



# The Hydroponics Company Limited

to be renamed THC Global Group Limited  
subject to shareholder approval

(ASX: THC)

Investor Update

October 2018



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# Medicinal Cannabis Snapshot

## From 'Farm to Pharma'

World Class Growing Facilities  
& Product Development  
Growing capacity of 51,000 kg  
per year of dried flower



R&D including proprietary  
strains and formulations  
exchange with industry  
leading global partners  
Testing and product  
development laboratory



Accelerated Access  
to Medicinal Cannabis

Industry-leading large-scale  
Biopharmaceutical  
Manufacturing Facility ready  
for pharma-grade production  
Extraction capacity of  
120,000 kg extract oil per year



Established international  
commercial partnerships with  
global industry leaders across  
Europe, Middle East, North  
America and Australia



# Corporate Snapshot

## Core Business

THC Global is a diversified global medicinal cannabis business, with a fully vertically integrated 'Farm to Pharma' medicinal cannabis business across R&D, cultivation, bio-pharmaceutical manufacturing and distribution.

### THC Global Group Limited

Total Shares on Issue (ASX: THC)	126,887,572
Total Options on Issue (ASX: THCO)	57,173,024
Market Cap (at \$0.50)	\$63.44 million
Cash (30 June 2018)	\$8.6 million

### Shareholder Metrics

Top 20 Holders	37.44%
International Holders %	11.81%
Number of Holders	6,183 (750 at IPO)

### Corporate Rebranding

Subject to shareholder approval at an EGM to be held 15 November 2018, the name of the Company will change from The Hydroponics Company Limited to THC Global Group Limited (**THC Global**)

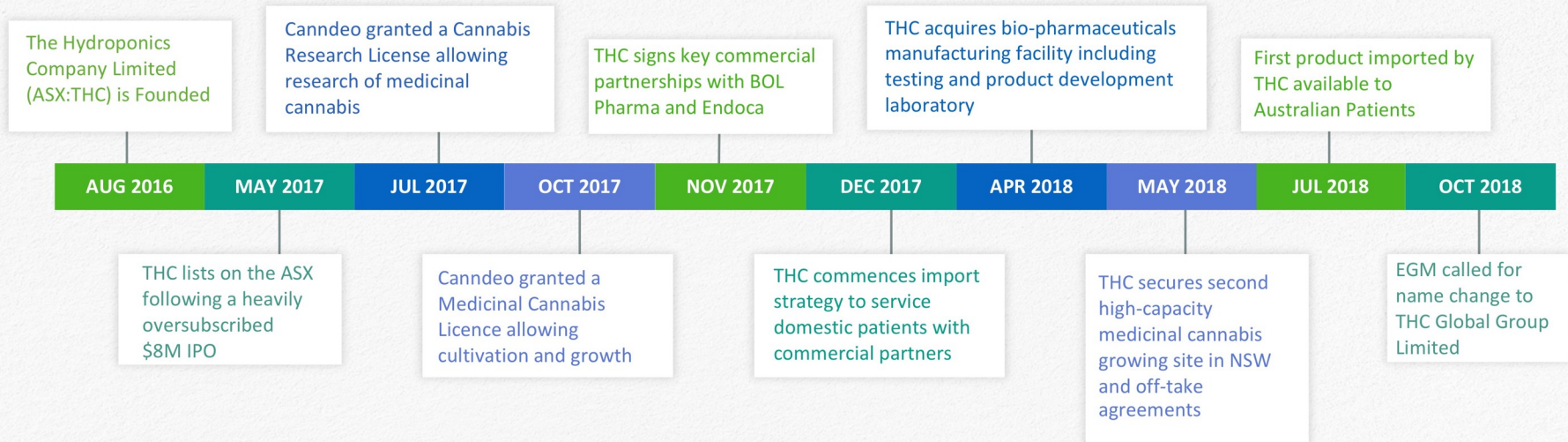
The Company will continue trading with the tickers ASX: THC and ASX: THCO

