



the**Hydroponics**company

ACN 614 508 039

Suite 305, Level 3, 35 Lime Street, Sydney NSW 2000 Australia
p: +61 2 9251 7177

29 November 2017

SHAREHOLDER UPDATE

Dear Shareholder,

The Hydroponics Company (THC) (ASX: THC) listed on the Australian Securities Exchange in May 2017, only 6 months ago. As communicated in our recent quarterly update, THC has been building businesses in:

- Australia (through our subsidiary Canndeo) with the capability to become a leading supplier of Medicinal Cannabis
- Canada (through our subsidiaries Crystal Mountain and Dragon Vision) to become a leading supplier of growing equipment used for growing Cannabis.

In Australia, we are building the capability to supply both imported and domestic produced medical cannabis.

- Imported medical cannabis:
 - We have formed strategic alliances with Endoca B.V in Europe and BOL Pharma in Israel – each significant producers of medicinal cannabis in markets in the northern hemisphere. These alliances give THC access to high quality Medicinal Cannabis products in Australia.
- Domestic medical cannabis:
 - We have been granted Medicinal Cannabis Research Licence and a Medicinal Cannabis Licence (two of the three licences needed before cultivating and manufacturing medicinal cannabis in Australia). The third licence allowing manufacturing has been applied for.
 - We are on track to complete our manufacturing facility in Bundaberg
- Pathways to market:
 - We have been mandated as a supplier for medicinal cannabis to be used in clinical trials
 - We have put in place a path to market with an agreement with the Medicinal Cannabis Prescription and Dispensing Portal. We intend to add to our pathways to market in the new year.



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- Medicinal Cannabis Prescription and Dispensing portal launched
- Manufacturing Licence application lodged
- In Canada, we continue to operate profitably. We are expecting to achieve growth from and expansion to product range, development of an e-commerce portal, acquisitions of other businesses and the opportunities that will be delivered by the further deregulation of the market.

As can be expected by a growing business, our shareholder base has grown. It has grown more than three-fold from 752 at IPO to more than 2,700 – THC is now well positioned for further continued growth.

The hallmarks of a growing business are changes to the board and executive team. In our case:

- Ian Mutton has been appointed Chairman,
- David Radford as Group Chief Executive Officer
- Debbie Ormsby as Chief Commercial Officer
- Jarrod White as Chief Financial Officer

We thank those that have been shareholders since listing and welcome all the new shareholders and we look forward to keeping you informed on our progress in coming months as we work diligently to expand THC and deliver further value for all stakeholders.

For those that haven't done so yet, we recommend everyone to register their email address on the THC website, www.thcl.com.au to be kept up to date on all the latest news and media.

With very best wishes for the upcoming holiday break.

Yours Sincerely,

Ian Mutton
Chairman

The Hydroponics Company

David Radford
Chief Executive Officer

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