

1 November 2023

ASX Code: MXC

LSE Code: MXC

MGC Secures US\$7.9 Million In Firm Commitments for New Fund Raising

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MGC Pharmaceuticals Ltd (**MGC Pharma, MGC** or the **Company**) a European based pharmaceutical company specialising in the production and development of innovative medicines for unmet medical needs, is pleased to announce that following shareholder approval for a new share placement secured at the Company's General Meeting on 25th October 2023 (**Placement**), the Company confirms that it has received binding commitments from sophisticated and professional investors (**Investors**) to subscribe for US\$8 million of new shares under the Placement, at an issue price of US\$0.255 (A\$0.40)¹ per share (on a post-Consolidation basis).

The issue of shares under the Placement is anticipated to occur in the next week, post completion of the 1:1000 consolidation of capital, as approved by shareholders at the same General Meeting on 25th October (**Consolidation**). Participants in the Placement will also receive one free attaching option for every two shares subscribed for and issued. The options will be exercisable at US\$0.32 (A\$0.50) (on a post-Consolidation basis), with a five-year term and will otherwise be issued on the terms and conditions set out in Schedule 1 of the Notice of Meeting dated 26 September 2023 (**Options**).

Following the Placement, 31,000,000 fully paid ordinary shares and 15,500,000 Options will be issued with shareholder approval under Listing Rule 7.1 (obtained 25 October 2023).

The US\$7.9 million secured represents the minimum amount required to fund MGC Pharma's full business plan over the next 12-month period, that is focused on the IND applications of CimetrA and CannEpil in the USA .

The Company currently intends to use the funds on the following basis²:

- CannEpil® - initiation of phase II clinical trials (in Australia) and submission of the USA Investigational New Drug Application (Food and Drug Administration) - c.**US\$2.6m**;
- CimetrA® - completion of phase IIB dose finding study in Israel, and submission of the USA Investigational New Drug Application (Food and Drug Administration) c.**US\$2.4m**;
- Marketing and pharmaceutical conferences costs c.**US\$1.2m**;
- Working capital c.**US\$1.3m**; and
- Costs of placement including ASX, LSE costs and prospectus submission in the UK c.**US\$0.4m**

The Company notes that the above use of funds is a statement of current intentions as of the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied.

The Investors were identified from within the existing network of the Company's Board and executive management through a bookbuild process, which involved seeking expressions of interest from unrelated professional investors, sophisticated investors and/or other investors that are exempt from the disclosure requirements in section 708 of the Corporations Act 2001 (Cth). Furthermore, the Company confirms that no fees will be paid to any party for managing the Placement.

¹ As approved by shareholders at the General Meeting held 25 October 2023, the issue price per share was equal to the volume weighted average price per share (on a post-Consolidation basis) traded on the ASX during the seven trading days immediately preceding the meeting.

² Refer to Notice of Meeting announced on 26 September 2023 for a line-by-line detailed use of funds.

The Company confirms that no participants in the Placement were:

- related parties of the Company, members of the Company’s key management personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
- issued more than 1% of the issued capital of the Company.

Indicative Timetable

Approval granted by shareholders to raise up to US\$8 million (A\$12.4 million)	25 October 2023
Subscriptions closed	1 November 2023
Funds received by the Company	3 November 2023
Shares issued upon completion of the Consolidation	7 November 2023

Roby Zomer, Managing Director and CEO of MGC Pharma, commented: “We are delighted to have secured this firm subscription following shareholder approval at the General Meeting and this underscores the unwavering support the Company has from high-net-worth individuals, highlighting the trust they have in MGC’s trajectory and the impact the Company are poised to make in the pharmaceutical industry. With this significant investment and the strong backing of our investors, MGC is well-positioned to drive innovation, accelerate growth and achieve remarkable milestones in the coming months.”

Total Voting Rights

On issue of the Placement Shares, the Company will have 35,427,969 (subject to final rounding of the consolidation) ordinary shares in issue, each with one voting right. Therefore, the Company’s total number of ordinary shares in issue and voting rights will be 35,427,969 (subject to final rounding of the consolidation) and this figure may be used by shareholders from issue of the Placing Shares as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA’s Disclosure Guidance and Transparency Rules.

References to US\$ and cents, and A\$ and cents, in this announcement are to the legal currency of the United States, and of Australia, respectively. A conversion rate of USD/AUD 1.57 has been used.

-ENDS-

Authorised for release by the board of directors, for further information please contact:

MGC Pharmaceuticals Ltd

Roby Zomer
 CEO & Managing Director
 +61 8 6555 2950
info@mgcpharma.co.uk

UK IR/PR Advisers

IFC Advisory

Graham Herring / Tim Metcalfe / Zach Cohen
 +44 203 934 6630
mgcpharma@investor-focus.co.uk

MGC Pharmaceuticals Ltd

Rowan Harland
 Company Secretary
 +61 8 6555 2950
info@mgcpharma.co.uk

UK Brokers

Oberon Capital

Aimee McCusker / Adam Pollock
 +44 203 179 5300
aimeemccusker@oberoninvestments.com
adampollock@oberoninvestments.com

About MGC Pharma

MGC Pharmaceuticals Ltd (LSE: MXC, ASX: MXC) is a prominent European pharmaceutical company with a strong commitment to creating accessible and ethically produced cutting-edge medicines. Our approach combines in-house

research with innovative technologies, all aimed at discovering and producing treatments for currently unmet medical conditions.

The company's founders and executives are distinguished figures in the global pharmaceutical industry. Our central business strategy revolves around the development and supply of innovative medicines, responding to the increasing demand in the medical markets of Europe, North America, and Australasia.

MGC Pharma maintains a robust development pipeline that addresses two prevalent medical conditions, with additional products currently in the developmental stages. We've established strategic partnerships with renowned institutions and academia, fostering the optimization of our medicines' development. These medicines are produced in our EU-GMP Certified manufacturing facilities, ensuring the highest quality standards.

With a growing patient base in key regions like the USA, UK, Australia, and Ireland, MGC Pharma has also built a global distribution network through a wide-reaching group of commercial partners. This extensive network places us in a prime position to supply the global market effectively.

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