### Board & Executive Officers

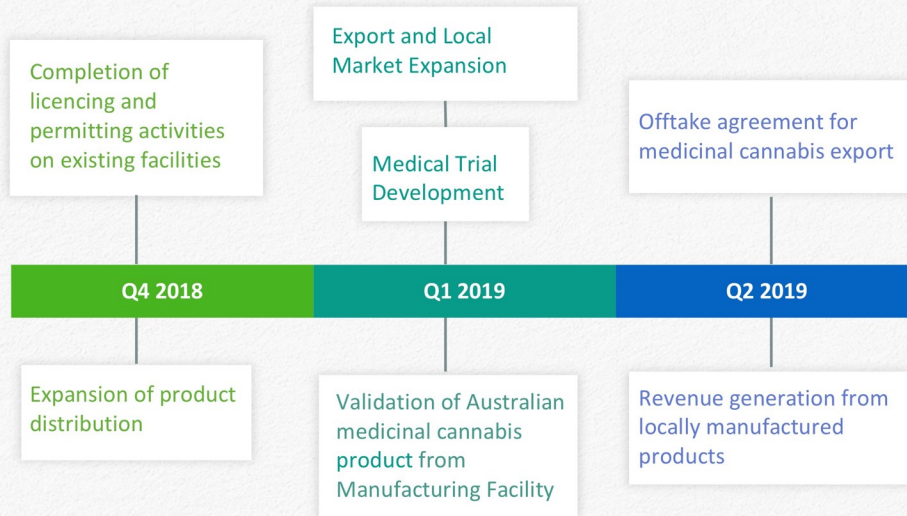
Steven Xu	Chairman
Alan Beasley	Deputy Chairman
Lou Cattelan	Non-Executive Director
Gary Radcliff	Non-Executive Director
Ken Charteris	Chief Executive Officer
Jarrold White	Chief Financial Officer
Henry Kinstlinger	Company Secretary



# Company Milestones



# Future Milestones



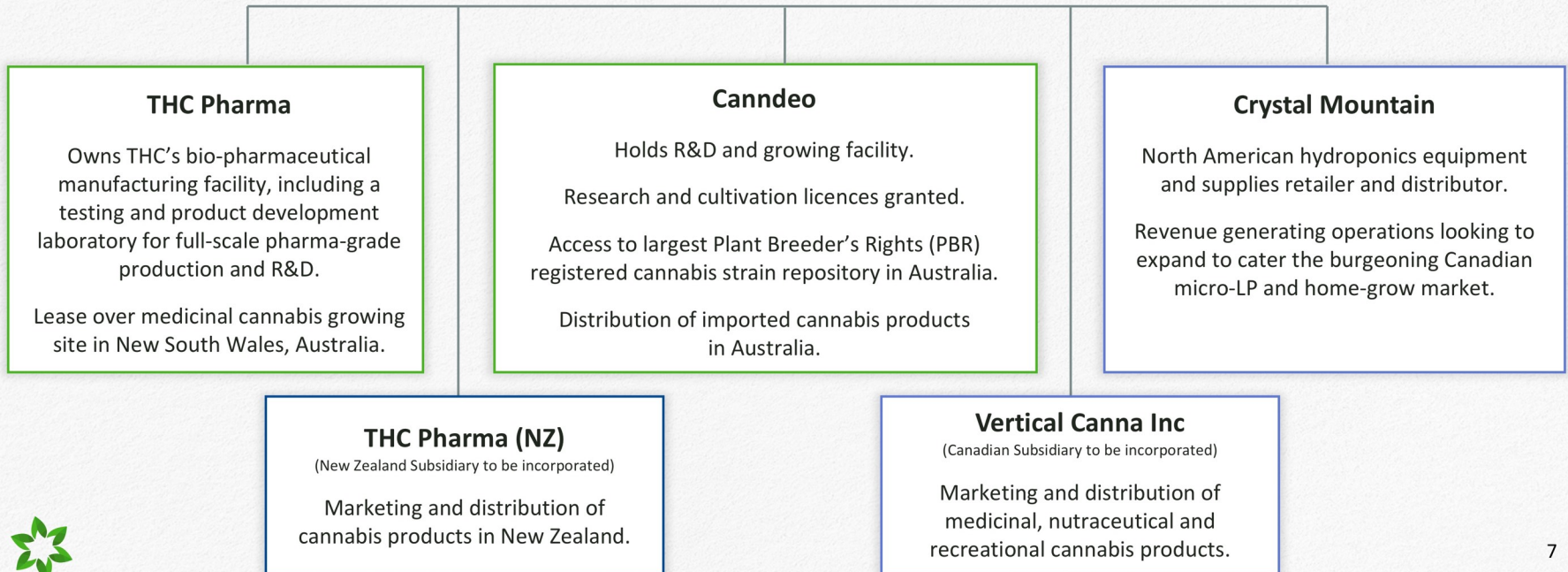
We look forward to advising shareholders of our progress towards achievement of these milestones over the coming period

