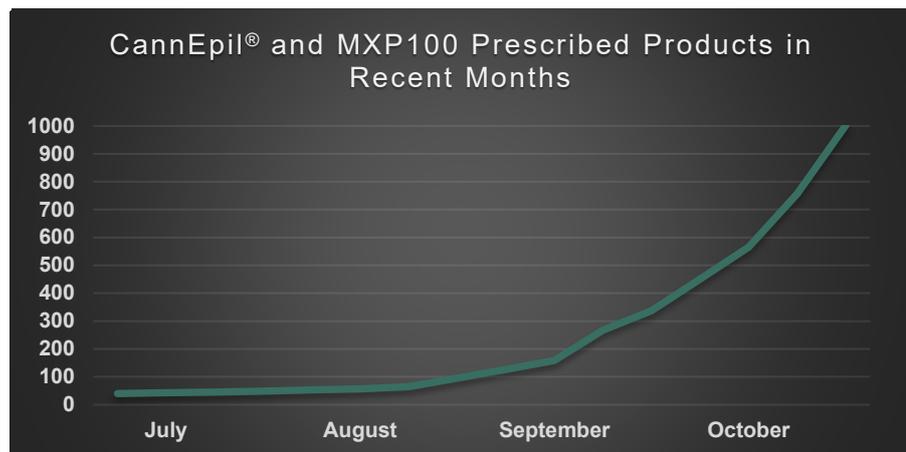


31 October 2019

ASX Code: MXC

## MGC Pharma Reaches Key 1,000 Prescription Milestone Ahead of Schedule for its Proprietary Cannabinoid Medicines

**MGC Pharmaceuticals Ltd (ASX: MXC, 'MGC Pharma' or 'the Company')**, a European based 'Seed to Medicine' bio-pharma company specialising in the production and development of phytocannabinoid derived medicines, is pleased to announce that the number of patients being prescribed its standardised, affordable cannabinoid medicines has continued to increase during October. The Company has now passed the 1,000 prescribed products milestone ahead of schedule in Australia and the United Kingdom, through prescriptions issued to more than 500 unique patients.



### Key Highlights:

- This milestone of 1,000 prescribed products has been achieved ahead of schedule due to the significant increase in prescriptions issued during October
- More than double the number of units prescribed in October compared to September
- More than 25 units prescribed on average per business day during October, increasing by 20% over the past 2 weeks
- The profile now being established of return patients for MGC Pharma products is expected to drive the prescription growth rate through November and December
- One of MGC Pharma's key distribution partners, Cannvalate, who account for more than half of prescriptions to date due to their close ties with the medical community and national footprint, report increasing interest in the Company's products due to competitive price and quality
- Demonstrates the near-term revenue generating potential of the Company based on its phytocannabinoid derived medicines available only to patients in Australia and the UK to date
- MGC Pharma's EU-GMP manufacturing facility in Slovenia can produce its pharmaceutical grade phytocannabinoid medicines for approximately 5,000 patients per month, at full capacity
- MGC Pharma's proprietary products, CannEpi® and MXP100 (100mg/mL cannabidiol), are prescribed in Australia under the Special Access Scheme and in the UK through specialised doctors permitted to prescribe phytocannabinoid derived medicines under the Early Access to Medicines Scheme
- CannEpi® is the Company's high CBD, low THC formula (20:1) phytocannabinoid derived formulation targeting the treatment of drug resistant epilepsy while MXP100 is recommended for mild neurological disorders, inflammatory and for hepatoma patients
- New Purchase Orders exceeding €300,000 recently received for all MGC Pharma products as demand continues to increase

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**Roby Zomer, Co-founder and Managing Director of MGC Pharma, commented:** “From a standing start we have now hit 1,000 prescriptions in a short space of time and ahead of schedule, demonstrating a clear demand for MGC Pharma’s products. The established profile of return patients for MGC Pharma products is expected to drive the prescription growth rate through November, December and beyond.

“As recent announcements have shown there is clear momentum behind the business, and we look forward to updating the market on our progress as we look to capitalise on the fast-growing medicinal phytocannabinoid market.”

**Sud Agarwal, CEO of Cannvalate, commented:** “We are delighted to see that MGC Pharma's product range has been so well received by the medical community. Each week, there are hundreds of patients that are accessing MGC range medication via our network. The spike of interest has been due to superior quality (EU-GMP), competitive pricing and individually designed condition-specific medications.

