

c.£1.2 million raised in a conditional Placing
CannEpiL Phase 2b clinical trial funding secured up to c.£0.63 million
UK Broker Option Share offer to raise up to £0.75 million

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MGC Pharmaceuticals Ltd (“**MGC Pharma**” or the “**Company**”), a European based pharmaceutical company specialising in the production and development of plant inspired medicines, is pleased to announce that it has raised £1,204,525 (A\$2,204,281) (before expenses) by way of a conditional placing (“**Placing**”) of 274,365,055 new ordinary shares of no par value (“**Ordinary Shares**”) in the capital of the Company (“**Placing Shares**”) at a price of 0.44 pence (0.8 cents) per Placing Share (“**Placing Price**”). The Placing consisted of a placing of 180,005,680 Placing Shares (“**UK Placing Shares**”) with institutional and other investors in the UK (“**UK Placing**”) and 94,359,375 Placing Shares (“**Australian Placing Shares**”) to institutional and other investors in Australia (“**Australian Placing**”). The Placing was supported by a mix of new and existing institutional and high net worth shareholders. The Company continues to be supported by existing shareholder Mercer Street Capital which forward funded £891,000 (A\$1,630,530) pursuant to a convertible facility earlier in 2023, in addition to its cornerstone participation in the Placing. Leading United Kingdom institutional fund Premier Miton has also continued to support the Company since its admission to the London Stock Exchange in February 2021, and has led the UK fundraise as a cornerstone to the UK Placing.

In addition, the Company has also entered into a binding term sheet with Cantheon Capital, a specialist clinical trial funder for CannEpiL®, pursuant to which Cantheon Capital has agreed to invest up to approximately £629,775 (A\$1,152,488) in the Company for up to approximately 144,061,031 Ordinary Shares (“**Cantheon Shares**”) (“**Cantheon Subscription**”), on the same pricing terms. The Cantheon Subscription and the Cantheon Shares will be invested and issued in tranches, with each tranche subject to the Company paying invoices for stages of the Phase 2b clinical trial with CannEpiL®. The trial, being conducted in Australia, enables the Company to claim up to a further £1,095,809 (A\$2,005,329) via a 43.5% non-dilutive Australian Federal R&D government rebate.

The Company has also provided a broker option (“**UK Broker Option**”) of up to 170,454,545 new Ordinary Shares (“**UK Broker Option Shares**”) which could raise up to a further £750,000 (A\$1,372,500) (before expenses). The Company will also offer Ordinary Shares to s708 exempt sophisticated and high net worth Australian investors on the same terms and conditions (“**Australian HNW Shares**”) and, together with the Placing Shares and the UK Broker Option Shares, the “**Fundraise Shares**”).

The Fundraise Shares and the Cantheon Shares will be issued at a price of 0.44 pence (0.8 cents) each. This price represents a 21% discount from the closing price of 0.56 pence per Ordinary Share on 6 April 2023 on the LSE, and a 20% discount to the closing price of 1.0 cent on the ASX, being the last practicable trading day prior to the release of this Announcement. Upon issue, the Placing Shares (if the UK Broker Option is fully subscribed), the UK Broker Option Shares and (if all the Cantheon Shares are issued) the Cantheon Shares will represent approximately 17% per cent of the Ordinary Shares then in issue (assuming that no other Ordinary Shares are issued in the interim).

In addition, the Company has agreed to issue one free attaching option (exercisable at 0.66 pence (or 1.2 cents) on or before 12 April 2024) for every two Fundraise Shares and Cantheon Shares subscribed for and issued under the Placing, UK Broker Option and Cantheon Subscription (“**Fundraise Options**”). Each Fundraise Option entitles the holder to subscribe for one fully paid Ordinary Share in the capital of the Company at the exercise price during the exercise period. The Fundraise Options will not be admitted to trading.

Following the Placing, the UK Broker Option and the Cantheon Subscription, up to 588,880,631 Fundraise Shares and 294,440,316 Fundraise Options shall be issued with shareholder approval under

ASX Listing Rule 7.1 (obtained on 30 March 2023) or pursuant to existing placement capacity as follows:

- 588,880,631 shares with shareholder approval under ASX Listing Rule 7.1; and
- 294,440,316 options pursuant to existing placement capacity under ASX Listing Rule 7.1.

Peterhouse Capital is acting as Bookrunner for the Placing and SW4 is acting as Financial Consultant.

Indicative Timetable

The timetable for the Placing and the UK Broker Option is detailed in the table below. All dates are indicative only and subject to change at the discretion of the Board. Any such change will be announced through a Regulatory News Service. This announcement will not lift the current trading halt in place on the ASX, as requested by the Company prior to the commencement of trading on 11 April 2023. The company will make a specific announcement to lift the trading halt prior to the commencement of trading Thursday, 13 April 2023.

