation of its operations as a distributor of medicinal cannabis in Australia and accordingly, the financial results of Althea Company Pty Ltd business have been classified as Discontinued Operations and the remainder of the Australian operations is expected to be wound up in the next 12 months.

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3. Matters subsequent to the end of the financial year

Following the asset sale as announced on 31 May 2025, on 9 July 2025, the company advised that Mr Sule Arnautovic of Salea Advisory (the Administrator) had been appointed as the administrator of Althea Company Pty Ltd ("the Subsidiary") pursuant to Section 436A of the *Corporations Act 2001* (Cth).

At the second meeting of Creditors of the Subsidiary held on 13 August 2025, pursuant to section 439A of the *Corporations Act 2001* (Cth), the Creditors of the Subsidiary resolved to enter into a Deed of Company Arrangement (DOCA) with the Administrator.

Under the DOCA arrangements, the Company has lent up to $200,000 to the Subsidiary to fund the completion of the DOCA process. The directors of the Subsidiary, Mr Joshua Fegan and Mr Alan Boyd, in turn have entered into arrangements to lend the Company $200,000 to fund these arrangements. The loan is unsecured and attracts an interest rate of 5% per annum, paid quarterly, and is repayable in full 15 months from the initial drawdown.

The DOCA relates solely to the Subsidiary and is not expected to have any material impact on AGH, nor does it affect AGH’s ongoing operations under Peak Processing Solutions or Peak USA Inc., its wholly owned North American THC beverage businesses.

On 24 July 2025, Mr Joshua Fegan resigned as the CEO and Managing Director of the Company with immediate effect and the Company appointed Peak Processing Solutions General Manager Mr Barry Katzman as Interim CEO.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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4. Net tangible assets/(liabilities)

	Reporting period Cents	Previous period Cents
Net tangible liabilities per ordinary security	(0.33)	(0.66)

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5. Control gained over entities

Not applicable.

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6. Loss of control over entities

Name	Principal place of business / Country of incorporation	30 June 2025 %	30 June 2024 %
Althea Company Pty Limited [5]	Australia	100.00%	100.00%
Althea MMJ UK Limited [1]	United Kingdom	-	100.00%
MMJ Clinic Group Limited [2]	United Kingdom	-	100.00%
1214029 B.C. Limited [3]	Canada	100.00%	100.00%
2613035 Ontario Limited [4]	Canada	100.00%	100.00%
2682130 Ontario Limited [4]	Canada	100.00%	100.00%
MMJ Clinic Group Ireland Limited [1]	Ireland	-	100.00%
Peak USA Inc.	United States of America	100.00%	100.00%

(1) Althea MMJ UK Limited and MMJ Clinic Group Ireland Limited went into liquidation on 12 June 2025, with the company effectively losing control of the entities.
(2) MMJ Clinic Group Limited went into liquidation on 17 January 2025, with its parent entity Althea MMJ UK Limited and the ultimate parent entity Althea Group Holdings Limited effectively losing control of the entity.
(3) 1214029 B.C. Ltd is an entity associated with the acquisition of Peak Processing Solutions.
(4) Collectively known as Peak Processing Solutions.
(5) Placed into Voluntary Administration after balance date on 9 July 2025.

	$'000
Contribution of such entities to the reporting entity's loss from ordinary activities before income tax during the period (where material)	(3,504)
Loss from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	(5,984)

7. Dividends

There were no dividends paid, recommended or declared during the current financial period or the previous financial period.

8. Dividend reinvestment plans

Not applicable.

9. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
Name of associate / joint venture	Reporting period %	Previous period %	Reporting period $'000	Previous period $'000
Peak USA JV LLC	50.00%	-	-	-

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During the year ended 30 June 2024, the Company established a 100% owned US subsidiary, Peak USA Inc. (Peak USA), and during the year ended 30 June 2025, the Company incorporated Peak USA JV LLC (JVCo), with 50% ownership by the Company and the other 50% owned by Flora Growth Corporation (Flora), an entity incorporated and operating in Florida, US. A suite of legal agreements was established and executed to establish a Joint Venture with Flora, with Peak USA essentially providing the production expertise developed by Peak in Canada and Flora contributing an extensive and well established sales and marketing network in the US.

