



Cleansing Prospectus

Althea Group Holdings Limited
ACN 626 966 943

Offer

For an offer of up to 100 Cleansing Offer Shares at an issue price of A\$0.10 per Cleansing Offer Share (**Cleansing Offer**).

The Cleansing Offer closes at 5.00 pm (AEDT) on 29 April 2025. Valid Applications must be received before that time.

Cleansing

The Cleansing Offer is being undertaken primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of the April 2025 Shares to be issued by the Company.

IMPORTANT INFORMATION

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. THE SHARES OFFERED IN CONNECTION WITH THIS REPLACEMENT PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

This is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act 2001 (Cth).

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Important information

This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the Offer under this Prospectus, or any matter relating to an investment in the Company.

General This is a prospectus dated and lodged with ASIC on 23 April 2025. Neither ASIC, ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX for Official Quotation by ASX of the Cleansing Offer Shares offered under this Prospectus within seven days of the date of this Prospectus.

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at Suite 2, Level 50 360 Elizabeth Street Melbourne VIC 3000 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request.

No person or entity is authorised to give any information or to make any representation in connection with the Cleansing Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Cleansing Offer.

Continuously Quoted Securities In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering

Exposure Period No exposure period applies to the Cleansing Offer.

Speculative Investment An investment in the Cleansing Offer Shares should be considered highly speculative. Refer to Section 3 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for Cleansing Offer Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance profits and losses and prospectus of the Company and the rights and liabilities attaching to the Cleansing Offer Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for Cleansing Offer Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that the Cleansing Offer Shares will make a return on the capital invested, that dividends will be paid on the Cleansing Offer Shares or that there will be an increase in the value of the Cleansing Offer Shares in the future.

Forward-looking Statements This Prospectus may contain forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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| | <p>The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements</p> |
| Website | No document or information included on the Company's website is incorporated by reference into this Prospectus. |
| Currency | All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated. |
| Rounding | Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding. |
| Time | All references to time in this Prospectus are references to AEDT, unless otherwise stated. |
| Glossary | Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 7. |

Key offer information

Timetable

| Key Dates | Date* |
|---|---------------------------------------|
| Lodgement of Prospectus with ASIC and ASX | 23 April 2025 |
| Opening Date of the Cleansing Offer | 23 April 2025 |
| Issue of the April 2025 Shares, April 2025 Options and April 2025 Performance Rights | Between 24 April 2025 – 28 April 2025 |
| Anticipated date of quotation of the April 2025 Shares | 28 April 2025 |
| Closing Date of the Cleansing Offer | 29 April 2025 |
| Issue of Shares pursuant to the Cleansing Offer | 29 April 2025 |
| Anticipated date of quotation of the Cleansing Offer Shares under the Cleansing Offer | 30 April 2025 |

* These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates without prior notice.

1 Details of the Cleansing Offer

1.1 The Cleansing Offer

The Company is offering, pursuant to this Prospectus, 100 Shares (**Cleansing Offer Shares**) each at an issue price of A\$0.10 per Cleansing Offer Share (**Cleansing Offer**).

All of the Cleansing Offer Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. Refer to Section 4 for a summary of the rights attaching to the Cleansing Offer Shares.

The Company is only extending the Cleansing Offer to specific parties on invitation from the Directors. The Company will only provide Application Forms to these parties.

This Prospectus has been issued, and the Cleansing Offer is being undertaken, to facilitate the secondary trading of the issue of April 2025 Shares (as defined below) by the Company.

1.2 Purpose of the Cleansing Offer

The Company is seeking to raise only a nominal amount of \$10.00 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The Cleansing Offer Shares issued under the Cleansing Offer will be issued within the Company's existing placement capacity under ASX Listing Rule 7.1.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares to be issued by the Company prior to the Closing Date.

Shares proposed to be issued

The Shares to be issued by the Company prior to the Closing Date are as detailed below:

(a) **Tranche 2 Placement Shares and Loan Note Shares:**

As announced on 17 February 2025, the Company:

- (i) procured binding commitments for a private placement of a total of 125,000,000 Shares, each at an issue price of \$0.02, to raise \$2.5 million (before costs) (**Placement** or **Placement Shares**); and
- (ii) entered into binding agreements for the issue of 1.5 million loan notes at \$1.00 each to raise a further \$1.5 million (before costs) (**Loan Notes**).

14,000,000 Placement Shares (**Tranche 1 Placement Shares**) were issued under the placement capacity of the Company under Listing Rule 7.1 on 21 February 2025 and following the lodgement of a cleansing prospectus for the purposes of 708A(11) of the Corporations Act.

The balance of the Placement Shares (**Tranche 2 Placement Shares**) and the Shares on conversion of the Loan Note (**Loan Note Shares**) are to be issued as follows:

- (i) **Tranche 2 Placement Shares** – the balance 111,000,000 Placement Shares will be issued following Shareholder approval of the Company's Shareholders which was obtained at the general meeting of the Company which convened on 7 April 2025;
- (ii) **Loan Note Shares** – 175,000,000 Loan Note Shares will be issued following Shareholder approval of the Company's Shareholders which was obtained at the general meeting of the Company which convened on 7 April 2025.

The 111,000,000 Tranche 2 Placement Shares and the 175,000,000 Loan Note Shares are being issued to either "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act.

A total of 7,000,000 of the Tranche 2 Placement Shares will be issued to Directors, Joshua Fegan, Vaughan Webber and Matt Adams (being 'senior managers' for the purposes of section 708(12) of the Corporations Act). Approval for such issue was also obtained at the general meeting of the Company which convened on 7 April 2025.

