

28 April 2020

ASX Code: MXC

MGC Pharma secures commitments for \$3.5m Placement

MGC Pharmaceuticals Ltd (ASX: MXC, 'MGC Pharma' or 'the Company'), a European based 'Seed to Medicine' bio-pharma company specialising in the development and production of phytocannabinoid-derived medicines, is pleased to announce that it has received firm commitments from new and existing institutional and sophisticated investors to raise A\$3.5 million by way of a share placement ('Placement').

Canaccord Genuity (Australia) Limited (Canaccord) acted as Lead Manager to the Placement, which was cornerstoned by the Merchant Opportunities Fund. The Placement was strongly supported and will see the Company issue approximately 129.6 million new fully paid ordinary shares ('New Shares') at an issue price of \$0.027 per New Share under the Placement, which represents a 6.9% discount to the last close price, and a 13.9% discount to the 10 day VWAP.

New Shares issued under the Placement will be issued under MGC Pharma's ASX Listing Rule 7.1A capacity, ranking equally with existing shares on issue, and include one free attaching option ('Option') for every two New Shares issued. The Option will be listed, exercisable at A\$0.045 on or before 31 August 2021 and will be issued under the Company's ASX Listing Rule 7.1 capacity. The pricing of the Placement, including the terms of the Option are the same as recently completed Share Purchase Plan.

A cleansing prospectus will be lodged with the ASX and ASIC to facilitate the trading of New Shares and Options issued under the Placement on or about 30 April 2020. Settlement of the Placement is expected to occur on 1 May 2020. The cleansing prospectus will also facilitate the issue (under ASX Listing Rule 7.1 capacity) and trading of the free-attaching options for the participants of the Share Purchase Plan completed 17 March 2020.

Proceeds of the Placement will be applied towards the production for the Company's cannabinoid-based medicines to fulfil current and future sales orders, to undertake the Company's clinical trials for ArtemiC to be tested on patients diagnosed with COVID-19, including the product development of ArtemiC for commercial production and supply and general working capital.

The Company will pay a cash fee of 6% on total funds raised under the Placement, plus 1% in ordinary shares (under ASX Listing Rule 7.1 capacity) to Canaccord as Lead Manager. Chieftain Securities, a boutique corporate advisory firm that holds an AFSL, had eligible clients that participated in the Placement and will receive a pro-rata share of the standard raising fee for their share of the funds raised in the Placement. MGC Pharma Executive Chairman Brett Mitchell is also a director and shareholder of Chieftain.

Roby Zomer, Co-founder and Managing Director of MGC Pharma, commented on the Placement: "We're very pleased by the strong level demand shown by investors for this capital raising, which will provide us with the funding to complete current and future sales orders of our cannabinoid-based products and to undertake our clinical testing to determine the safety and efficacy of AtermiC in COVID-19 patients."

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Authorised for release by the Board, for further information please contact:

UK IR/Media Advisors

Catherine Leftley/Megan Dennison

St Brides Partners Ltd

+44 (0) 207 236 1177

megan@stbridespartners.co.uk

catherine@stbridespartners.co.uk

MGC Pharmaceuticals Ltd

Brett Mitchell

Executive Chairman

+61 8 6382 3390

info@mgcpharma.com.au

About MGC Pharma

MGC Pharmaceuticals Ltd (ASX: MXC, OTCQB: MGCLF) 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 '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, 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. In order to meet the demands of becoming a key global supplier the company is constructing a large scale GMP state of the art facility in Malta.

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