

## Cannabis rising: Finfeed Q&A with MGC Pharma managing director Nativ Segev



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As Australian laws prohibiting the use of medical cannabis start to lift, some companies see Australia as a base for supplying cannabis-based product not just to the Australian market, but also as a springboard into the Asia-Pacific.

Earlier this year the Australian parliament passed laws which [made the cultivation of cannabis for medicinal purposes legal](#).

The bill was implemented with bi-partisan support from both the House of Representatives and the senate – an all-too rare feat.

In addition to several laws passed by state legislators, the outlook for medical cannabis in Australia continues to look rosy.

Earlier this year MGC Pharma (ASX:MXC), which manufactures a number of dermatological and beauty products using cannabidoil (which is derived from cannabis), set up shop in Israel and Slovenia to work on [using the active ingredients of cannabis to help treat epilepsy](#).

However, it has also made its intentions clear, outlining a plan to enter the Australian market with a [‘five pronged attack’](#).

MXC managing director Nativ Segev spoke to *Finfeed* about the Australian market, regulatory changes and what it hopes to achieve in future.

**Finfeed:** *Nativ, thanks for taking the time to talk with us. Let's start by looking at your entry into the Australian market. Obviously you're a listed Australian company, but surely it's a pretty small market to focus on? Is there a sense that the Australian market is a 'frontier' opportunity with few entrenched players?*

**Nativ Segev:** There are many reasons why MXC is focusing on Australia, both as a large market for our products (cosmetics, supplements, medicinal), but also as an operational base of growing, production and manufacturing for the entire southern hemisphere including the Asia- Pacific market (Thailand, China, Japan, etc).

Furthermore, we are listed here, so we have a strong desire and responsibility to serve our home market; we are big believers in being first to market and being leaders in the Australian market.

We have gained significant experience in Israel and Europe that few other companies have in Australia, and so we are hoping the moves we make as a business will inspire and facilitate the growth of a larger, national industry that can start to positively impact Australia's tax revenue and hard currency (export) revenues, in a very short time.

This includes access to the very interesting and potentially lucrative Asian market, which could be great for Australia, increasing value of trade.

Additionally, Australia encourages entrepreneurship and innovation, two of MXC's most important standards. We'd be foolish to miss the opportunity as it presents itself to be the leading medical cannabis company in our own country.

**FF:** *It's amazing to see some of the progress made in North America around medical cannabis, for example in states where it's legal the use of prescription drugs has gone down – why do you think there's been a groundswell of support in the US?*

**NS:** The support has been rising for the last 10 years worldwide, and especially during the past 4 years. The reason is simple; Cannabis is saving lives and improving people's quality of life on a daily basis.

The numbers you are seeing from the US are only the beginning; there is a decline in people using overprescribed and conventional drugs, due to scientific evidence emerging in the US and globally, which support Cannabis treating major illnesses including major Neurological and Oncological ailments with significantly less side effects.

**FF:** *Do you think there is the potential for broad support in places like the US and Canada to have a positive impact on the Australian perception of medical cannabis?*

**NS:** Absolutely. Most of the world looks to the west as leaders in these cases. We are already seeing a shift in the way politicians, doctors, pharmacists and other professionals are looking at the market.

**FF:** *Are we at a point where it's generally accepted in Australia that cannabis has a role to play in the medical sphere – or are we still a while away from that point?*

**NS:** I think we are at the tipping point. It's happening around us, but like any other country it's a process which still needs time to implement the science and evidence behind 'Medical Cannabis'. The pace of this progress will be determined first by proper scientific research, then the education of the public and various other stakeholders. As long as the evidence supporting Cannabinoids continues to flow, the fear of the unknown will be eliminated.

**FF:** *Is a lot of the work you're doing in Australia about articulating to legislators and the broader community the opportunity here?*

**NS:** Indeed. We are focusing a lot of our energies and working with many partners such as Sydney University, where our student cohort created the first Medical Cannabis White Paper. We are working with different organizations to facilitate legislators understanding the importance of a responsible cannabis community in Australia, which will have impact on national public health, revenue generated for taxes, medical advancement and developed technology.

With that in mind, we are working at the highest levels, connecting with Australian politicians and lawmakers, thought influencers and multiple communities of doctors, pharmacists and patients, all of whom will impact the way public and the government think about cannabis and its value as a medicine.

**FF:** *How much of your job now is about creating products – and how much is it about advocacy/industry leadership and getting that strategy right?*

**NS:** My job is to manage MGC Pharmaceuticals, as a strong, reliable and profitable company. This means overseeing MXC and its various divisions, putting the right effort in the right places, and determining what resources are needed in each of these fields according to its specific demands.

From our experience, in this unique space, you need to spend lots of time in advocacy and education but nevertheless, as a commercial company we need to have products on the shelves, alongside constant research & development to be in the forefront of the industry in all time.

**FF:** *Do you think we'll see a point where you won't need to advocate, that it will just be about creating products?*

**NS:** I think we at MXC will always be advocating and actively supporting this idea of responsible cannabis industry, but I think that from certain point it will be called educating and not advocating. More effort will be on keeping up the awareness and the responsibility of this industry, and therefore we will always have the responsibility to the public, to provide the safest products with the supporting information.

**FF:** *How important is it to grow support within the academic community in Australia?*

**NS:** It is absolutely crucial. We are ahead of the curve as MXC is working in collaboration with University of Sydney and their Community Placement Program to engage in important research on the global and local impacts of Cannabis as a medicine.

Our first cohort published a white paper, which is essentially a state of the union of Cannabis in Australia and an outlook towards the future. Additionally, we are putting out a paper soon that provides a wide look at all clinical studies that have taken place globally using cannabis as the active ingredient. This will give doctors, legislators and researchers a place to start when figuring out the actual implementation of a Cannabis regime here in Australia.

**FF:** *Is part of the issue here in Australia that there appears to be a mix of state and federal legislation in play with seemingly different approaches to the subject – do you think that's a problem which should be looked at?*

**NS:** I think it will work itself out in the long run. Unlike America, where this confusion has caused a complex situation as there's no federal law in place, in Australia it now has a clear foundation set with Federal legislation. Also there seems to be more effort and planning to figure out who is going to lead the way in Australia, which several states are taking into their own hands. At the end of the day the goal of all sides is to provide safe medicine to the public under federal regulation. Such things take time, but we are definitely going the right way to get there.

**FF:** *What should investors be on the lookout for in the next few months?*

Many things are going to happen in the next few months, from international operations to the home market, as we are placing the Australian Strategy into motion including commercial regulation and educational programs.

MXC will enter into multinational clinical research in Oncological patients, severe epilepsy and other conditions, moving forward with its Dermatological OTC research as we recently announced with our cbd patch tests for acne and psoriasis conditions in Slovenia.

Furthermore, we see an increase in our product lines and market opportunities, and we will increase our cultivation farms to support these operations.

**FF:** *Nativ, thank you for your time.*