



the **Hydroponics** company

www.thcl.com.au

ASX RELEASE (7th December 2017)

THC Announces Licensing Agreement with National Access Cannabis - a leading clinic chain in Canada

Key Points:

- ❖ **THC announces a License Agreement with National Access Cannabis (NAC), Canada's best practices leader in delivering secure, safe, and responsible access to legal medicinal cannabis**
- ❖ **The Agreement provides for a transfer of technology, knowledge and IP for 10 years in Australia and New Zealand, with a further option to extend the contract by 10 years. It also provides for a first right of refusal option to develop into Asia as the market matures**
- ❖ **THC to leverage NAC's extensive relationships with Canadian Licenced Producers and access to new medicinal products**
- ❖ **NAC provides high quality physician and patient support and training in professional patient friendly clinics environments**
- ❖ **To date, NAC has helped more than 10,000 Canadian medicinal cannabis patients**

During its recent Investor update The Hydroponics Company (ASX: THC) reported that it was evaluating optimal paths to market for medicinal cannabis in Australia. THC noted that:

- The group has secured supply arrangements with Endoca and BOL Pharma providing best in class products for the Australian market, and
- is building facilities for its own production capability

THC today announces that it has reached a licensing agreement with National Access Cannabis, Canada's best practices leader in delivering secure, safe, and responsible access to legal medicinal cannabis. The extensive knowledge, experience and expertise gained through this



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licensing agreement is valuable to THC because the Canadian approach to the introduction of medicinal cannabis through the clinic model is relevant to the controlled and systematic introduction of the product to Australian patients.

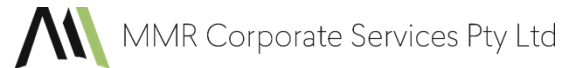
In Canada, medical cannabis clinics have been instrumental in developing the critical linkage between patients and prescribing physicians and have been a major contributor to the growth of the Canadian medicinal market. NAC was selected as the ideal partner for THC because of its highly professional and ethical approach to building the Canadian marketplace through the provision of the highest quality support, care and education of its patients. NAC continues to innovate in its supply chain management and its ability to bring relevant clinical products to market. THC will also benefit from access to an increased range of products and services from the Canadian market and future relationships developed by NAC.

The licensing agreement provides THC with immediate access to NAC's IP that will assist in the development of a professional clinic model offering THC a unique path to market in Australia. In consideration of the agreement, THC will pay NAC a licensing fee of \$500,000 Australian dollars upon or before the second anniversary of the agreement or successfully achieving an initial gross revenue milestone of \$1,000,000 Australian dollars, whichever occurs first. Thereafter, THC will pay NAC ongoing quarterly royalties equivalent to 7.5% of gross revenue.

"We are delighted to partner with such a professional company as NAC," said David Radford, CEO of The Hydroponics Company. "Having visited their medical clinic in Ottawa, I believe that the quality processes and care that they have developed for their patients has a real and exciting place in the Australian marketplace. We will be working with the State Governments and Physicians to rapidly integrate this unique, quality assured program for the betterment of the Australian patients."

"This agreement is an important first step in NAC's international expansion and the Australian medicinal cannabis market represents a prime region for development," said Mark Goliger, CEO of National Access Cannabis. "We look forward to sharing NAC's extensive experience and knowledge in successfully operating in Canada's growing cannabis market and leverage our clinical model to provide safe and secure access to medicinal cannabis products for patients in Australia and New Zealand, and to further developing the partnership between our two innovative and creative companies."

"We look forward to working with the NAC team and leveraging their clinical model to provide a local healthcare solution which will facilitate patient access to a broad range of high, quality, legal medicinal cannabis products in Australia and New Zealand" said David Radford. "Our expansion into the development of medicinal cannabis clinics will allow THC to work with local cannabis companies as they seek to develop a path to market".

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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.

About National Access Cannabis Corp.

National Access Cannabis is Canada's best practices leader in delivering secure, safe, and responsible access to legal medical cannabis. NAC enables patients to gain knowledge and the legal medical documentation required to navigate Canada's disparate network of authorized Licensed Producers of Cannabis. Through its Canada-wide network of care centres, NAC has partnered with health professionals to improve the quality of life of its local members and provide services designed to inform, educate and supply expert advice.

nationalaccesscannabis.com

National Access Cannabis Corp. is listed on the TSX Venture Exchange under the symbol (TSXV: NAC).

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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This announcement contains forward-looking statements which are identified by italicized 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

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