An initial small but targeted range of THC infused beverages was selected for launch by the JVCo and similarly for Peak USA based on consumer experiences from the existing Canadian customer base. The first two JV production runs in Florida were undertaken in the second half of the year ended 30 June 2025, with a third production order completed after balance date. JV start up and product development costs of $310,000 were expensed during the 2025 financial year.

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10. Foreign entities

International Financial Reporting Standards (IFRS) were the accounting standards adopted in compiling this report.

This report has been prepared under the historical cost convention and the accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated. The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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11. Audit qualification or review

The financial statements are in the process of being audited. In the previous reporting period, a material uncertainty related to going concern has been included in the Auditor's Report, however the auditor's opinion was not modified with respect to this matter. A similar disclosure is expected within the Auditor's Report for the 2025 financial year.

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12. Loss per share

	30 June 2025 Cents	30 June 2024 Cents
Loss per share for loss from continuing operations attributable to the owners of Althea Group Holdings Limited		
Basic loss per share	(0.87)	(6.94)
Diluted loss per share	(0.87)	(6.94)
Loss per share for profit from discontinued operations attributable to the owners of Althea Group Holdings Limited		
Basic loss per share	(0.63)	(1.59)
Diluted loss per share	(0.63)	(1.59)
Loss per share for loss attributable to the owners of Althea Group Holdings Limited		
Basic loss per share	(1.50)	(8.53)
Diluted loss per share	(1.50)	(8.53)

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13. Attachments

The Preliminary Final Report attached to this report is unaudited.

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Althea Group Holdings Limited
Appendix 4E
Preliminary final report

14. Signed

Signed  Date: 29 August 2025

Vaughan Webber
Chairman

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Althea Group Holdings Limited

ABN 78 626 966 943

Preliminary Final Report - 30 June 2025

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Althea Group Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000 Restated *
Revenue			
Revenue from continuing activities	2	15,494	12,231
Cost of goods sold		(8,025)	(5,839)
Gross profit		7,469	6,392
Interest income		68	4
Expenses			
Employee benefits expense		(4,386)	(5,619)
General and administrative expenses		(2,696)	(3,287)
Depreciation and amortisation expense		(1,715)	(1,582)
Professional services		(1,414)	(1,433)
Distribution and marketing expenses		(1,374)	(381)
Joint Venture start up and product development		(310)	-
Foreign exchange gain		381	(814)
Loss on disposal of assets		(6)	(603)
Impairment of assets	7	-	(17,737)
Finance costs		(796)	(1,013)
Loss on deconsolidation of subsidiaries	3	(64)	-
Total expenses		(12,380)	(32,469)
Loss before income tax expense from continuing operations		(4,843)	(26,073)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(4,843)	(26,073)
Loss after income tax expense from discontinued operations	4	(3,504)	(5,984)
Loss after income tax expense for the year attributable to the owners of Althea Group Holdings Limited		(8,347)	(32,057)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(175)	1,235
Other comprehensive (loss)/income for the year, net of tax		(175)	1,235
Total Comprehensive loss for the year attributable to the owners of Althea Group Holdings Limited		(8,522)	(30,822)
Total Comprehensive loss for the year is attributable to:			
Continuing operations		(5,018)	(24,838)
Discontinued operations		(3,504)	(5,984)
		(8,522)	(30,822)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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Althea Group Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Althea Group Holdings Limited		
Basic loss per share	(0.87)	(6.94)
Diluted loss per share	(0.87)	(6.94)
Earnings per share for loss from discontinued operations attributable to the owners of Althea Group Holdings Limited		
Basic loss per share	(0.63)	(1.59)
Diluted loss per share	(0.63)	(1.59)
Earnings per share for loss attributable to the owners of Althea Group Holdings Limited		
Basic loss per share	(1.50)	(8.53)
Diluted loss per share	(1.50)	(8.53)

* The above consolidated statement of comprehensive income for the year ended 30 June 2024 has been restated for discontinued operations. Refer to note 4 for detailed information on Discontinued operations.

