

For personal use only

**mgc** pharma  
CBD HEALTH



---

[www.mgcpharma.com.au](http://www.mgcpharma.com.au)

ASX:MXC  
Investor Presentation  
May 2018

This presentation has been prepared by MGC Pharmaceuticals Limited (“Company”). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters.

No representation or warranty (whether express or implied) is made by the Company or any of its officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so).

Neither the Company, nor its related bodies corporate, officers, their advisers, agents and employees accept any responsibility or liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001, Competition and Consumer Act 2010 or any corresponding provision of any Australian state or territory legislation (or the law of any similar legislation in any other jurisdiction), or similar provision under any applicable law. Any such responsibility or liability is, to the maximum extent permitted by law, expressly disclaimed and excluded.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in the Company.

### Future matters

This presentation contains reference to certain intentions, expectations, future plans, strategy and

prospects of the Company.

Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties that may cause the Company’s actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

### US disclosure

This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any “US person” as defined in Regulation S under the US Securities Act of 1993 (“Securities Act”). The Company’s shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

**MGC Pharmaceuticals (ASX:MXC) is a European focused medical cannabis company, developing a vertically integrated business through the whole medical cannabis value chain**

**Capital Structure**

<b>ASX code</b>	<b>MXC</b>
<b>Market capitalisation (as at 9/5/2018)</b>	<b>~A\$88m</b>
<b>Share price</b>	<b>7.4c</b>
<b>Cash at Bank (post \$5m raise in April 18)</b>	<b>~A\$12.0m</b>

**Issued Capital**

Ordinary shares	1,202m
Listed Options (6.5c, expiring 30/6/19)	91.3m
Performance Shares and Rights	0.1m
Unlisted Options (12.5c, expiring 31/3/21)	20.5m
Unlisted Options (15.0c, expiring 30/6/21)	10.0m

**MXC's core strategy is centred on pharmaceutical product research and development and Active Pharmaceutical Ingredient (API) extraction.**

**MXC is the only medical cannabis company listed on the ASX with a combined Israeli, European and Australian clinical research strategy.**

**MXC's Major Achievements To Date-**

-  Establish a GMP Manufacturing facility in Europe
-  Production of first pharma-grade medicine in April 2018
-  Licensed cultivation operations in Malta and Czech Republic
-  Creation of unique CBD Cosmetics Product lines and First Sales

**Led by a strong Executive Management team and Board, with years of global experience in clinical research and conducting successful human trials with medical cannabis**



For personal use only

**Diversified Business Model**

Medical Cannabis Pharmaceutical products  
 Research and Development  
 HEMP Nutraceuticals and Supplements  
 CBD Skin Care and Dermatological

**Geographically Scalable**

Holding three site operational position with Europe as center of R&D and production  
 IP is transferrable globally, with active collaborations with global research institutions to facilitate immediate entry into new markets as they open

**Clear Australian Strategy**

Industry leadership position: University of Sydney White Paper, RMIT Medical Cannabis Library, Educational program with EAA  
 Advanced discussions on Australian genetics and breeding operation, and commencement of Clinical Trials

**World Class Assets**

World-class European GMP facility and pharma clean rooms  
 Genetics and breeding research collaboration with the Ljubljana University and Czech Republic's Institute, fully licensed

**Substantial Market Opportunity**

Medical cannabis market is estimated to be worth +US\$100b by 2020<sup>1</sup>  
 Emerging research continues to validate the significant medical application of cannabis

**Strong Leadership**

Experienced Board and Executive Management team  
 World leaders in medical cannabis research and clinical trials (Prof Kramer, Prof Neubauer and Dr. Johnny Gruenfeld ), with access to world's best research institutes

<sup>1</sup> Source: <http://www.technavio.com/news/want-research-medical-marijuana-pen-business>

### Our Strategic Vision

## Global Leader in Phytocannabinoid-based medicines, within the biopharma industry

- 🌿 MGC Pharma's goal is to facilitate the transformation of Phytocannabinoids into true medicinal product pipelines
- 🌿 To provide breakthrough solutions to improve the quality of patients' lives and contribute to improved public health

### Our Mission

## Create a Global Supply Chain - focussed on creating Pharma Grade MC products and improving the lives of patients, through innovative research across multiple market segments

- 🌿 MGC Pharma's mission for the Company will be at the forefront of research and development in this exploding market
- 🌿 To supply our products to research efforts worldwide, and then to the markets that this research opens



### **Nativ Segev**

**Executive Director & Head of Business Strategy**

The founder of MGC Pharma, previously CEO of Israel's second largest licensed medical cannabis company, with over 10 years of experience in the global medical cannabis industry and over 15 years of experience in executive roles. Founded MGC Pharmaceuticals to expand into International markets and to raise the quality and viability of medicinal phytocannabinoid products.



