

Date: 14 October 2024

By Email: ListingsComplianceMelbourne@asx.com.au

Attention: ASX Compliance
ASX Limited
525 Collins Street
Melbourne VIC 3000

Dear Sir/Madam,

Re: Althea Group Holdings Limited (AGH): Price Query – Your Reference ODIN101327

We refer to your letter dated October 11, 2024, regarding the recent trading activity in the securities of Althea Group Holdings Limited (“AGH”).

In response to your questions, we provide the following information:

1. Is AGH aware of any information concerning it that has not been announced to the market, which, if known by some in the market, could explain the recent trading in its securities?

Response: Possibly.

Recent media coverage following AGH’s announcements regarding its US cannabis beverage operations, particularly the commencement of production in Florida via its subsidiary Peak USA, may explain the increased trading. This media attention, including the articles ‘Althea Group subsidiary Peak USA begins production of cannabis beverages in Florida’ from Proactive Investors and ‘September Health Winners: EZZ and Althea lead upbeat sector sparked by Fed rate cut’ from Stockhead, has highlighted AGH’s entry into the expanding US cannabis beverages market.

Furthermore, speculation and positive sentiment surrounding AGH’s potential market growth, especially in the North American cannabis beverages sector, possibly driven by investor optimism or interest in this emerging industry, could have contributed to the rise in trading activity.

We also note the broader performance of cannabis stocks on the ASX. For example, the share price of Cann Group (ASX:CAN) increased from \$0.04 to \$0.09 between 26 September 2024 and 30 September 2024, whilst Ecofibre Ltd’s (ASX:EOF) share price increased 30% in the last month, which may reflect positive sentiment in the sector. AGH’s recent activity may have similarly benefited from this broader market movement.

For completeness, AGH is also evaluating a potential sale of one of its non-core business units. However, these discussions are incomplete, with no binding terms agreed, and there is no certainty that a transaction will occur. As such, there is no further meaningful information to disclose at this stage.

If the answer to question 1 is "yes".

a) Is AGH relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in AGH’s securities would suggest to ASX that such information may have ceased to be confidential and



therefore AGH may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation?

Response: As noted above, AGH considers it likely that the recent trading is driven by the news and speculation surrounding its US cannabis beverage operations and the general positive sentiment in the cannabis market. While AGH is also engaged in confidential and incomplete discussions regarding a potential sale of one of its non-core business units, AGH doubts that this information is materially price sensitive at this stage, given the uncertainties surrounding whether the sale will proceed and on what terms and conditions. Accordingly, AGH mentions this only for completeness and out of an abundance of caution.

However, if this was materially price sensitive, Listing Rule 3.1A applied to those discussions prior to their disclosure through the release of this response on ASX.

b) Can an announcement be made immediately? Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).

Response: See response to 1(a) above. This letter discloses the information which may arguably be materially price sensitive.

c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Response: Not applicable.

2. If the answer to question 1 is “no,” is there any other explanation that AGH may have for the recent trading in its securities?

Response: Not applicable.

3. Please confirm that AGH is complying with the Listing Rules, and in particular, Listing Rule 3.1.

Response: Confirmed.

4. Please confirm that AGH’s responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AGH with delegated authority from the board to respond to ASX on disclosure matters.

Response: Confirmed.

Yours sincerely,



Robert Meissner
Chief Financial Officer and Company Secretary
Althea Group Holdings Limited



11 October 2024

Reference: ODIN101327

Mr Robert Meissner
Company Secretary
Althea Group Holdings Limited
Level 50, 360 Elizabeth Street
Melbourne, Vic 3000

By email: rmeissner@altheagroupholdings.com

Dear Mr Meissner

Althea Group Holdings Limited ('AGH'): Price - Query

ASX refers to the following:

- A. The change in the price of AGH's securities from a low of \$0.039 at close of trade yesterday to a high of \$0.046 today.
- B. The significant increase in the volume of AGH's securities traded today.

Request for information

In light of this, ASX asks AGH to respond separately to each of the following questions and requests for information:

1. Is AGH aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

If the answer to question 1 is "yes".

- (a) Is AGH relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in AGH's securities would suggest to ASX that such information may have ceased to be confidential and therefore AGH may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
2. If the answer to question 1 is "no", is there any other explanation that AGH may have for the recent trading in its securities?
 3. Please confirm that AGH is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 4. Please confirm that AGH's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of AGH with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Monday, 14 October 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AGH's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AGH to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in AGH's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AGH's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AGH's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that AGH's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Regards

ASX Compliance