

20 October 2020
ASX Code: MXC

MGC Pharma delivers record consecutive weekly sales growth in October post launch of new Mercury Pharma Line

65% Sales Volume Increase Since 30 June – Now Over 7,000 Total Units Sold

ASX RELEASE

Key Highlights:

- Consecutive record week on week sales and revenue growth through September and October - exceeding \$225,000 in the past 4 weeks, best consecutive weekly sales result to date
- Key operational milestone surpassed with over 7,000 units sold across key global markets, led by Australia delivering a substantial increase in sales since 30 June 2020
- October to deliver a record for monthly unit sales and revenues for MGC Pharma’s EU GMP cannabinoid products
- Strong forward order book and sales pipeline now in place for November and December, driven by product demand from Australia and Brazil
- More than 1,892 patients globally have now been prescribed MGC Pharma EU GMP phytocannabinoid products, a ~32% increase in patients since June 2020
- Growing order pipeline of Mercury Pharma products in Australia, and breaking into new market in Brazil set to deliver record December quarter sales and quarterly revenue results
- Strong sales growth in the Australian market combined with new sales orders in the key growth markets of Brazil and the UK, puts the Company on track to achieve 5,000 units per month/cashflow breakeven status in calendar CYH1 2021
- Strong sales achieved despite the outbreak of COVID-19 and operational impact on European GMP manufacturing facilities with staffing disruptions, and to logistics networks
- MGC Pharma operations are structured and authorised to continue throughout second European wave of COVID-19 - 30-day Epidemic declared in Slovenia

MGC Pharmaceuticals Ltd (ASX: MXC, ‘MGC Pharma’ or ‘the Company’), a European based bio-pharma company specialising in the production and development of phytocannabinoid-derived medicines, is pleased to announce it has recently achieved consecutive record week on week sales and revenue growth through September and October - exceeding \$225,000 in the past 4 weeks alone. This is an outstanding result for the Company, delivering on the key platforms of the business strategy and recently delivered very strong growth in the number of sales to now over 7,000 units, up more than 65% since 30 June 2020.



This substantial increase is largely attributed to the recent formal launch of the Company’s industry leading, affordable Mercury Pharma product line into the Australian and Brazilian markets, and the Australian Import Licence granted to the Company in July (refer ASX release 8 July 2020) which allows for the direct importation of any MGC Pharma Schedule 4 and Schedule 8 medicinal cannabis products into Australia.

The recent strong growth in prescribed units and sales has largely been in the Australian market where demand is exceeding the Company’s expectations. MGC Pharma’s goal of providing high quality, affordable, phytocannabinoid-derived medicines, is being well received by both patients and doctors in the domestic market.



Mercury Pharma’s Unique, Affordable Cannabinoid Product Line

The expansion of the Mercury Pharma product line to include the entire range combined with a more affordable price point for the products, has led a strong increase in demand through numerous channels including Australia’s leading medicinal cannabis distributor, Cannvalate. The full Mercury Pharma range now available are:

- MP 100, a 100mg/ml CBD solution;
- MP 200, a 200mg/ml CBD solution;
- MP 1:30, a 100mg/ml CBD and 3mg/ml THC solution;
- MP 1:1, a 25mg/ml CBD and 25mg/ml THC solution;
- MP 7:1, a 3.6mg/ml CBD and 25mg/ml THC solution;
- MP 15:1, a 1.7mg/ml CBD and 25mg/ml THC solution;
- MP 25, a 25mg/ml THC solution.



In Australia, the Company is selling products through pharmacies and in Brazil, products now are directly provided to patients, this gives more control over the supply chain and allowing a further reduction in the final price to patients.

While the domestic order pipeline is strong through until at least the end of 2020, there are also increasing orders from both Brazil and the UK which puts the Company well on track to achieving record sales for the December quarter.

Outlook – on Target to Achieve Key Milestone of 5,000 units sold per month in CYH1 2021

Over the past year, the Company executed a number of strategic initiatives such as new distribution agreements into key markets, and the launch of a new range of affordable, high quality products – Mercury Pharma. The results of these initiatives are gaining significant traction in the market, including the recent world first direct to patient delivery of high THC medicine in Brazil, which ensures the Company is well placed to deliver on our stated milestone objective of achieving 5,000 units per month/cashflow breakeven status in calendar CYH1 2021.

Well positioned for proposed TGA low dose CBD scheduling changes in Australia

The Company’s growing commercial presence in Australia puts it in a unique position to take advantage of the upcoming changes announced by the TGA on 9 September, placing low-dose CBD on Schedule 3 - Pharmacist Only Medicine of the SUSMP (The Poisons Standard). A clinical program has been launched with the Company seeking advice from regulatory and clinical advisors, and the TGA, in order to finalise a Drug Development Plan and launch into the required clinical research in early 2021. MGC Pharma is one of only a handful of companies in Australia with the capacity to achieve a successful registration of a Schedule 3 product on the Australian Register of Therapeutic Goods, and approval will secure the Company as a market leader, while providing access to significant revenues.

30-day Epidemic declared in Slovenia – MGC Pharma Operations Continue with Government Approval

Due to the recently increasing COVID-19 cases in Slovenia the Company advises the Slovenian prime minister has confirmed a 30-day epidemic has been declared in the country. This does not affect MGC Pharma current operations as it has approval from the government to continue production due to the pharmaceutical nature of the business. The Company also has strict protocols in place to protect the health and wellbeing of the MGC Pharma team with the team operating in two independent shifts, thereby managing infection risk to enable the continuity of production.

Roby Zomer, CEO & Managing Director of MGC Pharma commented: “It is increasingly brought to our attention that one of the major inhibiting factors for patient access to medicinal cannabis in Australia, and globally, is the high price point that comes with high-quality medications that are not covered by insurance. We are constantly streamlining our operations in order to lower our overall cost base, to ensure we can meet our obligation to increase patient access to affordable, high-quality medicinal cannabis products. We are seeing the results of this strategy through the increase in patient demand and sales volumes.

The Company is continuously monitoring the COVID-19 situation in Slovenia with our team members continuing to make every effort to keep MGC Pharma moving forward due to their belief and commitment to what the Company is doing in creating and manufacturing unique, and life-changing medicines. The Board thanks the Slovenian team for their commitment to the Company and its patients during this time.”

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Authorised for release by the Roby Zomer, Managing Director, for further information please contact:

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About MGC Pharma

MGC Pharmaceuticals Ltd (ASX: MXC) is a European based bio-pharma company developing and supplying affordable standardised 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 two widespread medical conditions – epilepsy and dementia – and has further products in the development pipeline.

Employing its ‘Nature 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 including recent research highlighting the positive impact of using specific phytocannabinoid formulations developed by MGC Pharma 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, the UK and Brazil and has a global distribution footprint via an extensive network of commercial partners meaning that it is poised to supply the global market.

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