### **Roby Zomer**

**Managing Director**

Following 10 years of experience in the BioTech and AgroTech sectors alongside running large scale projects, Mr. Zomer joined MGC Pharmaceuticals as Director & CEO, bringing his extensive business contacts, scientific and engineering skillset to bear on ensuring MGC's position as a leader in research and development, as well as ensuring top performance from our global operations.



### **Brett Mitchell**

**Executive Chairman**

With over 20 years of experience in the founding, financing and management of both private and publicly listed companies, Mr. Mitchell is responsible for the corporate strategy, capital markets and financial management of the company, and is integrally involved in assisting in building a new industry from the ground up in Australia.



### **Dr. Ross Walker**

**Director & Head of Medical Advisory Board**

Dr. Walker is a well-known figure in Australian health, as host of a weekly radio program and a prominent cardiologist who specialises in echocardiography and preventative cardiology. Dr. Walker has published several books, and lectures both nationally and internationally. His contacts in the medical establishment and beyond allow him to facilitate relationships for MGC and draw positive public attention to the brand.



**Professor Uri Kramer**

One of the few medical professionals in the world to have run full scale epilepsy trials with Cannabis, Dr. Kramer brings a wealth of experience in various fields (Neurology, Pediatric Neurology, Adolescent Psychology & Child Development). Additionally, Professor Kramer is a Former president of the Israeli League Against Epilepsy, giving him unique insight into the daily struggles of the patients his research benefits.



**Professor David Neubauer**

As Head of Department of Child, Adolescent and Developmental Neurology at University Children's Hospital, Ljubljana, Dr Neubauer is widely published and respected, and has dealt with children and adolescents in Neurological contexts for more than thirty years.



**Professor Stane Srčič**

Stane Srčič is a Professor of Pharmaceutics and Head of the Department of Pharmaceutics at the University of Ljubljana, where he held the position of Vice-Dean between 1996 and 2000. From 1987-88 he was Assistant and Associate Professor in Ljubljana before becoming a full Professor and taking on the role of Head of Department.



**Doctor Johnny Gruenfeld**

Certified in Israel, with clinical experience at the MD Andersen Cancer Center, Prof. Gruenfeld has spent the last twenty years focusing on Neuro-Oncology, specifically and, since 2010 the use of cannabis in the treatment of oncological palliative care. Involved in the licensing of care of over 3000 medical cannabis patients in Israel, has given him a unique insight into questions of dosing, patient groups and developing treatment methodology.

For personal use only

## Multi-million dollar supply and distribution agreements



Definitive Supply Agreement signed with Australian Pharmaceutical Distributor

Will bring first medical cannabis medicine, CannEpi™, to the Australian market

Targeting +70,000 Australians suffering from drug-resistant epilepsy

~\$1m annual revenue from patients already registered (<100), with strong growth expected



5 Year Supply & Distribution Agreement signed with European Pharmaceutical Company

MXC will supply medicinal cannabis flower products and CannEpi™ MXC epilepsy medicine

~\$1m annual revenue from patients already registered (<100), with strong growth expected



Exclusive distribution deal for API grade extracts with leading laboratory equipment supplier Mikro+Polo

Slovenia's largest supplier of laboratory equipment, chemicals and diagnostics to established customer base of laboratories in Slovenia, Croatia and Bosnia



