

1 November 2024

Dear Shareholder,

General Meeting

I am pleased to invite you to an Extraordinary General Meeting of Althea Group Holdings Limited ACN 626 966 943 (**Althea** or **Company**), which will be held on 29 November 2024, as a virtual meeting starting at 8:00am (**EGM**).

Please find enclosed a Notice of Meeting, Explanatory Memorandum and Proxy Form for the EGM. The Notice of Meeting sets out the items of business for the EGM, and includes voting procedures, explanatory notes and the Board's voting recommendations. Please take the time to carefully read those documents in their entirety.

The EGM will be fully virtual, which means that Shareholders and visitors will not be able to attend in person.

Shareholders will be able to participate in the EGM online using their computer or mobile device. The EGM will be made accessible to Shareholders via an online platform, which will include a facility to allow Shareholders to vote in real time at the EGM. Further information on how to participate in the EGM is provided in the Notice of Meeting.

If you are unable to attend the EGM online at the scheduled time, you can participate by appointing a proxy to act on your behalf. If you intend to appoint a proxy, the enclosed Proxy Form should be completed and returned to the Company (see Proxy Form for details) as soon as possible and, in any event, no later than 8:00 am on 27 November 2024. The Board encourages all Shareholders to direct their proxy how to vote on each item of business.

If you have any queries in relation to the EGM, please contact the company secretary, Robert Meissner at info@altheagroupholdings.com.

I look forward to your attendance at the EGM.

Yours sincerely,

Vaughan Webber
Chairman

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NOTICE OF MEETING

Notice is hereby given that an extraordinary general meeting (**EGM**) of the Shareholders of Althea Group Holdings Limited ACN 626 966 943 (**Althea** or **Company**) will be held at 8:00am on 29 November 2024 as a virtual meeting.

Agenda

Resolution 1: Approval of issue of new options to placement participants

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 101,333,100 options to participants in the July 2024 placement (and/or their nominees), on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion applies to this resolution – see Explanatory Statement for details.

Resolution 2: Approval of issue of new options to lead manager

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 20,066,620 options to the lead manager (and/or their nominees) of the Company’s July 2024 placement, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion applies to this resolution – see Explanatory Statement for details.

Resolution 3: Approval of issue of new options to consultant

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 4,000,000 options to a consultant (and/or their nominees) to the Company’s July 2024 placement on

the terms and conditions set out in the Explanatory Statement.”

A voting exclusion applies to this resolution – see Explanatory Statement for details.

Eligibility to attend and vote

You are eligible to attend and vote at the EGM if you are registered as an Althea Shareholder at 7.00pm (AEDT) on 27 November 2024.

Participating in the EGM online

Shareholders can listen to the proceedings, view presentations, and vote in real-time at the EGM via the online platform.

Shareholders participating in the EGM online will be able to vote between the commencement of the EGM and the closure of voting as announced by the Chairman during the EGM.

If you choose to participate in the EGM online, registration will open at 7:00am on 29 November 2024.

To participate in the EGM online, you can log in from your computer or mobile device, by entering the following URL in the browser:
<https://us06web.zoom.us/j/4396532796?pwd=CdCGgFSSVHG4yxq47ni5Ltj21gbie7.1&omn=88938567000>

Live Online Voting

Shareholders and proxyholders will be able to vote at the meeting online by:

- visiting <https://meetnow.global/MZJYKCA>
- Online voting registration will commence 30 minutes prior to the start of the meeting.

For full details on how to log on and vote online, please refer to the user guide at www.computershare.com.au/onlinevotingguide

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Appointing a proxy

You can appoint a proxy to attend and vote on your behalf prior to the EGM.

To appoint a proxy, complete the Proxy Form. You can direct your proxy how to vote on Resolutions 1 to 3 by marking “For”, “Against” or “Abstain”.

A proxy does not need to be a Shareholder. A proxy may be an individual or a company. You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Forms and specify the percentage or number of votes each proxy is appointed to exercise. If you do not specify a percentage or number in both forms, each proxy may exercise half of the votes. You must return both Proxy Forms together.

If you require an additional Proxy Form, please contact Computershare Investor Services on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

If you sign the enclosed Proxy Form and no direction is given, the Chairman will be appointed as your proxy. If you appoint the Chairman as your proxy and do not direct him how to vote, you are authorising the Chairman to cast your undirected vote on all proposed resolutions.

