

25 January 2017

ASX Code: MXC

Commencement of Dermatological Clinical Trials

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- MGC Pharmaceuticals is starting its clinical tests in Slovenia on human volunteers to determine the efficacy of its dermatological skin care products
- Company's dermatological skin care products are targeted for the relief of redness, dryness, flaky and oily indications for skin prone to acne, seborrhea and psoriasis
- MGC Pharmaceuticals expects to commence sales of a dermatological skin care product range by Q3 2017, following the completion of successful clinical tests
- Company aims to market the product range via select retail outlets and pharmacy chains, and the MGC Derma online shop
- Dermatological products represent the Company's second material revenue stream in 2017, complementing its MGC Derma cosmetics line

MGC Pharmaceuticals Ltd (ASX: **MXC** or "the Company") is pleased to confirm that it is commencing its clinical tests on human volunteers to determine the efficacy of its dermatological skin care products for the relief of redness, dryness, flaky and oily indications for skin prone to acne, seborrhea and psoriasis. Once this is completed, the Company plans to immediately commence commercial sales in Q3.

The Company is starting 3-month clinical tests on human volunteers across its 3 CBD based dermatological skin care products at the largest Slovenian private dermatological institution in the country since 2003. The clinical tests monitoring and independent result analysis will be performed by Rok Devjak, MD PhD. The tests will investigate the efficacy of the dermatological products for the relief of indications of redness, dryness, flaky, oily and acne prone skin in human volunteers.

A dermatological product range presents a significant commercial opportunity for the Company. MGC Pharmaceuticals expects to commence sales of a dermatological skin care product range by Q3 2017, immediately following the completion of the 3-month clinical trial.

The Company aims to market the dermatological product range to consumers throughout MGC Derma's emerging international distribution network, and to make the Company's dermatological products available to purchase from Q3 2017 at select retail outlets, pharmacy chains and via the MGC Derma online shop www.mgnderma.com.

A dermatological product range represents the Company's second revenue stream, is due to commence in Q3 2017 following successful completion of the clinical tests. This complements MGC Pharmaceuticals' MGC Derma cosmetics product range, which has already commenced generating revenue for the Company.



Images: MGC Dermatological Products in Production for the Trials

Nativ Segev, Co-founder and Managing Director, MGC Pharmaceuticals commented:

“Following the completion of our 3-month efficacy test on human volunteers, we look forward to commencing our second revenue stream – the sale of a dermatological product range. These products have the potential to bring relief of redness, dryness, flaky and oily indication in skin prone to acne, psoriasis and seborrhea and presents a significant commercial opportunity for MGC Pharmaceuticals.”

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About MXC

MGC Pharmaceuticals Ltd (ASX: MXC) is an EU based specialist medical cannabis company with many years of technical and commercial experience in the medical cannabis industry. The Company’s founders were key figures in the Israeli medical cannabis industry and the core business strategy is to develop and supply high quality non-psychoactive cannabidiol (CBD) resin extract for the growing demand in cosmetics and medical markets in Europe, North America and Australasia. The Company is also developing strategic joint ventures in these key value-add industries, as demonstrated with MGC Derma CBD cosmetics and dermatological product lines.