(b) **Other Share issues**

In addition to the above, it is intended that the following Shares will be issued (**Other Shares**):

- (i) 2,324,824 Shares in satisfaction of funds owing under a loan arrangement with a non-related party;
- (ii) 2,250,000 Shares in satisfaction of funds owing under a mandate and associated agreement with a non-related party;
- (iii) 8,451,236 Shares issued under long term incentive arrangements and short term incentive arrangements, which had previously been unissued for the periods FY20 – FY23. These Shares are being issued on conversion of existing performance rights previously notified to the ASX;
- (iv) 1,712,534 Shares issued under long term incentive arrangements in FY25 to non-related party employees. These Shares are being issued on conversion of existing performance rights previously notified to the ASX.

Other security issues

The Company proposes to also issue Options and Performance Rights as detailed below:

(c) **Option issues**

- (i) As a component of the capital raise announced on 17 February 2025, the Company will issue a total of 50,000,000 Options, as approved by Shareholders at the general meeting of the Company which convened on 7 April 2025.
- (ii) 200,000 Options exercisable as follows:
 - (A) \$0.039 and expiring at 31 January 2028; and
 - (B) \$0.046 and expiring at 31 January 2028.

(d) **Performance Rights issues**

- (i) 2,601,564 Performance Rights to be issued under the Company's Employee Incentive Plan to a related-party employee of the Company, as approved by Shareholders at the general meeting of the Company which convened on 7 April 2025.

The total 300,738,594 Shares detailed in Section 1.2(a) and 1.2(b) are together referred to as the '**April 2025 Shares**'.

The total 50,200,000 Options detailed in Section 1.2(c) are together referred to as the '**April 2025 Options**'.

The total 2,601,564 Performance Rights detailed in Section 1.2(d) is referred to as the '**April 2025 Performance Rights**'.

The requirements of section 708A(11) of the Corporations Act

Generally, section 707(3) of the Corporations Act requires a prospectus to be issued in order for a person to whom securities were issued without disclosure under Part 6D.2 of the Corporations Act to on-sell those securities within 12 months of the date of their issue. The

Corporations Act provides an exception to section 707(3) where an entity issues a cleansing notice under section 708A(5).

The Company is presently unable to issue a cleansing notice because trading in its ordinary shares have been suspended for more than 5 days in the past 12 months.

Relevantly, section 708A(11) of the Corporations Act provides an exception from the general requirement under section 707(3) to allow for securities issued without disclosure under Chapter 6D of the Corporations Act (including shares) to be sold where:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;
- (b) a prospectus is lodged with ASIC either:
 - (i) Case 1 - on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) Case 2 - before the day on which the relevant securities are issued and offers of securities under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

Facilitating secondary trading

This Prospectus has been issued to facilitate secondary trading of the April 2025 Shares as they will be issued without disclosure to investors under Part 6D.2 of the Corporations Act prior to the Closing Date.

Accordingly, this Prospectus is being lodged to comply with 'Case 2' of section 708A(11) of the Corporations Act and cleanse the April 2025 Shares which will be issued after this Prospectus is lodged with ASIC.

The Company will not issue the April 2025 Shares with the purpose of the persons to whom they are being issued selling or transferring their April 2025 Shares, or granting, issuing or transferring interests in those Shares within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Cleansing Offer; and
- (b) ensure that the on-sale of the April 2025 Shares do not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

1.3 Minimum Subscription

There is no minimum amount to be raised under the Cleansing Offer.

1.4 Closing Date

The closing date for the Cleansing Offer is 5:00pm (ADST) on 29 April 2025 (**Closing Date**) or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

The Company reserves the right, subject to the Corporations Act and the Listing Rules to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.5 Application Forms

The Company will send this Prospectus, together with the Application Form, to selected persons whom the Directors determine are eligible to participate in the Cleansing Offer

If you wish to subscribe for Cleansing Offer Shares under the Cleansing Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Application Form.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Cleansing Offer Shares accepted by the Company. The Application Form does not need to be signed to be a binding Acceptance of Cleansing Offer Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Acceptance as valid and how to construe, amend or complete the Application Form is final.

1.6 Issue and Dispatch

All Cleansing Offer Shares under the Cleansing Offer are expected to be issued on or before the dates specified in the indicative timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in Cleansing Offer Shares. Applicants who sell Cleansing Offer Shares before they receive their holding statements will do so at their own risk

1.7 Application Monies held on trust

All Application Monies received for the Cleansing Offer Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Cleansing Offer Shares are issued. All Application Monies will be returned (without interest) if the Cleansing Offer Shares are not issued.

1.8 ASX quotation

Application for Official Quotation of the Cleansing Offer Shares offered pursuant to this Prospectus will be made within seven days of the date of this Prospectus.

If the Cleansing Offer Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not issue any Cleansing Offer Shares and will repay all Application Monies for the Cleansing Offer Shares within the time prescribed under the Corporations Act without interest.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the Cleansing Offer Shares is not to be taken in any way as an indication of the merits of the Company or the Cleansing Offer Shares now offered for subscription

1.9 CHESS

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESSE statement will set out the number of Cleansing Offer Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Cleansing Offer Shares.

If you are registered on the Issuer Sponsored Subregister, your statement will be dispatched by the Company's share registry and will contain the number of Cleansing Offer Shares issued to you under this Prospectus and your security holder reference number.

A CHESSE statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements

1.10 Applicants outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Cleansing Offer Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Cleansing Offer Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws

1.11 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Cleansing Offer, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act

1.12 Risk factors

An investment in Cleansing Offer Shares under this Prospectus should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are detailed in Section 3

1.13 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Cleansing Offer Shares under the Cleansing Offer.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Cleansing Offer Shares under the Cleansing Offer.

1.14 Major activities and financial information

A summary of the major activities and financial information relating to the Company can be found in the Company's consolidated financial statements for the year ended 30 June 2024 lodged with ASX on 30 August 2024 (**Annual Financial Report**) and the Company's consolidated financial statements for the half year ended 31 December 2024 lodged with ASX on 28 February 2025 (**Half Year Financial Report**).

The Company has issued continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report and Half Year Financial Report.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report are detailed in Section 5.2.