If you appoint a proxy, you may still attend the EGM. However, your proxy’s rights to speak and vote will be suspended while you are present.

Chairman’s voting intentions

Unless otherwise specified, or a voting exclusion applies, the Chairman intends to vote undirected proxies on, and in favour of, all the proposed resolutions. If there is a change to how the Chairman intends to vote undirected proxies, Althea will make an announcement to the market. The Chairman’s decision on the validity of a vote cast by a proxy or vote cast in person is conclusive.

Submitting your Proxy Form

Your completed Proxy Form must be received by no later than 8:00am on 27 November 2024. An original or a certified copy of any power of attorney under which the form was signed must also be received by this time unless previously provided to Computershare Investor Services.

You can lodge your vote:

- online at www.investorvote.com.au by following the instructions. You will need your Security holder Reference Number (SRN) or Holder Identification Number (HIN), which is set out on the enclosed Proxy Form;
- online at <http://www.intermediaryonline.com> (for intermediary online users online); or
- by completing the enclosed Proxy Form and:
 - posting it to Computershare Investor Services using the reply-paid envelope or to Computershare Limited, GPO Box 242, Melbourne VIC 3001
 - faxing it to +61 3 9473 2500
 - using a mobile device to scan the QR code on the Proxy Form. To scan the QR code you will need a QR code reader application that can be downloaded for free on your mobile device. You will also need your SRN or HIN and postcode for your shareholding.

Questions and comments

A reasonable opportunity will be given to Shareholders as a whole at the EGM to ask questions about, or make comments on, items of business or resolutions contained in the Notice of Meeting. The Company’s preference is to receive questions in advance by email (info@altheagroupholdings.com).

Glossary

A glossary of terms used in this Notice of Meeting is

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contained in the Explanatory Statement. Terms defined in the glossary also apply to the accompanying Proxy Form, unless the context requires otherwise.

By order of the Board

Robert Meissner
Company Secretary

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EXPLANATORY STATEMENT

This Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it. The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the items of business and the Resolutions to be proposed and considered at the EGM.

Resolution 1 - Approval of issue of new options to placement participants

As announced to the market on 16 July 2024, the Company completed a placement which raised \$2.0 million (before costs) through the issue of 101,333,100 new fully paid ordinary shares in the Company at an issue price of \$0.020 (**Placement**). As part of the placement, subject to Shareholder approval, each participant in the Placement will also receive one (1) free attaching option (**Attaching Option**) for every one (1) new Share subscribed for under the Placement, which will be exercisable at \$0.030 each and have an expiry date that is two (2) years after the date of issue. The Placement was within the Company's capacity under ASX Listing Rules 7.1 and 7.1A.

The Company is seeking Shareholder approval under Listing Rule 7.1 for the issue of up to 101,333,100 new options which will have an exercise price of \$0.030.

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder); or any associate of that person (or those persons).

However, the Company need not disregard any vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides;
- (c) It is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company's shareholders approve an issue of securities, the resulting issue will be excluded from the company's 15% placement capacity under Listing Rule 7.1.

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Resolution 1 seeks approval for the issue of up to 101,333,100 new options for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 1 is approved, the securities (being the Attached Options) will be issued and will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

If Resolution 1 is not passed, the issue of the 101,333,100 new options will not occur.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 1:

a) Maximum number of securities the entity is to issue

101,333,100 new options.

b) Date by which the entity will issue the securities

10 December 2024

c) Issue price of the securities

There is a nil issue price for the new options. The exercise price for the new options is \$0.030.

d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected

Options will be issued to participants in the Placement.

e) Terms of the securities

Options will have an exercise price of \$0.030 and an expiration date 2 years from the date of issue and listed in a new / separate class.

f) Intended use of the funds raised

Funds raised on the exercise of options will be used to support ongoing growth initiatives through expansion into the US cannabis beverage market and the launch of additional products in Canada.

Board recommendation

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 1.