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Althea Group Holdings Limited
Consolidated statement of financial position
As at 30 June 2025

	Note	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
Assets			
Current assets			
Cash and cash equivalents		528	331
Trade and other receivables		6,630	4,864
Inventories		2,135	3,983
Other current assets		1,008	1,711
Total current assets		10,301	10,889
Non-current assets			
Other financial assets		77	703
Property, plant and equipment	5	3,164	3,515
Right-of-use assets	6	6,938	8,031
Intangibles	7	8	513
Total non-current assets		10,187	12,762
Total assets		20,488	23,651
Liabilities			
Current liabilities			
Trade and other payables		13,749	13,525
Contract liabilities		605	1,663
Borrowings	8	448	972
Lease liabilities		139	329
Provisions		26	394
Other		-	19
Total current liabilities		14,967	16,902
Non-current liabilities			
Contract liabilities		842	995
Lease liabilities		4,605	5,238
Deferred tax		58	-
Provisions		-	71
Other		590	131
Total non-current liabilities		6,095	6,435
Total liabilities		21,062	23,337
Net assets/(liabilities)		(574)	314
Equity			
Issued capital	9	93,969	86,332
Reserves		(244)	2,726
Accumulated losses		(94,299)	(88,744)
Total (deficiency)/equity		(574)	314

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

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Althea Group Holdings Limited
Consolidated statement of changes in equity
For the year ended 30 June 2025

Consolidated	Issued Capital $'000	Share-based payment reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	$'000
Balance at 1 July 2023	85,340	2,597	(1,417)	(56,751)	29,769
Loss after income tax expense for the year	-	-	-	(32,057)	(32,057)
Other comprehensive income for the year, net of tax	-	-	1,235	-	1,235
Total comprehensive income/(loss) for the year	-	-	1,235	(32,057)	(30,822)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	133	-	-	-	133
Share-based payments expensed during the period, relating to existing performance rights	-	23	-	-	23
Forfeited/vested performance rights transferred to retained earnings during the period	-	(37)	-	64	27
Consultant share issue, net of transaction costs	64	-	-	-	64
Share Options issued during the period	-	325	-	-	325
Employee share issue, net of transaction costs	115	-	-	-	115
Share capital issued under conversion notice, net of transaction costs	680	-	-	-	680
Balance at 30 June 2024	86,332	2,908	(182)	(88,744)	314

Consolidated	Issued Capital $'000	Share-based payment reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	$'000
Balance at 1 July 2024	86,332	2,908	(182)	(88,744)	314
Loss after income tax expense for the year	-	-	-	(8,347)	(8,347)
Other Comprehensive loss for the year, net of tax	-	-	(175)	-	(175)
Total Comprehensive loss for the year	-	-	(175)	(8,347)	(8,522)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 9)	3,833	-	-	-	3,833
Share capital issued on conversion of performance rights (note 9)	213	(213)	-	-	-
Shares capital issued on conversion of loan notes (note 9)	3,500	-	-	-	3,500
Shares capital issued for settlement of payables (note 9)	91	-	-	-	91
Vesting of share-based payment	-	210	-	-	210
Lapsed share-based payments	-	(2,792)	-	2,792	-
Balance at 30 June 2025	93,969	113	(357)	(94,299)	(574)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

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Althea Group Holdings Limited
Consolidated statement of cash flows
For the year ended 30 June 2025

	Note	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		26,536	31,468
Payments to suppliers and employees (inclusive of GST)		(33,550)	(35,172)
Interest received		158	8
Interest paid		(319)	(699)
Government grants and tax incentives received		81	-
Net cash used in operating activities		(7,094)	(4,395)
Cash flows from investing activities			
Payments for investments		(275)	-
Payments for property, plant and equipment	5	(920)	(436)
Net proceeds from disposal of property, plant and equipment		-	2,729
Proceeds from disposal of assets of UK MyAccess Clinics		991	-
Proceeds from disposal of assets of Althea Company Pty Ltd		1,000	-
Proceeds from release of security deposits		182	-
Net cash from investing activities		978	2,293
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs	9	3,643	124
Proceeds from issue of convertible notes		3,500	-
Repayment of borrowings, net of transaction costs		(1,000)	(1,905)
Proceeds from borrowings, net of transaction costs		476	947
Repayment of bank guarantee		-	(362)
Proceeds from bank guarantee		-	75
Repayment of lease liabilities		(307)	(318)
Net cash from/(used in) financing activities		6,312	(1,439)
Net increase/(decrease) in cash and cash equivalents		196	(3,541)
Cash and cash equivalents at the beginning of the financial year		331	3,874
Effects of exchange rate changes on cash and cash equivalents		1	(2)
Cash and cash equivalents at the end of the financial year		528	331