Copies of the Annual Financial Report, Half Year Financial Report and continuous disclosure notices since the lodgement of the Annual Financial Report are available free of charge from the Company. The Directors strongly recommend that Applicants review these documents and all other announcements prior to deciding whether or not to participate in the Cleansing Offer.

1.15 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's or its subsidiaries' agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers detailed in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules

1.16 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary at adam.gallagher@altheagroupholdings.com.

2 Effect of the Cleansing Offer

2.1 Effect on the Capital Structure

The effect of the Cleansing Offer and the April 2025 Shares, April 2025 Options and April 2025 Performance Rights on the issued Securities of the Company, assuming the Cleansing Offer Shares are issued, is as follows:

| Class | Shares | Options | Performance Rights |
|--|--------------------|-------------------------|-------------------------|
| Securities on issue as at the date and time of lodgment of this Prospectus | 521,836,676 | 22,741,620 ² | 13,772,002 ² |
| Cleansing Offer Shares to be issued under the Cleansing Offer | 100 | N/A | N/A |
| April 2025 Shares to be issued ¹ | 300,738,594 | N/A | -10,163,770 |
| April 2025 Options to be issued ¹ | N/A | 50,200,000 | N/A |
| April 2025 Performance Rights to be issued ¹ | N/A | N/A | 2,601,564 |
| Total | 822,575,370 | 72,941,620 | 6,209,796 |

Note:

1. The April 2025 Shares, April 2025 Options and April 2025 Performance Rights will be issued following lodgment of this Prospectus.
2. The 22,741,620 Options and 13,772,002 Performance Rights reflect the numbers recorded on the ASX.

2.2 Effect of the Cleansing Offer on the Company

After paying for the expenses of the Cleansing Offer of approximately A\$10,706, there will be no proceeds from the Cleansing Offer. The expenses of the Cleansing Offer exceeding A\$10.00 (being the amount raised if the Cleansing Offer is fully subscribed) will be met from the Company's existing cash reserves.

The Cleansing Offer will have a minimal effect on the Company's financial position, being receipt of funds of A\$10.0 less the costs of preparing this Prospectus.

2.1 Market price of Shares

The highest and lowest market sale prices of Shares on ASX during the three months immediately preceding the date of this Prospectus and the latest market sale price and the respective dates of those sales were:

Highest: A\$0.0300 on 4 February 2025

Lowest: A\$0.0180 on 15 April 2025

Latest: A\$0.022 on 22 April 2025

2.2 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

3 Risk Factors

The Cleansing Offer Shares offered under this Prospectus are considered highly speculative. The proposed future activities of the Company are subject to a number of risks and other factors that may affect its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section 3 are not an exhaustive list of the risks faced by the Company or by investors in the Company. This Section 3 should be considered in conjunction with other information in this Prospectus. The risks described, and others not specifically referred to, in this Section 3 may in the future materially affect the financial performance and position of the Company and the value of the Cleansing Offer Shares offered under this Prospectus. The Cleansing Offer Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Cleansing Offer Shares. The risks described in this Section 3 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its securities may rise or fall over any given period. None of the Directors or any person associated with the Company guarantees the Company's performance, the performance of the securities or the market price at which the securities will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 3, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether to apply for securities.

3.1 Risks specific to the Company and the Cleansing Offer

The current and future operations of the Company may be affected by a range of factors, including:

| Risks specific to the Company | |
|--|--|
| Failure to obtain and retain licences and permits | AGH's business model relies on its subsidiaries in Australia and the United Kingdom obtaining and maintaining all necessary licences and permits required to import and export medicinal cannabis products and sell and supply medicinal cannabis products and for its subsidiary in Canada to obtain and maintain all necessary licences and permits required to process (manufacture) and sell cannabis products. There is no guarantee that such licences and/or permits will be granted or, if they are granted, that they will be on the terms anticipated by the relevant subsidiary. There is also no guarantee that any licence or permit already issued will not be revoked during the term of the relevant licence or permit, or that the licence or permit will be renewed for a further period of time or renewed on terms anticipated by the relevant subsidiary. If any current or future application made for a permit or licence is not approved, or any existing licences or permits are revoked or not renewed, the relevant subsidiary will not be able to undertake the activities for which the relevant licence or permit is required. This will adversely affect Althea's ability to generate revenue, which will reduce Althea's overall profitability and adversely impact its financial performance. |
| Product Pathway | The supply of and access to, cannabis products are subject to regulatory pathways in the jurisdictions in which Althea's subsidiaries operate. Althea cannot guarantee that these pathways will continue to remain available or will not be subject to change. A failure for Althea's subsidiaries to be able to maintain access to the existing pathways, or a change to these pathways which decreases access opportunities and/or increases costs would adversely affect Althea's ability to generate revenue, which will reduce its overall profitability and adversely impact its financial performance. |
| Third party manufacturing | Althea's current ability to generate revenue is heavily reliant on its subsidiaries' strategic arrangements to obtain cannabis starting materials and/or to manufacture cannabis products. There is always a risk that one or more of any such third party may terminate their respective agreements with the relevant Althea subsidiary or that they may be unable to provide the products or services contemplated by those agreements. There is also no guarantee or certainty that |

