THC GLOBAL GROUP

(ASX: THC)

Corporate Presentation | September 2019

THC Global Group Limited (ASX:THC)

A Vertically Integrated Global Cannabis Company

A Farm-to-Pharma business model focused on delivering low cost, high quality cannabis to both patients and the global cannabis export market

FARM TO PHARMA VERTICAL INTEGRATION

RESEARCH & DEVELOPMENT

Proprietary Cannabis Sativa strains and ‘Next-Generation’ medicine development

CANNABIS CULTIVATION

Low-cost cannabis cultivation in Australia with multiple scalable operations

PHARMA GMP MANUFACTURE

Pharma-grade GMP certified API isolates, broad and full spectrum extracts

EXPORT & PATIENTS

Supply of finished product to patients and wholesale into global cannabis market

AUSTRALIAN CANNABIS FACILITIES

‘EDEN FARMS’ CULTIVATION

66,000m^2 of operational hydroponics greenhouses with adjacent 180,000m^2 of open field agricultural land
Ready to commence cultivating in large scale within months

‘BUNDY’ CULTIVATION

Farm-to-Pharma cannabis operation with cannabis strain development, tissue culturing, cultivation and small scale manufacturing for product development all on one site

‘BALLINA’ CULTIVATION

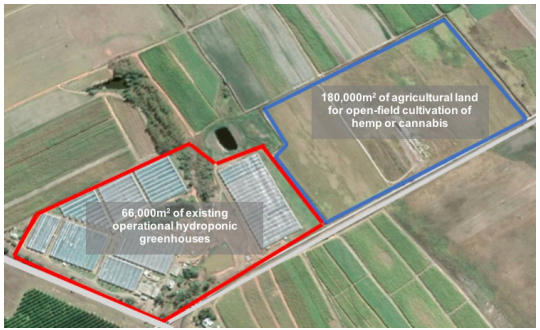
73,500m^2 USDA Certified Organic agricultural land proposed to be developed into a large scale cannabis cultivation facility – to progress as plant material requirement increases

‘SOUTHPORT’ MANUFACTURE

Pharma grade GMP manufacture of API, full-spectrum, broad-spectrum extracts at largest facility in Southern Hemisphere – initial 120,000kg annual throughput

'EDEN FARMS' CULTIVATION

An operational hydroponics cultivation facility with scalability to support the rapid increase in production at THC Global's Manufacturing Facility



SCALABLE OPERATION

66,000m² of hydroponic greenhouses and 180,000m² of agricultural land for open-field cultivation at significantly reduced cost-per-gram

READY TO CULTIVATE

Already operational as one of the largest Continental Cucumber producers in Australia – hydroponic cannabis cultivation able to commence within months with additional open-field cannabis or hemp to be considered (subject to approvals)

MINIMAL CAPEX

Site secured through lease agreement with current owner and operator – securing capacity without +$100m capex in design, construction, and approvals

‘BUNDY’ CULTIVATION

Fully Licenced for Farm to Pharma Production – research, cultivation and manufacturing capabilities all on site with tissue culturing facility to support other cultivation projects using proprietary strains

FARM TO PHARMA

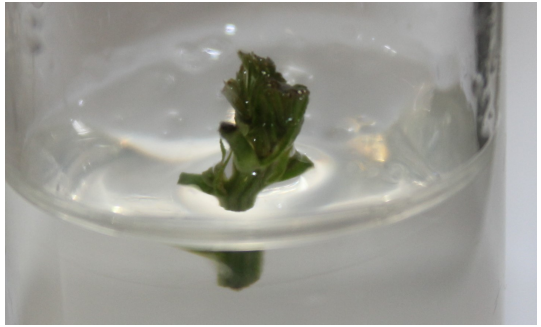
Cultivation already underway with existing research, cultivation and manufacturing licences.
‘Bundy’ Facility cannabis will be used for commercial production as well as medicine development.

PROPRIETARY STRAINS

Access to the largest holding of Plant Breeder Right (PBR) registered Cannabis Sativa strains in Australia. Known genetic traceability a major asset in Asian markets applying strict pharmaceutical regulations.

STRONG TEAM

Experienced agricultural team established at the ‘Bundy’ Facility to support upcoming increase in production volumes.



‘BALLINA’ CULTIVATION

Additional large scale cultivation project for plant material expansion capacity

SECURED PROJECT

73,500m² agricultural land in Northern NSW secured to establish a large scale cannabis cultivation site with up to 40,000m² of greenhouses.

Project to be commenced as internal demand for plant material surpasses current production capacity – minimising pre-revenue capex

USDA CERTIFIED ORGANIC

The site is USDA certified organic land, allowing for potential organic cultivation should there be significant demand in global markets for organic cannabis

PROJECT PARTNER

Project in partnership with Meluka Health which includes off-take of cannabis from Ballina project for their Cannabis Honey and research into tea-tree + cannabis blended health products

EXPORT SCALE CAPACITY

Capacity to support the entire near term Australian patient demand and be a global exporter commencing early 2020

LARGEST IN SOUTHERN HEMISPHERE

THC Global's facility is the largest pharmaceutical bio-extraction facility in the Southern Hemisphere

Above: The Australian Federal Minister for Health, The Hon. Greg Hunt (centre), accompanied by Angie Bell MP , the Federal Member for Moncrieff (L) and Rob Molhoek MP, the State Member for Southport (R), with THC Global Chairman, Steven Xu (Far L), and THC Global CEO, Ken Charteris (Far R) at THC Global's Manufacturing Facility in August 2019.

