

ASX RELEASE (17 DECEMBER 2020)

Strategic Placement Completed

Key Points:

- Strategic investment signals strong support for new corporate strategy and repositioning towards high value pharmaceutical manufacturing and healthcare
- Placement completed with additional institutional support at low 7.3% discount to last closing price
- \$2.75 million raised through issue of 11 million shares at \$0.25 per share
- Strategic alignment towards development of Medimar Platform and monetisation of core production asset – the Southport Manufacturing Facility
- Further investment to expand manufacturing capability at the Southport Facility in early 2021

THC Global Group Limited (**THC Global** or the **Company**) is pleased to confirm that it has completed a Strategic Placement resulting in a cash injection to the Company of \$2.75 million by a strategic investment partner with institutional support. The total placement was completed at a discount of only 7.3% to the last closing price representing an underlying confidence in the Company's current strategy developed following the strategic review process commenced in September.

The Company will apply the additional funding towards the advancement of the Medimar Platform, expanding the Company's manufacturing capability for additional finished goods forms, and for general working capital.

Strategic Intent and Support of Management Team

Receiving this strategic investment and institutional support represents the strength behind the Company's current management and new corporate strategy. As outlined in the recent Strategy Presentation, the Company now has a clear pathway towards monetising the significant manufacturing capacity at the Company's Southport Facility and has untapped potential within the pharmaceutical manufacturing and healthcare services sectors.

The size of this strategic investment and capital raising was limited by the Company's available placement capacity to issue securities prior to the planned Extraordinary General Meeting proposed to be held in January 2021. This Meeting will also consider the change of the Company's name to Epsilon Healthcare Limited, furthering the Company's corporate repositioning. Additionally, the Company advises that the ASX has confirmed that the ASX Code 'EPN' is available and has been reserved for the Company pending the new name.

The Company expects to achieve a number of key milestones in early 2021, including the launch of the Medimar Platform with a number of high-profile launch partners, and commencement of production of additional dosage forms at the Southport Facility including vape liquids, hard gelatin capsules, suppositories, ovules, and creams as previously announced in the Strategic Update announcement.

Comment from the Group Chief Executive Officer

Commenting on the Strategic Placement, the Group CEO, Jarrod White noted:

“Since assuming the management responsibilities of THC Global we have worked tirelessly as a group to assure the reduction of operating cash burn and redirection of corporate investment and working capital towards the monetisation of the Company's significant core asset base, including the Southport Facility – one of the world's largest GMP cannabis extraction facilities.



Following attracting a strategic investment partner into the Company, we have an increased confidence in the commercial value of the Medimar Platform, and the ability for the Company to monetise its core manufacturing assets based on the new corporate strategy developed and put in place by this new management team.

Moving away from being an own-brand manufacturer and opening the Company up to global contract manufacture opportunities in the cannabis sector combined with launching a new platform for medicinal cannabis medicines access in the Australia will see the Company utilising its significant production capacity far more over 2021.”

For further information, please contact:



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ASX release authorised by THC Global’s Management Committee.

**THC Global Group Limited (ASX: THC)
to be renamed Epsilon Healthcare Limited (ASX:EPN)**

THC Global is a diversified global healthcare and pharmaceuticals company with primary operations in Australia and Canada. THC Global is the first ASX listed entity to fully own and operate end to end commercial medicinal cannabis production facilities under Australia’s cannabis regulations. THC Global’s Southport Facility in Southport, Australia is one of the largest pharmaceutical GMP cannabis manufacturing facilities in the world. THC Global also owns and operates a fast growing turnkey cultivation solutions provider, including a hydroponics equipment and supplies wholesaler and retailer servicing the rapidly expanding cannabis sectors in North America and Europe.