Steven Xu  
Chairman



# Diversified Cannabis Business

## ✿ THC Global Operating Subsidiaries



# THC Global Cannabis Capacity

	THC Global Bio-Pharma Manufacturing	THC Global Queensland Growing and R&D	THC Global Northern NSW Growing Facility	THC Global Current Capacity
<b>Land</b>		4,000 sqm	60,000 sqm	64,000 sqm
<b>Greenhouses</b>		1,000 sqm	30,000 sqm	31,000sqm
<b>Dried Flower Production</b>		1,000 kg annually	50,000 kg annually	51,000 kg annually
<b>Extraction Capacity</b>	12,000kg cannabinoid annual extraction equivalent to 120,000 kg oil			12,000kg cannabinoid annual extraction equivalent to 120,000 kg oil



# Industry Leading Scalable Bio-Pharmaceutical Manufacturing Capability

Production ready facility for **large scale**, pharmaceutical grade GMP manufacturing

Capacity to service the domestic market as well as global exportation in growth markets

Pharma-grade alcohol/ethanol extraction

Replacement value +\$35 million

API Technology capable of extracting all active compounds from individual strains

High-capacity to enable processing of plant material from other Australian growers



Complete vertical integration from growing to large scale pharma grade manufacturing, places THC in an elite global group of companies.

Ken Charteris  
Chief Executive Officer



# Large Capacity Pharma-Grade Production

## Monetisation Strategy In Place

Annual capacity of 12,000 kg cannabinoid equivalent to 120,000 kg oil production

GMP cannabis + GMP manufacturing will enhance attractiveness for product export targeted Q2 2019

Partner off-take agreements in finalisation and others in negotiation

Toll manufacturing in addition to own production to monetise capacity

Expertise to develop process and formula retained by THC Pharma



# Testing and Product Development Laboratory

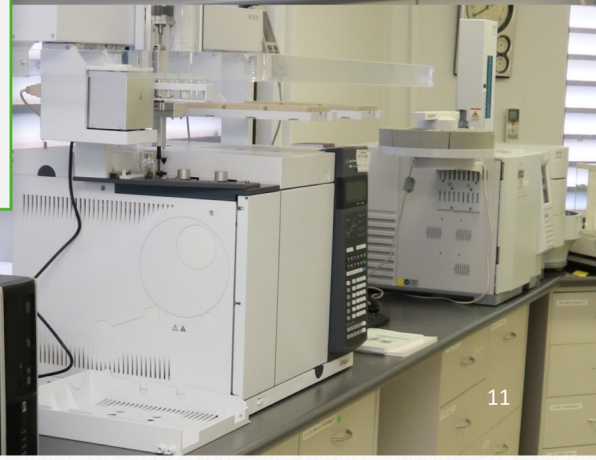
Potential to be Australia's leading cannabis laboratory



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Our manufacturing site includes a full-scale on-site lab designed for validation of pharma products, testing and R&D

Ken Charteris  
Chief Executive Officer



# Qld Growing and R&D Facility



THC has access to the largest portfolio of Australian Plant Breeder Rights (PBR) protected cannabis strains in addition to global imported strains from partners