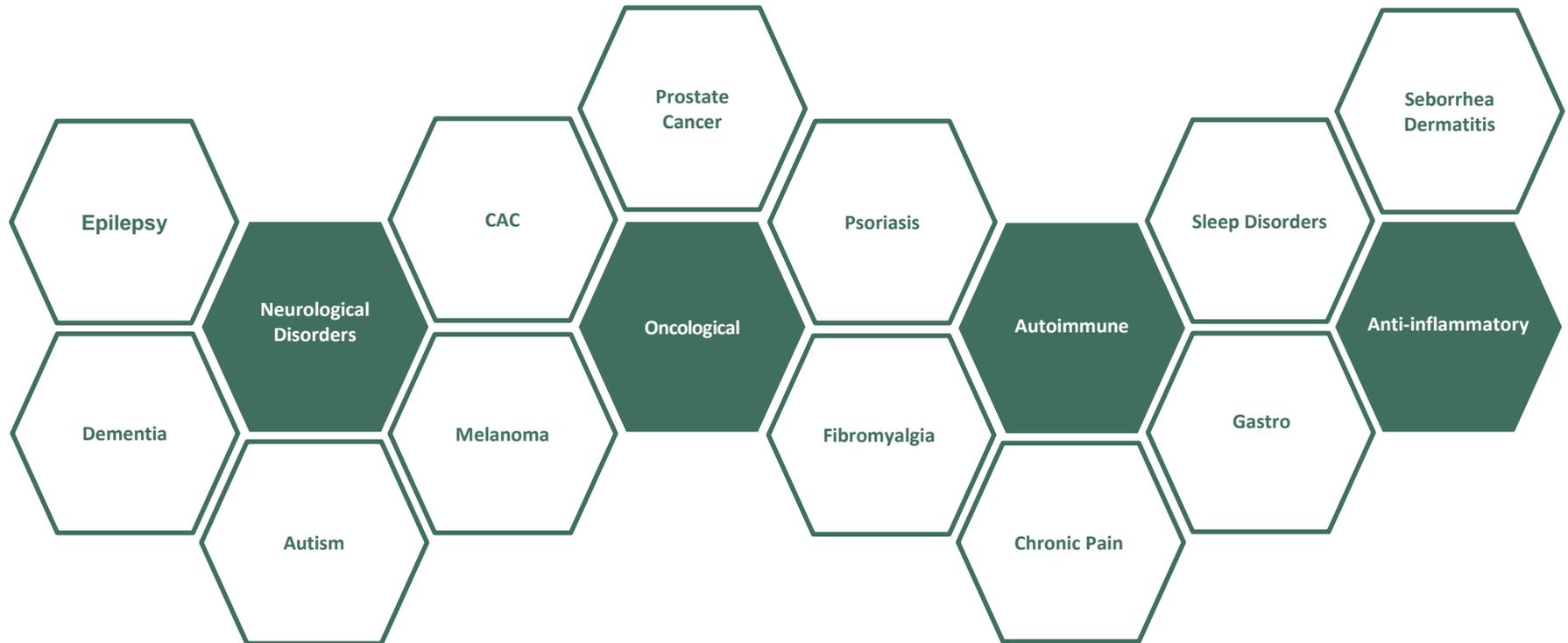
Multi-year binding agreement to supply cannabidiol (CBD) extract to European distributor, operating in Germany, the Czech Republic and Austria

MXC will supply a minimum 12kg of CBD extract per quarter

Expected to generate +\$1m in annual sales

For personal use only

Clinical studies indicate that cannabinoids are effective in easing symptoms of a wide range of difficult-to-control conditions, MGC Pharma pipeline in this sector including:



For personal use only

MGC Pharma operates in several different segments of the Pharmaceuticals and Medical Cannabis industry, applying high standards of Quality Control (QC) through all of our divisions to assure the best we can provide to our patients and to the public

**MGC Pharma's four operating divisions:**



(MXC:100%)

The strategic core of the company. Focused on medical research and development of the Company's pharmaceutical product pipeline



(MXC:100%)

Emerging from a pharmaceutical grade pipeline, MGC Nutraceuticals provides premium phytocannabinoid based products that create balance and wellness within users' internal systems



(MXC:100%)

Provides raw materials and appropriately matched genetics to treat patients with a variety of diseases across the globe



JV (MXC:51%)

European Subsidiary  
Developing and commercialising the Company's cosmetics and dermatologically tested products in the large global skincare market