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The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Althea Group Holdings Limited
Notes to the consolidated financial statements
30 June 2025

Note 1. General information

The Preliminary Final Report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. The Preliminary Final Report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

This Preliminary Final Report has been prepared in accordance with ASX Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. As such, this Preliminary Final Report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2024 and any ASX announcements made by the Company during the period.

Note 2. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000 *
Sales channels		
Goods sold through intermediaries	15,494	11,678
Other income	-	553
	15,494	12,231
Geographical regions		
Australia	-	86
Canada	15,423	12,145
United States of America	71	-
	15,494	12,231
Timing of revenue recognition		
Goods transferred at a point in time	15,494	12,010
Services transferred over time	-	221
	15,494	12,231

* Disaggregation of revenue for the year ended 30 June 2024 has been restated to include revenue from continued operations only. Refer to note 4 for discontinued operations.

Note 3. Deconsolidation of UK and Ireland subsidiaries

Subsequent to completion of the sale of the MyAccess Clinics business in the UK and Ireland as announced on 29 October 2024, on 7 January 2025, MMJ Clinic Group Limited (MMJ) and MMJ Clinic Group Ireland Limited (Ireland), and on 12 June 2025, Althea MMJ Limited (MMJ Althea), were entered into liquidation. As a result, control was transferred to the liquidators, Howes Percival and Oliver Elliot respectively. As a consequence, management considers it is appropriate to deconsolidate MMJ, Ireland and MMJ Althea from the Group on the date the entities were entered into liquidation and to write-off all inter-company balances outstanding with the Group.

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Note 3. Deconsolidation of UK and Ireland subsidiaries (continued)

The carrying amount of assets and liabilities deconsolidated is set out following:

	Consolidated 30 June 2025 $'000
Cash and cash equivalents	20
Trade and other receivables	32
Other current assets	32
Property, plant and equipment	2
Total assets	**86**
Trade and other payables	1,501
Inter-company balances	24,914
Contract liabilities	3
Other liabilities	49
Total liabilities	**26,467**
Net liabilities	**(26,381)**

Loss on deconsolidation is set out below table:

	Consolidated 30 June 2025 $'000
Write off of inter-company balance	(24,914)
Carrying amount of net liabilities disposed	26,381
Derecognition of foreign currency reserve	(1,531)
Loss on disposal before income tax	**(64)**
Loss on disposal after income tax	**(64)**

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Note 4. Discontinued operations

(i) Discontinued operations of MyAccess Clinics

On 29 October 2024, the consolidated entity announced the completion of the sale of certain assets of its MyAccess Clinics business in the UK and Ireland. The assets sold included the transfer of patient information, intellectual property rights and data relating to patient numbers. This led to the cessation of its operations as a medical clinic in the UK and accordingly, the financial results of all the UK operations have been classified as Discontinued Operations and the remainder of the UK operations is expected to be wound up in the next 12 months. Revenue from the contract previously managed in Althea MMJ UK Limited were operated from Australia following the sale.

Financial performance information

	Consolidated	
	30 June 2025 $'000	**30 June 2024 $'000**
Revenue	1,572	4,232
Cost of goods sold	(371)	(1,386)
Gross profit	1,201	2,846
Sale of MyAccess Clinics assets	970	-
Total other income	970	-
Employee benefits expense	(1,592)	(2,491)
General and administrative expenses	(421)	(993)
Marketing expenses	(90)	(329)
Finance costs	(1,171)	(44)
Professional services	(251)	(1,215)
Depreciation and amortisation expense	(12)	(81)
Foreign exchange gain/loss	1,054	(1)
Distribution expenses	(396)	(892)
Total expenses	(2,879)	(6,046)
Loss before income tax expense	(708)	(3,200)
Income tax expense	-	-
Loss after income tax expense from discontinued operations of MyAccess Clinics	**(708)**	**(3,200)**

