

1 February 2019

ASX Code: MXC

## MXC Botanical Update

- Czech Republic 2018 cannabis crop delivers 30% more flowers than 2017 upon harvest
- MXC's 2018 1,100m<sup>2</sup> crop in the Czech Republic yielded 700kg of biomass and is being stored, ready for immediate transportation to its Slovenian extraction facility
- Transportation follows the Slovenian Ministry of Health granting MXC with a permit that allows the extraction of phytocannabinoids for the creation of MXC's own proprietary APIs (Active Pharmaceutical Ingredients)
- MXC successfully develops new proprietary genetic strain; MXC-10, containing high levels of THC (>35%) - the highest potency offering of any MXC strain launched to date
- Botanical achievements have been confirmed by the third semi-annual report published by the University of Slovenia Biotechnical faculty on Breeding cannabis for medical purposes – demonstrating the material progress made within the division
- MXC starts the process of the Europe registration of four unique Cannabis Sativa strains for medical purposes which were bred in the University of Slovenia Biotechnical faculty

**MGC Pharmaceuticals Ltd (ASX: MXC or "the Company")** is pleased to provide the following update on operations within the MGC Botanic division.

The Company has delivered positive results from all scientific and cultivation projects underway within Europe, focussed on the analysis and breeding of premium cannabis plants to be used in the development and production of MXC's medicinal cannabis products.



*Harvesting 2018, Czech Republic*

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## Harvesting of 2018 Crop

The 2018 crop, planted on the Company's 1,100m<sup>2</sup> Czech Republic glasshouse facility has been cultivated using pioneering cannabis genetics and has achieved all necessary milestones for harvest. The crop has been harvested yielding 700kg of biomass, 30% more flowers than the comparative 2017 crop.



*Final stages of cultivation, Czech Republic*

The crop is currently in storage in the Czech Republic, for imminent transportation to MXC's extraction facility in Ljubljana, Slovenia. This follows the Slovenian Ministry of Health granting MXC with a permit to extract phytocannabinoids from cannabis flowers and generate its own natural phytocannabinoid APIs, as announced 22 January 2019.

The tetrahydrocannabinol (THC), cannabidiol (CBD), and other phytocannabinoid will be extracted from the flowers at MXC's Slovenian facility and used in the manufacturing of the Company's medicinal cannabis products (Phytomedicines).

Successful harvest of the 2018 crop represents another achievement that progresses the Company towards commercialisation by driving the research and development projects currently underway within Europe and Australia. This ensures the Company remains ahead of pharmaceutical innovation in the medicinal cannabis sector and strengthens the pipeline of future medicinal cannabis products.

During 2019 MXC will start to move the cultivation activities from the Czech Republic to its new state of the art facility which will be built in Malta and will take the knowledge and propriety data which has been collected over the past three years and will implement this on a large commercial cultivation scale.

## MXC Genetics Development and Registration – Slovenia

In a landmark achievement, MXC’s botanical research team and the University of Slovenia biotechnology team have successfully developed a new proprietary genetic strain; MXC-10. This strain offers high levels of THC and is the highest potency offering of any of MXC product launched to date. The strain contains over 35% THC and low CBD (<1%) allowing the Company to yield high amounts of API per kg of raw material and create the most cost effective and affordable Phytomedicines.

Additionally, the successful harvest enabled MXC to significantly improve the chemical substance of its original genetic strain; MXC-85. This strain now contains 20% CBD and low (<1%) THC in comparison to 10% CBD and low THC (<1%) as was achieved in 2015.

This represents a milestone achieved for the Company and supports its growth strategy of developing and manufacturing a wide range of innovative medicinal cannabis products to treat conditions that currently have no effective treatment.

These achievements are confirmed by the third semi-annual report released by the University of Slovenia’s Biotechnical faculty on breeding cannabis for medical purposes. The report outlines the Company IP developments surrounding the creation of cost effective Phytomedicines. As a result, MXC is now completing the EU registration process for both new strains as well as MXC-402 and MXC-403, both newly developed wide spectrum Cannabinoids profile variants.



*Genetic Development at the University of Slovenia Biotechnical Facility*

### Roby Zomer, Co-founder and Managing Director, MGC Pharmaceuticals commented

“It is with great pleasure we announce that we have successfully completed our 2018 harvest. The harvest has yielded 30% more flowers than in 2017 and we are excited to begin the extraction process.”

“Successfully developing a proprietary, high THC strain over 35% THC, allows the Company to produce high yield of API per kg of raw material to create the most cost effective and affordable Phytomedicines.”

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## About MXC

MGC Pharmaceuticals Ltd (ASX: MXC) is an EU based BioPharma company with many years of technical clinical and commercial experience in the medical cannabis industry. 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 Cannabinoids based pharmaceuticals products for the growing demand in the medical markets in Europe, North America and Australasia.

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