Resolution 2 – Approval of new options to the lead manager of the Company's July 2024 placement

Background

As announced to the market on 16 July 2024, the Company completed a placement which raised \$2.0 million (before costs) through the issue of 20,066,620 new fully paid ordinary shares in the Company at an issue price of \$0.020 (**Placement**). As part of the fee structure for the lead manager of the Placement, the lead manager will be issued

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one option for every five Shares issued by the Company under the Placement. The Placement was within the Company's capacity under ASX Listing Rules 7.1 and 7.1A.

The Company is seeking Shareholder approval under Listing Rule 7.1 for the issue of up to 20,066,620 new options.

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder); or any associate of that person (or those persons).

However, the Company need not disregard any vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides;
- (c) It is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (iii) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (iv) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company's shareholders approve an issue of securities, the resulting issue will be excluded from the company's 15% placement capacity under Listing Rule 7.1.

Resolution 2 seeks approval for the issue of up to 20,066,620 new options for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 2 is approved, the securities (being the lead manager options), issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

If Resolution 2 is not passed, the issue of the 20,066,620 new options can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the date the new options are issued.

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For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 2:

a) Maximum number of securities the entity is to issue

20,066,620 new options.

b) Date by which the entity will issue the securities

10 December 2024

c) Issue price of the securities

There is a nil issue price for the new options.

The exercise price for the new options is:

- (a) For 10,033,310 options, \$0.039
- (b) For 10,033,310 options, \$0.046

d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected

Options will be issued to the lead manager, Alpine Capital Pty Limited (and/or their nominees).

e) Terms of the securities

Options will have an exercise price in accordance with item (c) above and an expiration date 3 years from the date of issue.

f) Intended use of the funds raised

Funds raised will be used to support ongoing growth initiatives through expansion into the US cannabis beverage market and the launch of additional products in Canada.

Board recommendation

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 2.

Resolution 3 – Approval of new options to placement consultant

As announced to the market on 16 July 2024, the Company completed a placement which raised \$2.0 million (before costs) through the issue of 101,333,100 new fully paid ordinary shares in the Company at an issue price of \$0.020 (**Placement**). As part of the fee structure for a consultant to the Placement, the consultant (and/or their nominees) will be issued 4,000,000 options. The Placement was within the Company's capacity under ASX Listing Rules 7.1 and 7.1A.

The Company is seeking Shareholder approval under Listing Rule 7.1 for the issue of up to 4,000,000 new options.

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Voting exclusion

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder); or any associate of that person (or those persons).

However, the Company need not disregard any vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides;
- (c) It is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (v) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (vi) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company's shareholders approve an issue of securities, the resulting issue will be excluded from the company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 seeks approval for the issue of up to 4,000,000 new options for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 3 is approved, the securities (being the consultant options), issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

If Resolution 3 is not passed, the issue of the 4,000,000 new options can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the date the new options are issued.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 3:

a) Maximum number of securities the entity is to issue

4 million new options.

b) Date by which the entity will issue the securities

10 December 2024

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c) Issue price of the securities

There is a nil issue price for the new options. The exercise price for the new options is \$0.030.

d) Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected

Options will be issued to Evolution Capital Pty Ltd (and/or their nominees).

e) Terms of the securities

Options will have an exercise price in accordance with item (c) above and an expiration date 3 years from the date of issue.

f) Intended use of the funds raised

Funds raised will be used to support ongoing growth initiatives through expansion into the US cannabis beverage market and the launch of additional products in Canada.

Board recommendation

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 3.

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GLOSSARY

In the Notice of Meeting, Explanatory Statement and accompanying Proxy Form, unless the context requires otherwise:

Althea or Company means Althea Group Holdings Limited ACN 626 966 943.

ASX means ASX Limited ACN 008 624 691, or the market operated by it (as the context requires).

ASX Listing Rules means the listing rules of ASX (as amended or waived from time to time).

Board means the board of directors of the Company.

Chairman means the chairman of the EGM.

Corporations Act means Corporations Act 2001 (Cth).

Director means a director of the Company.

EGM means the Extraordinary General Meeting of the Shareholders of the Company to be held on 29 November 2024 at 8:00am convened by way of the Notice of Meeting.

Notice of Meeting means the Notice of Extraordinary General Meeting of the Shareholders of the Company dated 1 November 2024.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Resolution means a resolution referred to in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a person or entity entered in the Company's register of members from time to time as a holder of a Share.