For personal use only

Global Cannabis Market \$60B

Global Pharma Market \$1,072B

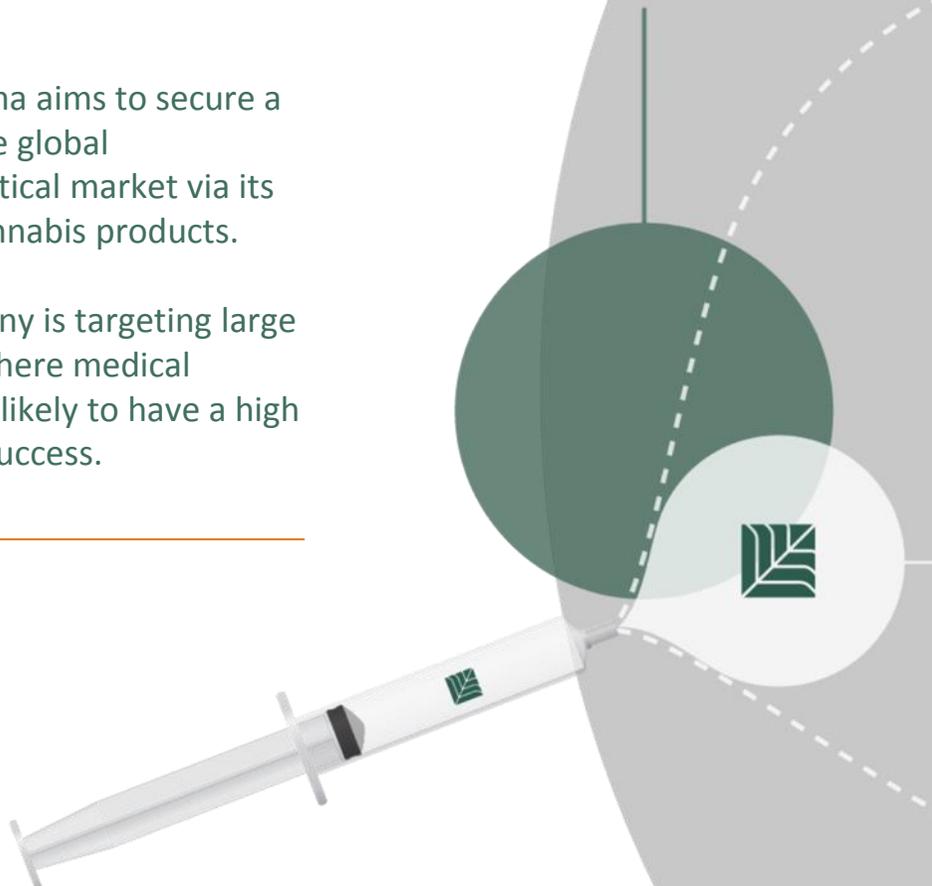
MGC Pharma aims to secure a share of the global pharmaceutical market via its medical cannabis products.

The Company is targeting large markets, where medical cannabis is likely to have a high degree of success.

Potential market size for MGC Pharma

**MGC taps both markets**

Taking the best of both worlds and bringing them together to create unique formulations that answer the needs of groups underserved by big pharma



For personal use only

MGC Pharma plans to secure multiple operational sites to support trade and distribution deals across key global markets.

Our strategic focus is in three major geographical areas of engagement.

Estimated Global Medical Cannabis target markets (by 2020), *excludes USA and China*

- EU/UK - \$56b
- Canada \$1.2b
- Australasia - \$0.5b

**Total Global Market Value, \$60b**



For personal use only

**Owner of unique IP which places the Company at the forefront of medical cannabis research and development for indications that will serve large and growing global markets**



- ✔ MGC First Medicinal product - expected to be available in Q4 2018
- ✔ CannEpiL™ is a cannabidiol-based product used for drug-resistant (otherwise known as refractory) epilepsy



- ✔ Interim GMP certification granted, final approval pending
- ✔ Production of first CannEpiL™ batch completed in March, independent verification underway for final GMP approval
- ✔ MGC GMP Facilities will allow the development of further cannabis based medications



- ✔ Landmark collaboration with RMIT University, establishing the Cannabis Medicine Library, and focusing on pre-clinical research on melanoma and prostate cancer
- ✔ Umbrella agreement signed and application submitted for Australian research licence



- ✔ Strategic Alliance with Australia's leading Epilepsy association, Epilepsy Action Australia (EAA)
- ✔ MXC products will be introduced by the EAA to its members in accordance with their medical requirements
- ✔ Collaboration towards future joint clinical trials using medical cannabis for the treatment of epilepsy

Establishing a fully-vertically integrated medical cannabis 'seed to pharma' operation in the European Union

4000m<sup>2</sup> Maltese Medical Cannabis Production Facility

Research

- Clinical research hub with the Malta Medical Cannabis Hub
- Pharmaceutical research into new medications utilising the benefits of both CBD and THC

Greenhouse Facility

- Medical cannabis cultivation in greenhouse facility producing up to 3 crops per year
- Full production capacity of 1.5 tonne biomass capacity annually
- Highly cost effective cultivation costs due to Mediterranean climate