Event	Date
Placing funds received by the Company	14 April 2023
Settlement and London Admission ¹ of UK Placing Shares	14 April 2023
UK Broker Option funds received by the Company (if any)	18 April 2023
Settlement and London Admission ¹ of the UK Broker Option Shares	19 April 2023

¹ As defined below.

Rationale for the Fundraise Shares and the Cantheon Subscription; Use of funds

The net proceeds raised by way of the Fundraise Shares and the Cantheon Subscription are expected to be used to advance progress in the Company’s clinical trial pipeline, including the completion of pre-clinical trials for CimetrA® (large animal), Investigational New Drug (IND) submission to the FDA, and pre-IND submission for CannEpiL® as the drug enters Phase 2b trials. Any balance of the net proceeds will be used for general corporate purposes.

Roby Zomer, CEO and Managing Director of MGC Pharmaceuticals, commented: *“This fundraise will provide MGC Pharma with the capital required to continue the excellent progress we have made advancing our clinical pipeline.*

“We see it as a vote of confidence in both our clinical pipeline and our strategy, which we continue to progress, most recently with the listing of ArtemiC as an OTC product by the FDA.

“Everyone at MGC Pharma is ready to build on the excellent work that has been done so far, and we are focussed on delivering value to our shareholders and for patients globally.”

Investor Presentation

MGC Pharma will deliver an Investor Presentation via the Investor Meet Company Platform on 11 April 2023 at 3.00 p.m. British Summer Time (“BST”). Questions can be submitted ahead of the presentation via the Investor Meet Company Platform at any time during the presentation.

Investors can sign up to Investor Meet Company for free and add to meet MGC PHARMACEUTICALS LIMITED via: <https://www.investormeetcompany.com/mgc-pharmaceuticals-limited/register-investor>

Investors who already follow MGC PHARMACEUTICALS LIMITED on the Investor Meet Company platform will automatically be invited.

The new company investor presentation can be found on the MGC Pharma website at the following URL: <https://mgcpharma.co.uk/static/media/Investor%20Presentation%20-%20April%202023.8d3b8ce1e65698fd1f22.pdf>

Details of the Placing

The Placing of 274,365,055 Placing Shares at the Placing Price has conditionally raised £1,204,525 before expenses for the Company.

When issued, the Placing Shares will rank *pari passu* with the existing Ordinary Shares in the Company. As noted above, participants in the Placing will also receive one Fundraise Option for every two Placing Shares subscribed for and issued.

The Company, its UK lead broker Peterhouse Capital Limited (“**Peterhouse**”) and SW4 Advisers Ltd (“**SW4**” and, together with Peterhouse, the “**Advisers**”) have entered into a placing agreement pursuant to which Peterhouse has, subject to certain conditions, procured subscribers for the UK Placing Shares at the Placing Price (together the “**Placing Agreement**”). The Placing Agreement contains provisions entitling Peterhouse to terminate the UK Placing (and the arrangements associated with it) at any time prior to London Admission (as defined below) of the UK Placing Shares and UK Broker Option Shares in certain circumstances, including in the event of a breach of the warranties given in the Placing Agreement, the failure of the Company to comply in any material respect with its obligations under the Placing Agreement, or the occurrence of a force majeure event or a material adverse change that Peterhouse decides is materially prejudicial to the outcome of the UK Placing. If this right is exercised, the UK Placing will not proceed and any monies that have been received in respect of the UK Placing will be returned to the applicants without interest and London Admission will not occur. The Company has agreed to pay Peterhouse, as broker, a commission and all other costs and expenses of, or in connection with, the UK Placing.

The Placing is not being underwritten by either of the Advisers or any other person.

Cantheon Subscription

The Company has also entered into a binding term sheet with Cantheon Capital pursuant to which Cantheon Capital has agreed to invest up to approximately £629,775 (A\$1,152,488) in the Company for up to approximately 144,061,031 Ordinary Shares. The Cantheon Subscription and Cantheon Shares will be invested and issued in tranches, with each tranche subject to the Company paying invoices in direct connection with various stages of the Phase 2b clinical trial with CannEpile®. The subscription amount and number of Ordinary Shares subscribed for by Cantheon Capital may fluctuate depending on foreign exchange rates at the time of subscription.

When issued, the Cantheon Shares will rank *pari passu* with the existing Ordinary Shares in the Company. Cantheon Capital will also receive one Fundraise Option for every two Cantheon Shares subscribed for and issued.

UK Broker Option Share Subscription

In order to provide qualifying shareholders (“**Existing Shareholders**”) and other qualified investors in the United Kingdom with an opportunity to participate on the same basis as the investors in the Placing, the Company has granted Peterhouse a UK Broker Option over up to 170,454,545 new Ordinary Shares (or such other number of Ordinary Shares as agreed between the Company and Peterhouse) (“**UK Broker Option Shares**”). Full take up of this number of new Ordinary Shares under the UK Broker Option would raise a further £750,000 for the Company (before expenses). As noted above, participants in the UK Broker Option will also receive one Fundraise Option for every two Ordinary Shares subscribed for and issued.

