

ASX RELEASE (6 JULY 2020)

THC Global Canadian Operations & SPP Update

Investment Highlights:

- CMP Wholesale continues strong performance even through COVID-19 recording record sales as cannabis demand remains robust
- THC Global's Canadian Operations achieved unaudited trading revenue of A\$3m in Q2 2020 – 50% PCP growth
- Expanding turnkey cultivation service offering by providing cannabis plant genetics and seedlings for the micro-cultivator and home-cultivator markets
- Canadian cannabis cultivation and dealers licence in final stages of processing by Health Canada
- Canndeo Canada finalising import authority for Australian produced medicines to be supplied in Canada in Q4 2020
- Share Purchase Plan closes on Friday 10 July 2020

THC Global Group Limited (**THC Global** or the **Company**) (ASX:THC) provides an update on its Canadian operations noting continued strong performance notwithstanding COVID-19 and the launch of new service offerings targeted at the micro-cultivator and home-cultivator sectors.

THC Global's hydroponics equipment and cultivations solution provider, CMP Wholesale, has continued to perform strongly given its focus on the micro-cultivator and home-cultivator markets which remained robust against a general downturn in larger cannabis business operations in Canada. In Q2 2020, CMP Wholesale achieved unaudited trading revenue of A\$3 million – a 50% increase on Q2 2019.

Additionally, THC Global is expanding its service offering in this sector with the expected launch of Canndeo Fulfilment, a new business unit which will provide expert advice and support in the cultivation of cannabis including sales of plant genetics and mature seedlings. The Company is in final stage approval for its Canadian cultivation and dealers licence for growth and sales of cannabis genetics, enabling launch of a site lease and flower buy-back opportunity for new micro-cultivators. In providing these services, THC Global is targeting to support a currently under-serviced sector in the cannabis market – the micro and home cultivators. First revenues from Canndeo Fulfilment are expected to be earned in Q4 2020 following cultivation and dealers licence grants and first production commencing.

The Company is preparing to commence export of medicinal cannabis medicines from Australia to Canada for supply into the Canadian market under the Canndeo Canada brand. Canndeo Canada will service both the medicinal and nutraceutical markets in Canada – both being large market opportunities with over 350,000 registered patients in Canada. THC Global's Canadian operations have achieved Health Canada licensing for Class I, II, III devices and Natural Health Products. Subject to the grant of an export authority and matching Canadian import authority, THC Global will produce and export an initial 3,000 bottles of medicinal cannabis medicines to Canada in the second half of 2020. Utilising the Company's Health Canada granted licence, Canndeo Canada will supply these medicines through partnered cannabis clinics, telehealth and virtual clinics, as well as direct patient supply facilities. THC Global's rollout of the Canndeo Canada brand will target medicines affordability with full pharma GMP licenced supply.



Chief Executive Officer, Ken Charteris, commented:

“We’re pleased to see continued positive growth from our Canadian operations against the expectations of a challenging market in the first half of 2020, by addressing the needs of the micro-cultivator and home-cultivator market. We continue to build revenues and broaden our product and service offering as well as our customer base. We anticipate further growth as we commence export of our Australian produced medicinal cannabis medicines into Canada, raising the bar in the supply of affordable, high quality, pharma GMP medicines to Canadian patients.”

Share Purchase Plan Update

The Company notes that the Share Purchase Plan (the **SPP**), launched on 25 June, will close on Friday, 10 July 2020. The SPP offers eligible shareholders the opportunity to apply for up to \$30,000 of new shares at \$0.30 without brokerage or other transaction costs. For further information, please contact 1300 095 761 or +61 3 9415 4125.

The Company notes that no persons referred to in ASX Listing Rule 10.11 (related parties such as directors, certain shareholders, and associates of those persons) were able to participate in the Institutional Placement conducted in June 2020. However, the ASX has confirmed that these persons are able to participate in the SPP. Where the directors do participate in the SPP, those directors will disclose this to the ASX as required under ASX Listing Rule 3.19.A2.

For further information, please contact:



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ASX release authorised by THC Global's Management Committee – the Chairman, Deputy Chairman, and CEO.

THC Global Group Limited (ASX: THC) thc.global

THC Global is a diversified global cannabis company with primary operations in Australia and Canada. THC Global is the first ASX listed entity to fully own and operate end to end commercial medicinal cannabis production facilities under Australia's cannabis regulations. THC Global's Southport Facility in Southport, Australia is one of the largest pharmaceutical GMP cannabis manufacturing facilities in the world. THC Global also owns and operates a fast growing turnkey cultivation solutions provider, including a hydroponics equipment and supplies wholesaler and retailer servicing the rapidly expanding cannabis sectors in North America and Europe.

For prospective patients or healthcare professionals seeking more information on medicinal cannabis, please visit: candeocare.com and tetrahealth.com.au.