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New Distribution Agreements signed for CannEpiTM, CogniCannTM, MXP100 and MXC1:1 products in Australia

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- New agreements signed with two leading Australian medicinal cannabis distribution and logistics specialists, Health House International Pty Ltd ('Health House International') and Cannvalate Pty Ltd ('Cannvalate')
- Strategic non-exclusive agreements facilitate the Company's distribution of medicinal cannabis products in Australia with industry leading distributors
- Agreements cover MGC Pharma's proprietary cannabinoid-based Investigational Medicinal Products (IMPs), specifically CannEpiTM (epilepsy), as well as our other IMPs including CogniCannTM (dementia and Alzheimer's), MXP100 (straight cannabidiol (CBD)) and MXC1:1 (50% tetrahydrocannabinol (THC) and 50% CBD), which was developed for the relief from symptoms of spasticity and certain types of inflammatory pain.
- Agreement with Cannvalate includes partnering for Clinical Research at the Medicinal Cannabis Research Collaboration in Melbourne to increase the body of literature providing further clinical support for MGC Pharma's cannabinoid pharmaceuticals
- Now registered as the official sponsor of its own medicinal cannabis products in Australia, MGC Pharma can take advantage of multiple distribution and logistics partners to make its medicinal cannabis products available to patients under the Special Access Scheme, Authorised Prescriber Scheme or for use in clinical trials.
- The Therapeutic Goods Administration (TGA) has recently given MGC Pharma permission to import MXP100 and MXC1:1 into Australia for supply either in a clinical trial or under the Special Access Scheme.

MGC Pharmaceuticals Ltd (ASX: MXC, "MGC Pharma" or "the Company") is pleased to announce that it has signed two strategic supply agreements with Australian specialist medicinal cannabis distribution and logistics companies, Health House International and Cannvalate.

Health House International is an Australian-based specialist medicinal cannabis company that wholesales and distributes medicinal cannabis products in Australia and the United Kingdom to community and hospital pharmacies. Additionally, Health House has an extensive network of medical professionals who assist doctors with the administrative burden of obtaining Special Access Scheme approvals and provide clinical advice.

Cannvalate is Australia's largest network of cannabis prescribers and dispensaries (1,000+ doctors and 600+ pharmacies) allowing Licensed Producers immediate and Australia-wide access to patients across all specialties. Cannvalate has already identified several physicians who are keen to start prescribing MGC Pharma's high-quality pharmaceutical products.

Cannvalate also coordinates one of Australia's largest medicinal cannabis clinical research facilities and are proudly partnering with MGC Pharma on several clinical trials with this product range to increase the confidence of the prescribing medical community.

Collectively, the two agreements facilitate the availability of MGC Pharma's phytocannabinoid-based products under the Special Access Scheme via an expanded network of clinics and pharmacies from which Special Access Scheme applications for MGC Pharma products may be derived. This is now possible following the formal registration of the Company as the official sponsor of its own medicinal cannabis products in Australia.

Terms under the Agreements

Under both the distribution agreement with Health House International and the wholesale/logistics agreement with Cannvalate, the product range includes CannEpiTM, CogniCannTM, MXP100 and MXC1:1 Australia wide. The agreements are also left open to include additional MGC Pharma formulations.

The agreements will ensure the immediate supply and availability of CannEpiTM and CogniCannTM in Australia during 2019 to their existing customer networks, and the additional MGC Pharma formulations following MGC Pharma now having received permission from the Therapeutic Goods Administration ('TGA') to import these products for supply for use in either a Clinical Trial or under the Special Access Scheme. These agreements are non-exclusive in these territories, providing MGC Pharma with the ability to enter into other strategic distribution agreements in the future, depending on demand. There are no specified minimum contract amounts or volumes under these agreements.

MGC Pharma increases formulations for distribution in Australia

Following the recent import permission from the TGA, MGC Pharma will also make two more of its formulations available for supply for clinical trials or under the Special Access Scheme, being MXP100, mainly used for neurological conditions but also for children and people who wish to avoid the psychoactive side effects of THC, and MXC1:1, for relief from symptoms of spasticity and certain types of inflammatory pain. The Company now has CannEpiTM, CogniCannTM, MXP100 and MXC1:1 available in Australia for use either in clinical trials, by an Authorised Prescriber, or under the Special Access Scheme.

The MXP100 and MXC1:1 formulations have been developed following demand from medical professionals in Australia. MXP100 is the Company's only straight CBD formulation, and therefore falls into Schedule 4 under the Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP). MXC1:1 contains 25 mg/mL of both THC and CBD.

These agreements represent the establishment of the key distribution network for CannEpiTM, CogniCannTM, MXP100 and MXC1:1 to the Australian market, and future pharmaceutical products for the Company. The initial distribution of CannEpiTM during Q1 2019 was slower than anticipated due to Australian regulatory and compliance matters which have now been addressed and resolved by the Company over the past few months with the Company's lawyers and new distributors.

Roby Zomer, Co-founder and Managing Director, MGC Pharmaceuticals commented:

"These agreements facilitate the availability of our medicinal cannabis products in Australia and should lead to more patients in need being prescribed our formulations through the appropriate pathways, demonstrating that we are at the forefront of our industry. The permission by the TGA for MGC Pharma to supply two of our additional formulations in Australia further facilitates access to a variety of medicinal cannabis products for patients who need them.

"These are exciting times for the Company; with the research and development that we have carried out in formulating our range is obviously proving successful, and commercialising this. We have one of the world's most experienced research teams who continue to develop new products. In tandem with our vertically integrated seed to pharma strategy we are building a truly international business that is setting the standards in the medical cannabis space."

Health House International Founder and CEO, pharmacist Paul Mavor commented:

"I am excited to be distributing MGC medicinal cannabis products. They represent cutting edge technology in this industry that is backed up by ongoing research. MGC Pharma's CogniCann product is currently being investigated for use in treating the symptoms of dementia and Alzheimer's. This disease is a massive problem to society both financially and emotionally and currently we have no other pharmaceutical options. MGC Pharma has a great selection of products with different formulations targeting different medical conditions that may be alleviated with medicinal cannabis."

Cannvalate Co-Founder and CEO, Dr. Sud Agarwal commented:

"I'm thrilled to be working with MGC Pharma and their high-calibre pharmaceutical products. We are also proud to be partnering with MGC Pharma on Clinical Research at the Medicinal Cannabis Research Collaboration in Melbourne to increase the body of literature providing further clinical support for MGC's cannabinoid pharmaceuticals."

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About MXC

MGC Pharmaceuticals Ltd (ASX: MXC) is an EU-based BioPharma company with many years of technical, clinical and commercial experience in the medicinal cannabis industry. The Company's founders were key figures in the global medicinal cannabis industry and the core business strategy is to develop and supply high quality cannabinoid-based pharmaceuticals products for the growing demand in the medical markets in Europe, North America and Australasia.

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