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| | <p>any such agreement will be renewed or, if they are renewed, the terms that may apply to such renewal. There is also a risk that these parties will be unable to obtain or retain all necessary licences and permits required to perform their respective services. Compliance with obligations under such arrangements may also be contingent on external factors, including but not limited to the uncertainties and changes associated with the relevant regulatory regime applicable to the activities under the relevant agreements. If any such agreements are terminated or unable to operate, Althea may be unable to continue to earn revenue from the supply of medicinal cannabis in one or more jurisdictions unless alternative arrangements can be negotiated. The inability of Althea to generate revenue from the supply of cannabis products will have a material adverse impact on Althea's financial performance and prospects. While Althea may be able pursue a legal remedy in the event of any default or may be to negotiate alternate arrangements with third parties, these processes are likely to be time consuming, costly and disruptive to Althea's business.</p> |
| Risk of adverse events, product liability or other safety issues | <p>There is a risk that the products sold by Althea's subsidiaries may cause serious or unexpected side effects, including risk or injury to consumers. Should any such products be associated with safety risks such as misuse or abuse, inadvertent mislabelling, tampering by unauthorised third parties or product contamination or spoilage, a number of materially adverse outcomes could occur. These adverse outcomes include but are not limited to the risk that regulatory authorities may revoke approvals that have been granted, impose more onerous conditions or require a product recall to be conducted. Additional risks also include regulatory action, litigation and being held liable for any harm caused to individuals. Notwithstanding the fact that Althea's subsidiaries maintain rigorous standards in respect of product safety and has insurance coverage to mitigate these risks in a manner customary with industry practice, Althea cannot guarantee that all such risks will be completely managed or mitigated. These risks could result in the loss or delay in generating revenue, loss of market share, failure to achieve market acceptance, diversion of development resources, damage to Althea's reputation and/or increased insurance costs.</p> |
| Competition Risks | <p>The industry in which Althea operates is subject to domestic and international competition. While Althea will undertake all reasonable due diligence in its business decisions and operations, it has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of Althea. Some of Althea's competitors and potential competitors may have significantly more financial resources than Althea, which may lead to reduced margins and loss of revenue or loss of market share. Further, revenues in the future may be reduced as the industry consolidates and seeks revenue accretion at the expense of profit margin.</p> |
| Agricultural risks | <p>Althea's products are derived from cannabis, which is an agricultural product. Consequently, Althea has an exposure to risks associated with agricultural businesses including lower crops which fail to meet intended strength, lower than expected yields, disease, mould and insects and other pests. Althea seeks to mitigate these issues with third party providers through its ordering process and identifying providers who have mechanisms in place to mitigate against such issues, however, these risks are not able to be completely eliminated. The above risks can lead to delayed product delivery which, in turn, may lead to stock outages and/or lost sales which would adversely affect Althea's ability to generate revenue, which will reduce its overall profitability and adversely impact its financial performance.</p> |
| Production risks | <p>Althea's Canadian subsidiary relies on manufacturing cannabis products to produce revenue. Its ability to manufacture cannabis products may be adversely impacted by a number of factors inherent to the manufacturing industry. Such factors include but are not limited to equipment breakdowns/failure or required downtime, increases in materials or labour costs, increase in energy and utilities costs, lack of availability of energy and utilities (e.g. power outages), human error, labour disputes and shortage of input materials and/or labour. If the above risks impacted the manufacture of cannabis products, this would adversely affect Althea's ability to generate revenue, which will reduce its overall profitability and adversely impact its financial performance.</p> |

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| Currency risks | Althea's subsidiaries operate in multiple international jurisdictions. This exposes Althea to the fluctuation of multiple currencies which may affect Althea's future profitability. |
| Industry risks | |
| Regulatory risk | The cannabis industry is a highly regulated environment subject to numerous laws and regulations. Any changes to such laws, regulations and directives which may increase compliance costs and or impose additional restrictions on companies operating within the industry may adversely affect the ability for companies to continue to operate and/or increase the cost of continuing to operate, both of which would have adversely affect Althea's ability to generate revenue, which will reduce its overall profitability and adversely impact its financial performance. |
| Macro-economic risks | Althea's business is exposed to changes in general global economic conditions. For example, adverse macroeconomic conditions such as economic recessions, downturns or extended periods of uncertainty or volatility, which may influence the demand for, and/or pricing of, cannabis products, may affect Althea's future financial performance and operating performance and the price of its shares. |
| Industry perception and confidence | The success of companies operating within the cannabis industry is subject to public perception in the industry itself as well as cannabis products. Public perception and confidence in the industry may be impacted by factors which are outside the control of Althea including the economic performance of other companies in the industry and actions of other companies in the industry including but not limited to breaches of laws or regulations. Confidence and perception in cannabis products may be similarly impacted by factors such as adverse events involving cannabis products, negative medical or scientific commentary, findings or outcomes and/or negative commentary or actions made or taken by regulatory authorities in relation to cannabis products. |
| Risk of diversion | As a controlled drug, cannabis is subject to a risk of theft and diversion. A breach of security during storage or transport may result in the theft of cannabis product and expose Althea's subsidiaries to the risk of licence and/or permit suspension or revocation and/or liability under applicable regulations. |
| General risks | |
| General investment risks | <p>The price at which Althea's shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause Althea's shares to trade at prices below the price at which shares are being offered under the Entitlement Offer. There is no assurance that the price of Althea's shares will increase following the issue of Cleansing Offer Shares under the Entitlement Offer even if Althea's earnings increase.</p> <p>Some of the factors which may affect the price of Althea's shares include:</p> <ul style="list-style-type: none"> • fluctuations in the domestic and international market for listed stocks; • general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government fiscal, monetary or regulatory policies, legislation or regulation; • inclusion in or removal from market indices; • the nature of the markets in which Althea operates; and • general operational and business risks. <p>Neither Althea nor the Directors warrant the future performance of Althea or the Cleansing Offer Shares and subsequently any return on an investment in Althea.</p> |
| Taxation and accounting standards | <p>There is the potential for changes to tax laws. Any change to the current rates of taxes imposed on Althea, change to accounting standards, or any interpretation of taxation laws by the relevant tax authority that is contrary to Althea's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in Althea's financial statements. The above would have an adverse impact on the financial performance, financial position and / or prospects of Althea.</p> <p>All potential investors in Althea are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Cleansing Offer Shares. To the maximum extent permitted by law, Althea, its officers and its advisers accept no liability or responsibility with respect to any tax consequences of applying for or being allotted Cleansing Offer Shares under the Entitlement Offer.</p> |

