



the **Hydroponics** company

www.thcl.com.au

ASX RELEASE (12 April 2018)

SHAREHOLDER UPDATE

Key Points:

- **Executive Team Appointed**
- **Focus on revenue growth, international cannabis market**

The Hydroponics Company Limited (“THC” or “the Company”) is pleased to provide the following update to set out the THC Board’s direction over the coming months.

THC’s Australian medicinal cannabis business has secured operating licences and established valuable international partnerships and supply of product, supported by a solid revenue-generating business in Canada.

Your Board has an experienced team that has a clear record of delivery with skills and expertise to accelerate the pace of revenue growth, particularly in Canada where the hydroponics operations have now been cleared to pursue new country-wide agencies. All have been with THC since listing on the ASX.

Chairman, Steven Xu commented “As one of its earliest investors and now Chairman, I have seen the rapid growth of THC to its current status, positioning itself as an international contender in the global cannabis marketplace”.

An executive search firm has been appointed to recommend an Independent Chairman as well as seeking candidates both domestically and internationally that will bring further cannabis industry experience to THC for growing a world class cannabis company. Steven Xu will continue to act as Chairman of THC, pending this appointment.

Additions to the Executive Team

- Ken Charteris, Dr Andrew Beehag, and Henry Kinstlinger.
- Ken Charteris has been appointed Executive Director of Canndeo.
- Henry Kinstlinger has been appointed Joint Company Secretary of THC.

Both Ken Charteris and Andrew Beehag were pivotal in obtaining the two operating licences from the Office of Drug Control and securing THC’s partnership deals with Endoca and BOL Pharma, which have positioned THC for near-term supply of medicinal cannabis in Australia.

They will join Mr John Hall who is the senior manager and heads up our cannabis facility in Northern Queensland and has worked with the team in obtaining the operating licences. He continues to oversee the medicinal cannabis operations for THC in Queensland. John has consistently focused on the readiness of THC to commence its licenced Australian medicinal cannabis operations both for the current Australian market, as well as government-announced future export potential.



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THC's strategic priority for Australia is to establish facilities for full-scale vertically integrated processing and production of medicinal cannabis which will be beneficial as Australia becomes further engaged with international partners and markets.

Your Board remains focused on expanding the business, considering further opportunities in Canada as well as expanding THC's domestic research and manufacture potential. We continue to assess a number of short and long-term growth prospects and remain focused on appointing resources that have the required skills and expertise to lead this expansion internationally and in particular, in North America and Australia.

We look forward to keeping all shareholders abreast of our progress.

For further information, please contact:



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Annexure A: Additions to Executive Team

Mr Ken Charteris is an internationally experienced Chairman and CEO across biotechnology, pharmaceuticals, and construction industries with a focus on business expansion, acquisition strategy and change management. Ken was critical to the acquisition of Canndeo by THC and its establishment as a leader in the cannabis market. Ken additionally played a central role in THC's securing partnership deals with Endoca and BOL Pharma, which have positioned THC for access to near-term supply of medicinal cannabis in Australia. Ken will assume operational control of Canndeo as well as advising the THC's Board on key operational aspects of THC, including its Canadian business unit.

Dr Andrew Beehag has been appointed to continue with the Company as Executive Consultant, ensuring continuity in existing deals and regulatory initiatives, as well as advising on viable and monetised directions in new deals. Andrew brings with him significant experience in the commercialisation of new technologies and in medicinal cannabis. Andrew was instrumental in establishing and then leading the Canndeo operations, with a highly successful track record including securing two operating licences from the Office of Drug Control, securing supply deals with Endoca and BOL Pharma, as well as negotiating engagement with BOL Pharma and the Wesley Medical Research Initiative in the study of cannabinoid therapies for Tourette's Syndrome.

Mr Henry Kinstlinger is a highly experienced Company Secretary who has in the past thirty years been actively involved in the financial and corporate management of a number of ASX listed entities and non-governmental organisations. Henry is a corporate consultant with broad experience in investor and community relations and corporate and statutory compliance.