GMP Production and Manufacturing Facility

- Production of pharmaceutical grade medical cannabis whole plant extracts from MGC's genetics
- Production of MGC's final medicines for specific indications such as CannEpi<sup>TM</sup>
- Production of MGC API for third parties compounding medications

- Investment of €4.3m to commence in H2 2018
- German market estimates the wholesale price of raw materials to be 3.5 euro/gr
- EU market estimate of production costs of raw materials to be a minimum of 1.2 euro/gr
- More than 20% of EU production costs dedicated to energy and lights to compensate for adverse climate
- Malta's climate is ideal for production with average yearly temperature of 23°C, lower energy costs to EU
- Malta provides large business incentives for the pharmaceutical industry

EU/UK  
\$56b market by 2020



Germany is one of the key EU markets that is at the forefront of leading the commercialisation of the industry in Europe.

Current size of the German MC market is estimated as \$17.5b

For personal use only

For personal use only

Evidence has shown that the market for diseases medical cannabis can treat will grow significantly in the coming years, MGC Pharma R&D products pip-line is divided to the following groups:

Neurological Disorders	Oncological	Autoimmune Anti-inflammatory	Other Indications
<p><b>Epilepsy</b> The global epilepsy medication market is approximately US\$3.7B</p>	<p><b>Cachexia</b> The global cancer therapeutics market should reach US\$172.6B by 2022 from \$121B in 2017</p>	<p><b>Psoriasis</b> The global market for psoriasis treatment, should reach US\$12.1B by 2024 from US\$7.8B in 2015</p>	<p><b>Crohn's Disease</b> The global inflammatory bowel diseases (IBD) market is expected to reach US\$9.5B in 2020 from US\$8.5B in 2016</p>
<p><b>Dementia</b> The global dementia medication market is approximately US\$14B</p>	<p><b>Melanoma</b> The global melanoma medication market should reach US\$4.71B by end of 2022 from US\$2.04B in 2016</p>	<p><b>Fibromyalgia &amp; Chronic Pain</b> The market is expected to rise from a valuation of US\$60.2B in 2015 to US\$83.0B by 2024</p>	<p><b>Insomnia</b> The global insomnia therapeutics market is expected to reach USD\$3.45B by 2025</p>
<p><b>Autism</b> Autism is a fragmented \$5.5B market in the US</p>	<p><b>Prostate</b> The global prostate cancer therapeutics market size was valued at US\$7.9 billion in 2016</p>	<p><b>Seborrhea Dermatitis</b> The global atopic dermatitis (AD) market is expected to grow to US\$7.66B in 2025 from US\$4.04B in 2016</p>	<p><b>IBS</b> The global therapeutics market for Irritable Bowel Syndrome is expected to reach \$1.5B by 2023 from \$589.6M in 2013</p>

## Production of first CannEpi™ batch recently completed at European manufacturing facility

### Production Commenced

- 🌿 MXC's European Medicinal Cannabis manufacturing facility has recently completed production of the first batch of CannEpi™
- 🌿 CannEpi™ is MXC's first pharmaceutical-grade medical cannabis product targeted for drug resistant (refractory) epilepsy, which accounts for approximately 30% of the estimated 240,000 people diagnosed with epilepsy in Australia each year
- 🌿 More than \$1m in annual sales expected to be generated in the Australian market based off <100 patients already registered



### GMP Certification

- 🌿 This is the final step towards full GMP certification
- 🌿 One of Europe's most advanced facilities for cannabis medicine
- 🌿 Expected once granted, MXC will be able to commence full-scale production of CannEpi™ and to produce additional pharmaceutical grade medicinal cannabis products for use by MXC in clinical studies, research pipelines and product flow



## **MXC signs contract for full MC cultivation and manufacturing facility licence with Maltese Government Agency. Strategic EU location to provide cost effective production and medicine, and direct access to EU markets**

### **MXC signs contract for full medical cannabis facility**

The licence is subject to final legislative changes and presidential sign off that will permit the cultivation, production and commercialisation of medical cannabis and pharmaceutical grade medicines in Malta.

First federal bill on legalising medicinal cannabis in Malta passed in parliament during March 2018, and second bill passed on 16 April 2018.



\*MGC CZ Facility

\*Illustration

### **Cannabis legalised in Malta for medicinal purposes – provides direct access to the EU markets**

The contract signed by MXC for a full MC cultivation and production licence in Malta is very strategic for the completion of the Company's EU focused business plan and operations.