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| Shareholder dilution | In the future, Althea may elect to issue shares or engage in fundraisings including to fund expansions or acquisitions that Althea may decide to make. While Althea will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues and fundraisings. |
| Cyber risks | Althea, like any organisation, faces an ever-changing cyber security threat, and needs to prevent, detect and respond to cyber security threats by maintaining a high standard of information security control. |
| General economic conditions | <p>Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against Althea, and include, but not are but not limited to:</p> <ul style="list-style-type: none"> • general economic conditions; • changes in, or introduction of, Government policies, taxation and other laws; • the strength of the equity and share markets in Australia and throughout the world; • movement in, or outlook on, exchange rates, interest rates and inflation rates; • industrial disputes in Australia and overseas; • changes in investor sentiment toward particular market sectors; • increases in expenses (including the cost of goods and services used by Althea); • financial failure or default by an entity with which Althea may become involved in a contractual relationship; and • outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events. |
| Government and legal risk | The introduction of new legislation or amendments to existing legislation by governments (including the introduction of tax reform), developments in existing common law or the interpretation of legal requirements in any of the legal jurisdictions which govern Althea's operations or contractual obligations, could impact adversely on the assets, operations and ultimately the financial performance of Althea and the Cleansing Offer Shares. The same adverse impact is possible by the introduction of new government policy or amendments to existing government policy. |
| Unforeseen expenditure risk | Expenditure may need to be incurred that has not been considered in this Presentation. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations. This could have a material adverse effect on Althea's activities and the value of the Cleansing Offer Shares. |
| Economic risk | General economic conditions in Australia and internationally, movements in interest, inflation and currency exchange rates, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws and changes to dividend imputation in Australia may have an adverse effect on Althea's production activities, as well as on its ability to fund those activities. |
| Security investments | Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the New Securities regardless of Althea's performance. |
| Liquidity risk | There may be relatively few buyers or sellers of securities on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which Shareholders are able to sell their shares. This may result in Shareholders receiving a market price for their shares that is less or more than the price paid under the Entitlement Offer. |

3.2 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Cleansing Offer Shares offered under this Prospectus. Therefore, the Cleansing Offer Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Cleansing Offer Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for the Cleansing Offer Shares pursuant to this Prospectus.

4 Rights and liabilities attaching to the Cleansing Offer Shares

4.1 General

A summary of the rights attaching to Shares is set out below. The Cleansing Offer Shares issued under this Prospectus will rank *pari passu* in all respects with existing Shares. This summary is qualified by the full terms of the Company's Constitution and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Company's Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to shares in any specific circumstances, the Shareholder should seek legal advice.

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

4.2 Summary

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available on the Company's website and for inspection at the Company's registered office during normal business hours.

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| Voting: | <p>Subject to any rights or restrictions attached to any class of shares and to this Constitution, the members at a meeting can vote by a show of hands, and on a poll whereby each member's vote is equivalent to the proportion of the total amount of paid/payable share which excludes amounts credited (e.g., each fully paid share equates to 1 vote). The vote may be exercised in person or by proxy, body corporate representative or attorney, or subject to this Constitution, by direct vote.</p> <p>A holder of ordinary shares has no right to vote at a general meeting in respect of those shares if calls due and payable on those shares have not been paid.</p> <p>If a share is held jointly and more than 1 member votes in respect of that share, only the vote of the member whose name appears first in the Register counts. This applies whether the vote is cast in person or by proxy or by attorney, and several executors or administrators of a deceased member are treated as joint holders.</p> <p>Every vote at a meeting is valid for all purposes, unless disallowed. A challenge to a right to vote at a meeting of members may only be made at the meeting, which must be determined by the chair, whose decision is final.</p> <p>Unless otherwise required by this Constitution or the Act, all resolutions of the Company are ordinary resolutions which are resolutions passed by more than 50% of the votes cast by members entitled to vote on the resolutions.</p> <p>At a meeting of the Company's members, a poll may be demanded by at least 5 members entitled to vote on the resolution, a member or members with at least 5% of the votes that may be cast on the resolution on a poll, or by the chair.</p> <p>The directors may determine that, whether members are entitled to direct votes (i.e., votes delivered by post, facsimile transmission or other electronic means approved by the directors). The directors may prescribe rules to govern direct voting including rules specifying the form, method and timing of giving the direct vote in order for the vote to be valid.</p> |
| Proxy: | <p>Appointment of a proxy for a meeting of the Company's members is effected by production to the Company at least 48 hours of:</p> <ul style="list-style-type: none"> • documents for appointment of proxy and, • if the appointment is signed or otherwise authenticated by the appointor's attorney, the authority under which the appointment was signed or authenticated or a certified copy of the authority before the meeting. <p>An appointment of a proxy is ineffective if the Company receives either or both the appointment or authority at a facsimile number or electronic address, and a requirement in the notice of meeting is not complied with.</p> |

