

19 June 2019

ASX Code: MXC

## New Agreement signed for Distribution of MGC Pharma Pharmaceutical Products in Brazil

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- New distribution agreement signed with ONIX Empreendimentos e Participações (“ONIX”), a Brazilian based company that assists companies in conducting business within the region
- Exclusive agreement providing the Company with access to the Brazilian market via ONIX’s subsidiary OnixCann, a distributor of phytocannabinoid based products in Brazil connecting doctors and patients
- Agreement covers MGC Pharma’s propriety cannabinoid treatments, specifically CannEpi™ (epilepsy), as well as its Investigational Medicinal Products (IMPs) including CogniCann™ (dementia and Alzheimer’s)
- Products shall be commercialized by ONIX solely under MGC Pharma’s brand and delivered direct to patients utilising OnixCann’s innovative digital platform CANTERA that connects potential patients with the relevant medical professionals
- CANTERA is a complete digital health platform developed by OnixCann to facilitate safe, affordable and legal access to phytocannabinoid products and to provide guidance to doctors and patients about the available treatments
- The platform will collate results from patient’s treatments creating a database of information to be used by medical professionals
- CANTERA platform enables MGC Pharma to ship product direct to patients in the region in a safe and legal manner
- Brazil and Latin American medical cannabis market estimated to reach a valuation of US\$8.5 billion by 2028<sup>1</sup>

**Roby Zomer, Co-founder and Managing Director, MGC Pharmaceuticals commented:** “This distribution agreement with ONIX represents a milestone towards establishing MGC Pharma as a leading international producer of phytocannabinoid based pharmaceutical products. Brazil represents a key emerging market and with the expected growth of the use of cannabis-based medicines in the region it could become a significant market for the Company. We look forward to building on this relationship with ONIX, utilising its innovative digital platform, as we grow our presence in Latin America.”

### Key Terms under the Agreement

- ONIX, through its affiliates or services providers, shall utilize standard operating procedures to exclusively commercialise and distribute MGC Pharma products in Brazil for a minimum term of 3 years

<sup>1</sup> Source: The LATAM Cannabis Report, Prohibition Partners

- b) During the first 12 months period ONIX has no obligation to reach a minimum quantity of purchase orders. As of the second anniversary, MGC Pharma and ONIX agree to establish a minimum guarantee of purchase orders to be fulfilled by ONIX. Failure to meet the minimum quantities shall entitle MGC Pharma to terminate the exclusivity, without any penalty and/or indemnification against ONIX.
- c) Products shall be commercialized by ONIX solely under MGC Pharma's brand
- d) ONIX shall be responsible for obtaining the market approvals to import products to individual in Brazil.

### Intellectual Property

All rights, title and interest in and to the intellectual property with regard to MGC Pharma's products, including but not limited to research, development, preclinical and clinical programmes, data and results, pharmaceutical or biological candidates and products, inventions, works of authorship, trade secrets, processes, conceptions, formulas, patents, patent applications, licenses, business, product, marketing, sales, scientific and technical strategies, programs and results, etc., will be owned solely by MGC Pharma.

### About ONIX Empreendimentos e Participações

ONIX is a Brazilian based company that assists companies in conducting business within the region. Its subsidiary company OnixCann is an established distributor of phytocannabinoid based products in Brazil connecting doctors and patients. OnixCann has an innovative digital platform called CANTERA that connects potential patients with the relevant medical professionals. CANTERA is a complete digital health platform that facilitates safe and legal access to phytocannabinoid products and to provide guidance to doctors and patients about the available treatments. The platform will collate results from patient's treatments creating a database of information to be used by medical professionals.

ONIX was founded by Marcelo Gavão with a vision to create a main distribution channel for phytocannabinoid based products across Latin America. Marcelo is experienced in the sector having been involved in the development of Entourage Phytolab which partnered with Canopy Growth Corporation.

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## About MXC

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

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