Malta's climate is ideal for cannabis cultivation which will allow 3 crops per year, and as part of the EU is very attractive to establish large scale operations.

- 🌿 MGC will establish whole "seed to pharma" state-of-the-art GMP production facility to provide its medications globally
- 🌿 Access to existing operational and distribution pipelines in Europe and Australia
- 🌿 Direct access to key emerging UK/EU countries thru the FDA Mutual Recognition agreement signed by 1st of November 2017 includes Austria, Croatia, France, Italy, Malta, Spain, Sweden, and United Kingdom.

**MGC Pharma’s Botanic Division engages with multiple cultivation sites to meet increasing global demand, alongside research into breeding and genetics with leading institutions and academia**

**Greenhouse facility  
in Malta  
4,000m<sup>2</sup>**

Granted 4000m<sup>2</sup> of land and a licence for the cultivation and manufacturing of Medical Cannabis in Malta for final medication

Biomass will be processed at Malta GMP facilities for commercial production of MGC Pharma medical product for the European and the global market



**Greenhouse facility  
in Czech Republic  
+1,000m<sup>2</sup>**

First cycle of Panax harvested, yielding over 400kg of high CBD and THC flowers

Biomass will be processed into CBD crystals for use in the Company’s MGC Pharma and MGC Derma product lines



**Open Field Farm and  
Collaborative Partnerships  
in Slovenia**

Genetic research program underway to create genetic strains with high levels of CBD and THC for the treatment of specific disease symptoms

5,000 open field Hemp cultivation for our Nutraceuticals and Derma raw materials



**MGC Nutraceuticals provides premium phytocannabinoid based products that create balance and wellness within users' internal systems**

**MGC Nutraceuticals**

eCommerce website launching soon

To coincide with the launch, the release of a new product catalogue and new e-commerce website supporting the MGC Nutraceuticals range is now live.

Visit <http://www.mgcnutraceuticals.com/>



**Pharmaceutical Grade Nutraceuticals**

Promoting inner health and wellbeing, MGC Nutraceuticals' product range includes multiple premium products, comprising supplements and food grade products in flavours such as forest fruit, blueberry and vanilla.

- 🌿 The products contain high grade phytocannabinoids
- 🌿 Grown, extracted and processed under the Company's strict quality control guidelines and standards
- 🌿 Contains natural vegan proteins and vitamins



**\$561 billion USD**

global nutraceuticals market by 2020<sup>1</sup>

Targeting several key geographies, including Europe, the US & Australia

**Full Product launch planned for Q2 2018**

1. <https://www.mordorintelligence.com/industry-reports/global-nutraceuticals-market-industry>

Positioned as one of the leading CBD cosmetics brands with distribution deals signed into multiple markets, currently in discussions to engage in new markets

## MGC Derma

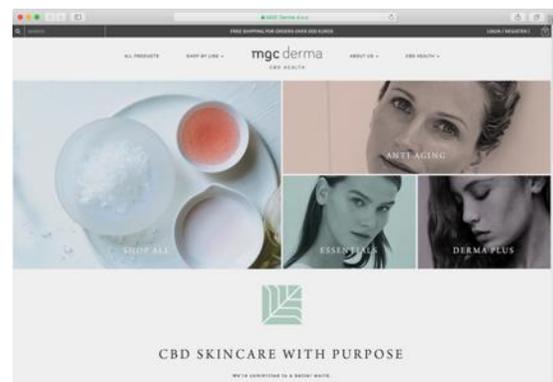
CBD based cosmetics products

- █ MGC Derma CBD based cosmetics products available for sale since May 2017
- █ Range of 19 products will increase to ~50
- █ Product launch in UK, North America, Asia for 2018

## DermaPlus

CBD based dermatologically tested products

- █ Range of dermatologically tested, clinically trialed skincare products
- █ All three products launched in 2018
- █ Proven to have a positive effect relieving symptoms of volunteer patients with psoriasis, eczema and acne skin ailments