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| <p>General meetings and notices:</p> | <p>A director may call a meeting of the Company's members whereby at least 28 days of notice of a general meeting must be given unless the Corporations Act provides for a shorter minimum period of notice. Except as permitted by law, annual general meetings must be held at least once in every calendar year, and must be held in accordance with the Act and the Listing Rules. Except as provided in the Act, no member or members may call a general meeting.</p> <p>The quorum for a general meeting is 3 members and the quorum must be present at all times during the meeting. In determining whether a quorum is present, individuals attending as proxies, attorneys or body corporate representatives are counted. However, if a member has appointed more than 1 proxy, attorney or representative, only 1 of them is counted. If an individual is attending both as a member and as a proxy, attorney or body corporate representative, the individual is counted only once.</p> |
| <p>Dividends and share plans:</p> | <p>The directors may by resolution either declare a dividend to fix the amount, the time for payment and the method of payment, or determine a dividend or interim dividend is payable and fix the amount and the time for and method of payment.</p> <p>If there is more than 1 class of shares, any dividend, whether interim or otherwise, may be paid on the shares of any 1 or more class or classes to the exclusion of the shares of any other class or classes, such that the dividend on the shares of 1 class may be at a higher or lower rate than or at the same rate as the dividend on the shares of another class, but the shares within each class must share equally in any dividend in respect of that class.</p> <p>Any unclaimed dividends may be invested or otherwise made use of by the directors as they think fit for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed money.</p> <p>A general meeting of the Company or the directors may establish 1 or more dividend reinvestment, bonus share and/or employee incentive plans under which some or all members may elect in terms of 1 or more of the following for a period or periods as provided in the plan:</p> <p>(a) that dividends determined in respect of some or all of the shares held by the members may be satisfied by the issue of fully paid ordinary shares; and</p> <p>(b) that dividends are not to be determined in respect of some or all of the shares held by the members, but that the members are to receive an issue of fully paid ordinary shares; or vary, suspend or terminate the plan</p> <p>A general meeting of the Company or the directors may:</p> <p>(1) establish a plan under which securities may be offered or issued to some or all of the officers or employees of the Company or any related body corporate of the Company whether or not for consideration; or</p> <p>(2) vary, suspend or terminate an existing plan.</p> |
| <p>Issue of Shares:</p> | <p>Subject to this Constitution, the Act, the Listing Rules and any special rights conferred on the holders of any shares or class of shares, the directors may issue, allot or grant options for, or otherwise dispose of, shares in the Company; and decide the persons to whom shares are issued or options are granted, the terms and rights and restrictions attached to those shares or options.</p> <p>The Company may issue preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or convertible into ordinary shares (or both).</p> |
| <p>Transfer of Shares:</p> | <p>Except where required or permitted by law, the Listing Rules, the ASX Settlement Rules or this Constitution, there is no restriction on the transfer of shares generally.</p> <p>However, a holder of a preference share must not transfer or propose to transfer, and the directors, to the extent permitted by the Listing Rules, must not register a transfer of, the share if the transfer would contravene any restrictions on the right to transfer the share set out in the terms of issue for the share.</p> |
| <p>Shareholder liability:</p> | <p>As the shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the directors and will therefore not become liable for forfeiture.</p> <p>The company may, in the future, issue shares that are partly paid and issue a call on those shares. Any such obligations will be outlined at the time the shares are offered.</p> |

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| Proportional takeover provisions: | <p>Other than where a transfer is effected in accordance with the takeover provisions (if any) under the ASX Settlement Rules, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional takeover offer is prohibited unless and until a resolution to approve the proportional takeover offer is passed.</p> <p>Where a resolution to approve a proportional takeover offer is voted before the relevant day and the offer is rejected, then:</p> <p>(1) despite section 652A of the Act, all offers under the proportional takeover offer that have not, as at the end of the relevant day, been accepted, and all offers under the takeover scheme that have been accepted and from whose acceptance binding contracts have not, at the end of the relevant day, resulted, must be treated as withdrawn at the end of the relevant day; and</p> <p>(2) a person who has accepted an offer made under the proportional takeover offer is entitled to rescind the contract (if any) resulting from that acceptance.</p> <p>The proportional takeover provisions cease to have effect on the 3rd anniversary of the date of its adoption or of its most recent renewal.</p> |
| Winding up: | <p>If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company: divide among the members in kind all or any of the Company's assets, and determine how he or she will carry out the division between the different classes of members but may not require a member to accept any shares or other securities in respect of which there is any liability.</p> <p>The liquidator may, with the sanction of a special resolution of the Company, vest all or any of the Company's assets in a trustee on such trusts determined by the liquidator for the benefit of the contributories.</p> |
| Variation of rights: | <p>Rights attached to shares in a class of shares may, unless their terms of issue state otherwise, be varied or cancelled only by special resolution of the Company, and either by special resolution passed at a meeting of the members holding shares in the class or with the written consent of members with at least 75% of the votes in the class.</p> |
| Directors – appointment, retirement and removal: | <p>The number of the directors (excluding alternate directors) must be not less than 3 nor more than 9, or such lesser number as the directors determine (following approval by ordinary resolution of the shareholders in a general meeting). The Company in general meeting may by resolution increase or reduce the number of directors, but the number must not be reduced below 3.</p> <p>Unless and until so fixed by the Company in a general meeting, a director is not required to hold any shares in the Company.</p> <p>The directors may at any time appoint a person qualified to be a director, either to fill a casual vacancy or as an addition to the existing directors. Directors, who are not Managing Directors, appointed in such way holds office only until the termination of the next annual general meeting of the Company and is eligible for re-election at that annual general meeting.</p> <p>Subject to this Constitution, section 201E of the Act and to the number of directors for the time being fixed not being exceeded, the Company may elect directors by ordinary resolution at a general meeting.</p> <p>A director may not hold office for a continuous period in excess of 3 years after the date of adoption of this Constitution or past the 3rd annual general meeting following the director's appointment, whichever is the longer, without submitting for re election.</p> <p>The Company may by resolution remove a director from office.</p> |
| Decisions of directors: | <p>The quorum for a directors' meeting is 2 directors entitled to vote or a greater number determined by the directors.</p> <p>Questions arising at a meeting of a committee are to be determined by a majority of votes of the members participating and voting.</p> |
| Alteration to the constitution: | <p>The Constitution can only be amended by a special resolution passed by at least 75% of shareholders present and voting at a general meeting or by a court order pursuant to the Corporations Act.</p> |

5 Additional Information

5.1 Continuous Disclosure Obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Cleansing Offer Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific Prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Cleansing Offer Shares on the Company and the rights attaching to the Cleansing Offer Shares. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the Annual Financial Report being the most recent annual financial report of the Company lodged with ASIC before the issue of this Prospectus;
 - (ii) the Half Year Financial Report; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the Annual Financial Report until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an ASIC office (refer to Section 5.2 below)

