

MGC Pharmaceuticals Ltd

22:28 19 Jul 2020

MGC Pharmaceuticals moves to acquire one of Australia's leading medicinal cannabis clinics

MGC Pharmaceuticals Ltd (ASX:MXC) (OTCMKTS:MGCLF) intends to acquire 100% of the operating clinic-based assets, data and intellectual property of Medicinal Cannabis Clinic Pty Ltd (MCC).

MGC Pharma, a European-based bio-pharma company specialising in the production and development of EU-GMP phytocannabinoid-derived medicines, has signed a binding term sheet with Cannvalate Pty Ltd to acquire its wholly-owned subsidiary MCC.

As well as being one of Australia's leading medicinal cannabis clinics, MCC has an extensive doctor and patient network.

A new company will be incorporated to hold all the MCC assets which will be wholly-owned by MGC Pharma.

Under the terms of the agreement, the new company will obtain relevant state and federal licences to allow for the import and distribution of medicinal cannabis products.

This would move MGC Pharma's Australian supply chain to the new company, allowing the company to continue providing increasingly affordable cannabinoid medications through the focused reduction of importation, storage and distribution costs per unit.

"Important part of our strategy"

Co-founder and MD Roby Zamer said: "The acquisition of Medicinal Cannabis Clinics' assets is an important part of our strategy to grow our distribution network and direct supply chain capabilities in Australia and Internationally.

"Importantly, with the acquisition of MCC's assets, MGC Pharma will be well on the way to achieving our cashflow breakeven targets.

"We look forward to integrating MCC's high-quality network of clinics."

In conjunction with the acquisition, MGC Pharma has secured the services of MCC staff to continue operations of the new company, ensuring clinical independence and excellent clinical governance and does not anticipate any changes to current operations, product offering, or fundamental business ethos of MCC.

Expansion of direct distribution

This provides both MGC Pharma's and MCC's patients and business relationships with full confidence of continued operation at existing reputed levels of service and support.

The acquisition is set to expand MGC Pharma's direct distribution network and enable a direct supply chain of MGC Pharma's proprietary medicinal cannabis products to customers, cementing the company's fully vertically integrated

Price: 0.022

Market Cap: \$36.1 m

1 Year Share Price Graph



Share Information

Code: MXC

Listing: ASX

52 week High Low
0.042 0.015

Sector: Cannabis

Website: www.mgcpharma.com.au

Company Synopsis:

MGC Pharmaceuticals Ltd (ASX:MXC) is a European based bio-pharma company developing and supplying affordable standardised phytocannabinoid derived medicines.

action@proactiveinvestors.com

Nature-to-Medicine business model.

Consideration due for the acquisition upon completion of settlement conditions includes \$400,000 in cash and \$1 million in MGC Pharma shares.

Settlement of the transaction is to be within 90 days.

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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