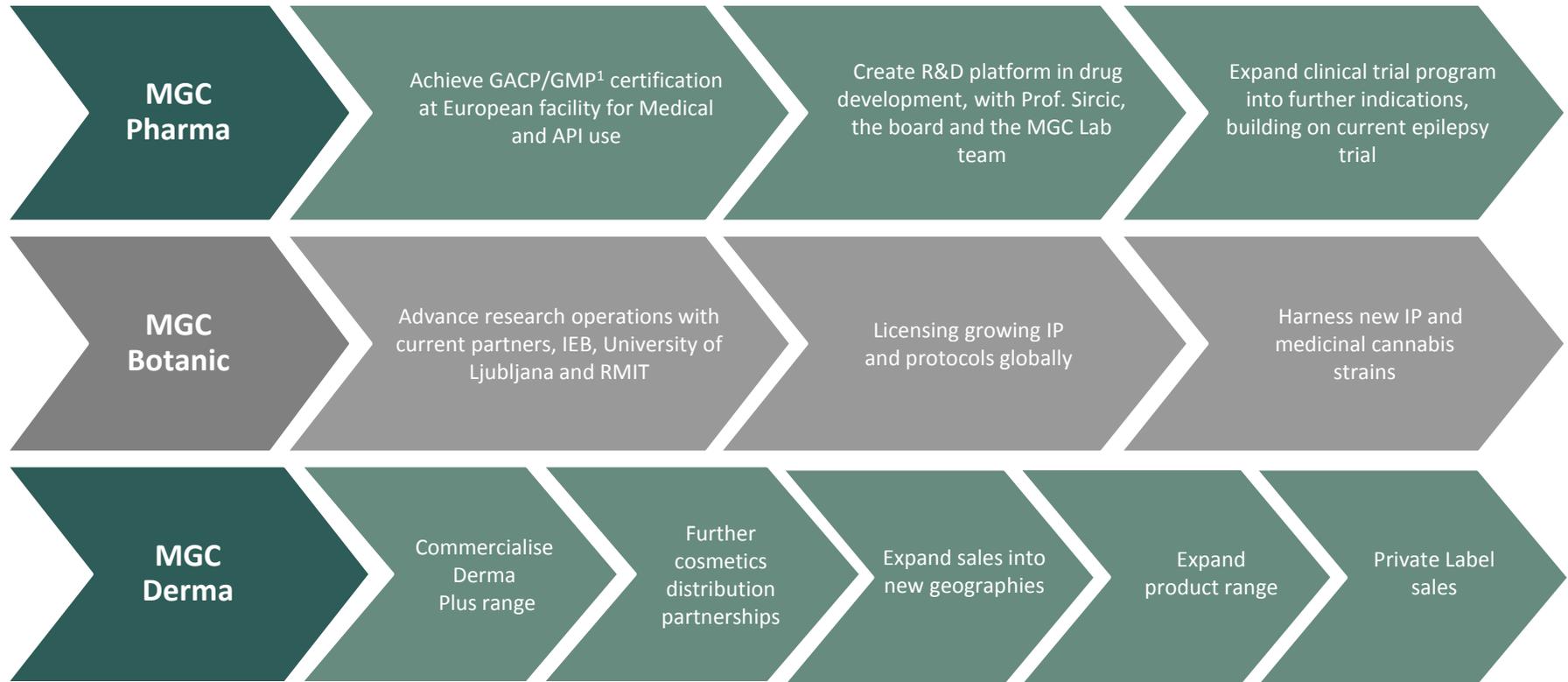
*cult*  
**BEAUTY**

**\$675 billion USD**  
global cosmetics market by 2020<sup>1</sup>  
Targeting several key geographies, including Europe, the US & Australia

Product launch in U.K. and North America planned for 2018

1. ResearchAndMarkets, June 2015

For personal use only



1. GACP: Good Agriculture Collection Practice. GMP: Good Manufacturing Practice

MGC is at the forefront of a shift to cannabis medications as viable alternatives to current therapies, engaging with patient groups to ensure commercial viability

---

- ▀ Good Manufacturing Practice (GMP) certification for the production of CannEpi™ at MXC's European Production Facility
- ▀ GMP certification for the production of Active Pharmaceutical Ingredient (API) cannabinoids and medicines
- ▀ Commence CBD extract sales on the wholesale market
- ▀ Commencement of medical grade APIs, pharmaceutical sales
- ▀ Pending approval of Australian research licence, commencement of RMIT collaboration research projects starting with melanoma treatment
- ▀ Further exclusive distribution deals expected to be signed in 2018 for MGC Derma CBD-based cosmetics range
- ▀ Dermatological product sales, including launch of full Derma Plus range

For personal use only



Thank You

[www.mgcpharma.com.au](http://www.mgcpharma.com.au)

