

THC Global Group Ltd

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THC Global Group in production deal for medicinal cannabis in New Zealand; raises \$6.6 million

THC Global Group Ltd (ASX:THC) has signed a binding agreement with JC Logistics Ltd, which trades as Medleaf Therapeutics, for the production and supply of pharmaceutical medical cannabis in New Zealand.

The deal comes on the back of a \$6.6 million fundraising aimed at accelerating high-volume cannabis medicines production for the local and global export markets.

Terms of the deal include:

? THC Global to provide white-labelled production of medicinal cannabis medicines to Medleaf, following registration of medicines in New Zealand by THC Global;

? An initial order of 2,250 bottles, including Full Spectrum CBD and Balanced THC: CBD medicines, labelled under the Medleaf brand, with availability in New Zealand targeted from October 1, 2020;

? THC Global to provide limited exclusivity for its CBD 100 Full Spectrum medicine to Medleaf within New Zealand until the end of December 2020; and

? Initial production agreement term to August 2021 with automatic annual renewal following the first term.

Major NZ supplier of cannabis medicines

Medleaf, which was set up in 2018, is a major supplier of cannabis medicines in New Zealand, with a well-established supply chain.

From October 1, 2020, new enhanced regulation of medicinal cannabis medicines takes effect in New Zealand which requires all medicines supplied to be submitted for review and registration.

THC Global will seek registration of these medicines prior to supply to Medleaf.

THC Global chief executive officer Ken Charteris said: "By increasing our production of medicines from our Australian facilities, we're able to improve efficiency and price competitiveness whilst still delivering industry-leading quality, which will continue to build as we supply additional customers such as Medleaf, and Australian patients."

"We are very pleased to be working with Medleaf as one of New Zealand's leading cannabis medicine brands, and look forward to working together on providing choice in high quality and affordability of medicinal cannabis to patients in New Zealand."

Medleaf Therapeutics CEO Courtney Letica added: "The new cannabis medicine regulations in New Zealand are a significant opportunity for established brands to reach more patients in need who may benefit from medicinal cannabis."

Price: 0.3

Market Cap: \$50.41 m

1 Year Share Price Graph



July 2019 January 2020 July 2020

Share Information

Code: THC

Listing: ASX

52 week **High** **Low**
 0.595 **0.18**

Sector: Pharma & Biotech

Website: www.thcl.com.au

Company Synopsis:

THC Global Group Ltd (ASX:THC), formerly The Hydroponics Company Ltd operates under a pharmaceutical model and is currently delivering high quality medicinal cannabis products to Australian patients through the existing access schemes.

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We are happy to be engaged with THC Global and look forward to working with New Zealand doctors to make cannabis medicines more accessible for New Zealanders."

Fund-raising



The diversified global cannabis company also completed a \$6.6 million placement to institutional and sophisticated investors, issuing around 22 million new shares at 30 cents per share. The shares listed on June 29, 2020.

It has also launched a share purchase plan (SPP), which enables eligible shareholders to apply for up to \$30,000 in new shares at the same price as the placement.

It is targeting to raise \$3.4 million under the SPP which is expected to close on 10 July 2020.

Funds raised will go towards working capital and to enable the acceleration of high-volume cannabis medicines production for local patients and the global export market.

Charteris said: "We now have a stronger share register with better institutional representation, and a stronger balance sheet to take us forward through this period of scaling up our cannabis pharmaceutical operations."

THC Global chairman Steven Xu added: "Over the past few months we have achieved several key milestones including launching our Candeo medicines in Australia, supplying our first prescriptions, and signing new production agreements.

"We look forward to building on top of these successes in the coming months and toward supporting our target of 6,000 patients using a THC Global produced medicinal cannabis medicine by the end of 2020."

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