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Note 4. Discontinued operations (continued)

(ii) Discontinued operations of Althea Company Pty Ltd

On 31 May 2025, the consolidated entity announced the completion of sale of certain assets of its Althea Company Pty Ltd business in Australia. The assets sold included Althea trademarks, brand goodwill, website, phone number, and pharmacy/prescriber data. This led to the cessation of its operations as a distributor of medicinal cannabis in Australia and accordingly, the financial results of Althea Company Pty Ltd business have been classified as Discontinued Operations and the remainder of the Australia operations is expected to be wound up in the next 12 months.

Financial performance information

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Revenue	4,735	13,491
Cost of goods sold	(4,167)	(4,711)
Gross profit	568	8,780
Sale of Althea Company Pty Ltd assets	646	-
Gain from termination of lease	109	-
Other income	292	411
Interest income	1,172	4
Total other income	2,219	415
Employee benefits expense	(2,430)	(5,001)
General and administrative expenses	(1,419)	(936)
Marketing expenses	(10)	-
Finance costs	(239)	(217)
Professional services	-	(17)
Depreciation and amortisation expense	(332)	(558)
Foreign exchange gain/loss	-	(904)
Distribution expenses	(1,196)	(4,346)
Gain on disposal of property, plant and equipment	43	-
Total expenses	(5,583)	(11,979)
Loss before income tax expense	(2,796)	(2,784)
Income tax expense	-	-
Loss after income tax expense from discontinued operations of Althea Company Pty Ltd	(2,796)	(2,784)

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Note 5. Property, plant and equipment

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Non-current assets		
Buildings - at cost	317	311
Less: Accumulated depreciation	(132)	(104)
	185	207
Asset under construction - at cost	489	379
Plant and equipment - at cost	6,369	5,612
Less: Accumulated depreciation	(4,196)	(3,070)
	2,173	2,542
Computer equipment - at cost	745	740
Less: Accumulated depreciation	(725)	(682)
	20	58
Office equipment - at cost	807	768
Less: Accumulated depreciation	(510)	(439)
	297	329
	3,164	3,515

In the previous financial year, on 17 November 2023, the consolidated entity's wholly-owned subsidiary, Peak Processing Solutions, completed the sale of its facility for CAD $4,600,000 and entered into an agreement to leaseback the land and building for a period of up to 15 years. The company transferred land with a carrying value of CAD $562,000 and buildings with a carrying value of CAD $6,688,000 to the buyer/lessor on sale of the facility and recognised a right-of-use asset of CAD $6,961,000.

Note 6. Right-of-use assets

	Consolidated	
	30 June 2025 $'000	30 June 2024 $'000
Non-current assets		
Land and buildings - right-of-use	7,780	8,818
Less: Accumulated depreciation	(842)	(787)
	6,938	8,031

During the year ended 30 June 2025, the consolidated entity terminated the lease of Suite 2, Level 50, 360 Elizabeth Street, Melbourne, VIC 3000. The respective right-of-use asset and lease liabilities of $521,000 and $600,000 respectively were derecognised from the consolidated statement of financial position and a gain on termination of lease of $108,800 was recognised in the consolidated statement of profit or loss.

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Note 7. Intangibles

	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
Non-current assets		
Goodwill	-	17,737
Less: Accumulated amortisation	-	(17,737)
	-	-
Website - at cost	116	371
Less: Accumulated amortisation	(108)	(319)
	8	52
Patents and trademarks - at cost	-	103
Less: Accumulated amortisation	-	(37)
	-	66
Software - at cost	1,771	2,325
Less: Accumulated amortisation	(1,771)	(2,293)
	-	32
Intellectual Property - at cost	-	571
Less: Accumulated amortisation	-	(208)
	-	363
	8	513

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
2682130 Ontario Limited (Peak Processing Solutions)	-	17,737
Impairment recognised at 31 December 2023	-	(7,628)
Impairment recognised at 30 June 2024	-	(10,109)
	-	-

Note 8. Borrowings

	Consolidated 30 June 2025 $'000	Consolidated 30 June 2024 $'000
Current liabilities		
Loan	448	972

On 2 February 2024, the consolidated entity secured a new loan facility of AUD $1,000,000, with a 9-month term and 13% interest payable per annum. As at 30 June 2024, a total of $972,000 was drawn down against the facility which was extended to $1,500,000, facilitating a further draw down of $476,000 on 1 August 2024. The facility attracts interest payable at a rate of 13% per annum, and repayment is due on 2 November 2025, hence its classification as a current liability as at 30 June 2025.

