

ASX RELEASE (14<sup>th</sup> December 2017)

# **\$8m Placement Completed THC welcomes new institutional investors**

## **Key Points:**

- ❖ **\$8m placement completed**
- ❖ **Strong support from local and international investors**
- ❖ **New institutional investors joining the register**
- ❖ **Share Purchase Plan (SPP) for all eligible shareholders – Directors to take up full allocation**
- ❖ **Funds raised will allow THC to fast track domestic development of medicinal cannabis for Australian patients, further investment into Canadian assets, and provide necessary working capital**

The Hydroponics Company (ASX: **THC** or **Company**) advises that it has completed an \$8m share placement to expand both its' Canadian and Australian businesses. THC confirms that the placement was fully subscribed with funds raised from both sophisticated and institutional investors. Notably, 7 new institutional investors to join the register.

The Placement was conducted at an issue price of \$0.63 a share, representing a 19.8% discount to THC's 5 day VWAP (5 – 11 December 2017).

The Placement Shares will be issued in accordance with ASX Listing Rule 7.1 under the Company's existing placement capacity.

**David Radford, Chief Executive Officer of The Hydroponics Company** said "we are delighted by the support shown by our existing shareholders as well as the new institutional investors both locally and internationally that will be joining the register."

**David Radford added** “we would like to acknowledge Hunter Capital Advisors who were the Lead Manager of the placement.

In recent communications THC has advised that

- The group has secured supply arrangements with Endoca and BOL Pharma which will provide best in class products for the Australian market,
- is building facilities for its own production capability and
- has entered into a licence agreement with National Access Cannabis, a leading supplier of medicinal cannabis clinic services in the Canadian market

**Ian Mutton, Chairman of The Hydroponics Company** said: “This rounds off a very successful year since the listing of THC in May 2017. The board is looking forward to continue to achieve new milestones throughout 2018.”

#### **Australia Update**

- THC has been awarded 2 of the 3 licences required for the production of medicinal cannabis in Australia. The application for the third licence was submitted to the Office of Drug Control simultaneously with the application for the Medicinal Cannabis licence.
- THC is continuing the development of its manufacturing site.
- Initial work has commenced on the development of a medicinal cannabis clinic model.

#### **Canada Update**

- THC advises that it is holding meaningful discussions with several local companies that specialise in the provision of supplies and services to the rapidly growing Canadian cannabis markets.
- THC’s wholly owned Canadian subsidiary, Crystal Mountain is continuing to expand its product range with the addition of several agencies that complement its current range of products.

#### **Share Purchase Plan**

THC confirms that its Share Purchase Plan (SPP) offer will be released to Shareholders shortly, where the Company seeks to raise a further \$3m at the same price as the placement from eligible shareholders. **The Directors of THC have confirmed they will all participate by taking their full allocation in the SPP.** The board has the right to close the offer early.

Participation in the SPP is optional and is open to Eligible Shareholders who were holders of Shares in THC at 7.00 pm (Sydney Time) on 13 December 2017 and whose registered address is in Australia or New Zealand.

Shareholders can purchase shares totalling up to \$15,000.

Shares issued under the SPP will rank equally with existing shares.

#### **Timetable**

The dates provided in the timetable below are indicative only and are subject to change at the Company’s complete discretion.

Record date	13 December 2017
Placement and SPP announced and Company's shares recommence trading on the ASX	14 December 2017
Placement Shares Issued SPP Documents mailed to Eligible Shareholders	20 December 2017
Closing date for acceptance	19 January 2018
Allotment date and issue of SPP Shares	25 January 2018
Commencement of trading of New Shares on the ASX	25 January 2018
Dispatch of shareholder statements	29 January 2018

*\*Dates are indicative only and subject to change*

The SPP offer will result in a maximum of 4,761,905 Shares being issued.

**For further information, please contact:**

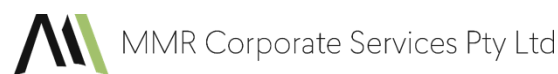


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**About The Hydroponics Company [www.thcl.com.au](http://www.thcl.com.au)**

The Hydroponics Company (ASX: THC) is at the forefront of developing a leading, diversified worldwide cannabis business, focused on three core business units: Development and delivery of medicinal cannabis, manufacturing and distribution of hydroponics equipment, materials and nutrients, and large scale hydroponic greenhouse design and construction. With +17 years of Cannabis sativa breeding, variety selection and growth management, THC is actively developing plant breeding technology to target multiple markets for high purity cannabidiol (CBD), a new class of medicinal product that can be used to target dementia, epilepsy and other neurological disorders.