

ASX RELEASE (9 July 2018)

THC Executes Initial Cooperation Agreement with Endoca

Key Points:

- **Overall objective is mutual development and production under pharmaceutical GMP from European and Australian facilities, and supply to multiple international markets**
- **Endoca is a recognised leader in the supply of high quality CBD products worldwide**
- **Parties to further formalise understanding through a Memorandum of Cooperation**
- **Execution of international strategy across Europe, North America, and Israel**

The Hydroponics Company Limited (ASX: THC), Australia's leading Medicinal Cannabis Company¹ has signed a binding Letter of Intent with Endoca BV (**Endoca**) (the **Agreement**).

Endoca is one of Europe's most highly respected suppliers of GMP certified medicinal cannabis. THC and Endoca are already partners, having announced a distribution agreement in November 2017 with THC having imported Endoca's unique CBD+CBDA product and other CBD products in June 2018 for access by Australian patients under the Special Access Schemes or through Authorised Prescribers.

The partnership is for "development and production of CBD-based and THC-based products produced under pharmaceutical GMP from European and Australian facilities, and their supply to multiple international markets" per the Agreement.

This will encompass access to intellectual property, including strains, and processing methods formulations. Pilot production development of new pharma-grade GMP products and their subsequent commercial production is envisaged through THC's Southport facility.

THC and Endoca intend to formalise their cooperation following their review and planning period over the next few months in the form of a binding Memorandum of Cooperation.

The alliance with Endoca is a major step in the execution of THC's global strategy to secure commercial engagement with partners in mature medicinal cannabis markets. Partnerships and alliances secured to date are in Israel with BOL Pharma, in Europe with Endoca and in North America with Canada's Ascent Industries.

Endoca's CEO, Henry Vincenty commented:

"THC's development in Australia has been rapid and well-targeted, particularly with its full-scale manufacturing capabilities and pharmaceutical development. We see great value in this alliance and are very excited to take the next steps together".

THC's Chairman, Steven Xu commented:

"Our alliance with Endoca, a trusted international medicinal cannabis brand, has continued to flourish as THC's manufacturing and growing capabilities expand domestically. We look forward to accelerating THC's development through our alliance and building a truly international presence together with Endoca."

¹ Assessment based on key peers (CAN, AC8) comparison matrix

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The Hydroponics Company Limited (ASX: THC)

THC is at the forefront of developing a leading, diversified worldwide cannabis business, focusing on two core business units: Development and delivery of medicinal cannabis, and manufacturing and distribution of hydroponics equipment, materials and nutrients.

About Endoca www.endoca.com

Endoca's primary focus is to research and develop innovative cannabis extracts that can help to balance the human Endocannabinoid system making them accessible world-wide. Through targeting the human Endocannabinoid System many people can be helped to restore their internal balance. Endoca is dedicated to producing the finest and purest quality products like CBD oil while never compromising on quality. Endoca also produces other cannabinoids as there are over 80 different in nature.