

2 February 2021

ASX Code: MXC

LSE Code: MXC

MGC Pharma completing final steps to list on the Main Market of the London Stock Exchange

Key Highlights:

- MGC Pharma is currently working through now the final steps for the admission of its shares to the standard segment of the Main Market of the London Stock Exchange (LSE).
- Dual listing onto the London Stock Exchange process has materially progressed in January, which is now expected to be completed in February 2021.
- MGC Pharma will be one of the first cannabis-sector companies to IPO on the main market of the LSE in the UK.
- MGC Pharma will retain its primary listing on the Australian Stock Exchange (ASX).
- Dual LSE and ASX listing will significantly broaden MGC Pharma's international profile and specifically provide direct access to UK and European institutional investors which aligns with the Company's established and future European operations.
- Strategic capital raising with UK institutional funds and sophisticated investor clients of London equity broker Turner Pope.
- In FY2020 MGC Pharma had revenues of AU\$2.1m, delivering major revenue growth from FY2019 and a continuing upwards trend in FY2021.
- MGC Pharma's products meet immediate market concerns including two flagship phytocannabinoid-derived medicines: CannEpil® designed as a treatment for refractory epilepsy and CogniCann® designed to improve dementia and Alzheimer's disease for patients' quality of life.
- MGC Pharma has an affordable product range, its MP line, which leverages pharma grade compounded products from high-CBD through to high-THC formulations.
- Company core research is focused on treatment in three core areas: Neurology, Oncology, and Autoimmune diseases – including ArtemiC™ for treatment of Covid-19 infected patients.
- MGC Pharma's international research collaborations span universities, hospitals, and research institutes in Australia, Israel, Slovenia, Malta, and India. These include the Royal Melbourne Institute of Technology (Australia), The Biotechnical Faculty of the University of Ljubljana (Slovenia), and the Hebrew University of Jerusalem (Israel).

MGC Pharmaceuticals Ltd (LSE: MXC, ASX: MXC, 'MGC Pharma' or 'the Company'), a European based and Australian listed bio-pharma company specialising in the production and development of phytocannabinoid-derived medicines, is pleased to announce it is in the final stages of listing the Company's shares on the Standard Segment of the Main Market of the London Stock Exchange. As part of the listing process, the Company has appointed Turner Pope and intends to raise gross proceeds of approximately £5m via institutional and other sophisticated investors in the United Kingdom.

Full details of the terms of the capital raising expected to be within the Company's ASX Listing rule 7.1 and 7.1 A capacity will be announced upon completion of Investor Presentations in the coming days.

The net proceeds of the capital raising will be used primarily to:

- meet the costs associated with Phase III clinical trial ArtemiC™ planned for H1 2021;
- meet the costs associated with Phase IIb clinical trial in respect of CannEpil®;
- increase distribution of the Group's product range and expansion into new key markets to drive sales growth and future revenue, including Brazil and major EU countries;
- meet the registration costs for ArtemiC™ in new markets, including Russia, Middle East and Europe; and
- general working capital including completing construction of the Group's proposed manufacturing facilities in Malta.

MGC Pharma operates a "Nature to Medicine" strategy within the international phytocannabinoid-derived and plant-derived medicines industry. It currently has products on the market which treat two widespread medical conditions – epilepsy and dementia – and has further products in the development pipeline. It has recently completed Phase II medical trials for the treatment of Covid-19 using a non-cannabis, plant-derived medicine.

The Company's "Nature to Medicine" strategy comprises the entire supply chain, from botanical research, to develop new strains of Cannabis Sativa product manufacturing, at the Group's facility in Slovenia and by its third-party distribution network across the UK, Ireland, EMEA, South America, Asia and Australia as well as the development of unique drug delivery systems designed to facilitate the Group's mission. The Company has a growing patient base in its key markets of Australia, Brazil, UK and Ireland, with revenues increasing to AU\$2.1m in FY2020.

Research

MGC Pharma, in conjunction with its research partners, primarily the Royal Melbourne Institute of Technology (RMIT) and The Biotechnical Faculty of the University of Ljubljana, aim to research and produce the highest quality plant derived medicines, which are affordable, regulatory compliant globally, and most importantly to improve people's quality of life through natural pharmaceutical products. The Company's research is conducted in three main areas of Neurology, Oncology, and Autoimmune diseases.

With RMIT, MGC Pharma have developed drug delivery systems for cannabinoid-based products for cancer, using nanotechnology targeting the CB2 receptors to control angiogenesis and inflammation. It has also published data with the National Institute of Biology, Slovenia assessing the efficacy of phytocannabinoid-derived medicines on glioblastoma.

Products and product development

On the market now, through early-access programmes, are its leading phytocannabinoid-derived medicines: CannEpil® designed as a treatment for refractory epilepsy and CogniCann® designed to improve dementia and Alzheimer's disease for patients' quality of life, which reached a record number of patients in 2020. The Company, through its MP line, offers an affordable range of products, leveraging pharma grade compounded products from high-CBD through to high-THC formulations.

Currently, MGC Pharma have several other products in development, aimed at improving the quality of life of people with serious illnesses and diseases, including, InCann (for the treatment of Crohn's disease and colitis), Tetrinol (cachexia) and TopiCann™ (anti-inflammation).

Reasons for LSE Listing

The dual listing will increase MGC Pharma's international profile which aligns with the Company's growing European and International operations. The dual listing will also provide access to UK capital markets along with UK and European institutional investors. MGC Pharma will be one of the first cannabis-related companies listed on the main market of the LSE, providing investors with a unique opportunity to gain exposure, through MGC Pharma, to the rapidly growing, global medicinal cannabis industry.

The Company will use the net proceeds from the capital raising to cover the costs of clinical trials for ArtemiC™ and CannEpil®, as well as increasing production of our products and expansion into new and existing key markets to continue to grow the revenue base of the company in 2021 and beyond.

The Company acknowledges the contribution and support of its English lawyers, Memery Crystal and Financial advisor, PKF, both of whom have advised extensively on the LSE listing processes.

Roby Zomer, Co-founder and Managing Director of MGC Pharma, commented: "I am delighted to announce we are moving forward with the admission of MGC Pharmaceuticals to the main market of the London Stock Exchange, which will position the Company for the next phase of its growth and development. Our listing is the culmination of the last six years of hard work, positioning MGC Pharma as a leader in the emerging phytocannabinoid pharmaceutical sector. Admission will reflect our European-based research operations, as well as enabling the Company to engage with investors in the UK, Europe, Africa and the Middle East."

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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, Brazil and Ireland 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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