

ASX RELEASE (17 APRIL 2019)

THC Global Hydroponic Equipment Operations Update

Key Points:

- **Global distribution agreements to increase market reach – UK and Europe**
- **Strong sales in lighting and lighting equipment**
- **Crystal Mountain revenue growth continues - \$991k - 22% increase on last quarter**

THC Global Group Limited (THC Global or the Company) (ASX:THC) is pleased to provide an update on Crystal Mountain, the Company's hydroponics equipment division based in Canada.

Crystal Mountain has been in the process of securing distribution agreements both within Canada and has expanded into Europe and the United Kingdom. As these distribution agreements are settled and products come on sale, the Company expects to see stronger sales in these regions.

Crystal Mountain has also expanded its product range through distributing new products imported from partners across Canada, and soon internationally. The Company is also exploring new sales channels including online cannabis-focussed offerings targeted to the micro-cultivator market, which is rapidly increasing in Canada.

Crystal Mountain's unaudited revenue for the March quarter was A\$991,000 (annualised A\$3.964 million), an increase of 22% over the December quarter. This increase has been partly driven through stronger sales in the Company's lighting and lighting equipment product ranges.

Chief Executive Officer, Ken Charteris commented "We are pleased to see our hydroponics equipment division continue to grow, particularly through our partnership strategy as we are able to both expand our product offering and broaden our market reach – both of which are core drivers of revenue growth".

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THC Global operates under a 'Farm to Pharma' pharmaceutical model and is currently delivering high quality medicinal cannabis products to Australian patients through existing access schemes. Having secured both a significant growing capacity over two grow sites, and an industry-leading pharmaceuticals biomanufacturing facility with attached testing and product development laboratory, THC Global is in prime position to service both domestic patients and the export market. THC Global's commercial partners operate across four continents, supporting future international growth.

In addition to its core medicinal cannabis business, THC Global owns two Canadian companies, being Crystal Mountain Products and Vertical Canna Inc. Crystal Mountain Products operates a revenue generating global hydroponics retailer and distributor of equipment, material, and nutrients to cannabis growers and producers. Vertical Canna Inc is an investment vehicle through which THC Global intends to build, through acquisitions and strategic partnerships, a vertically integrated Canadian cannabis producer and retailer. Vertical Canna's existing asset portfolio includes a land-holding in Nova Scotia, Canada to be developed into a large-scale cannabis production facility.