PHARMA-GRADE GMP MANUFACTURING FACILITY

Low cost and scalable production of pharma-grade GMP certified product will allow THC Global to compete internationally with existing majors players on price whilst being able to scale production and exceeding quality expectations.

Product validation to be completed in Q4 2019 as remaining permits and certifications are granted. Will be delivering product to Australian patients at prices far below current cost of imported products available in market in early 2020.

Capability for GMP API isolates, broad spectrum and full spectrum extracts with additional finished product capacity to be established for creams, tablets, powders, sublinguals and other medicines.

INITIAL MEDICINES RANGE

All products to be Australian Register of Therapeutic Goods (ARTG) listed enabling global exports

CANNDEO CBD RANGE

Available in early 2020

CANNDEO THC RANGE

Targeted availability in Mid 2020

CANNDEO THC|CBD RANGE

Targeted availability in Mid 2020

Product design and final specifications are subject to change

EXTENDED MEDICINES RANGE

Expecting to launch extended range through 2020-21 for the domestic and global export markets

All products to be Australian Register of Therapeutic Goods (ARTG) listed enabling global exports

DRIED FLOWER

GEL CAPSULES

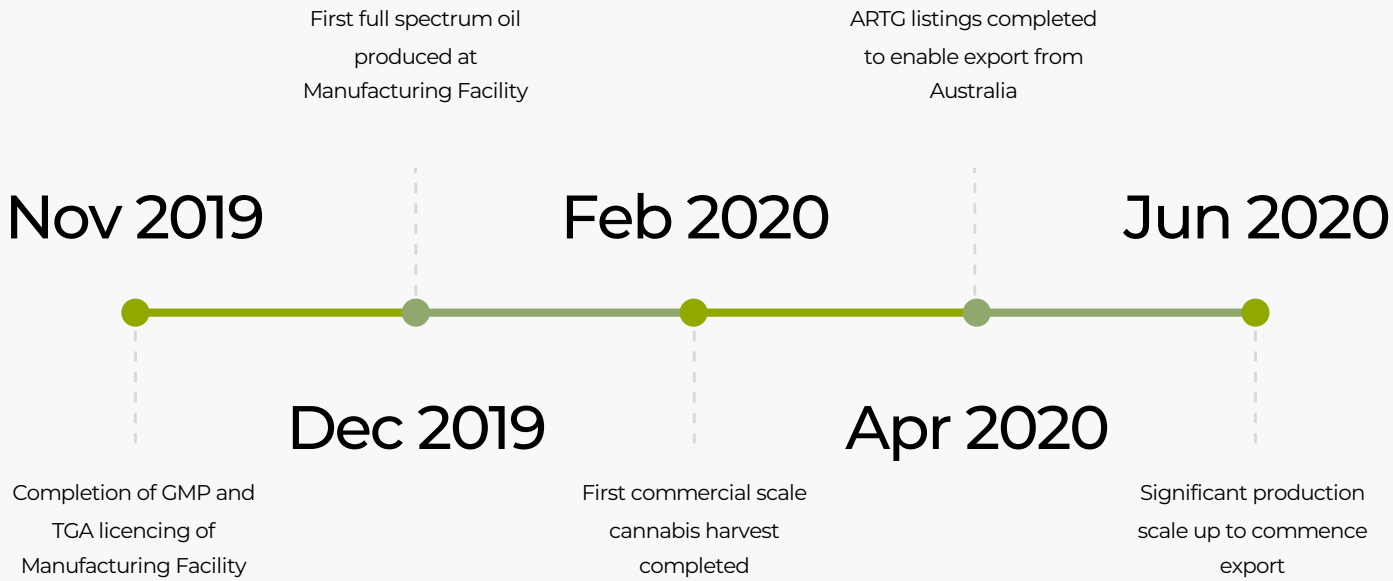
GEL-TABS

TOPICALS

Product design and final specifications are subject to change

MEDICINAL CANNABIS REVENUE TIMELINE

Timeline to revenue from THC Global's Australian Medicinal Cannabis production assets



AUSTRALIAN CANNABIS MARKET

A rapidly growing market with significant regulatory barriers for patient access and competition entry

HIGH COST IMPORTS

The Australian patient demand is currently supported almost entirely by high-cost imported product.
THC Global expects to be selling Australian medicinal cannabis to Australian patients at 1/2 of the cost whilst still being profitable.

PATIENT GROWTH

Whilst there has been rapid growth in patient numbers in Australia, real numbers remain low - 10,000 patients expected to grow to 100,000 patients by 2021.
THC Global has enough production capacity to service the entire near term projected Australian patient demand and still be a major global exporter.

