

21 June 2019

ASX Code: MXC

## New Agreement signed for Distribution of MGC Pharma Pharmaceutical Products in Germany, Austria & Switzerland

**MGC Pharmaceuticals Ltd (ASX: MXC, 'MGC Pharma' or 'the Company')**, a European based 'Seed to Pharmacy' bio-pharma company focused on developing and commercialising cost effective and affordable cannabinoid derived medicines, is pleased to announce it has signed a distribution agreement with Mexacare GmbH, a German based company, for the distribution of its phytocannabinoid products in Germany, Austria and Switzerland.

### Overview:

- Agreement signed with Mexacare GmbH ('Mexacare') ('the Agreement') for the distribution of MGC Pharma's phytocannabinoid based products in Germany, Austria and Switzerland ('the Territory')
- Mexacare is a German based company that provides the sales, marketing and logistics for diagnostic devices and complementary medical products to pharmacies, allied health practitioners, laboratories, hospitals and doctors
- Agreement provides the Company with access to a new marketplace within Europe via Mexacare's established distribution network
- German medical cannabis market alone totalled €133 million in 2018 and is estimated to grow to €7.7 billion by 2028<sup>1</sup>
- Agreement covers MGC Pharma's propriety cannabinoid treatments, specifically CannEpi<sup>TM</sup> (epilepsy), as well as its Investigational Medicinal Products (IMPs) including CogniCann<sup>TM</sup> (dementia and Alzheimer's)
- In Germany, approximately 500,000 people have epilepsy<sup>2</sup>, while around 1.3m people have dementia and/or Alzheimer's<sup>3</sup> – with existing treatments costing billions of Euros.
- Products shall be commercialised and distributed by Mexacare alongside a diagnostic product supplied by Mexacare that facilitates the time and cost-effective prescription of MGC Pharma's products

**Roby Zomer, Co-founder and Managing Director of MGC Pharma, commented:** "Germany and the associated region represents a key emerging market within the wider European market. I am confident that this agreement will enable us to capitalise on this extraordinary market opportunity as we effectively commercialise MGC Pharma's products in the region via Mexacare's established network of pharmacies and medical professionals, alongside its diagnostic technology expected to result in faster, more cost-effective prescriptions. As investors will recognise from the recent volume of news, we are focused on expanding MGC Pharma's global presence and connecting patients with our products."

<sup>1</sup> Source: [Prohibition Partners](#)

<sup>2</sup> Source: [German Epilepsy Association](#)

<sup>3</sup> Source: [German Federal Ministry of Education and Research](#)

[info@mgcpharma.com.au](mailto:info@mgcpharma.com.au) | [mgcpharma.com.au](http://mgcpharma.com.au)

MGC Pharmaceuticals Ltd | 1202 Hay Street, West Perth, WA 6005

PO Box 1976, West Perth WA 6872

T: +61 8 6382 3390

**Mr. Butzinger, founder of Mexacare, commented:** “We have been looking for a strategic partner with a clear and comprehensive pharmaceutical strategy regarding phytocannabinoid based products as we see the long-term medical importance and opportunity to fulfil many currently unmet medical needs. MGC Pharma is one of the few companies with a sole focus on prescription phytocannabinoid based products. Combining MGC Pharma’s pharmaceutical expertise and scientific approach with our broad market know-how and channel access creates a winning formula to become a market leader in one of the largest medical cannabis markets in the world. I look forward to working closely with the whole MGC Pharma team to bring needed, innovative, cost-effective treatment options to many patients in Germany and the wider region.”

### Key Terms under the Agreement

- (a) Mexacare to act as distributor in the Territory (Germany, Australia and Switzerland) to sell MGC Pharma’s products under the brand of MGC Pharma, the Distributor’s may have its own brands or as white labels, directly or through sub-distributors approved by MGC Pharma
- (b) Until the first anniversary of the Agreement, MGC Pharma shall not (i) appoint more than one additional distributor of MGC Pharma’s products in the Territory, and (ii) actively sell or distribute products to any party in the Territory. The obligations of exclusivity shall be subject to the Mexacare's compliance with the annual key performance indicators to be agreed by the parties on an annual basis, e.g. number of doctors briefed, quantity of product to be ordered, number of prescriptions issued and processed (the "KPIs"). Should Mexacare fail to meet any agreed annual KPIs, then MGC Pharma’s exclusivity obligations shall terminate, and this agreement shall continue on a non-exclusive basis.
- (c) The Agreement is for a period of two years, and thereafter shall automatically continue for a further two years, unless terminated by either party six months prior.
- (d) The Agreement provide exclusivity to MGC Pharma products, and Mexacare shall not distribute any similar or otherwise competing formulated prescription phytocannabinoid based products or other prescription pharmaceuticals without prior written consent of MGC Pharma

### About Mexacare

Mexacare GmbH, a fully owned subsidiary of MedVec GmbH ([www.medvec.com](http://www.medvec.com)), was founded in 2012 following the merger of the bj-diagnostik Vertriebs GmbH and the Biomar Diagnostic Systems GmbH. A German based company, Mexacare provides the sales, marketing and logistics for diagnostic devices and complementary medical products to pharmacies, allied health practitioners, labs, hospitals and doctors. Its strategy is focused on the delivery of high-quality products to its established distribution network across Germany, Austria and Switzerland. Additionally, Mexacare GmbH is a certified producer of medical products. Mexacare has an established network of existing partnerships and affiliates to successfully commercialise prescription phytocannabinoid based products. As a market leader, Mexacare was the first company to launch CBD products via a national sales force.

Knut Butzinger has previously founded, held executive positions in or consulted to several successful medical and pharmaceutical companies. Over the course of his career Mr Butzinger has focused on the development of medical businesses, working with innovative companies such as Prometheus Laboratories Inc (Irritable Bowel Disease and Crohn’s treatment’s sold to Nestle Health Science) and Proprius Pharmaceuticals Inc (Pain/Inflammation/Fibromyalgia treatments sold to Cypress Bioscience Inc), Quidel Corporation Inc (Diagnostics Nasdaq: QDEL), AviaraDx Inc (Oncology treatment, sold to bioMerieux SA), Metrika Inc (Diabetes treatment, sold to Bayer AG).

--Ends--

**For further information, please contact:**

**Media Enquiries**

Justin Kelly  
Media and Capital Partners  
+61 408 215 858  
[justin.kelly@mcpartners.com.au](mailto:justin.kelly@mcpartners.com.au)

**UK IR/Media Advisors**

Gaby Jenner/ Catherine Leftley  
St Brides Partners Ltd  
+44 (0) 207 236 1177  
[gaby@stbridespartners.co.uk](mailto:gaby@stbridespartners.co.uk)  
[catherine@stbridespartners.co.uk](mailto:catherine@stbridespartners.co.uk)

**MGC Pharmaceuticals Ltd**

Brett Mitchell  
Executive Chairman  
+61 8 6382 3390  
[info@mgcpharma.com.au](mailto:info@mgcpharma.com.au)

## 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.

Follow us through our social media channels    