

ASX Announcement | 3 January 2025
Althea Group Holdings (ASX:AGH)

ASX Listing Rule 7.1 and ASX Listing Rule 7.1A placement capacity exceeded

3 January 2025: **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, advises that 31,178,955 of the 101,333,100 fully paid ordinary shares in the Company (**Shares**) issued on 22 July 2024 under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A were issued in excess of the Company's available 15% annual placement capacity under ASX Listing Rule 7.1 and in excess of the capacity available to it under ASX Listing Rule 7.1A.

The Company notes that exceeding the available 15% annual placement capacity under ASX Listing Rule 7.1 does not affect the validity of the issue of the Shares issued on 22 July 2024.

The 31,178,955 Shares issued in excess of the annual placement capacity under ASX Listing Rule 7.1 and capacity available to it under ASX Listing Rule 7.1A was as a result of a miscalculation of the placement capacity of the Company at that time.

As at 22 July 2024, the Company's total available placement capacity under Listing Rule 7.1 was 31,230,974 and the capacity available to it under ASX Listing Rule 7.1A was 38,923,171.

Accordingly:

- 31,230,974 of the Shares issued on 22 July 2024 were issued under the Company's available placement capacity under Listing Rule 7.1; and
- 38,923,171 of the Shares issued on 22 July 2024 were issued under the capacity available to it under Listing Rule 7.1A.

The ASX has advised the Company that it must not issue or agree to issue any equity securities without security holder approval until **2 February 2025** unless the issue or agreement to issue comes within an exception in Listing Rule 7.2.

The Company confirms that the issue of the Loan Notes and proposed issue of the Options, as detailed in its ASX Announcement on 24 December 2024 fall within Exception 17 of ASX Listing Rule 7.2, being 'equity securities' that are conditional on Shareholder approval under ASX Listing Rule 7.1 before the issue is made. As such, the restriction detailed above, does not apply to the issue of the Loan Notes and the proposed issue of the Options.

Ratification of shares issued in compliance with ASX listing Rule 7.1 and 7.1A and new ASX listing Rule 7.1A Mandate

The Company intends to seek shareholder approval for the ratification at its annual general meeting to be held on 31 January 2025 of that component of Shares which were validly issued (i.e

those Shares issued within the placement capacity limits in Listing Rule 7.1 and Listing Rule 7.1A):

- under Listing Rule 7.1, being 31,230,974 Shares under Listing Rule 7.4; and
- under Listing Rule 7.1A, being 38,923,171 Shares under Listing Rule 7.4 (subject to receiving Shareholder approval of the 7.1A Mandate under Listing Rule 7.1A at its annual general meeting).

The Company notes that it is not able to seek ratification from shareholders for the issue of Shares which were issued in excess of its available placement capacity as ratification under Listing Rule 7.4 is not available in respect of securities that have been issued in excess of Listing Rule 7.1 capacity and in excess of the capacity under Listing Rule 7.1A.

Notwithstanding that the Company will seek approval for the 7.1A Mandate under Listing Rule 7.1A at its annual general meeting to be held in January 2025, in the event that such resolution is approved, the Company will not be able to utilise the 7.1A Mandate until:

- 2 February 2025 (subject to the resolution ratifying the shares validly issued under Listing Rule 7.1A, being 38,923,171 Shares under Listing Rule 7.4, being approved); and
- 22 July 2025 (where the resolution ratifying the shares validly issued under Listing Rule 7.1A, being 38,923,171 Shares under Listing Rule 7.4 is not approved).

Thereafter, the Company will be able to utilise the full 10% placement capacity under Listing Rule 7.1A which expires on the first to occur of either 31 January 2026 or the time and date of the entity's next annual general meeting or the time and date of the approval by shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

Review of internal procedures

The Company appointed a new Company Secretary in December 2024 and has reviewed its internal procedures for compliance with Listing Rule 7.1 and Listing Rule 7.1A and has included additional steps to ensure compliance going forward, including a review by the external legal counsel of the placement capacity.

Failed lodgements of Appendix 2A and pending issue of Options

The Company also notes that there was a failure to lodge an Appendix 2A with respect to the issue of the 101,333,100 Shares issued on 22 July 2024 as well as an earlier issue of 1,170,933 Shares issued on 28 May 2024. Appendix 2A forms for each of these share issues will be lodged following the outcome of the Federal Court hearing, anticipated in early January 2025.

In addition, the issue of the Options to the Lead Manager of the July 2024 Placement, which were approved by shareholders on 29 November 2024, have not yet been issued. These options will be issued within 3 months of their approval, and an Appendix 3G will be lodged with respect to such issue.

-ENDS-

Authorised by the Board of Althea Group Holdings Limited

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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 North America, Europe and Australia.

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