GLOBAL MARKET POTENTIAL

Low cost high quality scalable production enabling THC Global to be globally competitive

GLOBALLY COMPETITIVE

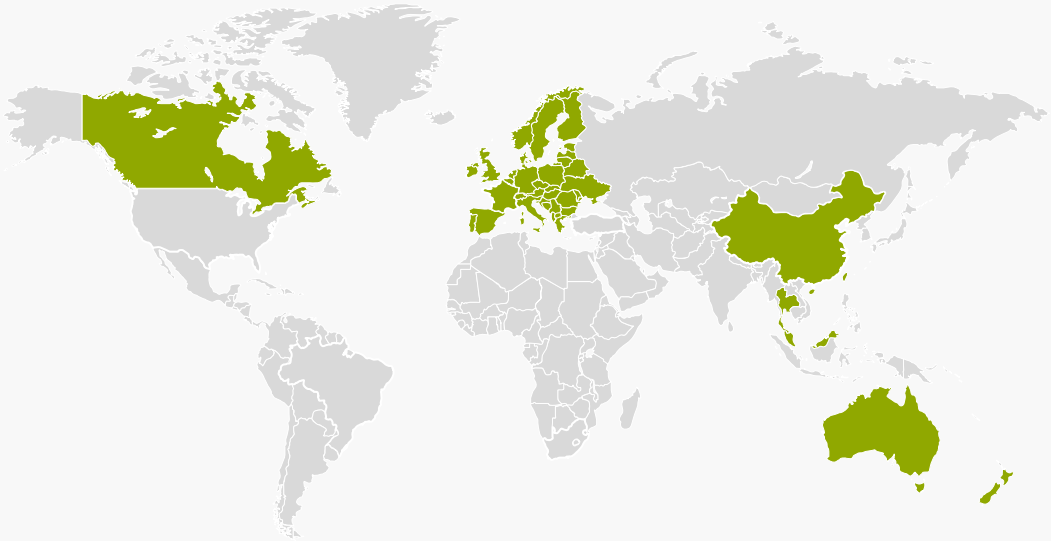
Low cost production whilst meeting or exceeding the European standards and other quality expectations at scale, enables THC Global to compete with Aurora, Tilray, Canopy and other global majors

INCREASING PATIENT NUMBERS

Patient numbers continue to increase rapidly globally however there are only few GMP certified producers with scalability to meet global demand for isolates and extracts that meet European and other quality standards

HIGH VALUE PRODUCT

THC Global's focus on delivering medicinal products produced to pharma-grade GMP spec including isolates and extracts places THC Global far higher up the value chain compared to dried flower cultivators



Proposed Initial Target Markets

CANADIAN OPERATIONS

A diversified business group with a unique strategy targeted for the Canadian market

HYDROPONICS EQUIPMENT

THC Global's Crystal Mountain is a hydroponics equipment wholesale supplier into the global market, and has recently commenced B2C sales.

Offers over 600 products, primarily within Canada and Europe with a number of trademarked products.

Strong revenue growth expected to continue, targeting supply to micro-LPs and other small scale cannabis cultivators as this target market expands.

C.M.P WHOLESALE

CANNABIS OPERATIONS

Secured an 11 acre property in Nova Scotia, Canada with a Letter of Readiness from Health Canada for development of a cannabis production site.

Targeting to supply Australian products to Canada's 300,000+ patients accessing medicinal cannabis.

Expecting to distribute THC Global's Australian medicinal cannabis products into Canada through 2020 with TGO93 and EU GMP certification

CANNDEO CANADA

THC GLOBAL BOARD

STEVEN XU

CHAIRMAN

Chartered accountant with over 15 years experience. Significant past experience in financing, IPO's and M&A within sectors including high-tech, agriculture, manufacturing and healthcare.

ALAN BEASLEY

DEPUTY CHAIRMAN

Over 30 years experience in investment banking and management. Former roles include Managing Director Goldman Sachs Asset Management and Australia Country Head BNP Paribas Asset Management.

GARY RADCLIFF

NON-EXEC DIRECTOR

Practicing Barrister since 1984 and President of the Gold Coast Bar Association. Wealth of experience in corporate governance and corporate compliance in Australia and internationally.

LOU CATTELAN

NON-EXEC DIRECTOR

Over 30 years experience in pharmaceuticals, nutraceuticals, complementary healthcare and allied industries. Significant involvement within government liaison and industry bodies, including consulting to Pfizer, MSD, Mylan and GSK.

THC GLOBAL EXECUTIVE TEAM

KEN CHARTERIS

Chief Executive Officer

(Global)

LAURA HARVEY

Chief Operating Officer

(Canada)

JARROD WHITE

Chief Financial Officer

(Global)

ANDREW BEEHAG

Medicinal Cannabis

(Asia Pacific)

ELSIE GREEN

Compliance Officer

(Australia)

MICHAEL HARRISON

API Manager

(Australia)

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