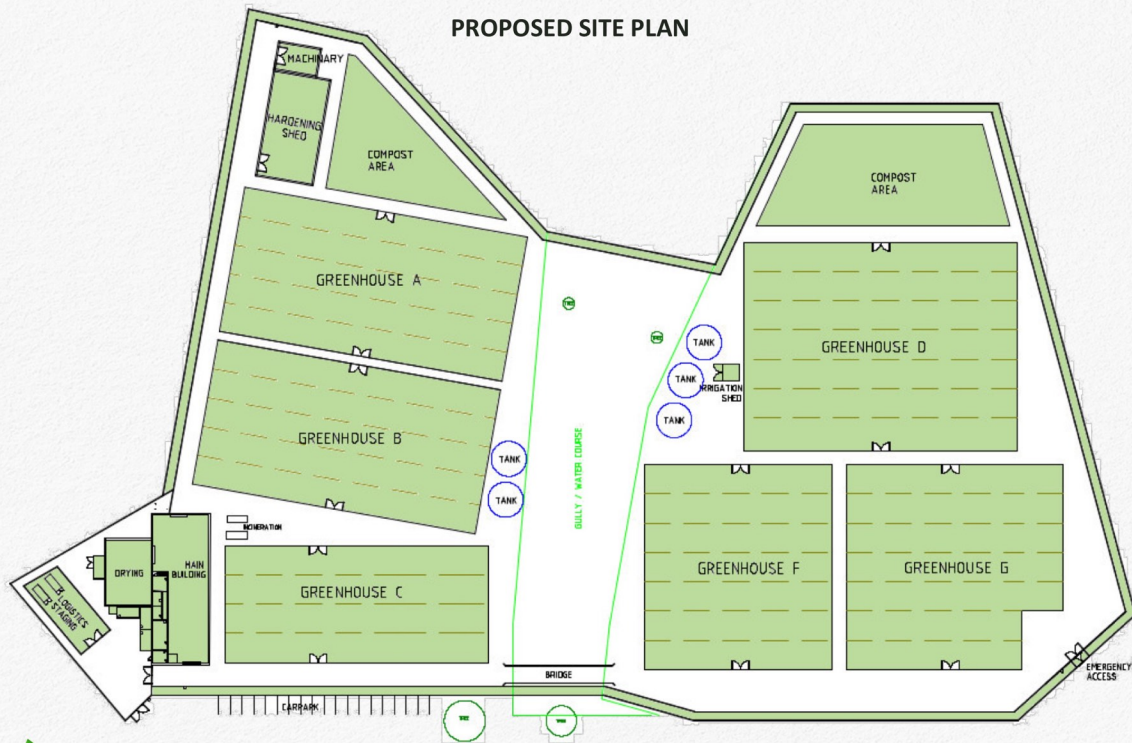
Tissue culturing and R&D facility on site capable of producing 850,000 clones per year to seed THC's full-scale growing facility and sale to partners

1,000 sqm of greenhouse over 4,000 sqm of land

Facility fully built and production-ready to commence growing of THC-owned unique CBD strains

Research and Cultivation Licences granted in 2017

# Northern NSW Growing Site



Full-scale pharma-grade growing capability from Northern NSW Growing Facility

60,000 sqm of land with 30,000 sqm of greenhouse in addition to other facility areas

Annual capacity of 50,000 kg dried flower

Licence application completed for imminent lodgement



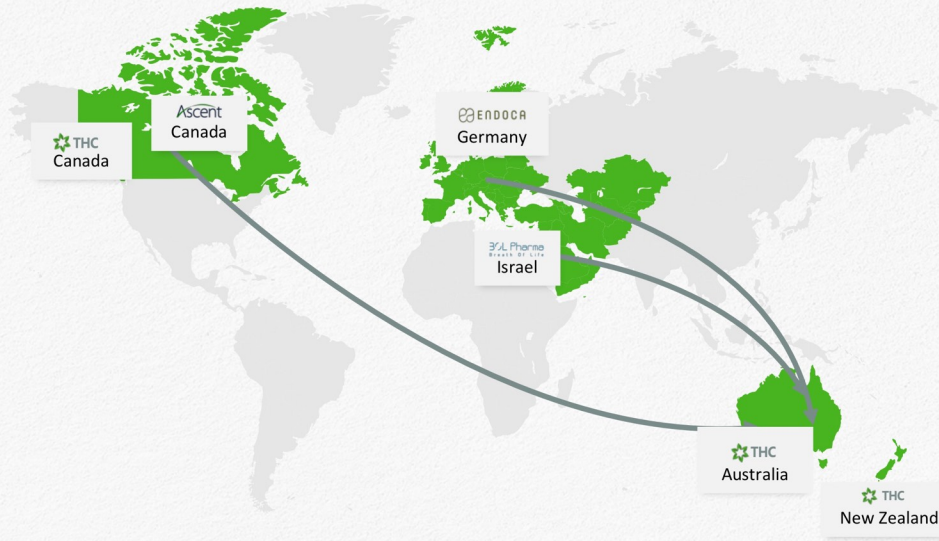
# THC Global Reach

## Expanding Global Relationships

THC currently has partnerships with market access over four continents

Europe: Partnership with Endoca allowing for imported European product to be supplied to Australian patients. Future expansion of this partnership will see proprietary strain IP and Australian product exported to Europe.

North America: Crystal Mountain Products focusing on the servicing the burgeoning Canadian micro-LP and home-grow markets. Canadian subsidiary to be incorporated to operate in nutraceutical, pharmaceutical and recreational cannabis markets.



Middle East: Partnership with BOL Pharma provides access to global IP and product. Potential to export proprietary strain IP and Australian product.

Australia & NZ : Focussed on delivery of new medicinal cannabis products to supply imported and local product to domestic patients. New subsidiary in New Zealand to take advantage of reduced regulatory barriers to medicinal cannabis sale.



