



the **Hydroponics** company

www.thcl.com.au

ASX RELEASE (24<sup>th</sup> May 2017)

# STRATEGIC ALLIANCE FORMED WITH US-BASED PHARMACEUTICAL COMPANY

## Key Points:

- ✦ The Hydroponics Company has implemented a major step in its medicinal cannabis strategy – Strategic Alliance agreed to by wholly-owned subsidiary Candeo Ltd
- ✦ US-based pharmaceutical company Phoenix Life Sciences has agreed to partner with Candeo to accelerate the introduction of proprietary medicinal cannabis solutions into Australia
- ✦ Phoenix Life to provide certified products, formulations, intellectual property and doctor-driven delivery methodologies, leveraging Candeo's access in Australia
- ✦ THC will benefit from Phoenix Life's existing production facilities and planned roll out of its established cannabis solutions product range in North America
- ✦ Strategic Alliance will also explore opportunities to collaborate with medical associations to advance professional development in Australia
- ✦ Medicinal Cannabis Research Licence Application lodged by Candeo in Feb 2017

**The Hydroponics Company Limited** (ASX: THC) ("THC" or "the Company") is pleased to announce that it has entered an exclusive Strategic Alliance with Colorado-based healthcare solutions company Phoenix Life Sciences Inc ("**Phoenix Life**") to collaboratively research, develop, manufacture, distribute and sell medicinal cannabis products in Australia and internationally.

The Strategic Alliance will allow Phoenix Life to develop products, formulations, packaging knowledge base, product delivery methodologies, marketing support and brand management in collaboration with Candeo, while enabling Candeo to establish an effective route to deliver medicinal cannabis products into Australia. Phoenix Life is currently building production facilities to export cannabidiol products from North America and through their alliance with Candeo, these products will also be available in Australia.

The Medicinal Cannabis Research Licence application lodged by Candeo in Feb 2017 represents the first regulatory step to allow research and development of medicinal cannabis. Recent government regulation has approved the import of medicinal cannabis as a stop gap measure,



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while Australian production is established. Candeo anticipates regulatory approvals will be in place to enable import and completion of any study trials necessary by Candeo of medicinal cannabis in the fourth quarter 2017; this will enable Candeo to enter the market while it develops its own local production chain.

Full form agreements documenting the Strategic Alliance will include, but not necessarily be limited to licensing agreement(s), marketing and sales agreements, and non-compete and non-disclosure agreements.

Phoenix Life seeks to disrupt mainstream healthcare with vertically integrated pharmaceutical research, development, and production of cannabis-based therapeutics to replace opiate based painkillers, THF-inhibitors, anti-inflammatories, biologic medications, antidepressants, and sleep medications. The alliance will explore opportunities to collaborate with medical associations to assist with the roll-out strategy for these products in Australia.



Phoenix F.A.S.T (Fast Acting Sublingual Tablets)



Oral Soft Gels



Thin Film Dissolving Strips



Sublingual Spray



Transdermal Patches

Commenting on the Strategic Alliance, THC's Chairman Alan Beasley, said: "We are very pleased to have joined forces with Phoenix Life Sciences, an international producer of high quality pharmaceutical-grade medicinal cannabis products. We expect this partnership to rapidly accelerate the development of THC's supply chain for importing medicinal cannabis products in Australia through Candeo, and significantly expands our capabilities to advance intellectual property and research and development into cannabis delivery systems."

Phoenix Life Sciences' Chief Executive Officer, James Baumgartner, said: "We are delighted to be partnering with Candeo and The Hydroponics Company for research, development, manufacturing, distribution, sales and other initiatives in Australia. This partnership will allow Phoenix Life to expand distribution of medicinal cannabis products and jointly deliver cannabis

products into the emerging Australian market and internationally. We see Canndeo as a strong long term partner in our worldwide expansion.”

Dr Andrew Beehag, Chief Executive Officer of Canndeo Limited, said: “This collaboration is a major step forward for Canndeo as a leading supplier of medicinal cannabis products in Australia. Our international partnership with Phoenix Life, a highly-regarded US-based pharmaceutical company, will bring a number of strategic benefits, and help Canndeo to accelerate our roll-out strategy in Australia.”

#### **About Phoenix Life Sciences [www.phoenix.life](http://www.phoenix.life)**

Phoenix Life Sciences, Inc. is a disruptive healthcare solutions company.

By combining new and existing research with state of the art production, Phoenix Life Sciences plans to distribute products around the globe that are designed to target and treat the following seven major categories of medical conditions: pain, cancer, anxiety, autoimmune, metabolic, neurological, and sleep disorders. These categories include conditions that affect hundreds of millions of patients worldwide.

Phoenix Life Sciences intends to build an integrated healthcare organization by creating products and programs that use emerging biological products, such as cannabinoids and other plant extracts. Phoenix Life Sciences delivers these programs through managed agriculture, pharmaceutical production and physician education and distribution networks.

#### **About Canndeo Limited [www.canndeo.com](http://www.canndeo.com)**

Canndeo is a wholly-owned subsidiary of The Hydroponics Company (ASX: THC) that operates under a pharmaceutical model with a focus on the end-to-end supply of medicinal cannabis products. The Company has leading expertise in breeding, growth and extraction capability with a focus on the rapid introduction of medicinal cannabis products and applied for a Medicinal Cannabis Research License in February 2017. Canndeo leverages +17 years of *Cannabis sativa* breeding, variety selection and growth management. Canndeo will target multiple medical markets with high purity cannabidiol (CBD), a new class of medicinal product that can be used to target dementia, epilepsy and other neurological disorders.

#### **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.

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