



the**Hydroponics**company

www.thcl.com.au

ASX RELEASE (11th July, 2017)

MEDICINAL CANNABIS RESEARCH LICENCE GRANTED

Key Points:

- ❖ **Medicinal cannabis research licence, allowing research into medicinal cannabis, was granted on 6 July 2017 to THC's wholly owned subsidiary Candeo Ltd by the Office of Drug Control**
- ❖ **The Hydroponics Company is one of the first ASX-listed cannabis companies to have secured a medicinal cannabis research licence**
- ❖ **Research licence will allow Candeo to build its exclusive Plant Breeders Rights (PBR) protected *Cannabis sativa* strains**
- ❖ **Candeo is well placed to lead the development of high quality and cost effective medicines derived from *Cannabis sativa***
- ❖ **Candeo is in advanced discussions regarding a roll out of medicinal cannabis**

The Hydroponics Company (ASX:THC) (THC or Company) is pleased to advise that the Office of Drug Control has issued Candeo Limited, a wholly owned subsidiary of THC, with a cannabis research licence under the medicinal cannabis provisions of the *Narcotic Drugs Act 1967*.

The research licence will allow Candeo Limited to conduct research on the use of cannabis for medicinal purposes.

THC is focused on converting unique intellectual property in cannabis breeds and extraction technology for the Australian market and is well placed to lead the development of high quality and cost effective medicines derived from *Cannabis sativa*.



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Commenting on the licence approval, Dr Andrew Beehag, Chief Executive Officer of Canndeo Ltd said: “We are very pleased to have been issued a research licence, which effectively paves the way forward for future domestic supply of medicinal cannabis, targeting multiple markets with high purity cannabidiol (CBD) and enabling THC to continue its roll out of high quality imported products as well as locally produced medicines.”

THC’s Chairman, Alan Beasley said: “THC is now among the first ASX-listed cannabis companies to have secured a research licence and I commend the Canndeo team for their diligent efforts throughout the approval process. With Canndeo, THC will now advance research into medicinal cannabis to undertake both its own research exploring optimal cultivation and production methodologies and strain development, and look to implementation of THC’s epigenetic technology as a key innovation in the field.”

The research licence is the first step in establishing Canndeo’s domestic pharmaceutical production capability *with anticipated product availability in 2018*.

Recent government regulation approved the import of medicinal cannabis as a stop gap measure, while Australian production is established. Canndeo is in advanced discussions regarding the rollout of imported medicinal cannabis while domestic production is established.

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About The Hydroponics Company 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.

About Canndeo Limited 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. A Medicinal Cannabis Research License was granted to Canndeo on 6 July 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.

Disclaimer Regarding Forward Looking Statements

This announcement contains forward-looking statements which are identified by *italics* words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.