Existing Shareholders who hold Ordinary Shares in the Company and are on the register of members as at 5.00 p.m. BST on 6th April 2023 will be given a priority right to participate in the UK Broker Option and all orders from such existing Shareholders will be accepted and processed by Peterhouse, subject to scale-back in the event of over-subscription under the UK Broker Option. The UK Broker Option is not being underwritten by either of the Advisers or any other person. Peterhouse is entitled to participate in the UK Broker Option as principal.

The UK Broker Option is exercisable by Peterhouse on more than one occasion, at any time from the time of this Announcement to 4.30 p.m. BST on 12 April 2023, at its absolute discretion, following consultation with the Company. There is no obligation on Peterhouse to exercise the UK Broker Option or to seek to procure subscribers for the UK Broker Option. Peterhouse may also, subject to prior consent of the Company, increase the amount of the UK Broker Option or allocate new Ordinary Shares after the time of any initial allocation to any person submitting a bid after that time.

The UK Broker Option Shares are not being made available to the public and none of the UK Broker Option Shares are being offered or sold in any jurisdiction where it would be unlawful to do so. No prospectus will be issued in connection with the UK Broker Option.

To subscribe for UK Broker Option Shares, existing Shareholders (who are qualifying) and other qualified investors should communicate their bid to Peterhouse via their stockbroker as Peterhouse cannot take direct orders from individual private investors. Existing Shareholders or other interested parties who wish to register their interest in participating in the UK Broker Option Shares should instruct their stockbroker to call Peterhouse on STX: 76086 or 020 7469 0938 or 020 7469 0936 or 020 7220 9797. Each bid should state the number of UK Broker Option Shares the existing Shareholder wishes to subscribe for at the Placing Price.

Admission

Application will be made for admission of 180,005,680 Ordinary Shares (being the number of UK Placing Shares) to the Official List (standard segment) and to trading on the main market of the London Stock Exchange (“**London Admission**”) and to the Australian Securities Exchange. It is expected that London Admission of the UK Placing Shares will become effective at or around 8.00 a.m. (London time) on or around 14 April 2023 and that dealings in the UK Placing Shares will commence at that time.

An application for London Admission of the UK Broker Option Shares will be made following expiry of the UK Broker Option. In connection with admission of the Australian Placing Shares, any Cantheon Shares and Australian HNW Shares to the Official List (standard segment) and to trading on the main market of the London Stock Exchange, the Company will be preparing a prospectus (the “**Prospectus**”) and will seek approval of the Prospectus by the Financial Conduct Authority (“**FCA**”) and will then make an application for London Admission of the Australian Placing Shares, any Cantheon Shares and the Australian HNW Shares. The Prospectus will, subject to approval by the FCA, be published on the Company’s website. The Prospectus is not expected to be approved or published prior to places and Cantheon entering into a legally binding commitment in respect of the Australian Placing Shares, the Cantheon Shares or the Australian HNW Shares.

Total voting rights

On London Admission of the UK Placing Shares, the Company will have 3,140,212,376 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 3,140,212,376 and this figure may be used by shareholders from London Admission of the UK 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. A further announcement will be made once the number of UK Broker Option Shares (if any) being admitted to trading is known.

—Ends—

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

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About MGC Pharma

MGC Pharmaceuticals Ltd (LSE: MXC, ASX: MXC) is a European based pharmaceutical company, focused on developing and supplying accessible and ethically produced plant inspired medicines, combining in-house research with innovative technologies, with the goal of finding or producing treatments to for unmet medical conditions.

The Company's founders and executives are key figures in the global pharmaceuticals industry and the core business strategy is to develop and supply high quality plant inspired medicines for the growing demand in the medical markets in Europe, North America and Australasia.

MGC Pharma has a robust development pipeline targeting two widespread medical conditions and has further products under development.

MGC Pharma has partnered with renowned institutions and academia to optimise the development of targeted plant inspired medicines, to be produced in the Company's EU-GMP Certified manufacturing facilities.

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.

Follow us through our social media channels:

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Instagram: @mgc_pharma

IMPORTANT NOTICES

Forward Looking Statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this announcement and include statements regarding the Directors' beliefs or current expectations. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Investors should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.

Notice to overseas persons

This announcement does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company.

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into Canada, Japan or the Republic of South Africa or any jurisdiction into which the publication or distribution would be unlawful. This announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of the Company in Canada, Japan, New Zealand, the Republic of South Africa or any jurisdiction in which such offer or solicitation would be unlawful or require preparation of any prospectus or other offer documentation or would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Persons into whose possession this announcement comes are required by the Company to inform themselves about, and to observe, such restrictions.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

General

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) or any previous announcement made by the Company is incorporated into, or forms part of, this announcement.

References to £ and pence, and A\$ and cents, in this announcement are to the legal currency of the United Kingdom, and of Australia, respectively. A conversion rate of GBP/AUD 1.83 has been used.