



the **Hydroponics** company

www.thcl.com.au

ASX RELEASE (15th February 2018)

Completion of first stage of Australian growing facility

KEY POINTS

- **Completion of the Queensland R&D and cultivation facility**
- **Facility ready to commence the first pilot crop pending appropriate Government approvals**
- **Growing capacity is scalable as domestic demand increases and export of product commences**

The Hydroponics Company Limited (ASX:THC) (“**THC**”) advises it has successfully completed stage 1 of its R&D facility and growing capability in Queensland. Since October 2017, THC has increased the investment in, and focus upon, the development of the Queensland site. The Queensland team have built out a premium growing facility that will focus on the production of high quality medicinal cannabis.

The site has been developed to allow for increasing demand for high quality medicinal cannabis products in both local and export markets. Stage 1 of the development includes greenhouses for indoor cultivation and growth of medicinal cannabis, a drying and shredding facility for the initial processing of the dried plants, and an extraction laboratory for the processing of crude extract from the shredded plants.

The site will also provide an onsite laboratory for development of new strains, as well as testing and quality control of harvested products. The current site, when fully optimized, will be scalable to meet the demands of a growing market.

THC plans to vertically integrate along the industry value chain by producing a high quality, processed product that will differentiate THC from companies focused solely upon the production of medicinal cannabis as an agricultural commodity. Stage 2 of the Strategic



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Growth plan for THC is to further process the raw material (dry bud) into higher value medicinal cannabis oils for use in both Australian and international patients. These products will be provided to approved Australian patients through the National Access Cannabis clinics in Australia as a branded product, along with other premium products from our international partners. Conversations have commenced with National Access Cannabis, Canada to supply high quality Candeo products to supplement NAC's existing product portfolio. As at 31 August 2017, NAC Canada had in excess of 8,500 members.

David Radford of THC states "The Board recognises the significant contribution of the Queensland team to the growth of the business. This small team has contributed significantly to the development and submission of the licence applications to the ODC, whilst managing the build out. We look forward to being granted the manufacturing licence and final approvals in order to commence the growing and manufacturing program of high quality medicinal products".

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About The Hydroponics Company

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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