As part of the Completion of the Sale of Althea Pharmaceutical Assets as announced on 30 May 2025, and in accordance with the loan facility security arrangements in place, the entire proceeds of the sale were applied to the reduction of the loan facility to leave a residual principal owing of $448,000 as at balance date.

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Note 9. Issued capital

	Consolidated			
	30 June 2025 Shares	30 June 2024 Shares	30 June 2025 $'000	30 June 2024 $'000
Ordinary shares - fully paid	822,575,370	406,503,376	93,969	86,332

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance as at	**1 July 2023**	**381,288,586**		**85,340**
Share capital issued to consultant	1 July 2023	5,040,000	$0.000	-
Capital raising costs	1 July 2023	-	$0.000	(2)
Share capital issued under conversion notice	20 July 2023	5,853,571	$0.036	211
Capital raising costs	20 July 2023	-	$0.000	(2)
Share capital issued to Directors	1 September 2023	2,089,553	$0.067	140
Capital raising costs	1 September 2023	-	$0.000	(7)
Share capital issued under conversion notice	15 September 2023	6,812,243	$0.032	216
Capital raising costs	15 September 2023	-	$0.000	(2)
Collateral shares redeemed under conversion notice [4]	11 October 2023	-	$0.025	257
Share capital issued to consultant	4 March 2024	2,140,541	$0.031	66
Share capital issued to employees	4 March 2024	1,287,497	$0.037	48
Share capital issued to employees	20 March 2024	820,452	$0.032	26
Capital raising costs	20 March 2024	-	$0.000	(3)
Share capital issued to employees	28 May 2024	1,170,933	$0.037	44
Balance as at	**30 June 2024**	**406,503,376**		**86,332**
Share capital issued via capital raise [2]	16 July 2024	101,333,100	$0.020	2,026
Capital raising cost	16 July 2024	-		(286)
Cleansing issue	4 February 2025	100	$0.100	-
Share capital issued via capital raise [3]	24 February 2025	14,000,000	$0.020	280
Cleansing issue	26 February 2025	100	$0.100	-
Share capital issued on conversion of performance rights [4]	29 April 2025	10,163,770	$0.020	213
Share capital issued via capital raise [3]	29 April 2025	99,750,000	$0.020	1,995
Share capital issued for settlement of payables [5]	29 April 2025	4,574,824	$0.020	91
Share capital issued on conversion of loan notes [3, 6]	29 April 2025	175,000,000	$0.020	3,500
Share capital issued via capital raise [3]	29 April 2025	11,250,000	$0.020	225
Cleansing issue	29 April 2025	100	$0.100	-
Capital raising cost	29 April 2025	-		(407)
Balance as at	**30 June 2025**	**822,575,370**		**93,969**

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Note 9. Issued capital (continued)

(1) On 30 January 2023, 11,000,000 Collateral Shares were issued in accordance with the terms of the Convertible Note Agreement. Where at any time the Company is required to issue shares to the holder under this Agreement, then the holder may, by written notice to the Company, elect to partially or wholly satisfy the Company's obligation to issue the relevant shares to the holder by reducing the Collateral Shareholding Number by the corresponding number of shares. On October 11 2023, the holder redeemed 10,385,943 Collateral Shares, leaving a remaining balance of 614,057 Collateral Shares.

(2) On 16 July 2024, the company announced its successful completion of a $2,000,000 placement by way of. 101,333,100 ordinary shares were issued to new and existing shareholders at a price of $0.020 per share. The proceeds from the placement, excluding fees, were settled on 22 July 2024.