# Australian Medicinal Cannabis Market

Servicing a \$1bn Annual Market



The market for medicinal cannabis products in Australia may be worth up to \$1 billion per annum

Cannacord  
Independent Analyst Research

## Australian Licencing Scheme

- Office of Drug Control (ODC) controls the granting of licences and permits
- THC holds both Research and Cultivation Licences (Qld R&D and Growing Facility)
- Manufacturing Licence expected in Q4 2018
- ODC permitting of licenced facilities expected in Q4 2018

Clinical Condition	Estimated Market Size
Autism	+230,000 (Source: Social Care Australia)
Dementia	+400,000 (Source: Dementia Australia)
Epilepsy	+250,000 (Source: Epilepsy Foundation)
Parkinson's	+70,000 (Source: Parkinson's Australia)
Tourette's Syndrome	+45,000 (Source: ABC News)



# Medicinal Cannabis Medicines Portal

mcmp.com.au



Canndeo

## Welcome to the Medicinal Cannabis Medicines Portal

The MCMP is a collaborative approach between Prescribers, Pharmacists and Suppliers to help patients get timely access to appropriate Medicinal Cannabis treatment.

For all Prescriber and Pharmacy registration queries, please call 1300 364 231



The MCMP allows for easier access to the Company's medicinal cannabis products to Australian patients, prescribers and pharmacies

Ken Charteris  
Chief Executive Officer



### PATIENTS

Support information about Medicinal Cannabis.



### LOCATORS

How to find Special Interest Group Pharmacies and Doctors.



### PRESCRIBERS

Support resources including clinical information for prescribers.



### PHARMACY

Support resources including clinical information for pharmacies.



# THC Global Imported Products

## Now available to Australian Patients



For information to investors and stakeholders only.  
Not an advertisement for the sale of any medicinal cannabis products.

# Global Hydroponics Division



[cmpwholesale.com](http://cmpwholesale.com)

Crystal Mountain is a hydroponic equipment wholesale supplier to the global market

Fast paced and innovative R&D Division with increased resources offering considerable growth potential

Expanding distribution base across USA and Europe including new products

Capturing the North American home-grow and micro-LP market and other new opportunities

Over 600 products and proprietary trademarked products:

**The SUNCHASER**  
hydroponic equipment

**SHADY'S**  
hydroponic equipment

**SPINATO**

**DIGILUME**

**elemental**  
control

**PAYLOAD**  
hydroponic equipment

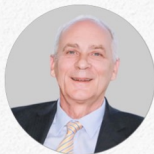
**WINDKING**

**GREEN HORNET**

**QUICK FLIPS**



# Senior Management Team



## **Ken Charteris – Chief Executive Officer**

A veteran of multiple biotech and pharmaceutical companies over 30 years as CEO, Managing Director & Chairman. In previous executive roles, Ken has held full P&L and balance sheet responsibility including legal and financial compliance in listed international structures in businesses with revenue exceeding \$200m & assets \$100m - \$500m. Having been involved with THC at varying levels prior to his appointment as CEO, Ken was instrumental in the execution of the Company's strategic plan, including the acquisition of the Southport facility and securing strategic partnerships with Endoca (Europe) and Ascent Industries (Canada).

## **Dr Andrew Beehag – Lead - Medicinal Cannabis Division**

Andrew led the establishment of THC's medicinal cannabis business since 2016 including strategy gearing up THC to supply to domestic patients and the export market in the medium term. Its successful licensing and partnership alliancing strategy. Andrew's key skills include creation and execution of strategic plans, operations and personnel management, intellectual property management and commercialisation, budgeting and financial forecasting, stakeholder negotiation and management, project management, public speaking and development of high performing teams.



## **Dr Michael Harrison – API Manager - Pharmaceutical Botanicals Manufacturing**

Michael has a doctorate in biochemistry with over 20 years experience in bio-extraction API. He was a key senior executive at Leo Pharma before joining THC Pharma, with a sound knowledge of the manufacturing bio-extract facility, GMP and API processes. Michael will lead new process and formula development at the R&D facility.

## **Katy Williams Day – Pharmaceutical Product & Regulatory Affairs Manager**

Katy holds a Master of Pharmacy with more than 20 years of experience in the regulatory, market, quality and clinical development of pharmaceutical products. Her career includes roles as Head of Medical Affairs, Head of Regulatory & Scientific Affairs, Director of Regulatory Affairs and Quality at Merck Serono, Phebra, Sandoz, Pfizer and Genzyme. Katy is also experienced in patient advocacy approaches critical to successful medicinal cannabis product adoption.