“We are looking forward to managing the continued increase in demand and we are thrilled that Australian patients have access to high-quality, consistent and affordable cannabinoid medication.”

### Further Information

MGC Pharma is pleased to have passed a further key milestone as an emerging bio-pharma company during October, with prescriptions for its phytocannabinoid derived medicines reaching over 1,000 across Australia and the UK ahead of schedule, demonstrating its strengthening position in each market. This growth is seen to accentuate from patients returning for repeat orders. In addition, a number of other patients are being treated with MGC Pharma products globally via participation in ongoing clinical research. The commercialisation of its portfolio of phytocannabinoid derived medicines is in line with its strategy of becoming a world-leading bio-pharma company through international distribution agreements.

CannEpi<sup>®</sup> and MXP100 are both proprietary MGC Pharma products that have been developed internally through the Company’s Research and Development division and progressed through to commercialisation. This is in line with the Company’s ‘Seed to Medicine’ strategy with the Company owning all the intellectual property through each stage of a product’s development, from the genetics to finished pharmaceutical grade product.

The Company continues to work closely with its designated distributors to onboard further clinics, in addition to independent medical professionals, in each region increasing patient access to its phytocannabinoid derived medicines under the relevant legislation in each jurisdiction.

MGC Pharma’s designated UK distributors are Grow Biotech PLC, a British headquartered company developing revolutionary processes, practices, techniques, tools and formulations to bridge the gap between existing cannabis medicines and accepted pharmaceutical standards, and IPS Specials, a company that manufactures unlicensed compounded medications and formulations for community and hospital pharmacists, and dispensing doctors. Grow Biotech and IPS provide direct, official access into the UK medical cannabis market with an extensive network of some 5,500 pharmacies across the UK.

In Australia, MGC Pharma has appointed Health House International and Cannvalate as its regional distributors. Health House International is an Australian-based specialist medicinal cannabis company that wholesales and distributes medicinal cannabis products to community and hospital pharmacies. Cannvalate is Australia’s largest network of cannabis prescribers and dispensaries (1,000+ doctors and 600+ pharmacies) giving the Company immediate and Australia-wide access to patients across all specialties.

Tetra Health streamlines patient access, provides education on how to prescribe cannabis for medical purposes to medical practitioners, and manages treatment outcomes with specialist nurses across Australia. Tetra Health, through its founders and network of partners, has managed over 30,000 global patients and is continuing to see an increase in patient growth in Australia over recent months. Cannabis Access Clinics work directly with patients who suffer from indications for which there is some evidence that medicinal cannabis therapies may be beneficial.

As is typical in the industry, payment terms are 90 days from the time of sale by the distributor and therefore will be reflected in the financial report of the Company in the quarter following the date that sales are contracted.

The European GMP compliant pharma industry scale cannabis production facility in Malta will, when constructed, be capable of producing over 8,000 units of each MGC Pharma pharmaceutical grade product per hour, which is designed with significant excess capacity to meet the Company’s future global needs once in full production.

The single site, pharma industry scale ‘Seed to Medicine’ production facility is unique in the industry, and in the European Union, and being based in Malta delivers a number of benefits for the Company’s operating business into the future from both an operational, logistics and financial perspectives.

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**For further information, please contact:**

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**About MGC Pharma**

MGC Pharmaceuticals Ltd (ASX: MXC, OTCQB: MGCLF) is a European based bio-pharma company supplying phytocannabinoid derived medicines to patients globally. 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 phytocannabinoid derived medicines for the growing demand in the medical markets in Europe, North America and Australasia. MGC Pharma has a robust product offering targeting three widespread medical conditions - epilepsy, dementia and IBS – and has further products in the development pipeline.

Employing its ‘Seed to Medicine’ strategy, MGC Pharma has partnered with renowned institutions and academia to optimise cultivation and the development of targeted phytocannabinoid derived medicines products prior to production in the Company’s EU-GMP Certified manufacturing facility. MGC Pharma has a number of research collaborations with world renowned academic institutions, and recent research conducted in collaboration with the National Institute of Biology and University Medical Centre Ljubljana, highlighted the positive impact of using specific phytocannabinoid formulations in the treatment of glioblastoma, the most aggressive and so far therapeutically resistant primary brain tumour.

MGC Pharma has a growing patient base in Australia and the UK and has a global distribution footprint via an extensive network of commercial partners meaning that it is poised to supply the global market. In order to meet the demands of becoming a key global supplier the company is constructing a 15,720m<sup>2</sup> GMP state of the art facility in Malta.

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