5.2 Copies of Documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Cleansing Offer, a copy of:

- (a) the Annual Financial Report for the period ended 30 June 2024 as lodged with ASX on 30 August 2024;
- (b) the Half Year Financial Report for the period ended 31 December 2024 as lodged with ASX on 28 February 2025; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Financial Report and before the date of issue of this Prospectus which are as follows:

| Date Lodged | Subject of Announcement |
|-------------------|--|
| 30 August 2024 | Annual Report to shareholders |
| 30 August 2024 | AGH FY24 Annual Report Commentary |
| 30 August 2024 | Appendix 4G and Corporate Governance Statement |
| 2 September 2024 | Initial Notice of Director's Interest |
| 6 September 2024 | Final Director's Interest Notice |
| 9 September 2024 | Change in substantial holding |
| 12 September 2024 | Update on Peak USA Production and Operations |
| 2 October 2024 | Change in substantial holding |
| 14 October 2024 | Response to ASX Price Query |
| 17 October 2024 | Sale of MyAccess Clinics to Montu Group UK Ltd |
| 29 October 2024 | Completion of Sale of MyAccess Clinics |
| 31 October 2024 | Q1FY25 Business Update Presentation |
| 31 October 2024 | Monthly Activities/Appendix 4C Cash Flow Report |
| 1 November 2024 | Notice of Extraordinary General Meeting/Proxy Form |
| 4 November 2024 | Change of Director's Interest Notice |
| 6 November 2024 | Peak Announces New Partnership with Simply Solventless |
| 21 November 2024 | Change in substantial holding |
| 29 November 2024 | Results of Meeting |
| 2 December 2024 | Pause in Trading |
| 2 December 2024 | Trading Halt |
| 4 December 2024 | Voluntary Suspension |
| 12 December 2024 | Appointment of New Company Secretary |

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| 17 December 2024 | Dispatch of 2024 Annual Report |
| 18 December 2024 | Termination of Chief Financial Officer |
| 24 December 2024 | Binding commitments received for \$2.0 million |
| 24 December 2024 | Proposed issue of securities – AGH |
| 30 December 2024 | Notice of Annual General Meeting/Proxy Form |
| 3 January 2025 | ASX LR 7.1 & ASX LR 7.1A placement capacity exceeded |
| 10 January 2025 | Multiyear Agreement with The Boston Beer Company |
| 24 January 2025 | Company Update |
| 31 January 2025 | Quarterly Activities/Appendix 4C Cash Flow Report |
| 31 January 2025 | Court Orders Received |
| 31 January 2025 | Director retirement |
| 31 January 2025 | Chair's Address |
| 31 January 2025 | Results of Meeting |
| 31 January 2025 | Cleansing Prospectus |
| 3 February 2025 | Proposed issue of securities - AGH |
| 3 February 2025 | Final Director's Interest Notice - P Dobson |
| 3 February 2025 | Application for quotation of securities - AGH |
| 3 February 2025 | Application for quotation of securities - AGH |
| 3 February 2025 | Notification regarding unquoted securities - AGH |
| 3 February 2025 | Lodgements prior to Reinstatement to Trading |
| 3 February 2025 | Reinstatement to Official Quotation |
| 4 February 2025 | Application for quotation of securities - AGH |
| 13 February 2025 | Trading Halt |
| 13 February 2025 | Conclusion of FY25 Guidance Review |
| 17 February 2025 | \$4.0 million secured to scale THC beverage growth |
| 17 February 2025 | Proposed issue of securities - AGH |
| 17 February 2025 | Notification regarding unquoted securities - AGH |
| 17 February 2025 | Director Appointment |
| 19 February 2025 | Change of Director's Interest Notice - V Webber |
| 19 February 2025 | Change of Director's Interest Notice - J Fegan |
| 19 February 2025 | Initial Director's Interest Notice - M Adams |

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| 20 February 2025 | Change in substantial holding |
| 24 February 2025 | Cleansing Prospectus |
| 24 February 2025 | Application for quotation of securities - AGH |
| 25 February 2025 | Proposed issue of securities - AGH |
| 26 February 2025 | Application for quotation of securities - AGH |
| 28 February 2025 | Half Yearly Report and Accounts |
| 28 February 2025 | 1H FY25 financial turnaround |
| 06 March 2025 | Notice of General Meeting/Proxy Form |
| 14 March 2025 | Notification - Investor Webinar |
| 14 March 2025 | Change of Director's Interest Notice - A Boyd |
| 01 April 2025 | Details of Company Address |
| 02 April 2025 | Change in substantial holding |
| 07 April 2025 | Results of meeting |

The following documents are available for inspection throughout the period of the Cleansing Offer during normal business hours at the registered office of the Company at Level 19, 180 Lonsdale Street, Melbourne Victoria 3000:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.10 and the consents provided by the Directors to the issue of this Prospectus.

The announcements are also available through the Company's website at <https://altheagroup Holdings.com/>.

5.3 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and which is required to be set out in this Prospectus with the exception of the below.

As detailed in the Company's ASX announcement entitled 'Conclusion of GY 25 Guidance Review', the Company is actively reshaping its pharmaceutical business to enhance operational efficiency and improve financial sustainability, while shifting its focus to business to business (B2B) commercial opportunities. As part of its review, the Company is considering strategic alternatives for this segment to maximise Shareholder value.

As at the date of this Prospectus, the Company is continuing to actively seek opportunities to create Shareholder value, which may take the form of the divestment of assets relating to the Company's pharmaceutical business, to allow it to focus on its other business division to enhance operational efficiency and improve financial sustainability.

There is no certainty or assurance that this will result in a binding transaction and any such transaction will be subject to regulatory requirements.

5.4 Litigation and contingent liabilities

As at the date of this Prospectus, the Company is not involved in any legal proceedings.

5.5 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing Cleansing Offer Shares under this Prospectus.

5.6 Directors' Interests

General

Except as disclosed in this Prospectus, no Director:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Cleansing Offer Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Cleansing Offer Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or Cleansing Offer Shares offered under this Prospectus.