(3) On 17 February 2025, the consolidated entity announced it had secured $4,000,000 (exclusive of fees) in funding through both a share placement and loan notes placement. Under the loan notes placement, 1.5 million loan notes were issued as a pure debt instrument, however the loan notes may become convertible into ordinary shares subject solely to shareholder approval at a general meeting. Between 24 February 2025 and 29 April 2025, the company issued 125,000,000 ordinary shares at $0.02 (2 cents) per share under the share placement.

On 29 April 2025, 75,000,000 ordinary shares were issued at $0.02 (2 cents) per share to loan note holders upon receipt of shareholder approval in an EGM held on 7 April 2025.

(4) On 29 April 2025, 10,163,770 shares were issued for nil consideration comprising:
- 1,712,534 LTI Performance Rights for terminated, “good leaver” employees;
- 166,598 FY20 STI Rights for personal performance;
- 267,129 FY21 STI Rights for personal performance;
- 4,213,656 FY22 STI Rights for personal performance; and
- 3,803,853 FY23 STI Rights for personal performance.

(5) On 29 April 2025, the company issued 2,250,000 ordinary shares at $0.02 (2 cents) per share to Evolution Capital Pty Ltd in connection with the placement in July 2024. Also on 29 April 2025, 2,324,924 ordinary shares at $0.02 (2 cents) per share were issued to an entity associated with a non-KMP employee as settlement of amounts owed to the employee by the company.

(6) On 24 December 2024, the consolidated entity secured commitments of $2,000,000 under a loan notes placement. Under the placement, 2.0 million loan notes were issued as a pure debt instrument, however, the loan notes may become convertible into ordinary shares, subject solely to shareholder approval at a general meeting. On 29 April 2025, 100,000,000 ordinary shares were issued at $0.02 (2 cents) per shares to loan note holders upon receipt of shareholder approval in an EGM held on 7 April 2025.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's singular objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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Note 9. Issued capital (continued)

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the company's share price at the time of the investment.

The consolidated entity is subject to certain financing arrangement covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2024 Annual Report.

Note 10. Contingent liabilities

The consolidated entity has given bank guarantees as at 30 June 2025 of $nil (30 June 2024: $702,814). The bank guarantees were previously held for the operating and commercial leases of the consolidated entity's leased premises (located in Australia, Canada and the United Kingdom) all of which were vacated prior to 30 June 2025.

At balance date, the Group was engaged in a contractual dispute with a former overseas supplier and brought to account at 30 June 2025 all legal costs incurred prior to year end and the full amount for products received from that supplier which were within the required specification. The conclusion of the dispute was dealt with post balance date through the process of Voluntary Administration and the formal execution of the Deed of Company Arrangement with the Administrator. At the conclusion of the DOCA, all creditors of the Subsidiary are fully compromised to Nil.

Except as noted above, the consolidated entity currently has no contingent liabilities at the date of signing this report.

Note 11. Commitments

There were no outstanding contractual commitments at 30 June 2025 or at 30 June 2024.

Note 12. Events after the reporting period

Following the asset sale as announced on 31 May 2025, on 9 July 2025, the company advised that Mr Sule Arnautovic of Salea Advisory (the Administrator) had been appointed as the administrator of Althea Company Pty Ltd ("the Subsidiary") pursuant to Section 436A of the *Corporations Act 2001* (Cth).

At the second meeting of Creditors of the Subsidiary held on 13 August 2025, pursuant to section 439A of the *Corporations Act 2001* (Cth), the Creditors of the Subsidiary resolved to enter into a Deed of Company Arrangement (DOCA) with the Administrator.

Under the DOCA arrangements, the Company has lent up to $200,000 to the Subsidiary to fund the completion of the DOCA process. The directors of the Subsidiary, Mr Joshua Fegan and Mr Alan Boyd, in turn have entered into arrangements to lend the Company $200,000 to fund these arrangements. The loan is unsecured and attracts an interest rate of 5% per annum, paid quarterly, and is repayable in full 15 months from the initial drawdown.

The DOCA relates solely to the Subsidiary and is not expected to have any material impact on AGH, nor does it affect AGH's ongoing operations under Peak Processing Solutions, its wholly owned North American THC beverage business.

On 24 July 2025, Joshua Fegan resigned as the CEO and Managing Director of the Company and the Company appointed Peak Processing Solutions General Manager Mr Barry Katzman as Interim CEO.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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