# Senior Management Team

## John Hall – Cannabis Strain Development & Agronomy

John brings over 30 years' experience in plant breeding, crop management and monitoring systems and has held directorships of several companies. He has worked extensively in crop nutrition, including hydroponics, and was involved in breeding 7 of 12 registered industrial hemp varieties in Australia for the company. John has also consulted extensively in Australia, USA, Europe and Asia.



## Jason Colquhoun – CEO Crystal Mountain

Jason is the vendor of Crystal Mountain (Canada) and specialises in horticultural supplies. As a self-made entrepreneur with a broad range of international experience, he started with a small start-up based out of his garage and successfully expanded it to become a multi-national, multi-million-dollar enterprise. He remains highly involved in logistics, research and development, marketing, product design and customer relations.



## Jarrold White – Chief Financial Officer

Jarrold is a Chartered Accountant and founding Director of Traverse Accountants Pty Ltd, a Corporate Advisory and Chartered Accounting Firm based in Sydney. He acts as Chief Financial Officer of several listed entities that operate on the Australian Securities Exchange and London Stock Exchange, and has a sound knowledge of corporate governance and compliance. He has been an advisor to a wide range of capital raisings, IPO's and reverse takeover transactions.



## Henry Kinstlinger – Company Secretary

Actively involved over the past thirty years in the financial and corporate management of numerous public companies and non-governmental organisations across a wide range of sectors. He is a professional company secretary and corporate advisor with broad experience in investor and community relations, corporate and statutory compliance and capital raisings. Henry is also a Member of the Australian Institute of Company Directors (MAICD).



# Board of Directors



## **Steven Xu, Chairman**

A Chartered Accountant with over 15 years' experience with PricewaterhouseCoopers as well as management of public companies in both Australia and China. Specialises in financing, IPO's and M&A in sectors including high-tech, agriculture, manufacturing and healthcare. Head of the MY INP Venture Capital Fund, based in Canada, with global investments in Medicinal Cannabis and related industries, including being the largest shareholder of the Company. Strong international connections in North America, Israel and China. Steven is also a Member of the Australian Institute of Company Directors (MAICD).

## **Alan Beasley, Deputy Chairman**

30 years experience in Investment Banking and Investment Management industries, with Bankers Trust Australia, Goldman Sachs Asset Management, and BNP Paribas Asset Management Ltd - the last two positions as Managing Director and Australian Country Head. Holds Bachelor of Economics (UNE), Advanced Management Program in International Investment Management, from the Graduate Business School, Stanford University, USA. Alan is a Certified Practising Accountant, (CPA) Fellow of the Governance Institute of Australia, (FGIA) and Fellow of the Australian Institute of Company Directors (FAICD).



## **Gary Radcliff, Non-Executive Director**

A practicing Barrister since 1984 and the President of the Gold Coast Bar Association. A specialist adjudicator in relation to Dispute Resolution, recognised by the Office of the Commissioner for Body Corporate and Community Management (Queensland, Australia). Provides a wealth of experience in corporate governance and compliance matters in both Australia and internationally and has significant experience in management, corporate advisory and company directorship.

## **Lou Cattelan, Non-Executive Director**

Over 30 years' experience in Pharmaceutical, Nutraceutical, Complementary Healthcare and allied industries. Former Director of the Australian Self Medication Industry – the peak industry Body for Australian Pharmaceuticals) Committee for Complementary Medicines, liaison between TGA & key industry stakeholders. Currently a Director of Contract Pharmaceutical Services of Australia (CPSA) as well as their Sales & Marketing Director. Has consulted with all major Pharma companies including Pfizer, MSD, Mylan and GSK.





# Overview

- 'Farm-to-Pharma' vertical integration
- Full-scale cannabis growing facility and combined growing and R&D facility
- Pharmaceutical GMP-ready biopharmaceutical manufacturing facility
- Toll manufacturing capability
- Testing and product development laboratory
- Products available to Australian patients
- Established international distribution and strategic partnerships
- Revenue generating Canadian hydroponics equipment and accessory wholesaler
- Expanding global cannabis footprint across Europe as well as Canada and New Zealand



# The Hydroponics Company Limited (ASX: THC)

[www.thcl.com.au](http://www.thcl.com.au)

[www.cmpwholesale.com](http://www.cmpwholesale.com)

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## Ken Charteris

Chief Executive Officer

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MMR Corporate Services Pty Ltd

