

ASX Announcement | 3 November 2022
Althea Group Holdings (ASX:AGH)

AGH announces capital raising to support ongoing growth

Financial Highlights:

- AGH is pleased to announce firm commitments received for \$1.5 million placement and the launch of a \$2.5 million share purchase plan (“SPP”) for eligible shareholders
- The placement was well supported with strong demand from new and existing institutional and sophisticated investors
- Placement and SPP offered at \$0.067 per ordinary share
- Funds will be utilised to support the launch of new SKUs in the coming months, to continue growing the existing product range and provide general working capital
- Funding will enable Althea to accelerate its growth strategy and support the company as it targets cash flow break even and operating profitability in Q3FY23

3 November 2022: **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 it has received firm commitments to raise \$1.5 million via a placement (“**Placement**”) from new and existing institutional and sophisticated investors, including commitments of \$140,000 from the Company’s Board.

AGH CEO, Joshua Fegan, commented: “We are highly encouraged by the level of support investors have shown for AGH. I would like to thank our existing shareholders for their continued support of the Company and extend a welcome to new investors joining the AGH register. The continuing support for AGH, as we fast approach break-even and cash flow positivity, has been exceptional and we look forward to offering our existing shareholders the opportunity to widen their investment in the Company in the upcoming Share Purchase Plan.”

Placement details

Approximately 22.4 million new fully paid ordinary shares in the Company (“**New Shares**”) will be issued under the Placement. New Shares will be issued at \$0.067 per share (“**Issue Price**”), which represents a 19.3% discount to the last traded price (as at 28 October 2022), and a 19.1% discount to the 5-day Volume Weighted Average Price (“**VWAP**”) to 28 October 2022.

New Shares will be issued under the Company’s available ASX listing rule 7.1 placement capacity and will rank pari passu with existing shares in the Company. Settlement of the Placement is expected to occur on or about Wednesday, 9 November 2022. The proposed placement of approximately 2.1 million shares (\$140,000) to the AGH Board will be subject to shareholder approval at an Extraordinary General Meeting to be announced in due course.



The funds raised will be utilised to fund ongoing growth in the current product range and support the launch of additional products across the Althea cannabis-based medicines business, including exciting new SKUs launching in the coming months, in addition to supporting the Company as it targets cash flow break even and operating profitability in Q3FY23.

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement.

Share Purchase Plan details

AGH intends to offer the opportunity to all eligible shareholders of the Company as at 7:00pm (AEDT) on Tuesday, 1 November 2022 ("**Record Date**") with a registered address in Australia or New Zealand ("**Eligible Shareholders**") to subscribe for up to \$30,000 of fully paid ordinary shares in a Share Purchase Plan ("**SPP Shares**"), to raise up to \$2.5 million.

Shares under the SPP will be offered at a fixed price of \$0.067 per share, being the same price as the Issue Price under the Placement.

The Company reserves the right to scale back applications under the SPP at its absolute discretion. The Company may decide to accept applications (in whole or in part) in its absolute discretion. SPP Shares will rank equally with the Company's existing ordinary shares on issue. No brokerage or commissions are payable in respect of subscribing for shares under the SPP.

The offer under the SPP will be made on the basis of the information contained in the Share Purchase Plan offer booklet ("**SPP Offer Booklet**"), which will be dispatched to Eligible Shareholders in the coming days and made available following its lodgement with the ASX. Any Eligible Shareholder who wishes to participate in the SPP should consider the SPP Offer Booklet before deciding whether to apply for shares under that plan and any such application must be made in accordance with, and pursuant to, the terms and conditions set out in the SPP Offer Booklet.

Eligible Shareholders who wish to participate in the SPP will be required to complete the personalised application form accompanying the SPP offer document and pay the applicable funds in accordance with the instructions in those documents, prior to the closing date of the SPP.

-ENDS-

Authorised by: Robert Meissner, Company Secretary

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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

