

ASX Announcement | 16 July 2024
Althea Group Holdings (ASX:AGH)

AGH Announces Successful Completion of Capital Raising

AGH completes \$2.0 million placement to support expansion into USA cannabis beverage market

Highlights:

- AGH is pleased to announce the **successful completion of a \$2.0 million Placement** (excluding fees)
- The Placement was well supported with strong demand from new and existing institutional and sophisticated investors, both domestic and international
- The Placement was also strongly supported by key strategic stakeholders within the US cannabis beverage industry
- Funds will be utilised to support expansion into the US cannabis beverage market and the launch of additional product ranges in Canada
- Funding will enable AGH to accelerate its stated growth strategy and deliver upon its recently announced earnings **guidance of between \$4.0m to \$7.0m EBITDA for FY25**

16 July 2024: **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 \$2.0 million in funding (excluding fees) via a placement ("Placement") of shares to new and existing institutional and sophisticated investors.

Capital raising details

AGH is pleased to advise it has received firm commitments by way of a Placement from new and existing institutional and sophisticated investors to subscribe for approximately 101.3 million new fully paid ordinary shares in the Company ("New Shares") at an issue price of \$0.020 per share ("Issue Price") to raise \$2.0 million (excluding fees). The New Shares will be issued under the Company's available ASX listing rule 7.1 and 7.1A placement capacity and will rank pari passu with existing shares in the Company. Settlement of the Placement is expected to occur on or about Monday, 22nd July 2024.

Participants 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 Attaching Options will be subject to shareholder approval at an Extraordinary General Meeting ("EGM") expected to be held in September 2024.

The Company intends on seeking quotation of the Attaching Options once all necessary spread requirements are met with the ASX.

Alpine Capital acted as Sole Lead Manager and Bookrunner to the heavily subscribed Placement.



Use of funds

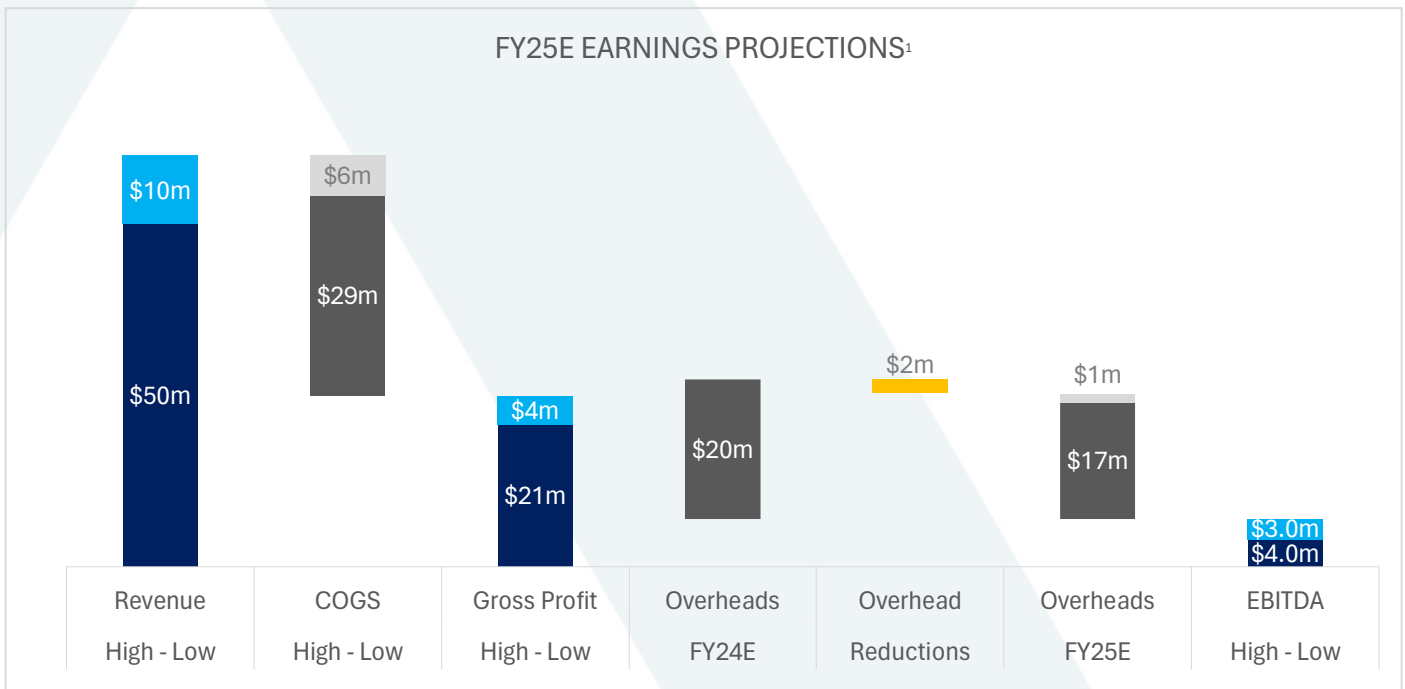
The funds raised will be utilised to support ongoing growth initiatives through expansion into the US cannabis beverage market and the launch of additional products in Canada, with funds principally applied to:

- Equipment procurement and installation to commence cannabis beverage production in the USA
- Expansion activities in the USA & Canada
- General working capital

The Company sees the US cannabis beverage market as a material near term growth opportunity and is well positioned to become a leading supplier of THC beverages across the USA.

Successful application of these funds will allow the Company to deliver on its recent guidance for FY25, targeting revenue of \$50m to \$60m and EBITDA of \$4m to \$7m, representing material financial growth in the Company.

Chart 1: AGH FY25 EARNINGS PROJECTIONS



1. Earnings projections based on guidance range and incorporating the benefit of overhead reductions of ~\$2m in FY25

AGH CEO and Managing Director, Joshua Fegan said: “We are thrilled by the tremendous support from our shareholders and new investors in this capital raising effort. The funds secured will greatly enhance our financial flexibility, allowing us to pursue our strategic initiatives with renewed confidence. With THC cannabis beverages now legal in the USA and projected to become a \$19 billion market by 2028, this is a pivotal moment in AGH's journey. We are poised to drive growth and create long-term value for our stakeholders.”

-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

