

ASX RELEASE (2 JULY 2020)

THC Global Medicinal Cannabis Sales Update

Investment Highlights:

- Rapid uptake of Canndeo medicines since launch in May with patients across Australia
- New Zealand's Medleaf Therapeutics have placed first order for A\$260,000 of white-labelled medicines to be supplied in October 2020
- Expecting first export to Canada in Q3 2020 of 3,000 bottles and first to Europe in Q4 2020
- Increasing production at Southport Facility targeting in-demand Canndeo medicines and white-labelled products
- Securing additional cannabis plant material for scale up, taking advantage of international markets
- Readying production to support Pharma OTC market expansion subject to new Australian regulations expected in Q1 2021
- Newly acquired Tetra Health clinics have received an increase in patient enquiries of 30% in June alone and now expanding clinical staff to support further patient growth

THC Global Group Limited (**THC Global** or the **Company**) (ASX:THC) provides an update on its medicinal cannabis operations within Australia following strong performance from sales of Canndeo medicines, an acceleration of cannabis medicines production to support expected exports, and increasing patient enquiries through Tetra Health.

Canndeo Medicines and White-Labelled Production

THC Global's Canndeo medicines, launched in May 2020, have been in high demand from patients and prescribers looking for a more affordable medicine compared to current full spectrum medicines available in Australia. THC Global now has patients using these Canndeo medicines across Australia.

Additionally, THC Global has received significant enquiries with respect to white-labelled production of pharmaceutical GMP cannabis medicines. The first order from Medleaf Therapeutics in New Zealand has now been received with an initial supply of 2,250 bottles at A\$260,000 expected to be delivered on 1 October 2020. This first order expected to support up to 800 patients in New Zealand on an ongoing basis. THC Global is competitively positioned within the New Zealand market due to the requirement from October 2020 for supply of all future medicines into New Zealand (including future locally sourced medicines) to meet stringent registration requirements. These include the provision of a six month expiry date on medicines, which will be a significant time barrier on new market entrants based in New Zealand.

THC Global is further competitively positioned for the direct supply of its cannabis medicines into Canada, leveraging THC Global's Canadian operations which has received Health Canada licensing for Class I, II, III devices and Natural Health Products. THC Global anticipates an initial shipment of 3,000 bottles of medicinal cannabis in Q3 2020, establishing a high-quality and cost-effective medicine supply into Canada's established market of over 350,000 registered patients.

THC Global is simultaneously securing first firm purchase orders into Europe for cannabis oil. The Company is currently completing verification of GACP supply for its external suppliers, a mandatory requirement for export into Europe. THC Global's manufacturing facility is GMP licensed by the Therapeutic Goods Administration in Australia and has reciprocal recognition across Europe in meeting EU-GMP requirements. The Company anticipates first purchased supply into Europe in Q4 2020.

As a result of this significant increase in demand, both domestically and internationally, THC Global is accelerating the expansion of production activity at its Australian pharma GMP manufacturing facility. To support this, the Company has now secured additional crude cannabis extract supply from Southern Africa, in addition to the existing crude extract supply from Canada and dried cannabis flower from Australian cultivators and the Company's own cultivation facilities. This robust supply chain combined with cost-effective supply allows production to pivot rapidly towards in-demand Canndeo medicines and white-labelled production, thereby better meeting patient needs, ensuring continuous supply, and continued positive revenue growth.

Pharma OTC CBD Medicines

THC Global is committed to supplying the future Pharma OTC CBD medicines market following the rescheduling of CBD medicines expected in Q1 2021. The Pharma OTC CBD medicines market will open supply to Australians via pharmacies without the need for prescription. With a global supply chain supplemented with large-scale, low cost cultivation options and Australia's largest capacity dedicated cannabis medicine manufacturing facility, THC Global is best placed to dominate this market. The value of the future Pharma OTC CBD medicines market has been projected to potentially exceed A\$200 million per annum, with THC Global readying products for required specific Schedule 3 registration throughout 2020 in anticipation of this event.

Tetra Health

THC Global completed the acquisition of Tetra Health in May 2020. Tetra Health is a leading clinic focused on medicinal cannabis prescribing, ongoing patient care, and collecting real world evidence on medicinal cannabis medicines. Tetra Health is a product agnostic clinic, offering patients and prescribers a broad range of medicinal cannabis medicines, including THC Global's Canndeo medicines, and medicines produced by THC Global under white-labelled production arrangements, such as with Cannatrek. Tetra Health is a key asset in THC Global's strategy to bridge the affordability gap for cannabis medicines in Australia, by providing low costs for commencing patients and product-independent guidance on which medicine may be suitable for patients. In June alone, Tetra Health achieved a 30% increase in patient enquiries, and is expecting this trend to continue. THC Global is accordingly expanding Tetra Health's clinical staff to ensure it can manage a continued increase in patients whilst ensuring a high level of patient support and care.

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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: canndeocare.com and tetrahealth.com.au.