Directors' Interests in Securities

The Directors' relevant interests in securities at the date of this Prospectus (and to be issued following Shareholder approval obtained at the general meeting on 7 April 2025) are detailed below:

| Director | Shares | Options | Performance Rights |
|----------------|---|---------|---|
| Vaughan Webber | 1,000,000 1,000,000 Tranche 2 Placement Shares to be issued | Nil | 697,674 |
| Alan Boyd | 170,000 | Nil | Nil |
| Joshua Fegan | 57,588,651 4,000,000 Tranche 2 Placement Shares to be issued | Nil | 10,809,185 2,601,564 Performance Rights to be issued |
| Matt Adams | 1,000,000 Tranche 2 Placement Shares to be issued | Nil | Nil |

Remuneration of Directors

The remuneration of executive Directors is determined by the Board, subject to the provisions of any contract between each of them and the Company.

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors' remuneration (excluding share based payment expenditure and superannuation) for the current Directors for the two last financial years, as detailed in the audited accounts, as detailed in the below table.

| Director | Title | Financial Year to 30 June 2023 \$ (audited) | Financial Year to 30 June 2024 \$ (audited) |
|---|------------------------|---|---|
| Vaughan Webber ¹ | Chair | Nil | Nil |
| Alan Boyd ² | Non-Executive Director | 65,753 | 57,534 |
| Joshua Fegan ³ | CEO | 515,000 | 508,250 |
| Matt Adams ⁴ | Non-Executive Director | Nil | Nil |
| <p>1 - Vaughan Webber was appointed as a director and Chair on 29 August 2024. 2 – FY24 amount includes a voluntary reduction in salary of 25% for the period 1 October 2023 – 31 March 2024. 3. FY24 amount includes a voluntary reduction in salary of 10% for the period 1 October 2023 – 31 March 2024. 4 – Appointed as a Director on 17 February 2025.</p> | | | |

Related party transactions

At the date of this Prospectus, no material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

5.7 Interests of other Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Cleansing Offer Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Cleansing Offer Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Cleansing Offer Shares offered under this Prospectus.

Thomson Geer will be paid fees of approximately A\$10,000 (plus GST) in relation to the preparation of this Prospectus.

5.8 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5.9 Expenses of the Cleansing Offer

The estimated expenses of the Cleansing Offer are detailed below:

| Estimated expenses of the Cleansing Offer | Amount (A\$) |
|---|-----------------|
| ASIC lodgement fee | \$3,206 |
| Legal fees | \$10,000 |
| TOTAL | \$13,206 |

5.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Cleansing Offer Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Other than the Directors, each of the parties referred to in this Section 5.10:

- (a) has not authorised or caused the issue of this Prospectus or the making of the Cleansing Offer;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Thomson Geer Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. Thomson Geer Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement with ASIC of this Prospectus.

6 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



Joshua Fegan
Managing Director

7 Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

A\$ or \$ means Australian dollars.

Acceptance means a valid acceptance of Cleansing Offer Shares under the Cleansing Offer made pursuant to this Prospectus on an Application Form.

AEDT means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

Annual Financial Report means the consolidated financial statements of the Company for the year ended 30 June 2024 as lodged with ASX on 30 August 2024.

Applicant means a person who submits an Application Form.

Application Form means an application form to subscribe for Cleansing Offer Shares under the Cleansing Offer provided by the Company with a copy of this Prospectus.

Application Monies means application monies for Cleansing Offer Shares received by the Company from an Applicant.

April 2025 Options means the Options proposed to be issued as detailed in Section 1.2 of this Prospectus.

April 2025 Performance Rights means the Performance Rights proposed to be issued as detailed in Section 1.2 of this Prospectus.

April 2025 Shares means the Shares proposed to be issued as detailed in Section 1.2 of this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

Board means the board of Directors of the Company as at the date of this Prospectus.

CHESS means ASX Clearing House Electronic Subregistry System.

Cleansing Offer has the meaning given in Section 1.1.

Cleansing Offer Shares has the meaning given in Section 1.1.

Closing Date has the meaning given in Section 1.4.

Company means Althea Group Holdings Limited ACN 626 966 943.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Director Shares has the meaning given in Section 1.1.

Director means a director of the Company as at the date of this Prospectus.

Employee Incentive Plan means the employee incentive plan of the Company, as approved by Shareholders at the 2024 annual general meeting.

Half Year Financial Report means the consolidated financial statements of the Company for the half year ended 31 December 2024 as lodged with ASX on 28 February 2025.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESSE.

Listing Rules means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Loan Notes means 1.5 million loan notes issued at \$1.00 each to raise \$1.5 million (before costs).

Loan Note Shares means the 175,000,000 Shares to be issued on conversion of the Loan Notes, as detailed in Section 1.2.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Option means an option exercisable into a Share.

Performance Right means a performance right convertible into a Share.

Placement means the proposed Tranche 1 Placement and proposed Tranche 2 Placement.

Prospectus means this prospectus dated 23 April 2025.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

Tranche 1 Placement means the completed placement of the Tranche 1 Placement Shares.

Tranche 1 Placement Shares means the 14.0 million Shares.

Tranche 2 Placement means the proposed placement of the Tranche 2 Placement Shares.

Tranche 2 Placement Shares means the 111.0 million Shares, to be issued following Shareholder approval on 7 April 2025.

8 Corporate Directory

Directors

Vaughan Webber (Chairman and Independent Non-Executive Director)

Joshua Fegan (CEO and Managing Director)

Alan Boyd (Independent Non-executive Director)

Matt Adams (Independent Non-executive Director)

Company Secretary

Adam Gallagher

Share registry*

Computershare Investor Services Pty Ltd Limited

Level 1, 200 Mary Street

Brisbane Queensland 4000

Registered Office

Althea Group Holdings Limited

Level 19

180 Lonsdale Street

Melbourne VIC 3000

Solicitors

Thomson Geer

Level 28, Waterfront Place

1 Eagle Street Brisbane Queensland 4000

Auditor*

RSM Australia Partners

Level 27

120 Collins Street

Melbourne VIC 3000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.